

Special Review Memorandum

Re: HDTV: "Brighter, Bolder, Better!"

Foreword

Are America's broadcasters doing enough to foster public interest -- perhaps even some genuine enthusiasm -- for the upcoming transition to digital television, now scheduled for February 2007?

Bigger Even Than Color

Remember, this is the biggest change which American television has experienced -- or, will experience -- isn't it? When the country shifted to color TV, after all, lots of the "embedded base" of equipment was OK. It still worked.

The TV industry had to make equipment changes to accommodate color broadcasting, of course. But 70% of capital investment at the time was the consumers's, wasn't it? All those TV sets. The ones with UHF dials only a safecracker could work. Well, black-and-white TV sets continued to deliver a picture. It wasn't as nice. But things still worked.

But the planned digital change is much different. Not only are all the TV station innards changing -- everything from cameras, to Grass Valley control boards, to even the physical stages and sets. But everyone will also have to get a new TV set, won't they? Or, one of those set-top boxes. Or, they can just subscribe to cable.¹

Like a Kid Going to the Dentist

Now, when Microsoft introduced Windows 95, Bill Gates launched one of the most successful technology campaigns ever. Soon, there was more excitement on the part of more young people than when the first Harry Potter books appeared. Everyone also learned about Windows, Bill Gates, and Microsoft. Windows 95 repeatedly made the evening news.

When Apple debuted the iPod -- or, years later, its iPhone -- there was lots of excitement, too. Ditto when Motorola introduced its Star-Tac. Or, when Napster, YouTube, MySpace, or Facebook appeared. Or, when the latest Apple desktop computer was introduced. Or, a thinner notebook computer was offered. Look at all the products which have caused consumer interest, even excitement, over the past 20 years.

But have commercial broadcasters ever said anything positive about the

¹ Or, sign-up for the Verizon FiOS "triple play" -- telephone, DSL, and cable -- for \$99.99 for two years, and get a 19-inch Sharp LCD HDTV for "free." Sounds pretty good, doesn't it?

shift to digital? Public broadcasters -- which underwrote a lot of the HDTV initial work -- have "chatted it up." But commercial broadcasters have shown about as much enthusiasm for the change as a kid being taken to the dentist.

What could have been an opportunity for broadcasters to-date has proven something of a public relations windfall for cable. This fall, the National Cable & Telecommunications Association began running commercials -- mostly on cable, incidentally -- telling people that if they subscribe to cable, the industry will take care of all these complicated digital transition things for them. You watch. We'll bet those commercials produce an up-tick in cable television subscription. Meanwhile, however, the broadcasters said nothing. Most of them just hid out.

What Needs to Be Done

Walter Cronkite famously remarked that "most affiliates have the mentality of theater owners." That's unfair, and there certainly are stations and groups of stations today which do a lot more than simply distribute network "feed." A lot of stations have invested heavily in electronic news-gathering systems, for instance, and substantially increased the amount of local news, information, and entertainment programs they air.

But broadcasters really do need to do more, you know. Because if they botch this transition up, they stand to lose a significant chunk of their audience -- and, advertiser base. They'll also generate even more pressures to reduce the amount of broadcast television spectrum, won't they?

Now, we appreciate that broadcasters actually have businesses to run. And, there may be something which the National Association of Broadcasters needs to do in addition to helping the Federal Communications Commission (FCC) manage this transition. But the steps we're calling for aren't exactly another Manhattan Project, you know.

Here are some steps which need to be taken, and taken fairly soon:

:: "And, a little child shall lead them." In 1956-57, when AT&T introduced direct long-distance dialing, the company started by holding informational sessions in every elementary, junior, and senior high school in the country. There was a standard Bell System slide show. Briefers explained to children and young people what was going to happen. This "action army" was dispatched -- and, encouraged to help their parents and grandparents make it through the change. And, that's what needs to be done, here.

The NAB needs to come up with a national "course module." Then, every state and local broadcasters association needs to come up with a standard "dog-'n-pony show." Stations need to dispatch briefers. In addition to speaking at all the schools, they should talk with community and service groups.

And, we remain convinced that broadcasters -- and, the Commerce Department's National Telecommunications & Information Administration (NTIA) -- need to partner with the Girl and Boy Scouts, the Campfire Girls, Jack-and-Jill, the Boys Club, etc. We have

millions of technically savvy and capable young people in this country. We need to capitalize on that national resource.

:: "Brighter, bolder, better." Broadcasters then need to come up with a statement of how the shift to digital will actually benefit the public -- not to mention advertisers. Why in the world is it so difficult? People who've watched sports or movies on HDTV are all enthusiastic. They seem about as committed to the technology as folks who went from dial-up to high-speed Internet connections.

The NAB, again, needs to come up with a brief statement of what the progress to digital means for our old friend, Aunt Minnie -- how she'll see brighter, bolder, better TV. There need to be TV commercials, ads in magazines and newspapers -- messages which try to boost expectations, and persuade broadcastings customers and consumers that things are actually improving.

They also need to cause young people to believe that if you're not digital, you're just not with it. Stickers on the front door, lapel pins, badges -- make digital TV something worth wanting, if you will, please.

:: "We can help!" Third, the NAB and the various electronics groups need to tell the American public how they plan to help them through this major technological change. Sure, Americans are resourceful, adaptable. And, the public's accommodated to lots of similar changes in recent years. Look at how many people learned about CDs, or iPods, or digital cameras.

But there needs to be "backup." Remember when the country faced "Y2K" challenges? Well, all the computer hardware and software companies offered advice and guidance -- and, so, too, did the Government. That's the model that ought to apply here.

Relatedly, get to work with those Scouts! Or, with the hundreds of high school computer clubs. Let's try, for a change, to remember we're all in the same boat -- and, try to accommodate the many older folks who aren't as technologically adept as they ought to be.

:: "We build excitement!" Finally, will someone in the American broadcasting establishment actually show some enthusiasm for this whole process? Broadcasting has a reputation among young people as being a "technological dinosaur." That's quite erroneous -- broadcasting is probably more "high tech" than most of the computer industry, it's just not obviously so.

But for heaven's sake! If broadcasting expects to attract and retain the interest of "Today's Action Army," they need to do lots more, don't they? Instead of moping around, or whining to the FCC about deadlines, let's show some spirit and enthusiasm for progress, right?

Touting digital and technology, too, might actually help broadcasting develop credibility with "retail investors." That's the group CBS, Gray, and other broadcasters need to target, you know.

Conclusion

The breakup of the Bell System in 1982-84 was described as "like taking apart and then reassembling a Boeing 747 -- in flight, and without losing altitude." There were some glitches, some missteps. But for most people, that change was no big deal. The people who planned it, and carried it out, did a good job.

Here, you're dealing with about 115 million households -- and probably about 400 million TV sets. You've got better than 2,000 commercial and public stations. And, with the cable and satellite companies, they're producing a highly valued service, aren't they? Watching TV is no longer the second most-popular activity in the country, after sleeping. Playing with a computer and the Internet has taken its place. But TV is still a very close third, isn't it? Thus, the upcoming change has to be done right.

The change to digital television, in conclusion, ought to be seized by broadcasters as a great opportunity. Our four-part program would certainly help. We'll keep readers posted, if we see clear-and-convincing progress on this critical communications policy front.

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