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My name is Christopher A. McLean; I am the Executive Director of the Consumer Electronics Retailers Coalition (CERC).

Thank you for the opportunity to appear this morning on behalf of CERC whose members make up America's favorite places to shop for every DTV need. Our members include Amazon, Best Buy, Radio Shack, Target, K-Mart, Sears, Wal-Mart, SAMs Club as well as the Retail Industry Leaders Association and the National Federation of Retailers.

On behalf of CERC and its members, I express our appreciation to the Commission, the National Telecommunications Information Administration, the White House and our industry partners for outstanding leadership in an endeavor requiring unprecedented cooperation between government, industry and the public at large.

While it is still too soon for a victory lap, it is not too soon to say thank you to all those who have worked so long and hard on this transformation of television. I'd like to make a special thank you to the Chairman for taking ownership of the transition.

It has been a multi-year initiative. CERC has been very proud to be part of this amazing effort. CERC was an early and active member of the DTV Transition Coalition and all CERC members participate in the NTIA DTV converter box coupon program.

Our members have also enjoyed an excellent working relationship with the FCC staff and Commissioners on a host of community out-reach events across the nation.

Like a marathon, Wilmington, Western Nebraska, and Hawaii were among the first to complete the race. In February, a large batch of stations and communities recorded personal bests as they crossed the finish line into the digital future. Now the coming days will bring the largest mass of contestants across the finish line. Some will be tired, some will be exhausted but most will be very happy to have made and completed the race. As in any race, there will be a few stragglers who may take a little extra time to complete the task. For those who feel like giving up, they just need to ask for help and they will make it too.

During our last gathering, I was pressed by the Chairman about converter box supply. Prior to today's hearing, CERC's counsel, Robert Schwartz, under the protection of attorney client privilege polled our membership and provided me with a report of our member's general readiness for the waning days of analog television.

From a retail perspective, I have some news to report. Some of our members are concerned about converter box supply....they are concerned that they may have *too many* boxes on hand!!

In all seriousness, I am pleased to report that our members generally feel prepared for the final days of analog and dawn of all digital television.

For consumers, please do not interpret my general optimism to mean that you should wait until the last minute to make your digital transition. What lies ahead remains uncharted territory. While I observe no evidence of a shortage, it is possible that on any given day, at any given store, the product you want may be out of stock. Just like the nine days before Christmas, the most popular items will move off our shelves. We also know that the day after Christmas is a very big day, so we are preparing for the day after transition.

I urge consumers to not delay. Visit your favorite consumer electronics retailer while they have plenty of stock and you have plenty of time.

Our members offer consumers a complete range of options to convert to digital. We have everything from coupon eligible converter boxes to antennas to the home theater systems of your dreams. For converter box coupon holders there is a range of shopping options - on-line, over the phone and in person shopping at a retail location.

Our members have learned from the early transition markets. For example, after the Wilmington trial, I observed retailers strengthening their antenna selection. We also know that in the early transition markets, while demand for converter boxes fell dramatically and quickly after the transition, a trickle of demand continues for a while. We've also learned that while converter box returns are relatively low, antenna returns are high in comparison.

Our members are entering the final stretch with confidence, but we know that the transition will be a challenge especially for vulnerable populations.

I can assure you; that all CERC members are working hard to give all consumers a positive shopping experience and to help them find the products they want.

As a coalition of competitors, our members do not; can not; and will not share or coordinate supply and pricing information with each other. That is why our supply estimates are not numerical but impressionistic. Each competitor is looking at the total market, their customers and guessing what other competitors have done.

Antennas continue to be a very interesting product line for retailers. Our operating assumption has always been that most consumers should be able to re-use their existing antenna for digital television. Demand suggests that customers have found it necessary to upgrade their gear. Retailers have

stocked an array of products despite the fact that antennas have a high return rate. There are some very exciting innovations in antenna technology but often the most basic rabbit ears technology works very well. I applaud the FCC, the NTIA and NAB for their work on antenna web, the new FCC antenna tool and website and other on-line reception resources. They are very helpful.

For retailers, antenna sales present a difficult training dilemma. The problem is that antenna configuration is highly sensitive to micro issues like TV location within the house, vegetation, topography.

Of course with all of the focus on converter boxes and antennas, we should not overlook the fact that the right solution for many Americans may be to simply purchase a new DTV or subscribe to a video service. Our members are ready with DTV options to fit every lifestyle and budget.

The single most important message for consumers as we enter the final stretch of the DTV conversion is to not delay. Our stores are open late and our shelves are stocked.

In closing, Chairman Copps and Commissioners Adelstein and McDowell, on behalf of CERC and its members, we thank you for your leadership. We look forward to continuing to work with you for the balance of the transition and beyond.

Thank You.