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March 25, 2004

**VIA ECFS**

Ms. Marlene H. Dortch  
Federal Communications Commission  
Office of the Secretary  
445 12<sup>th</sup> Street, SW  
Washington, D.C. 20554

**Re:** Ex Parte Communication in MB Docket No. 03-15 (Second Periodic Review of the Commission's Rules and Policies Affecting the Conversion To Digital Television.)

Dear Ms. Dortch:

On March 24, 2004, the undersigned and Marc Pearl, Executive Director of the Consumer Electronics Retailers Coalition (the "CERC representatives") met with Rick Chessen, Eloise Gore, Keith Larson, Danielle Jafarri, Mike Lance, Alison Greenwald, Steve Broeckaert, Thomas Horan, and John Wong, all of the Media Bureau, to discuss the information generally provided to consumers, re HDTV and other television receivers, by CERC members and other retailers. The CERC representatives provided physical examples of marketing and informational material, collected from CERC members Best Buy, Circuit City, and Tweeter, in the following categories:

- Joint HDTV promotions with Multichannel Video Programming Distributors and the Discovery Channel
- Advertising supplements
- MVPD-provided briefing material featuring or focused on HDTV
- Educational brochures devoted to HDTV
- Home theater product catalogs
- Print-outs of web page informative material

Except for two of the educational brochures, all of the material was collected during a visit to the three companies' Bailey's Crossroads, VA stores on March 23, 2004.<sup>1</sup> In discussing retail industry consumer education and informational practices, the CERC representatives made the following points:

- In each store visited, joint promotions with cable and satellite MVPDs were presented to consumers primarily or exclusively in terms of HDTV and HDTV programming.
- A great deal of product-specific information is presented appurtenant to each working display model.<sup>2</sup>
- Explanations about HDTV and its advantages are found in both advertising supplements and in-store materials.<sup>3</sup>
- The HDTV television displays appear to receive more prominence than NTSC receivers, and are labeled as "monitors" if that is what they are. The stores merchandize, directly appurtenant to product displays, both ATSC broadcast receivers and MVPD receivers or converters (in the case of cable, to be obtained from the cable operator) to acquire HDTV programs.
- Products considered by the manufacturer to be EDTV are conspicuously labeled as such.
- The information on retailer web sites is very specific and includes pros and cons of the various means of display (direct view CRT, Plasma, and LCD; and the various fixed pixel and CRT rear-projection methods). Comprehensive consumer information is also available on non-retailer sites (*e.g.*, CNET).

The CERC representatives discussed with the staff what other information or approaches, including training, consumer education, and additional point of display materials, might be useful if implemented by retailers on a voluntary basis, and the extent to which uniformity of terminology might be helpful. The CERC representatives expressed the view that in the present dynamic environment, mandated uniform terminology and/or labeling would not be advisable.

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<sup>1</sup> Additional physical copies of material left with staff and other relevant information will be compiled and submitted for the record.

<sup>2</sup> Circuit City includes on most product cards both a graphic and a text depiction of all front and rear interfaces; Best Buy gives specific information re both interfaces and screen resolution; Tweeter indicates the interfaces and the display technology. Many or most products capable of displaying HDTV are merchandised with reference to cross-promotions of free HDTV cable or satellite programming.

<sup>3</sup> Examples included a Discovery HD Channel booklet on HDTV (found at Circuit City) and an HDTV explanation in the current Tweeter advertising supplement.

This letter is being provided to your office in accordance with Section 1.1206 of the Federal Communications Commission rules. A copy of this letter has been delivered to the parties listed below.

Very truly yours,

***Robert S. Schwartz***

Robert S. Schwartz  
Counsel to CERC

cc: Rick Chessen  
Eloise Gore  
Keith Larson  
Danielle Jafarri  
Alison Greenwald  
Mike Lance  
Steve Broeckaert  
Thomas Horan  
John Wong