



Highlights of [GAO-03-7](#), a report to the Honorable Edward J. Markey, Ranking Minority Member, Subcommittee on Telecommunications and the Internet, Committee on Energy and Commerce, House of Representatives.

Why GAO Did This Study

The transition to broadcast digital television (DTV) will provide new television services and the improved picture quality of “high definition television.” It will also allow some portions of the radiofrequency spectrum used for broadcasting to be returned for public safety and commercial uses. The Congress set December 2006 as the target date for completing the DTV transition and turning off the analog broadcast signals. However, this date can be extended if fewer than 85 percent of households in a market are able to receive the digital signals. GAO was asked to assess issues related to the DTV transition.

What GAO Recommends

GAO recommends that FCC

- explore options to raise public awareness about the DTV transition and its implications,
- examine the costs and benefits of mandating that all new televisions be digital cable-ready, and
- examine the advantages and disadvantages of setting a fixed date for transferring must-carry rights from broadcasters’ analog signals to digital signals.

FCC noted actions it has taken and proceedings it has under way to address the intent of these recommendations.

<http://www.gao.gov/cgi-bin/getrpt?GAO-03-7>

To view the full report, including the scope and methodology, click on the link above. For more information, contact Peter Guerrero, (202) 512-3841 or guerrerop@gao.gov.

TELECOMMUNICATIONS

Additional Federal Efforts Could Help Advance Digital Television Transition

What GAO Found

Numerous factors are impeding the progress of the DTV transition, making it unlikely that 85 percent of households will be able to receive DTV signals in many markets by December 2006.

- Few consumers own digital television equipment. Only about 1 percent of television equipment sold in 2001 could receive digital signals. This is largely because digital television sets and tuners are expensive and high definition programming is limited.
- Many consumers are unaware of the DTV transition. In a random household survey conducted for GAO, 40 percent of respondents had never heard about the transition; only one in five were “very aware” of it. In addition, the quality of information that consumers receive about DTV products at the retail level may be inconsistent. In visits to 23 DTV retailers, GAO found that sales staff sometimes provided inaccurate or incomplete information about DTV equipment and programming.
- Cable and satellite digital carriage is limited. The great majority of American households receive their television via cable or satellite. However, cable carriage of local digital broadcast channels is very limited. Furthermore, satellite providers currently do not carry any markets’ local digital broadcasts.

To speed the DTV transition, the Federal Communications Commission (FCC) has required that by 2007 most new television sets be capable of receiving digital signals over the air. Another policy option to speed the transition would be to also require that new sets be capable of receiving digital signals via cable. Because many more American households receive television via cable than receive it over the air, mandating that new sets be “digital cable-ready” could effectively speed the transition. However, the cost to consumers of such a policy would first need to be assessed, and outstanding issues related to the compatibility between cable systems and DTV equipment would need to be resolved.

Currently, broadcast stations have the right to require that cable systems in their market carry their analog signals (a right known as “must-carry”). One policy option to facilitate the transition would be to set a fixed date when this must-carry right would transfer from broadcasters’ analog signals to digital signals. This option might speed cable carriage of digital broadcasts without requiring cable systems to carry both analog and digital broadcasts simultaneously. Because such a policy could have both advantages and disadvantages, it needs to be carefully evaluated.