U.S. digital TV converters to sell for about $60 -LG

By Rachelle Younglai
REUTERS
3:29 p.m. March 19, 2007

WASHINGTON – LG Electronics said Monday it expects retailers to charge about $60 for equipment that will enable consumers to make the analog-to-digital switch on their televisions.

LG is one of three companies that have developed converter boxes to prevent analog television sets from going dark on Feb. 17, 2009, when U.S. television stations are required to switch to digital.

“We plan to have the boxes available in early 2008,” John Taylor, LG's vice president of U.S. government relations, said at a public meeting on the digital transition.

If U.S. owners of analog televisions do not get a converter box, subscribe to satellite or digital cable, or replace their TV with a digital television by Feb. 17, 2009, they will not be able to watch television.

LG did not say how much it will cost the company to make the device.

However, it is unclear how the process of getting converter boxes to retail stores will work with the U.S. government’s plan to provide $40 discount coupons to consumers to help buy the converter boxes.

The National Telecommunications & Information Administration, the Commerce Department agency responsible for the converter coupon program, expects to have a system in place to accept requests for coupons by Jan. 1, 2008.

Anita Wallgren, NTIA’s coupon program director, said the decision about when to start sending out coupons would be made after monitoring the readiness of the retailers to process the coupons and to have stock on the shelf.

Over the next few months, the NTIA expects to choose a contractor to run the coupon program. Coupons will be distributed through the mail, not in stores.

For manufacturers, the conundrum lies in when to roll out the converter boxes to retailers, given that the holiday retail season falls just before the coupon program begins.

“It's hard to place new products during the holiday season,” said John Godfrey, Samsung Electronics Ltd.'s vice president of government and public affairs.

“It either has to go on the shelves by September or after January first,” said Godfrey.

November through to January is usually the busiest time of the year for U.S. retailers.

Congress has set aside up to $1.5 billion to aid the digital TV transition.
All households will be eligible to request up to two $40 discount coupons to buy converter boxes until $990 million has been exhausted. Congress would then have to approve release of another $510 million for the program, but the coupons would then be limited to households that rely on over-the-air analog television.

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