FUNAI

[on official company letterhead]

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October 16, 2006

Mr. Milton Brown
Office of the Chief Counsel
National Telecommunications and Information Administration
1401 Constitution Avenue, Room 4713
Washington, DC 20230

Ex Parte letter re: Request for Comment and Notice of Proposed Rules to Implement and Administer a Coupon Program for Digital-to-Analog Converter Boxes, NTIA Docket No. 060512129-6129-01.

Dear Sir:

As you know, Funai Corporation was among the many respondents who have filed comments in the above-mentioned proceeding. We are pleased that there is substantial concurrence between the positions of Funai and many of our industry colleagues. In one area in particular, we would like to echo our earlier comments, and expand upon them.

The inclusion of Digital Television Adapter (DTA) devices with Smart Antenna interfaces was strongly recommended, by several respondents, for eligibility in the Coupon Subsidy Program. The benefits of such an interface were detailed adequately in those responses, and will not be repeated here.

However, we would like to point out that such a benefit would, of course, be enjoyed by the consumer only with the additional purchase of the Smart Antenna itself. While we fully believe that such a purchase should remain optional for the consumer, we feel that, for reasons of marketing and packaging, it makes sense to bundle such a device with a certain number of DTA devices. In such a combination, there would also be additional savings to the consumer, as cross-promotional, rebate, and similar marketing strategies can be employed. Although prices may fluctuate due to market conditions, we conservatively estimate that it is possible to price a DTA and Smart-Antenna bundle at less than $100.

Therefore, we strongly believe that the bundling of a Smart Antenna with an approved DTA device should maintain eligibility in the Coupon Subsidy Program. We appreciate the efforts of the Administration, and eagerly look forward to the next phase of the implementation of this Program.

Respectfully submitted,

A Hayashi

Akira Hayashi
Vice President