

# FACING LIFE

## HEAD-ON

with TV host Brad Mattes

November 3, 2006

Federal Communications Commission  
Office of the Secretary  
Attn: CGB Room3-B431  
9300 E. Hampton Drive  
Capitol Heights, MD 20743

### **RE: Request for Exemption from Closed Captioning Regulations**

Please consider this letter a formal request for exemption from closed captioning requirements, pursuant to 47 U.S.C. §79.1(d)(2) of the Federal Communications Commission rules.

Life Issues Institute, Inc. is a registered 501(c)(3) organization established to serve the needs of the public by providing educational materials on life issues and medical ethics. Accordingly, this year, the Institute began producing a weekly television program, "Facing Life Head-On," to further fulfill that purpose.

"Facing Life Head-On" qualifies for exemption under provisions of **Part 79.1, Section (F)**. Life Issues Institute will be imposed with undue burden if it is obliged to comply for the following reasons:

#### **1. Financial Background**

"Facing Life Head-On" is designed for a young audience. Accordingly, this project involves more costly techniques, such as filming on-location and employing a high-tech approach to editing. The nature of this program dictates an elevated concentration of funds for production, and, accordingly, we find ourselves in a tense financial situation.

As reported on the attached 2005 tax form, the Institute's entire operating budget is quite limited, with gross receipts totaling just under \$890,000. The funds are then divided between overhead costs and individual programs, which include daily radio broadcasts, speaking events and conferences, publications, quarterly newsletters and other educational materials. Accordingly, as a subset of the Institute, "Facing Life Head-On" is obliged to adhere to a strict annual budget of \$336,267. This includes all expenses related to the project, i.e. purchasing editing equipment, hiring outside talent, retaining film and post-production contractors, covering travel expenses of guests, etc.

We continually strive to allocate remaining limited funds wisely. Unfortunately, we are already struggling financially. Indeed, we have no revenues from this television program; the venture is possible only through the generosity of one family who regards the project as valuable to the public. Even so, we continue to struggle with negative cash flow and a running deficit.

To further aggravate the matter: we find ourselves unable to benefit from advertisers who, in exchange for commercial time, might then sponsor closed captioning. This is not a possible source of funding, as most stations "Facing Life Head-On" is affiliated with are non-commercial. Yet, please be assured, Life Issues Institute continues to seek private sponsors for this project, and, upon forming such a partnership, we will speedily comply with captioning regulations.

In the meantime, we are finding costs for each episode are consistently exceeding what we anticipated and have available. (For example, we have only \$300 per show to cover travel and lodging for multiple guests and meals for the crew, when those expenses have averaged \$1,704 per show in the past.) Economics have already dictated that we cut eight week's worth of episodes from our annual production schedule and recycle content wherever possible, but as it stands, we will not be able to complete a year's worth of programs unless additional support is raised. Of course there are no funds available to meet additional staffing needs either; the Institute employs only one person to manage the television project.

## **2. Cost of Closed Captioning**

We did, however, investigate a number of closed captioning services available.

- The Miracle Channel (Canada) provides captioning for \$100 per episode. However, they are unable to grant us the tape format needed to send to other stations, so this is not an option.
- Zone Communication Group (Ohio) can provide the service, but only after purchasing additional equipment, which was estimated to cost \$6,000. When labor costs were calculated in as well, we were told it would cost \$750 per episode. Considering current budget strains with production, this, too, is not feasible.
- i-Lifetv / The Inspiration Networks (North Carolina) provides the service for \$300 per episode, plus \$20 per additional tape (we will likely need two). The encoding process takes an average of two weeks per episode, which is problematic, considering "Facing Life Head-On" is produced on a weekly basis.

It is our understanding, from other programmers, that most closed captioning services average \$300 per 30-minute episode. That said, captioning a year's worth of episodes and providing and shipping tapes to applicable channels will create an added cost burden of approximately \$8,000.

This represents a deduction of 2.4 percent from our total TV budget (and more than 5 percent from remaining funds). The Federal Communications Commission has graciously granted exemptions to channels who demonstrate closed captioning expenses would exceed 2 percent of their gross revenues; even more so, as an individual program provider, we are equally burdened by the overwhelming expense it would take to comply.

### 3. **Nature of Programming**

“Facing Life Head-On” is a highly visual program. It incorporates active footage from on-location film shoots and further incorporates textual graphics to effectively communicate the message.

Though we sincerely desire to provide closed captioning to allow hearing-impaired viewers an even better understanding of the show’s content, we regret that to do so at this time represents a significant burden.

Nonetheless, it is in the best interests of all individuals with special needs that “Facing Life Head-On” remains on-air. As consistent with the mission of Life Issues Institute, the television program champions the rights of all people, at all stages of life, who may have disabilities or special needs. Accordingly, a great disservice would be done to the disabled community if “Facing Life Head-On” were to be removed from air.

In short, we ask that we be given this opportunity to get the show off the ground; we seek a temporary exemption from closed captioning regulations with the expectation that, given adequate time, “Facing Life Head-On” will generate enough of a following to not only be self-sustaining but also meet closed captioning requirements.

Should you have any questions or need additional information, please feel free to contact me at 513.729.3600. Many thanks for your kind consideration.

Regards,



**OLIVIA FESSLER**  
Executive Producer



**LIFE ISSUES INSTITUTE, INC.**

SERVING THE EDUCATIONAL NEEDS OF THE PRO-LIFE MOVEMENT

**JOHN C. WILLKE, M.D.**

*President*

**BRADLEY MATTES**

*Executive Director*

November 7, 2006

Federal Communications Commission  
Office of the Secretary  
9300 E. Hampton Drive  
Capitol Heights, MD 20743

Attn: CGB Room3-B431

I, Bradley Mattes, do swear and affirm that all of the information submitted in the attached application to the Federal Communications Commission, up to and including today, is to the best of my knowledge true and accurate.

This sworn statement has been attested to by a Notary Public as noted below.

Sincerely,

**BRADLEY MATTES**  
Executive Director

State of Ohio

County of Hamilton

The foregoing instrument was acknowledged before me this 7 day of November 2006

By Bradley Mattes

Notary Public Cheng I. Powell

My Commission Expires: March 6, 2011



CHENG I. POWELL  
NOTARY PUBLIC, STATE OF OHIO  
MY COMMISSION EXPIRES 03-06-11

Form **990**

**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

OMB No. 1545-0047

**2005**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements.

**A** For the 2005 calendar year, or tax year beginning and ending

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print of type. See Specific Instructions.	<b>C</b> Name of organization <b>LIFE ISSUES INSTITUTE, INC.</b>		<b>D</b> Employer identification number [REDACTED]
		Number and street (or P.O. box if mail is not delivered to street address) Room/suite <b>1821 WEST GALBRAITH ROAD</b>		<b>E</b> Telephone number <b>513-729-3600</b>
		City or town, state or country, and ZIP + 4 <b>CINCINNATI, OH 45239</b>		<b>F</b> Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H and I are not applicable to section 527 organizations.

H(a) Is this a group return for affiliates?  Yes  No

H(b) If "Yes," enter number of affiliates **N/A**

H(c) Are all affiliates included? **N/A**  Yes  No (If "No," attach a list.)

H(d) Is this a separate return filed by an organization covered by a group ruling?  Yes  No

I Group Exemption Number **N/A**

**G** Website: **www.lifeissues.org**

**J** Organization type (check only one)  501(c) ( 3 ) (insert no.)  4947(a)(1) or  527

**K** Check here  if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization chooses to file a return, be sure to file a complete return. Some states require a complete return.

M Check  if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

**L** Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 **882,603.**

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances**

Revenue	<b>1</b> Contributions, gifts, grants, and similar amounts received:					
	<b>a</b> Direct public support	1a	765,926.			
	<b>b</b> Indirect public support	1b				
	<b>c</b> Government contributions (grants)	1c				
	<b>d</b> Total (add lines 1a through 1c) (cash \$ 765,926. noncash \$ )	1d		765,926.		
	<b>2</b> Program service revenue including government fees and contracts (from Part VII, line 93)	2		12,316.		
	<b>3</b> Membership dues and assessments	3				
	<b>4</b> Interest on savings and temporary cash investments	4		590.		
	<b>5</b> Dividends and interest from securities	5				
	<b>6 a</b> Gross rents	6a				
	<b>b</b> Less: rental expenses	6b				
	<b>c</b> Net rental income or (loss) (subtract line 6b from line 6a)	6c				
<b>7</b> Other investment income (describe )	7					
	<b>8 a</b> Gross amount from sales of assets other than inventory	(A) Securities	(B) Other			
	<b>b</b> Less: cost or other basis and sales expenses	8a				
	<b>c</b> Gain or (loss) (attach schedule)	8c				
	<b>d</b> Net gain or (loss) (combine line 8c, columns (A) and (B))	8d				
	<b>9</b> Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>					
	<b>a</b> Gross revenue (not including \$ 0. of contributions reported on line 1a)	9a	97,605.			
	<b>b</b> Less: direct expenses other than fundraising expenses	9b	51,247.			
	<b>c</b> Net income or (loss) from special events (subtract line 9b from line 9a)	9c	See Statement 1	46,358.		
	<b>10 a</b> Gross sales of inventory, less returns and allowances	10a				
	<b>b</b> Less: cost of goods sold	10b				
	<b>c</b> Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c				
	<b>11</b> Other revenue (from Part VII, line 103)	11		6,166.		
	<b>12</b> Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		831,356.		
	Expenses	<b>13</b> Program services (from line 44, column (B))	13		482,845.	
		<b>14</b> Management and general (from line 44, column (C))	14		68,229.	
		<b>15</b> Fundraising (from line 44, column (D))	15		113,269.	
<b>16</b> Payments to affiliates (attach schedule)	16					
<b>17</b> Total expenses (add lines 16 and 44, column (A))	17			664,343.		
Net Assets	<b>18</b> Excess or (deficit) for the year (subtract line 17 from line 12)	18		167,013.		
	<b>19</b> Net assets or fund balances at beginning of year (from line 73, column (A))	19		602,358.		
	<b>20</b> Other changes in net assets or fund balances (attach explanation)	20		0.		
	<b>21</b> Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21			769,371.	

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