



# NEWS

## AMERICANS FOR TAX REFORM

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## Digital Retransmission Proposal Would Slash Federal Deficit

WASHINGTON – A proposal for a simple change in the Satellite Home Viewer Improvement Act would help reduce the federal budget deficit by more than \$120 billion, experts say..

The Balanced Budget Act of 1997 required broadcasters to relinquish their analog spectrum – a commodity worth more than \$120 billion -- to the federal government by 2007, for the purpose of auctioning off to the private sector for other uses. Unfortunately, this requirement was subject to at least 85 percent of households in their markets being capable of receiving digital broadcasts. However, since DTV technology is extremely expensive, broadcasters are offering almost no digital programming, resulting in about 1 percent of households currently owning DTV equipment.

Since 1988, Congress has allowed satellite TV providers to rebroadcast distant programming if the programming isn't available locally, but this only applies to analog broadcasts. A simple amendment extending these rights to digital broadcasts would make new digital programming available nationwide, including all the areas currently unserved. Consequently, consumer electronics manufacturers would have the economies of scale necessary to drop DTV set and tuner prices into an affordable range. This would significantly jumpstart the transition to DTV at no cost to the taxpayers.

“The DBS companies have the technology to jumpstart the digital television transition tomorrow morning if Congress will allow them to,” said taxpayer advocate Grover Norquist. “Perhaps more importantly, a simple change in the law will make extremely valuable spectrum available for companies willing pay literally hundreds of billions of dollars for it at auction – enough to eliminate a sizable chunk of the deficit. This is a win-win proposal for taxpayers.”

Congress is expected to reauthorize the Satellite Home Viewer Improvement Act this year. If Congress does not extend the rebroadcast rights to digital, it may take a decade or more to reach the 85 percent threshold at which broadcasters are required to make the spectrum available for innovative new technologies.

Americans for Tax Reform is a non-partisan coalition of taxpayers and taxpayer groups who oppose all federal and state tax increases. For more information or to arrange an interview please contact Jonathan Collegio at (202) 785-0266 or by email at [jcollegio@atr.org](mailto:jcollegio@atr.org).