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Robert S. Schwartz
Attorney at Law
rschwartz@mwe.com
202.756.8081

June 2, 2005

VIA ECFS

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

Re: *Ex Parte* Communications in ET Docket 05-24.

Dear Ms. Dortch:

On June 1 2005, Michael Vitelli, Senior Vice President, Consumer Electronics, Best Buy Co., Inc., W. Stephen Cannon, counsel to Circuit City Stores, Inc., and the undersigned, on behalf of the Consumer Electronics Retailers Coalition (“CERC”), met with Matthew Brill, Legal Advisor to Commissioner Abernathy, and with Jordan Goldstein, Legal Advisor to Commissioner Copps. Each meeting was on behalf of CERC and pertained to the Commission’s Notice of Proposed Rulemaking (“NPRM”) regarding requirements for digital television receiving capability and the petition of CERC and the Consumer Electronics Association (“CEA”) to modify the schedule for phasing in digital tuners to mid-size television sets.

In reviewing the comments and the reply comments received and the current state of the record, we urged the Commission to adopt the proposals on which the Commission invited specific discussion in the NPRM: (1) to advance the effective date of regulation governing television receivers of 25 inches to 36 inches from July 1, 2006 to March 1, 2006; and (2) to dispense with the counterproductive “50 percent” regulation, applicable to the same size category, that would otherwise take effect on July 1, 2005. In each meeting we explained that in the view of CERC, each of these regulation changes petitioned for by CERC and CEA, and discussed in the NPRM would have independent value. Indeed, in reviewing the problem posed by a 50 percent regime for retailers, we said that the only fair and reliable way to enforce *any* “50 percent” regime would be indirectly, as a consequence of the onset of a 100 percent regime. In this respect, we noted that for these “midsize” television receivers, the date of March 1, chosen in the CERC – CEA petition, was and is understood to be the earliest date on which a 100 percent regime possibly could be initiated in light of present conditions of supply and demand, and the time available to manufacturers to make any changes in component acquisition and manufacturing schedules.

Consumer Electronics Retailers Coalition



www.ceretailers.org

On behalf of CERC, and its members, we also reviewed the points made in the CEA and CERC reply comments, specifically that the proposed changes to the mid-size television regulations would result in the optimal balance between the Commission's regulations and real-world product supply and consumer demand; would accelerate rather than retard the DTV transition; and would result in the least number of consumers losing affordable access to products and services on which they rely. We said that if any element of the 50 percent regime were to be maintained, it would be fairest to consumers and most consonant with supply and demand for it to extend only from November 1, 2005, through March 1, 2006, at which time it would be superceded (and in its later stages effectively enforced) by the 100% obligation.

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

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cc: Matthew Brill
Jordan Goldstein