



UNITED STATES DEPARTMENT OF COMMERCE
National Telecommunications and
Information Administration
Washington, D.C. 20230

SEP 30 2008

The Honorable John D. Dingell
Chairman
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Dingell:

In accordance with your March 5, 2008, letter, I am pleased to provide you with updated information regarding whether additional funds will be needed for the TV Converter Box Coupon Program (Coupon Program) administered by the National Telecommunications and Information Administration (NTIA). As you know, Section 3005 of the Deficit Reduction Act of 2005 authorized \$1.5 billion for the Coupon Program and designated up to \$1.34 billion for 33.5 million coupons, up to two per eligible household, each coupon valued at \$40. NTIA believes that the \$1.5 billion authorized under the Deficit Reduction Act of 2005 is sufficient to accommodate coupon requests for all eligible households. As discussed below, NTIA appreciates the Committee's support for NTIA's request to provide the Agency with additional statutory flexibility to use available balances in certain programs funded by the Digital Television and Public Safety Fund to cover administrative expenses of the Coupon Program above the authorized \$160 million.

As of September 24, 2008, NTIA has accepted more than 15 million requests from households for more than 28.2 million coupons, of which 26.7 million have been mailed. Coupon requests continue to average approximately 105,000 per day. The first coupons were mailed on February 21, 2008, so data is available for 18 weeks for coupons that have completed the 90-day "life cycle" – *i.e.*, the coupon has either been redeemed or has expired. Of those coupons mailed during these eighteen weeks, 49.5 percent have been redeemed. The coupons distributed during the same period to homes that rely on over-the-air (OTA) television have been redeemed at a rate of 55.6 percent.

NTIA monitors coupon activity data constantly and is looking at various scenarios to project the number of coupons the Coupon Program will be able to distribute. Assuming an increase in demand in the months preceding the February 17, 2009, switch, as well as a redemption rate consistent with that realized to date, NTIA estimates that the Coupon Program's current system processing capability could enable it to distribute approximately 17 million additional coupons through March 31, 2009, which would increase the total number of coupons distributed from 33.5 million to over 50 million.

NTIA's goal is to fulfill as many coupon requests as possible at the lowest cost and without changing Coupon Program messaging to consumers. To date, NTIA has placed orders with its contractor, IBM, to distribute up to 44.5 million coupons, including 11 million coupons from funds returned from expired and unredeemed coupons, within the funds available under the \$160 million administrative cap. As noted above, however, NTIA projects that the Coupon Program could distribute even more coupons if additional administrative funds were made available.

To that end, the Department of Commerce recently submitted to Congress draft legislation that would provide NTIA with the statutory flexibility, if needed, to use available balances in certain programs funded by the Digital Television and Public Safety Fund to cover administrative expenses of the Coupon Program above the authorized \$160 million. NTIA appreciates the Committee's efforts in response to this request, and understands that language providing this flexibility is included in H.R. 2638, the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act of 2009, that was sent to the President on September 27th.

Since June 2008, NTIA has provided a Weekly Redemptions Report to retailers and the public. The report, a copy of which is enclosed (and available at <https://www.ntiadtv.gov/docs/WeeklyRedemptionsReport.pdf>), includes data on the numbers of coupons issued and redemption rates for all households and over-the-air households. In addition, NTIA is posting coupon request and redemption data broken out by state and by zip codes. All of this data is made available to assist retailers and manufacturers in meeting consumer demand.

NTIA appreciates the Committee's continued oversight of the Coupon Program and looks forward to working with you toward a successful and consumer-friendly DTV conversion.

Sincerely,



Meredith Attwell Baker
Acting Assistant Secretary for
Communications and Information

Enclosures: Chart: *Weekly Status Report (as of September 24, 2008)*
Chart: *Weekly Redemptions Report (as of September 24, 2008)*

cc (with enclosures): The Honorable Joe Barton, Ranking Member
Committee on Energy and Commerce

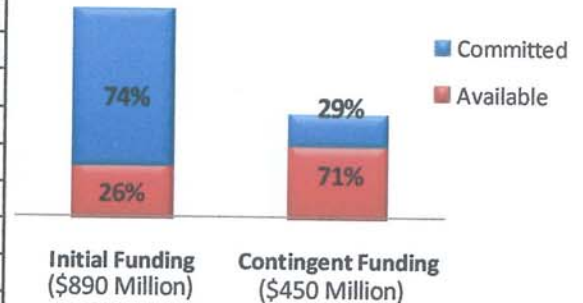
**TV CONVERTER BOX COUPON PROGRAM
WEEKLY STATUS UPDATE ***

Wednesday, September 24, 2008- 4:00PM EDT



Households Approved	15,062,959
Coupons Requested+	28,255,862
Coupons Mailed+	26,735,006
Coupons Expired	8,531,411
Coupons Redeemed+	10,839,358
Coupons Active+	7,364,237
Total Funds Committed+	\$788,452,794
Total Funds Available+**	\$551,547,206
Funds Settled+**	\$415,372,476
Average Daily Orders YTD	105,823
Average Daily Orders Last 30 Days	111,662
Average Daily Orders Last Week	114,065
Redemption Rate	49.5%
Retailers/Locations	2,383 / 29,528
Phone/Online Retailers	13 / 36
Converters/Pass-through	165 / 89

**Total Coupon Funding
(\$1.34 Billion)**



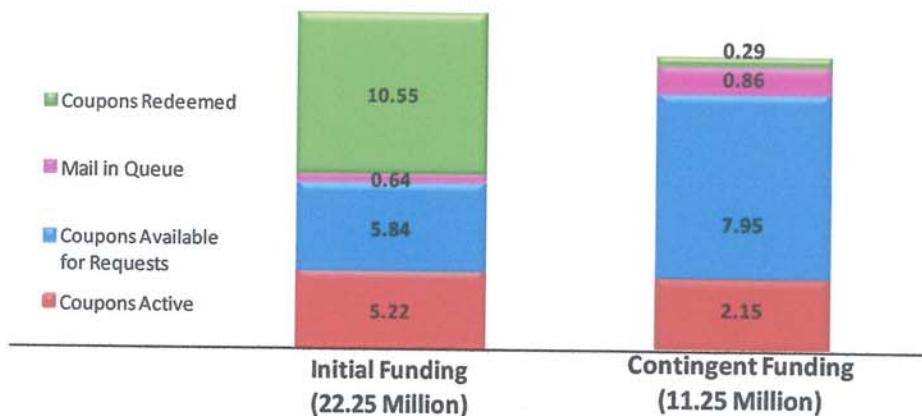
*Data thru 9/23/08

+Includes Initial & Contingent

**Includes redemptions <\$40 & Funds returned from un-redeemed & expired coupons



Coupon Status



TV CONVERTER BOX COUPON PROGRAM

WEEKLY REDEMPTIONS REPORT *

Wednesday, September 24, 2008– 4:00PM EDT

*Data thru 9/23/08

- Red Boxes indicate complete data.
 - Blue boxes indicate minimum values.
- These may rise based on future redemptions.



Redemptions by Expiration Date

Coupons Issued Date - Week Ending	Coupons Expiring - Week Ending	Total Coupons Issued That Week	Total Redemptions (From Coupons Issued That Week)	Coupons Expired / Lost / Stolen (From Coupons Issued That Week)	Percent of Coupons Redeemed by Days From Issue Date				Cumulative Redemption Rate
					0-30	31-60	61-90	Total %	
									Total%
2/23/2008	5/23/2008	220,809	103,780	117,029	16.6%	10.7%	19.8%	47.0%	
3/1/2008	5/30/2008	619,157	246,639	372,518	13.2%	8.7%	18.0%	39.8%	
3/8/2008	6/6/2008	480,005	167,126	312,879	10.8%	7.4%	16.6%	34.8%	
3/15/2008	6/13/2008	479,981	197,910	282,071	13.1%	9.0%	19.2%	41.2%	
3/22/2008	6/20/2008	859,979	388,139	471,840	13.2%	10.9%	21.1%	45.1%	
3/29/2008	6/27/2008	1,289,878	602,388	687,490	13.3%	12.1%	21.2%	46.7%	
4/5/2008	7/4/2008	1,059,711	491,319	568,392	12.6%	11.2%	22.6%	46.4%	
4/12/2008	7/11/2008	1,031,076	482,232	548,844	13.2%	11.2%	22.5%	46.8%	
4/19/2008	7/18/2008	1,295,724	677,960	617,764	15.4%	13.2%	23.8%	52.3%	
4/26/2008	7/25/2008	1,247,132	667,660	579,472	15.5%	13.9%	24.2%	53.5%	
5/3/2008	8/1/2008	2,010,999	1,045,034	965,965	12.4%	14.8%	24.8%	52.0%	
5/10/2008	8/8/2008	1,910,421	932,794	974,904	10.4%	14.1%	24.4%	48.8%	
5/17/2008	8/15/2008	806,777	425,123	380,733	13.1%	14.6%	25.1%	52.7%	
5/24/2008	8/22/2008	449,789	243,691	205,748	14.6%	15.1%	24.4%	54.2%	
5/31/2008	8/29/2008	749,692	414,455	334,055	15.8%	15.2%	24.3%	55.3%	
6/7/2008	9/5/2008	749,949	393,073	355,322	15.2%	13.6%	23.6%	52.4%	
6/14/2008	9/12/2008	749,973	408,575	340,044	15.4%	15.1%	24.0%	54.5%	
6/21/2008	9/19/2008	732,575	408,526	322,992	16.1%	16.1%	23.6%	55.8%	49.5%
6/28/2008	9/26/2008	729,931	370,696	68,717	16.6%	16.3%	17.9%	50.8%	
7/5/2008	10/3/2008	749,994	318,632	20	15.7%	16.2%	10.6%	42.5%	
7/12/2008	10/10/2008	749,994	283,697	15	16.0%	15.7%	6.2%	37.8%	
7/19/2008	10/17/2008	749,998	265,217	19	17.3%	15.2%	2.9%	35.4%	
7/26/2008	10/24/2008	749,994	251,524	19	19.0%	14.4%	0.2%	33.5%	
8/2/2008	10/31/2008	749,877	229,571	7	19.2%	11.4%	0.0%	30.6%	
8/9/2008	11/7/2008	849,994	226,161	14	19.1%	7.5%	0.0%	26.6%	
8/16/2008	11/14/2008	699,996	168,475	8	19.3%	4.7%	0.0%	24.1%	
8/23/2008	11/21/2008	749,999	157,159	10	19.9%	1.1%	0.0%	21.0%	
8/30/2008	11/28/2008	749,998	120,968	4	16.1%	0.0%	0.0%	16.1%	
9/6/2008	12/5/2008	849,995	71,603	6	8.4%	0.0%	0.0%	8.4%	
9/13/2008	12/12/2008	711,415	20,910	0	2.9%	0.0%	0.0%	2.9%	

TV CONVERTER BOX COUPON PROGRAM

WEEKLY REDEMPTIONS REPORT *

Wednesday, September 24, 2008 – 4:00PM EDT

*Data thru 9/23/08

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OTA Redemptions by Expiration Date

Coupons Issued Date - Week Ending	Coupons Expiring - Week Ending	Number of OTA-Reliant Households	OTA-Reliant Coupons Issued	OTA-Reliant Redemptions	OTA-Reliant Coupons Reported Lost / Stolen / Expired	Percent of OTA Coupons Redeemed by Days From Issue Date	Cumulative Redemption Rate
						Total %	Total%
2/23/2008	5/23/2008	52581	101,806	60,439	41,367	59.4%	
3/1/2008	5/30/2008	156450	294,302	149,541	144761	50.8%	
3/8/2008	6/6/2008	117261	225,034	103,222	121,812	45.9%	
3/15/2008	6/13/2008	116280	222,917	119,009	103,908	53.4%	
3/22/2008	6/20/2008	215461	411,505	228,195	183,310	55.5%	
3/29/2008	6/27/2008	324759	617,221	338,183	279,038	54.8%	
4/5/2008	7/4/2008	261637	495,734	264,159	231,575	53.3%	
4/12/2008	7/11/2008	251227	476,352	264,330	212,022	55.5%	
4/19/2008	7/18/2008	335418	633,544	371,393	262,151	58.6%	
4/26/2008	7/25/2008	330684	623,020	367,557	255,463	59.0%	
5/3/2008	8/1/2008	552234	1,041,495	587,346	454,149	56.4%	
5/10/2008	8/8/2008	523515	988,411	521,316	465,677	52.7%	
5/17/2008	8/15/2008	222096	418,983	236,343	182,169	56.4%	
5/24/2008	8/22/2008	128602	242,520	139,545	102,782	57.5%	
5/31/2008	8/29/2008	210109	396,620	232,087	163,923	58.5%	
6/7/2008	9/5/2008	210639	398,074	218,983	178,275	55.0%	
6/14/2008	9/12/2008	211847	400,744	229,053	170,985	57.2%	
6/21/2008	9/19/2008	208827	394,973	229,343	165,009	58.1%	55.6%
6/28/2008	9/26/2008	205836	389,384	205,516	33,248	52.8%	
7/5/2008	10/3/2008	207997	393,389	174,059	4	44.2%	
7/12/2008	10/10/2008	206731	390,397	154,835	4	39.7%	
7/19/2008	10/17/2008	204294	385,946	143,736	6	37.2%	
7/26/2008	10/24/2008	207454	391,820	137,947	8	35.2%	
8/2/2008	10/31/2008	204213	385,540	124,447	2	32.3%	
8/9/2008	11/7/2008	234812	443,716	124,327	6	28.0%	
8/16/2008	11/14/2008	200374	377,556	95,109	6	25.2%	
8/23/2008	11/21/2008	222772	417,864	91,501	3	21.9%	
8/30/2008	11/28/2008	222117	416,274	71,125	0	17.1%	
9/6/2008	12/5/2008	247308	463,489	42,111	4	9.1%	
9/13/2008	12/12/2008	211413	397,736	12,358	0	3.1%	

TV CONVERTER BOX COUPON PROGRAM

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Non OTA Redemptions by Expiration

Coupons Issued Date - Week Ending	Coupons Expiring - Week Ending	Non OTA-Reliant Coupons Issued	Non OTA-Reliant Redemptions	Non OTA-Reliant Coupons Reported Lost / Stolen / Expired	Percent of Non OTA Coupons Redeemed by Days From Issue Date	Cumulative Redemption Rate
					Total %	Total%
2/23/2008	5/23/2008	119,003	43,341	75,662	36.4%	
3/1/2008	5/30/2008	324,855	97,098	227,757	29.9%	
3/8/2008	6/6/2008	254,971	63,904	191,067	25.1%	
3/15/2008	6/13/2008	257,064	78,901	178,163	30.7%	
3/22/2008	6/20/2008	448,474	159,944	288,530	35.7%	
3/29/2008	6/27/2008	672,657	264,205	408,452	39.3%	
4/5/2008	7/4/2008	563,977	227,160	336,817	40.3%	
4/12/2008	7/11/2008	554,724	217,902	336,822	39.3%	
4/19/2008	7/18/2008	662,180	306,567	355,613	46.3%	
4/26/2008	7/25/2008	624,112	300,103	324,009	48.1%	
5/3/2008	8/1/2008	969,504	457,688	511,816	47.2%	
5/10/2008	8/8/2008	922,010	411,478	509,227	44.6%	
5/17/2008	8/15/2008	387,794	188,780	198,564	48.7%	
5/24/2008	8/22/2008	207,269	104,146	102,966	50.2%	
5/31/2008	8/29/2008	353,072	182,368	170,132	51.7%	
6/7/2008	9/5/2008	351,875	174,090	177,047	49.5%	
6/14/2008	9/12/2008	349,229	179,522	169,059	51.4%	
6/21/2008	9/19/2008	337,602	179,183	157,983	53.1%	43.5%
6/28/2008	9/26/2008	340,547	165,180	35,469	48.5%	
7/5/2008	10/3/2008	356,605	144,573	16	40.5%	
7/12/2008	10/10/2008	359,597	128,862	11	35.8%	
7/19/2008	10/17/2008	364,052	121,481	13	33.4%	
7/26/2008	10/24/2008	358,174	113,577	11	31.7%	
8/2/2008	10/31/2008	364,337	105,124	5	28.9%	
8/9/2008	11/7/2008	406,278	101,834	8	25.1%	
8/16/2008	11/14/2008	322,440	73,366	2	22.8%	
8/23/2008	11/21/2008	332,135	65,658	7	19.8%	
8/30/2008	11/28/2008	333,724	49,843	4	14.9%	
9/6/2008	12/5/2008	386,506	29,492	2	7.6%	
9/13/2008	12/12/2008	313,679	8,552	0	2.7%	