

NIAGARA MINISTRIES
2074 Lockport Road
Niagara Falls, NY 14304
(716) 297-2871

PAGE 1 OF 5

January 9, 2012

Office of the Secretary
Federal Communications Commission
Attention: Disability Rights Office, Room 3-B431
445 12TH Street, SW
Washington, DC 20554

RE: Case Identifier: CGB-CC-0009
REQUEST FOR EXEMPTION FROM CLOSED CAPTIONING
RULES

We are requesting to continue to receive an individual captioning exemption for two years under the new economically burdensome standard.

We are submitting a petition containing documentation to support our claim that providing closed captions would be economically burdensome for Niagara Ministries resulting in a significant difficulty and expense for our financial resources. We are requesting a two-year exemption to budget for the additional cost of closed captions from the anticipated increase in donations.

The attached documentation supports the following criteria:

1. The nature and cost of the closed captions for the programming.

We do not have the capability in our studio to add closed captioning. The film would have to be sent to a third party provider to add captioning, and then returned for distribution. This would add at least one week to our production and distribution time. We have limited manpower and time to handle film. This process would not only increase the cost of production but would also create delays in distributing our product to our TV station. The least expensive quote for captioning we received was \$112.50 per 30-minute program. Three other quotes are included in the documentation.

2. The impact on us as the provider of programming would be a 16% increase in production cost.

We have a 30 minute five days per week program on the Christian Television Network, WCLF-TV22, Largo, Florida. The annual increase in production cost to add closed captions would be \$29,250.00 (\$112.50 per half-hour program X 260 programs per year). The amount of revenues spent on television programming for 2010 was \$181,357.00. This would be a 16% increase in production costs ($\$29,250.00 / \$181,357.00 = 16\%$), which would be economically burdensome under any standard.

3. The financial resources of Niagara Ministries are documented by the Financial Statement for Year Ended December 31, 2010 and Independent Accountants' Compilation Report (see attached).

Total revenue from all sources was \$396,467.00 for the year ended December 2010. The television program expense of \$181,357.00 was 46% of the total revenues. This is a major part of our annual budget and any significant increase in costs, such as the expense of closed captioning, would be an economic burden.

4. The type of operations of the church is as follows:

We operate a non-denominational Christian Church with weekly church services, prayer meetings, Bible study, community outreaches, Pastoral counseling, choir, children's ministry, as well as our TV programming. We have a small TV studio in the church with the minimal equipment it requires to produce a TV program. A volunteer non-paid crew of church members staffs it. Pastor Joanne Bunce is the Bible Teacher.

We distribute our product to a Christian TV network that has a very specific limited segment of a national audience.

5. Other factors that are relevant to our exemption determination:

A) We have sought alternative solutions for close captions. We asked our church members if anyone could provide alternatives for the closed captioning requirements such as sign language. There was no one in our congregation that could sign as an alternative.

B) You will find our 2010 financial statement included as documentation of our financial status that demonstrates our inability to afford closed captioning.

C) We received four (4) quotes for closed captioning and the costs we would incur to caption our program:

- 1) CaptionLabs -- \$167.00/ per half-hour program.
- 2) Closed Caption Maker -- \$150.00/ per half-hour program.
- 3) Vitac -- \$115.00/ per half-hour program.
- 4) Christian Television Network -- \$112.50/ per half-hour program.

D) We have sought and documented a request for closed captioning assistance from our video-programming distributor—WCFL, TV 22, Steven Cunningham. Assistance was not available from this source.

E) We have not sought additional sponsorship sources or other sources of revenue for captioning because of the program model that is used by the market segment we serve. The very specific limited segment of the national Christian audience we serve is supported by donations from the viewers; and television time is purchased by us, the provider of video programming, from those donations. Our market does not use the model of sponsorship that the commercial sector uses. We are supported by donations and purchase TV airtime with those donations. There is no sponsorship available for our programming.

We have demonstrated that a 16% increase in production costs for closed captioning would be economically burdensome on the revenues of Niagara Ministries. It would be a \$29,250.00 annual increase in cost. As stated in your memorandum, the Commission adopted a revenue based exemption standard that would focus on the economic strength of each provider which states, “ under these standards, no video programming provider is required to spend more than 2 percent of the annual gross revenue received from the channel during the prior calendar year ($\$396,467.00 \times 2\% = \$7,929.34$), and no video provider with annual gross revenues of less than \$3,000,000.00 during the prior calendar year is required to spend any money to caption its programming channel. (See page 11 footnote 66 of memorandum). According to your standard the expense of \$29,250.00 for closed captioning

quoted to us is economically burdensome compared to the 2% recommended by the Commission of \$7,929.34. Our expense would be 3.7 times more than recommended. Niagara Ministries had gross annual revenues of \$396,467.00 in 2010, which was 13% of the \$3,000,000.00 and well below this standard.

Again we respectfully request that the Niagara Ministries' television program "Digging In with Joanne Bunce" be exempt from the closed captioning requirement for two years while we budget for the significant increase in costs for the above stated reasons.

Sincerely,

A handwritten signature in cursive script that reads "Thelma J. Bunce". The signature is written in black ink and is positioned above the printed name.

Thelma J. Bunce

Enclosures:

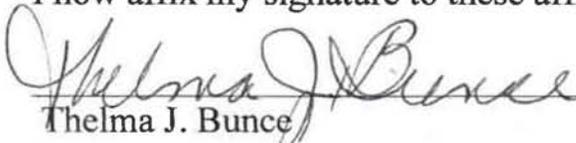
- 1) Niagara Ministries Financial Statements Year Ended December 31, 2010.
- 2) Four price quotes for the expense of closed captioning our program.
- 3) Letter from our video-programming distributor, WCLF TV22, regarding availability of assistance with the cost of closed captions from the TV station.

Affidavit of Costs

I, Thelma J. Bunce, President/Pastor of Niagara Ministries, by my signature affixed to this document, do hereby make the following statement of fact and affirm:

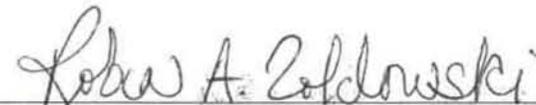
1. Total revenue of Niagara Ministries, including all sources was: \$396,467.00 for the year ended December 31, 2010.
2. The total expense to produce and distribute the television program "Digging In with Joanne Bunce" for that same time period was: \$181,357.00.
3. All activities involved in the production and distribution of the program are performed by volunteers from the members of the Church and myself at no cost.
4. The lowest quote that I received for captioning our TV program was \$112.50 per 30-minute program for 260 programs per year, which equals: \$29,250.00 per year for closed captioning.
5. Assistance with the cost of closed captions for the program was requested from the TV station that airs our program, WCLF-TV22 and no assistance was available from that source.

I now affix my signature to these affirmations:

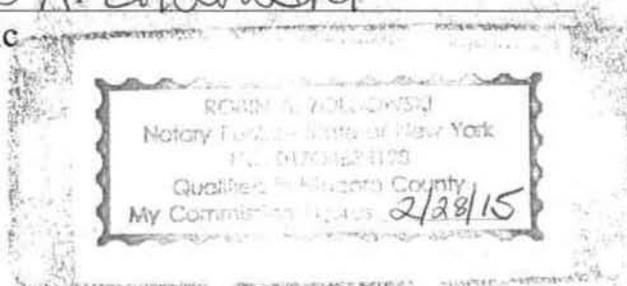


Thelma J. Bunce
President/Pastor

The foregoing was subscribed and sworn to me, a Notary Public, of the State of New York, County of Niagara this 9th day of JANUARY, 2012.



Notary Public



Niagara Ministries

*Financial Statements
Year Ended December 31, 2010 and
Independent Accountants' Compilation Report
(Unaudited)*

NIAGARA MINISTRIES

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HAICK BUSINESS SERVICES, INC.

716 NIAGARA FALLS BOULEVARD

NORTH TONAWANDA, NY 14120

PHONE 695-9542

FAX 695-9182

SOB W. HAICK, SENIOR ACCOUNTANT

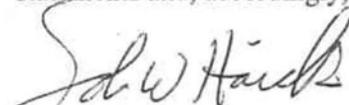
CHRISTOPHER W. HAICK, C.P.A.

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

The Board of Directors
Niagara Ministries:

We have compiled the accompanying statement of position – cash basis of Niagara Ministries as of December 31, 2010 and the related statement of revenues and expenses – cash basis for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.


December 5, 2011

NIAGARA MINISTRIES

STATEMENT OF FINANCIAL POSITION - CASH BASIS DECEMBER 31, 2010 (UNAUDITED)

ASSETS	2010
CURRENT ASSETS: (Note 1)	
Cash - Checking	\$ 3,426
Cash - Savings #1	<u>21,565</u>
Total current assets	<u>24,991</u>
PROPERTY AND EQUIPMENT (Note 1)	700,000
TOTAL ASSETS	<u>724,991</u>
LIABILITIES	
Citibank - Credit Card	\$ 2,650
Bank of America - Credit Card	<u>4,130</u>
Total liabilities	<u>6,780</u>
NET ASSETS	
Unrestricted	<u>718,211</u>
Total net assets	<u>718,211</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 724,991</u>

See accompanying "Accountants Compilation Report" and Notes to Financial Statements

NIAGARA MINISTRIES

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS YEAR ENDED DECEMBER 31, 2010 (UNAUDITED)

	2010
CASH RECEIPTS:	
Donation -T.O.M.	\$ 4,231
Tithe & Offerings	310,776
Special Offerings and Donations	80,537
Miscellaneous	923
Total cash receipts	<u>396,467</u>
CASH DISBURSEMENTS:	
Television Expense (Tapes, Furniture and Equipment, Repairs)	71,600
General Supplies	6,600
Security	122
Equipment Lease Expense	643
Utilities	2,673
Telephone	2,980
Special Assessment - Taxes	870
Insurance	3,544
Building Improvements	1,881
Postage expense	4,155
Credit Cards - Advanta	9,495
Legal and Accounting	800
Printing	1,870
Payroll - Gross	48,520
Household Allowance	17,700
Honorarium	5,325
Conference Supplies and Speaker Meals	107
Travel and Lodging	7,558
Exchange/Money	87
Vehicles	9,365
Payroll Tax and Insurance Expenses	3,767
Bank Fees and Penalties	3,969
Television Station Fees	109,757
Miscellaneous	2,552
Total expenses paid	<u>315,940</u>
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENSES PAID	80,527
NET ASSETS, BEGINNING OF YEAR	<u>637,684</u>
NET ASSETS, END OF YEAR	<u><u>718,211</u></u>

See accompanying "Accountants Compilation Report" and Notes to Financial Statements

NIAGARA MINISTRIES

NOTES TO FINANCIAL STATEMENTS - CASH BASIS YEARS ENDED DECEMBER 31, 2010

1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING PRINCIPLES

Nature of organization - Niagara Ministries (the Organization) is a not-for-profit organization incorporated under the laws of the State of New York. The Organization operates a private church in Niagara Falls, New York and broadcasts their services via television. The Organization is supported primarily by contributions from members and donations derived from the television broadcasts.

Basis of accounting - The Organization maintains its books on the cash basis of accounting. Consequently, revenue is recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying financial statements are not intended to present financial position and changes in net assets in conformity with generally accepted accounting principles.

Tax-exempt status - The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for federal income tax has been made.

Cash and cash equivalents - Cash and cash equivalents represent demand deposits with banks all having original maturities of three months or less.

Property and equipment - Property and equipment is valued at assessed value. Donations of property and equipment are recorded as contributions at estimated fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which is 3 to 39 years.

Use of estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. RESTRICTED AND UNRESTRICTED CASH

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence and/or nature of the donor restrictions. Cash that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the cash is received. All other donor-restricted cash is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Cash Receipts and Disbursements as net assets released from restrictions.

The Organization currently has no restricted net assets.

* * * * *



CaptionLabs

1010 Taylor Station Road, Suite E, Columbus, OH 43230
877-258-7800 • www.CaptionLabs.com

IMPORTANT CLOSED CAPTIONING INFORMATION

November 2, 2011

Dear Media Director,

The FCC's recent decision to overturn your closed captioning exemption certainly creates new factors to consider. Production costs and air time purchases are already difficult mountains to climb. Now, you're facing another giant peak in figuring out what to do about closed captioning.

By losing the exemption from the FCC, there are many financial hurdles to consider. **Purchasing captioning software and encoding equipment alone can be insurmountable.** Of course, you'll also have to spend time figuring out the captioning process itself as well as FCC regulations. Then, *creating the captions will eat up your time and constantly push you up against tight deadlines.* Wrestling with these costs and issues will leave you feeling like your only option is to go off the air.

As a producer of religious television content myself, *I have firsthand experience dealing with the financial burden and questions facing you right now.* I also understand and believe in the purpose and significance of your television program. That's why I want to help you move forward.

The FCC's decision can be intimidating, **but my company can help you eliminate that stress.** We've helped many producers save weeks of production time and thousands of dollars with our unique **eCaptioning process.** Simply put, **I know that we can save you time and money.** Plus, we do all the extra work to keep you compliant with the FCC.

I'd love to discuss how my company can help you. We are committed to finding the most cost-effective solution for you. In fact, **I will personally give you a special ministry discount.** Simply mention this letter when you call and you'll receive discounted pricing as low as \$167 per half-hour program! Be sure to contact me soon, because I can only extend this offer to a limited number of clients.

Providing captions can be very beneficial to the mission of your organization. I believe this is truly a great opportunity for us to help you **strengthen the message of your ministry.** Millions of Americans are hard of hearing. Closed captioning will make your program more accessible to both the deaf and elderly communities and is **available to you at a fraction of the cost** of air time and other production expenses.

Remember to mention the special ministry discount when you call. I look forward to talking to you soon!

Sincerely,

Adam R. Grover

CaptionLabs

Phone: 877-258-7800 ext. 104

Email: agrover@captionlabs.com

P.S. Please don't hesitate to contact me. The **special ministry discount of \$167** can only be offered to a limited number of clients, so call and lock in the special pricing today.

FCC
requires captioning

ClosedCaption Maker

SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS

1955 Kensington Street • Harrisburg PA 17104

wGallant@CCmaker.com • www.CCmaker.com • 1-800-527-0551

FCC Closed-Captioning Exemption Rule Changed

You have options:

1. The least expensive way is to supply the TV station a CCed DVD.
We create a 'caption file' you add to the DVD; Apple DVD StudioPro/Encore.
Cost is \$100/per half-hour weekly program.
2. We sell a turnkey closed-captioning system; cost is \$1600.
Designed to be easy to use and creates a CCed BetaSP tape.
30-day money back guarantee. System is called AddRollupCC.
3. You can send us a DV/BetaSP tape, we create a CCed BetaSp
and forward it to the TV station. Cost is \$150/per program.

98526H
FFH92586

November 29, 2011

Director of Media
Niagara Ministries
2074 Lockport Rd.
Niagara Falls, NY 14304

Director of Media:

I understand Niagara Ministries may be required to caption previously exempt television programming as the result of recent FCC action. I'm writing to offer creative captioning solutions at special rates from the nation's leading closed captioning company, VITAC. These solutions include:

CAPTIONS FORMATTED FOR YOUR EDITING SYSTEM

Easy and 100% accurate, VITAC will create a caption file that is formatted to work with your nonlinear editing system (.aaf for Avid HD or SD or .scc for Final Cut). Simply upload a low-resolution proxy of your video to our secure FTP site. We will create your caption file and deliver within 2-3 business days. You then lay the caption file into your video timeline and export a captioned video. The total charge to create the captions this way is **\$250 per 60:00 program, \$125 per 30:00 program.**

WEEKDAY LIVE CAPTIONING

VITAC captions 190,000 hours of live programming per year, most of it airing in the morning, evenings and weekends. We're offering a discount to organizations with the ability to encode captions live to tape, between 9:00 a.m. and 6:00 p.m. EST, Monday through Friday. If you have your own caption encoder and the ability to feed us audio, contact us to learn more about this option, which costs **\$110 per 60:00 program, \$55 per 30:00 program.**

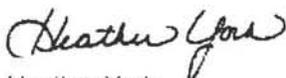
TURNKEY LIVE TO TAPE

Don't have an encoder or editing system? Don't worry! VITAC will accept your video in any format and add live-to-tape captions ourselves. We'll ship back a captioned master within two days of receipt of the video. This option will cost **\$230 per 60:00 for SD videotape, \$115 per 30:00, plus shipping.**

VITAC also offers additional "no worries" solutions including tapeless file delivery with embedded captions. Popular file formats include MXF, QuickTime, MPEG2 Transport and Program streams.

To learn more, please contact VITAC's Client Sales & Services department at clientservices@vitac.com or call 724-514-4077. Please mention our "Anglers Order Special." We look forward to the opportunity to work with you in the near future!

Sincerely,



Heather York
VP, Marketing
301-881-7534

Heather-y@vitac.com

101 Hillpointe Drive | Canonsburg, PA 15317 | Phone 724.514.4000 | Fax 724.514.4111
4605 Lankershim Boulevard, Suite 250 | North Hollywood, CA 91602 | Phone 818.755.0410 | Fax 818.755.0411
1501 Wilson Boulevard, Suite 1003 | Arlington, VA 22209 | Phone 703.807.2766 | Fax 703.807.2761

From: "Steven Cunningham" <scunningham@ctntv.net>
Subject: **Closed Captioning**
Date: November 9, 2011 11:41:30 AM EST
To: <TJB.Digging.In@Verizon.net>

Good morning,

This is to let you know that CTN does offer closed captioning at a rate of @ \$112.50 per 1/2 hour program.

Please let me know if I can be of any further assistance.

Blessings,
~Steve

Steven Cunningham

Christian Television Network
Director of Sales & Programming
P.O. Box 6922
Clearwater, FL 33768-6922
Phone 727.535.5622 Fax 727.530.0085
Email: scunningham@ctntv.net
Web site: www.ctnonline.com

"You Are Greatly Blessed - Highly Favored - Deeply Loved"

From: "Steven Cunningham" <scunningham@ctntv.net>
Subject: CC
Date: December 29, 2011 3:59:10 PM EST
To: <TJB.Digging.In@Verizon.net>

Sorry for the delay.

Pastor,

I received your request regarding assistance with supplying closed captioning. However, I am sorry to say that we are not set up to pay for closed captioning for ministries.

Thank you for airing your program on CTN. If I can be of any further assistance I am at your service.

Blessings,
~Steve

Steven Cunningham

Christian Television Network
Director of Sales & Programming
P.O. Box 6922
Clearwater, FL 33758-6922
Phone 727.535.5622 Fax 727.530.0085
Email: scunningham@ctntv.net
Web site: www.ctnonline.com

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