



INDEPENDENT TELEPHONE & TELECOMMUNICATIONS ALLIANCE

December 4, 2007

The Honorable Kevin Martin
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, DC 20054

Re: *DTV Consumer Education Initiative*
MB Docket No. 07-148

Dear Chairman Martin:

On behalf of the members of the Independent Telephone & Telecommunications Alliance (ITTA), I write to oppose any proposed Commission rule to require recipients of Lifeline and Link-Up funds to provide monthly bill inserts regarding the DTV transition scheduled for February 17, 2009. As outlined below, this proposal, while well-intentioned, is neither an appropriate, efficient, nor effective way to ensure consumers are informed about the DTV transition, and moreover implicates substantial jurisdictional and First Amendment concerns.

Our members provide service to more than 13 million customers in 42 states, primarily in rural and suburban markets.¹ We understand the Commission's intent to ensure no one is left behind when the transition takes place. However, requiring companies that receive Universal Service Funds for Lifeline and Link-Up to include DTV transition bill inserts to all customers, or even just Lifeline/Link-Up customers, on a monthly basis between now and the transition will likely do more to confuse consumers, rather than educate them. More importantly, such a proposal would place an undue, and likely unlawful, burden on the members of ITTA.

It is impossible to minimize the jurisdictional and First Amendment issues raised by a proposal to require telecommunications carriers to send bill inserts regarding DTV transition. In the interest of time, we would direct you to the well-reasoned comments already filed by US Telecom and Verizon.² Suffice to say that the bill insert proposal raises serious jurisdictional and Constitutional concerns. In particular, it is difficult to comprehend that such a measure is narrowly tailored, given the possibility of other far more effective and logical channels by which to educate consumers on the DTV transition, such as the numerous ads currently airing on broadcast television.

Equally troubling to ITTA member companies is the undue cost and burden that will be imposed upon them should the proposal be adopted. ITTA members individually serve between 50,000 and 7 million access lines, and rough estimates of the cost of printing and mailing the

¹ Current members include CenturyTel, Citizens, Comporium, Consolidated Communications, Embarq, FairPoint, Iowa Telecom, Matanuska Telephone Association, and TDS.

² *Comments of the United States Telecom Association* (filed Sep. 17, 2007) and *Comments of Verizon* (filed Sep. 17, 2007).

inserts alone run into the hundreds of thousands of dollars for one member over the duration of the program. In addition to the production and postage costs, there will likely be additional costs incurred as customer call centers field calls from consumers with questions.

Additionally, the potential for customer confusion under this proposal is substantial. Customers are likely not to understand why their local telecommunications provider is sending them information regarding DTV. Many of these customers will, in turn, call their provider. Moreover, it should be expected that some of these customer will become unsatisfied when they realize that their local phone company sent them information that has nothing to do with their phone service.

Finally, ITTA questions the logic of targeting Lifeline/Link-Up customers in the first place because there is no nexus between poverty and over-the-air broadcast customers. To the contrary, national studies have shown that low-income customers tend to have the same or higher take rates for cable and satellite TV.³ For that reason, there seems to be no correlation between over-the-air television and low-income households. Moreover, Lifeline/Link-Up customers who discover that they were specifically targeted for these mailings could be upset at being categorized, which could in turn affect adversely carrier relationships with their customers in the marketplace.

As stated above, ITTA understands and is sympathetic to the Commission's challenge in ensuring that consumers are properly educated regarding the DTV transition. Current efforts underway by broadcasters and electronics manufacturers and retailers are the proper channels for reaching the people most likely to be affected by the transition. Requiring telephone companies to include bill inserts for Lifeline/Link-Up or all customers regarding the DTV transition is not the right approach. In addition to implicating core First Amendment rights, it will be costly, lead to customer confusion, and it will not reach effectively the intended audience.

Respectfully submitted,

s/Curt Stamp
Curt Stamp
Executive Director

cc: Commissioner Michael Copps
Commissioner Jonathan Adelstein
Commissioner Deborah Taylor Tate
Commissioner Robert McDowell

³ "The Impact of Video Service Regulation on the Construction of Broadband Networks to Low-Income Households," *Phoenix Center*, September, 2005, p 3, available at: <http://www.phoenix-center.org/pcpp/PCPP23Final.pdf> (last visited, December 4, 2007).