

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of )  
)  
VAN BUREN FIRST ASSEMBLY OF GOD )  
)  
Petition for Exemption Pursuant to )  
Section 79.1(f) of the Commission's Rules )

Case No. CGB-CC-0045  
CG Docket No. 06-181

FILED/ACCEPTED

Directed to: Office of the Secretary  
Attention: Chief, Consumer and Governmental Affairs Bureau

JUL - 6 2012

Federal Communications Commission  
Office of the Secretary

**REPLY TO OPPOSITION TO  
PETITION FOR WAIVER OF CLOSED CAPTIONING RULES**

Van Buren First Assembly of God ("Van Buren"), by its attorneys and pursuant to Section 79.1(f) of the Commission's Rules, hereby respectfully replies to the opposition of Telecommunications for the Deaf and Hard of Hearing, Inc., the National Association of the Deaf, the Deaf and Hard of Hearing Consumer Advocacy Network, the Association of Late-Deafened Adults, Communication Service for Deaf, Inc., and the Cerebral Palsy and Deaf Organization (collectively, the "Advocacy Groups") to Van Buren's Petition for Waiver of Closed Captioning Rules. In its Petition, Van Buren has requested a temporary waiver of the Commission's rules and policies requiring closed captioning for Van Buren's program "Reach Out," with its request is based upon the economically burdensome nature of this requirement. With respect thereto, the following is stated:

As background, Van Buren previously sought and was granted a waiver of the Commission's closed captioning rules based upon a finding that the cost of providing captioning for "Reach Out" would create an undue burden for the church. Following the Commission's action in *Anglers for Christ Ministries, Inc.*, FCC 11-159, released October 20, 2011, Van Buren

submitted a new petition for a waiver of the closed captioning rules based upon the heavy economic burdens that would result from the need to provide captions for its program. In opposition, the Advocacy Groups have adopted a dismissive, cookie-cutter approach to Van Buren's petition and apparently have failed to give thoughtful consideration to the showings of real economic hardship made by Van Buren.

Van Buren understands that the presence of closed captions is of great importance to the deaf and hard of hearing community, and that members of that community wish to be able to fully receive each and every television program that their hearing neighbors can. Van Buren agrees that it is a priority to add closed captions to "Reach Out" as soon as it can. That is why its waiver request is limited to three years, since Van Buren is hopeful that within that time period its finances will improve to such a degree that it will be feasible for it to produce "Reach Out" with captions.

The problem is that Van Buren has only so much income. Further, as reflected in the Declaration of Pastor Torin L. Johnson, attached hereto as Exhibit 1, some of its donations are designated for other purposes and may not be used for the television ministry. Moreover, even while it recognizes that closed captioning is an important priority, Van Buren is faced with other important priorities as well, and it cannot reallocate its resources infinitely. Would the Advocacy Groups have Van Buren divert funds from helping poor and hungry people to providing closed captioning? Or, perhaps, it should default on the church mortgage, resulting in loss of the church building? One might just as well tell a person with limited resources that if he would just stop eating, he could afford better clothes. The point is that it is these types of difficult choices that the church has to face, as it has only so many resources that it can devote to any particular one of its missions, including its television ministry.

As shown in the Income and Expense statements attached to the Petition, for the past three years, the television ministry has exceeded its budget and has had to obtain further funds from the church's General Fund. Meanwhile, the church itself has been operating at a deficit. Nonetheless, the Advocacy Groups apparently believe that their interests must take priority over all others, and that if the church will simply take money away from other critical church priorities, then all will be well. Such an approach smacks of hubris and ignores economic reality. Once again, the church cannot reallocate funds infinitely, nor can it print money. The church has other obligations which it necessarily must fund. It is, therefore, far more reasonable to limit inquiry as to the amount of funds available to the television program to those actually allocated to the television ministry. It is both unreasonable and unrealistic to assert that every single cent of money coming in to the church at large could be used for closed captioning, as it simply cannot.

Regardless of the amount of funds considered available, on the expense side, the Advocacy Groups have complained that they are not sure whether the likely captioning costs cited by Van Buren are reasonable. Attached hereto, at Exhibit 1, are copies of literature and price quotes received from several captioning providers, in both 2006 and 2011. In addition, Pastor Johnson's declaration confirms that he spoke with software companies and with others in the television industry as to the costs and considerations involved with closed captioning. This documentation demonstrates that the costs would, in fact, be in the range previously stated by Van Buren.

Turning to the revenue side of the equation, the Advocacy Groups first complain that Van Buren did not provide sufficient financial information, then go on to cite from the detailed income expense and asset statements that were submitted by Van Buren. These statements

depict the total financial information that was available at the time that its Petition was filed, and it is unclear what else Van Buren could be expected to provide. The Advocacy Groups argue that the financial statements show that Van Buren had substantial assets. What the Advocacy Groups apparently overlooked is the illiquidity of many of the assets, and the substantial liabilities, including bank notes, associated with them. Moreover, Van Buren suffered substantial losses in 2009 and 2010, totaling over \$732,000. While the first portion of 2011 showed a very modest gain, Van Buren could not predict whether that positive situation would continue through the end of the year, and the amount of the gain did not come anywhere near offsetting outstanding liabilities. Furthermore, while Van Buren continued to maintain some savings, the financial statements show that the total amount of its savings accounts dropped by approximately half, or nearly \$300,000 from 2009 to 2011. With the church's history of annual losses, it is only reasonable for Van Buren to reserve some funds to cover any continuing loss as the end of the year approached. Van Buren does not have the ability to operate at a deficit, but rather must pay its bills as they come due.

Van Buren has attempted to find help with its captioning expenses, but it has been unable to do so. As previously stated, Van Buren sought assistance from television station KARK-TV, Little Rock, Arkansas, which carries "Reach Out," but no such assistance has been forthcoming. In addition, through its television program, Van Buren has solicited viewers to donate funds to the television ministry that could be used to cover closed captioning expenses, but it did not see its giving levels go up. *See* Exhibit 1 at 2. Van Buren is unaware of any local groups that provide funding specifically for closed captioning, and such support seems highly unlikely in light of the lack of organizational support of the television program generally. *Id.*

All of this financial information must also be considered against the backdrop of the general economy. Van Buren is located in the Fort Smith Arkansas-Oklahoma Metropolitan Statistical Area. Unemployment in that MSA has grown from a 2008 annual rate of 5 percent to a January 2009 rate of 8.1 percent, a January 2010 rate of 9.2 percent, a January 2011 rate of 9.4 percent, and a January 2012 rate of 8.9 percent. [http://data.bls.gov/timeseries/LAUMT05229003?data\\_tool=XGtable](http://data.bls.gov/timeseries/LAUMT05229003?data_tool=XGtable). Additionally, the area's underemployment, which includes people who work in lesser-paying part-time jobs but would prefer full-time work, has gone from an already high 9.5 percent in 2008 to 10.2 percent in 2009, 14.6 percent in 2010, and 14.5 percent in 2011. When these figures are added up, it is clear that a substantial portion of the population has suffered a major drop in household income. Both businesses and households necessarily will feel anxiety about the ripple effects of such a downturn. As a result, charitable giving, including donations to such organizations as Van Buren and projects such as its program "Reach Out," suffers as a result. This decline in giving is reflected in Van Buren's overall income, and not just in donations to the television ministry. Consequently, Van Buren simply has no available funds to fulfill its goal of providing a captioned program at this time, much less any excess income.

The Advocacy Groups have misconstrued Van Buren's reference to the self-executing closed captioning exemption for any channel producing revenues of less than \$3,000,000. Van Buren did not argue that it should be eligible for this exemption, as it is quite aware that it is available only for programming channels. Rather, the point is that the Commission has already determined in the context of this exemption that entities with less than \$3,000,000 in revenues are sufficiently lacking in funds to be exempt from closed-captioning requirements. While the exemption is clearly not directly applicable to Van Buren, the circumstances are analogous.

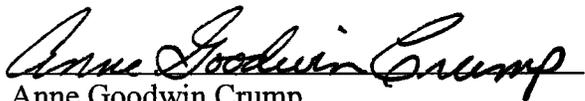
Therefore, the Commission should consider its prior determination as one factor in the instant context.

Taking all of these matters into consideration, the Commission should grant Van Buren a temporary, three-year waiver from closed captioning requirements. As previously indicated, Van Buren is hopeful that in the coming three years, economic conditions will improve and it will be able to offer closed captioning on its program "Reach Out." At the current time, however, as demonstrated above, Van Buren has limited resources which simply cannot be stretched enough to cover the significant expense that captioning its program would entail. Van Buren is a non-profit entity that has reached out to the community with its many ministries, including its television ministry for the past 24 years. Recent economic bad times have made its continuation a struggle, as Van Buren has had to deal with falling revenues and significant expenses, and it has already been forced to cut the length of its program in half. Adding on the expense of captioning would simply be a bridge too far, and the program would be forced to go off the air altogether, thereby depriving viewers of a local program upon which they have come to rely.

WHEREFORE, the premises considered, Van Buren respectfully requests a temporary waiver of the Commission's closed captioning rules as set forth herein.

Respectfully submitted,

VAN BUREN FIRST ASSEMBLY OF GOD

By:   
Anne Goodwin Crump

Its Counsel

FLETCHER, HEALD & HILDRETH, P.L.C.  
1300 N. 17<sup>th</sup> Street - Eleventh Floor  
Arlington, Virginia 22209  
(703) 812-0400

July 6, 2012

## **EXHIBIT 1**

## DECLARATION

I, Torin L. Johnson, hereby declare and state as follows:

I am the Associate Pastor and Youth Pastor of the First Assembly of God, Van Buren. In my position, I am responsible for the production and airing of the weekly, half-hour program "Reach Out".

The program is a half-hour weekly show, which is noncommercial in nature and features singing by the church choir and sermons from our Pastor. Those sermons include discussions of issues of the day in biblical terms. The church pays for the airtime to broadcast the program; with the cost of airtime on each of the two area stations is \$950 per week.

When I learned that closed captioning requirements could be applicable to the program of First Assembly of God, Van Buren, I began to call around to determine the cheapest way in which closed captioning of our program could be accomplished. In response, we received bids ranging from \$167 to \$250 per program each week, not to mention the software cost of \$10,000 (estimate by Omrinet, Inc./owner Ryan Hodges) for the church to accomplish the closed captioning internally. The figure for the software does not include any future upgrades that might become necessary or any provision for the necessary personnel to utilize the software to add the closed captions to the programs. I currently am responsible for both filming and editing the program to prepare it for broadcast. If closed captioning duties were added, the substantial amounts of time required would prevent me from properly accomplishing my duties as Youth Pastor. It therefore would be necessary to hire an additional person(s) to take over the filming and editing duties and/or the closed captioning duties.

In speaking with our sales representative at KARK television station, I learned that the cost to hire someone for filming would be in the range of \$125 to \$250 per hour, and the costs of editing would range from \$250 to \$350 per hour. Likewise, I understand from speaking with the software companies and others in the television industry that a high learning curve is involved in becoming proficient with the use of the closed captioning software. The cost of hiring a skilled worker to accomplish this task would therefore be significant.

Subsequent to my initial investigation into closed captioning issues, the church has received many letters since December 2011 offering closed captioning services. I have checked on several and most of them require you to ship our completed program to the companies, which would then add closed captions at a charge of \$167 to \$300 per week, or approximately \$15,600 per year, plus shipping costs, depending on which closed caption company is chosen. I understand that one company did offer e-caption services that would lower the cost to approximately \$10,000 per year (Caption Labs.) Please see attached letters that we have received from places regarding closed captioning services and estimates.

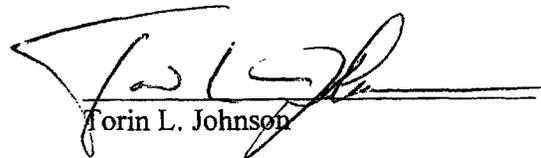
Funding of the television program is derived from the donations and designated offerings given to the church. The church's financial statements show that in 2010 the General Fund had \$1,361,781.06, with \$447,905 in other revenue & support (building fund, missions, department income, designated, tape sales) together totaling 1,809,668.49, but that does not mean that funds for closed captioning were available. The fact of the matter is that while there was approximately \$1.36 million dollars in revenue in the General Fund, the total operating expenses were \$2,007,567.00, thereby resulting in an operating loss of \$197,878.00. Obviously, the revenue under General Fund has to cover multiple areas of operations, including salaries, building maintenance and expenses, insurance and many other areas. Due to the lack of designated donations for the television ministry, the General Fund already funds the expenses for our television ministry. There is no possible way that all revenue that comes in, aside from donations specifically designated for the TV show, can be reallocated for the television ministry. Some such funds are designated for other purposes and may not lawfully be used in the television ministry. More importantly, if the church is unable to pay the mortgage, insurance, salaries, and other operating costs, then it would be unable to support a television ministry as well. We have already reduced the program length from 60 minutes to 30 minutes to reduce costs.

The church has contacted television KARK to seek assistance with closed captioning, but none has been forthcoming. We also have inserted messages into the program to solicit donations for the TV ministry, but giving for that purpose did not increase. We have not sought sponsorship specifically for closed captioning in the community generally, as we concluded that if organizations or individuals are not going to sponsor/fund our regularly aired TV program, then they are not going to fund the captioning costs either. We also are unaware of any groups in our area that provide such funding.

In closing, given all of the costs involved, the addition of closed captioning would be prohibitively expensive and would require the church to terminate the broadcasts altogether. It is my understanding that the general budget of the church simply could not support the added costs of the closed captioning no matter which option it was to choose for closed captioning. The current church budget is already stretched thin, and the addition of further substantial costs simply could not be supported at this time.

I hereby declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Dated this 3<sup>rd</sup> day of July, 2012.

  
Forin L. Johnson



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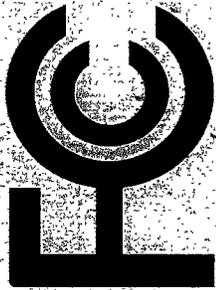


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Closed captioning allows persons with hearing disabilities to have access to television programming by displaying the audio portion of a television program as text on the television screen.

Closed captioning provides a critical link to news, entertainment, and information for individuals who are deaf or hard-of-hearing. Captions also help improve literacy skills. You can turn on closed captions through your remote control or on-screen menu.

As of January 1, 2006, all "new" English language programming, defined as analog programming first published or exhibited on or after January 1, 1998, and digital programming first aired on or after July 1, 2002, must be captioned, with some exceptions.

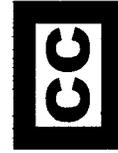
As of January 1, 2008, 75 percent of "pre-rule" English language programming, defined as analog programming first shown before January 1, 1998, and digital programming first shown before July 1, 2002, must be captioned, with some exceptions.

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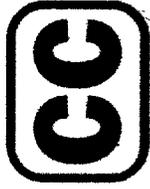
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EICB closed captioning services are 100% compliant with FCC requirements. In addition to meeting your necessary requirements, EICB CC will help you better serve the hearing impaired community. In addition, choosing EICB keeps things simple with a FLAT RATE service that will include everything necessary to take your production through the process. We also offer the service of sending your digital broadcast file on to your broadcast outlet so that you don't have to worry about anything.

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Christie Swafford <cswofford@vbfirst.com>

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## Closed Captioning Quote

1 message

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Ryan Hawthorne <rhawthorne@mediaimages.com>  
To: cswofford@vbfirst.com

Tue, Nov 1, 2011 at 4:15 PM

Christy,

It was a pleasure speaking with you earlier. The original quote from 2006 was for \$199 per weekly episode. I explained your situation to my boss and am now able to offer you a discounted rate of \$167 per weekly episode. This price covers both transcription and closed captioning.

I've attached some additional information about our eCaptioning service. This should help address any technical details you may need to go over with other members of your staff. We provide full technical support and can send free test files to help you understand the process.

As I mentioned on the phone, we love working with Christian television programs and would appreciate the opportunity to help spread the message of your ministry to the hard of hearing community through closed captioning.

Please do not hesitate to call or email with any questions.

Thanks,  
Ryan Hawthorne  
614-410-3000

---

 eCaption Datasheet.pdf  
1117K

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ask what it would cost internally  
for equipment & what all you  
need to do to get the program  
ready  
software  
encoded - add to video stream

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# 9 Things you *must* know before purchasing captioning software:

*What You Dont Know Can Cost You*

**Increasingly stringent requirements for closed captioning mean a lot of producers are in the market for captioning software.**

On the surface, some software packages promise to solve all of a producer's problems, but there are some hidden issues to be aware of before making a costly purchase — and possibly a costly mistake. Here are nine things to consider when searching for the right captioning solution.



## Consider the True Cost of Ownership

After graduating from college and finding his dream job, Rick decided he needed to purchase a new car. He wanted something that made a strong first impression, and he fell in love with a sharp, black European import. Although the cost was high, he could afford the payments, and he loved the power and prestige he felt when he drove it.

Rick was happy with his purchase until he realized that he hadn't counted all the costs. Instead of using the regular unleaded he was used to, this car wouldn't run well without premium in the tank. His insurance rates went through the roof and the repair bills for his classy import were triple that of his old domestic car. In fact, he couldn't even perform routine maintenance without going to the dealer. Rick was stuck with an expensive purchase with even more expensive

maintenance. Worse yet, over the three years that followed, his killer car got older and less appealing, and it dropped significantly in value. In the long run, it wasn't a good investment at all.

In many ways, buying closed captioning software is a lot like making a decision while on the car lot. There are more things to consider than just the initial cost of the software. The additional starting costs of a computer workstation, video encoders and duplication tape machines also come into play, and drive the price up immediately.

Initial Costs	
Caption Software	\$7,500
Computer Workstation	\$1,600
HD Encoder	\$9,700

And costs don't necessarily stop with the initial purchase. Technology is always changing, and as new software is developed, upgrades will be necessary. Factor in the software and hardware updates, ongoing maintenance, tech support and other hidden costs, and the price tag ends up being much more than that of the initial software purchase.



# 9 Things you *must* know before purchasing captioning software: *What You Don't Know Can Cost You*



## The Transcription Hurdle

The first overwhelming hurdle many producers encounter with their new software is getting the spoken work converted into text. The software salesman may breeze right by this step and simply tell you to import your transcript into their software. But how you get that transcript isn't as easy as it sounds.

In this age of technology, many new users of captioning software assume that voice recognition technology will do the whole job for them. Computers have come a long way, but unfortunately, technology hasn't progressed to the point where voice recognition is accurate enough for captioning. With countless dialects, accents, tonal qualities and an ever-changing slang vernacular, computer software just isn't highly refined enough to do the job that a thinking, reasoning human can do.

**"technology hasn't progressed to the point where voice recognition is accurate enough for captioning"**

When they find out that voice recognition leaves a lot to be desired, producers are left with two options— typing up the transcript themselves or hiring someone to do it. Doing it themselves is an option a lot of busy producers abandon after the first try. The average half-hour program contains 7,000 words, and oftentimes programs have a consistent speaking rate of 230-250 words per minute (wpm). For the average typist, a half-hour program can turn into five or six hours of sheer agony and frustration.

Other producers utilize the services of a Certified Court Reporter (CCR), who uses shorthand and a stenograph machine to transcribe the program's audio track. Although this process is much easier than the other options listed above, it is expensive. Prices usually range between \$65 and \$125 per half-hour for this service.

This results in a tough decision for the producer – whether to spend hours of his own time, pay for hours of a professional court reporter's time, or an enticing third option, which is to use an office assistant who can type rapidly and doesn't realize how much that skill is worth. This can be a temporary solution to the problem, until that person goes on vacation or leaves for another job. Finding the perfect office assistant also adds to the bottom line, when salary and benefits come into play.

**"how you get that transcript isn't as easy as it sounds"**

In any case, the transcription hurdle is another factor to consider when counting the whole cost of purchasing software.



# 9 Things you *must* know before purchasing captioning software: *What You Dont Know Can Cost You*



## The Learning Curve

All new software has a learning curve, and producers realize going in that it will take a little time to gain proficiency. But many professionals, although they are so used to dealing with technology, fail to consider one crucial skill they will have to develop: caption formatting.

The rules for formatting captions could fill volumes. Things like capitalization, how lines break, read rates, when to use italics, use of onomatopoeia and speaker identification are just a few examples of the rules the caption transcriber must master in order to turn out a readable product.

**The rules for  
formatting captions  
could fill volumes.**

Producing closed captions takes much more than a transcript. It also requires a proficient knowledge of language arts and style guides. In order to remain profitable, the captionist needs to know these rules inside and out, and be able to apply them quickly and correctly. In addition, the captionist needs to understand how to format captions on the screen for easy readability, employing an understanding of how the human eye takes in information.

This learning curve leads to increased cost, in terms of both time and money. Most producers are juggling too many responsibilities already to dedicate dozens of hours to reading and deciphering software manuals and style guides. Putting those lessons into practice requires even more time, and in the long run, the result just isn't worth it.

It takes an enormous amount of time and education to learn to properly format captions. This leaves many producers wondering if those hours wouldn't be better spent creating phenomenal video, rather than dealing with the learning curve.



## FCC Complaints and Non-Compliance

There are more than 40 million Americans who are deaf and hard of hearing. For this segment of the population, closed captioning is vital. Without it, these cannot receive information or entertainment from television, and they are shut off from a large part of our culture. Closed captioning advocates are very vocal about problems with captioning, and the FCC has implemented processes to make these complaints heard. This is good in that producers will know when something is wrong with their product. On the other hand, it means a lot more work. And although there was a paycheck associated with the production of the video, there's



# 9 Things you *must* know **before** purchasing captioning software: *What You Dont Know Can Cost You*

no extra money tied to the time it takes to fix viewer complaints. It is becoming more essential every day to get it right the first time.

Program producers need to be prepared to deal with viewer complaints.

It's likely that a coding error or a simple oversight will lead to a mistake every once in a while. But releasing captions that do not conform to standard practices will increase the chances of receiving complaints every time. The captionist must possess all of the parts of the puzzle – technological ability, language proficiency and a methodical dedication to excellence. Finding the right person to do the job will save huge amounts of time, money and frustration in the long run.

**It is becoming more essential every day to get it right the first time.**



## Software isn't a Sellable Asset

One of the big selling points of captioning software is that it's tangible. You aren't buying a service, but something you can actually put your hands on. And if your business changes drastically in the next year or two, someone will surely buy it for a reasonable price, right?

**...the value of software drops rapidly...**

Unfortunately, that's probably not true. Just like any technology, the value of software drops rapidly and almost immediately, because new and better technology is constantly coming into the marketplace.

Before making a major purchase, it makes sense to consider whether the purchase price will be able to be recouped, even in part. It might not be worth a fraction of what it originally cost. For instance, what would you give for a used computer running DOS 6.0? Would you even take it for free?



## Sometimes Outsourcing Makes Sense

Each year, hundreds of millions cars are taken to an auto shop for an oil change. Sure, the owners could do the work themselves, but the payoff just isn't worth the effort. The oil change pros make it so quick, easy and cost effective that there doesn't seem to be any benefit in doing the work at home. It may cost a little more in the short term, but the indirect savings are well worth the upfront cost.



**CaptionLabs**

# 9 Things you *must* know before purchasing captioning software: *What You Dont Know Can Cost You*

By outsourcing the oil change, the driver doesn't have to lie beneath the car, endure extreme temperatures and scraped knuckles, or ruin a perfectly good shirt. He doesn't have to find an environmentally approved place to dispose of the used oil, or clean up the oil spill on the garage floor that somehow made it's way inside the house to the new carpet.

**...our time is much more valuable than the few extra bucks...**

The same can be said of captioning software. There are some great products out there, but the cost of using them outweighs the benefits in many cases.

When getting the oil changed or captioning a video, our time is much more valuable than the few extra bucks that may be left in our pockets when we do it ourselves. In addition, we can't compete with the professionals because we don't have the numbers on our side.

No matter what the business, professionals have economy of scale working in their favor. A well-established captioning company handles captions for dozens or even hundreds of programs on a regular basis. These companies already have a team of transcribers and caption writers who are very efficient and highly experienced. Because of the volume of work these companies do, the high expense of the equipment has only a minimal effect on the final price of the product.

Outsourcing closed captioning can also save significant amounts of time. Because the operation is honed to perfect efficiency, the average project can be completed much more quickly than it could be by even the most well intentioned producer trying to complete an entire project alone.

### Typical Outsourcing Rates

Company A	\$230
Company B	\$195
Company C	\$172
Average Cost	\$199

In most cases, the benefits of outsourcing closed-captioning outweigh every reason to do it in-house. The high upfront cost of software, difficulty creating a transcript and the high learning curve are all substantial things to consider. But the most important factor is time. Time is valuable, and that comes into sharp focus when we think about how much time is lost in learning a new skill. When we stick to what we do best and delegate the rest, productivity goes up and so does profit.



# 9 Things you *must* know before purchasing captioning software:

*What You Dont Know Can Cost You*

## Outsourcing Could Yield Greater Tax Benefits

The government is treating captioning as the important function it is, and those who are providing accessibility to disabled individuals are being rewarded with tax credits. The "Disabled Access Credit" allows businesses to receive a tax credit of up to half of their expenses related to providing access to the disabled. For qualifying companies, the credit is 50% of expenditures over \$250, not to exceed \$10,250, for a maximum benefit of \$5,000.

Closed captioning qualifies for this credit, meaning that \$5,000 could be applied to your company's tax liability. For companies that purchase captioning software and the related equipment, the payoff can be big, but only for one year. Because the maximum expenditure is \$10,250, companies that purchase software can usually write off the maximum amount the first year, but will have very little or no credit in following years.

**...companies that choose to outsource can usually claim the maximum credit every year...**

On the other hand, companies that choose to outsource can usually claim the maximum credit every year. A programmer who produces a weekly show could save half by outsourcing and claiming the Disabled Access Credit.

Here's a Comparison:

	Year 1 Credit	Year 2 Credit	Year 3 Credit	Year 4 Credit	Year 5 Credit	Total Credit
<b>In House</b>	\$5,000	\$0	\$0	\$0	\$0	\$5,000
<b>Outsourcing</b>	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$25,000

\*Please consult your CPA. These statements are used as examples and may not apply to your situation.



# 9 Things you *must* know before purchasing captioning software: *What You Don't Know Can Cost You*



## Estimate the Cost of Captioning on Your Own

Most people – especially those who have been on the receiving end of an especially good software sales pitch – believe that they will be able to do captioning themselves and save money. The numbers, however, tell a different story. Here are some costs to consider.

- ▶ **The initial cost of investment is high.** Even if the cost is divided over several years, it still adds considerable overhead to the bottom line. HD captioning and encoding equipment is very expensive, so depending on specific system requirements, a producer should plan to spend between \$8,000 and \$20,000 to get an in-house captioning operation rolling.

**...plan to spend  
between \$8,000 and  
\$20,000 to get an  
in-house captioning  
operation rolling.**

- ▶ **Technical support and software updates aren't free.** In order to get the most from a system, the user will have to purchase support and software updates. Prices vary, but the average annual investment is about \$600.
- ▶ **The cost of transcription.** Most producers will end up outsourcing the transcription portion of the project anyway. Whether the transcription is done in-house by a staff member or outsourced to a court reporter, the cost will run about \$70 per 30-minute program for a verbatim transcript.
- ▶ **Time is money.** There are both direct and indirect costs of employees' time when using captioning software. Everyone has heard that time is money, but that phrase has a special meaning to people in the video production business. Deadlines are tight and even a small delay can cause costs to skyrocket. The value of time is too complex to calculate by looking at a simple hourly wage. The only way companies can be successful in today's economy is to make the most of every minute. That means directing employees to the things they do best, and finding someone else to do the rest. The result is efficiency that can make (or save) the company money and time.



# 9 Things you *must* know before purchasing captioning software:

*What You Dont Know Can Cost You*



## Consider Using a Captioning Service

Hiring a closed captioning service can help a company to save money, reduce hassles, improve quality and stay focused on their core business. Consider the costs of purchasing software vs. outsourcing for a program producer who produces 100 programs over a three-year period.

In-House Cost Over 3 Years		Outsourcing Costs Over 3 Years	
Software (\$9,000/100 Episodes)	\$90	Software	None to Buy
Tech Support & Yearly Upgrades	\$18	Tech Support	Included
Transcription	\$70	Transcription	Included
Staff Resources & Downtime	\$60	Staff Resources & Downtime	None
<b>TOTAL PER EPISODE</b>	<b>\$238</b>	<b>TOTAL PER EPISODE</b>	<b>\$199</b>
Tax Credits	\$-45	Tax Credits	\$-100
<b>FINAL COST</b>	<b>\$193</b>	<b>FINAL COST</b>	<b>\$99</b>

No matter how many bells and whistles a software package may have, outsourcing closed captioning turns out to be a good fit for producers in almost all situations. It results in a high quality product that doesn't break the bank, and doesn't leave the producer with a tension migraine. Just like clients should leave the creativity to the creative experts, producers should find a quality captioning agency and let them work their magic.



# 9 Things you *must* know *before* purchasing captioning software: *What You Dont Know Can Cost You*



## About CaptionLabs

CaptionLabs is an industry leader in closed captions and subtitles. It's our goal to make your job easier and we accomplish that with products that we have developed with the producer in mind.

### ▶ 24-hour Turnaround

When you have a tight deadline, leave the worrying to us.

### ▶ eCaption

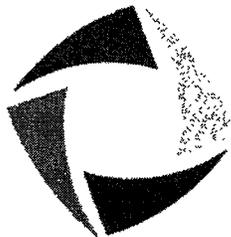
Save money and time by importing captions directly to your edit system with no shipping required.

### ▶ TurnKey Process

You provide the inspiration, and we deliver the finished product.

### Complete Services For:

- ▶ Broadcast Captioning
- ▶ DVD Subtitles
- ▶ Webcast
- ▶ Translation
- ▶ Transcription



**CaptionLabs**  
www.CaptionLabs.com ~ 877-258-7800

## eCaptioning

### Overview

More than 40 million Americans are deaf or hard-of-hearing. Such individuals are found in every demographic in our society, and closed captioning is a vital tool for reaching them. In addition, the FCC has mandated that virtually all TV programming in the United States must be closed-captioned.

CaptionLabs is dedicated to offering innovative solutions that make captioning easy and hassle free. From our exclusive 24-hour turnaround, to our 100% satisfaction guarantee, and from our unrivaled technical expertise to our outstanding customer support, we make your job easier.

Our innovative eCaption process redefines offline captioning. By using the internet to transfer files, we've created a system that allows you to caption inside the edit suite, saving you time, money and hassles. We focus on creating perfect captions while you focus on what you do best – creating your program.

### Benefits

#### -Turnkey Service

The eCaption process is the easiest way to caption. We create the verbatim transcript and correctly format the captions to industry standards. You then import the eCaption file into your edit system and master your tape. It takes much of the burden off of your shoulders and saves you time.



#### -Full Quality Assurance

Do you ever get a knot in your stomach from knowing that someone else is responsible for the final error check of your program before it shipped to the station? Because eCaption allows you to add captions right in your edit suite, you have full assurance that everything looks and sounds just as you meant it to.

#### -Saves Time



Traditional offline captioning can take additional days or even weeks depending upon a number of factors. The shipping delays alone mean days of lost production time. The eCaption process eliminates this extra time by transferring all the necessary files instantly over the Internet.

#### -Saves Money

Additional dub and shipping charges are an unfortunate side effect of traditional offline captioning. Many captioning companies hide these charges by baking them into the cost, but ultimately you're still paying for it. Our eCaption service works without need for these extras, saving you money and providing you with a better process.



#### -No Generation Loss

Duplication is at the center of traditional offline captioning. In order to encode captions, a dub must be made, leading to an inevitable loss of quality. The eCaption technology allows captioning from the edit suite, so your quality is always at its best.

#### -Multiple Masters



Shipping to multiple stations usually means shipping multiple versions of your program, each with a unique phone number. Imagine the ability to provide each station with their own captioned master, right from the edit suite. With eCaptioning, creating multiple masters is easy and hassle free.



### "Perfect Captions. On time. Every time.

If you're not thrilled with our service, we don't expect you to pay. We'll refund 100% of every penny paid AND pay our competitor to complete the project for you. No fine print, no hassles, no questions asked. That's our promise and your guarantee."

## eCaptioning

"What a relief that we found CaptionLabs when we did. The captions are perfect and the turn-around is lightning fast."

-Dave Williams  
Bullseye Video Productions

### Helpful Tip:

Many producers save production time by fine-tuning graphics and audio while CaptionLabs completes the captions.

### Getting Started

The process for eCaptioning is done in three phases.

-  **Step 1** You export the final sequence video, compress and e-mail to CaptionLabs.
-  **Step 2** CaptionLabs creates a verbatim transcript, formats the captions and emails them to you.
-  **Step 3** You import the caption file into your edit system.

eCaptioning works with almost any edit system, especially if hardware video I/O is utilized. Some basic system suggestions are:

- ◆ Non-linear edit platform such as Final Cut Pro, Avid, & Adobe Premier.
- ◆ I/O hardware such as Avid, AJA, Blackmagic DeckLink, & Matrox.
- ◆ 720x486 pixel video sequence

### Compressing Your Video

Step 1

Once your project sequence is completely laid out and finalized, it's time to compress a reference movie and send it to CaptionLabs. To save time, you can send us your file before the audio/video is completely fine tuned. Because captions are timed to the audio, your audio timing must be identical to the final product, but final mixing and non-critical audio sweetening are not necessary at the time of captioning. Graphics or graphic placeholders should be included for caption positioning, but final graphics are usually not necessary either.

We prefer Windows Media or QuickTime reference movies. Your video files can be delivered in a wide array of presets. For best results, we recommend video that is 350-500 kbps, 320x240 pixels, and at a framerate that matches your project sequence (usually 29.97 fps).

Once your file is compressed, send it to CaptionLabs using the link provided when you setup your account.

#### Best Formats:

 or   
350-500 kbps  
320x240 pixels  
29.97 fps

### CaptionLabs Creates Your Captions

Step 2

It won't be long until your caption file will be returned to you. We take pride in our excellent customer service and fast turnaround time. Before you know it, you'll have your caption file in your inbox!

## eCaptioning

### Adding Captions To Your Video

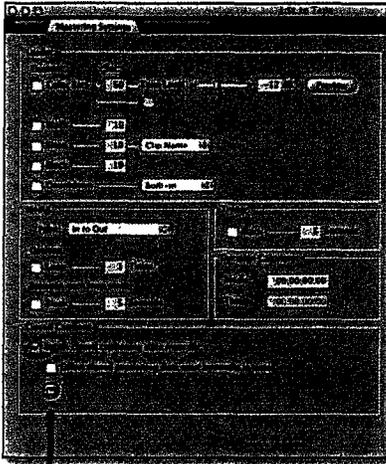
Step  
**3**

#### Final Cut Pro 7



One of the new features released in Final Cut Pro 7 is the ability to easily add captions directly from the print-to-tape or edit-to-tape menu. The key advantage of eCaption over other methods is the ability to do this without rendering, which results in several recouped hours per program.

Once your final sequence is complete, prepare your master tape using either the print-to-tape or the edit-to-tape menu. In these menus, you will find an option to add closed captioning. Simply select this option and point to the file provided by CaptionLabs.

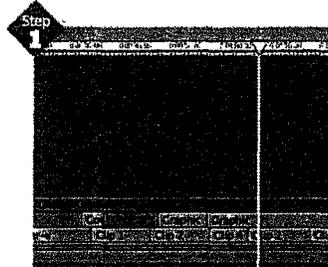


Place caption file here

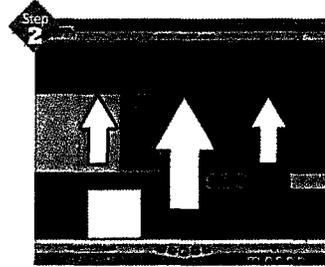
Avid, Adobe Premier, FCP 6 and earlier.



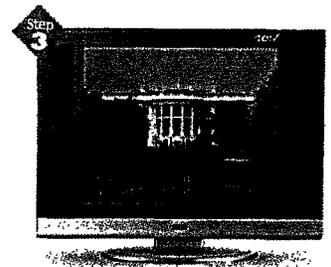
Captions are added to your 720x486 sequences on the timeline. CaptionLabs will email you a black movie with embedded caption data. Simply place the movie on the top video track of your sequence. Then trim the video from the bottom so that the white "dashes" are preserved at the top of the screen. Be careful to leave a small amount of black between the dashes and your video. Only crop this video layer — do not scale or position it. Render the sequence and play it.



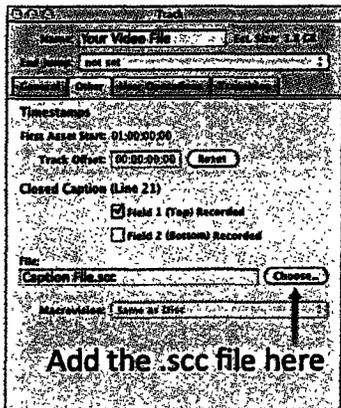
Place CC File in Timeline



Crop the Bottom



Render and Play



Add the .scc file here

#### DVD Studio Pro



It is important to note that adding closed captions to your DVD is a different process than adding subtitles. Each video track in your completed project will need its own caption file. To add closed captions to a video, select the track in the *Outline* tab; then in the *Inspector*, select the *Other* tab. Under Closed Caption (Line 21), click the choose button and navigate to the .scc file provided by CaptionLabs. The checkbox for "Field 1 (Top) Recorded" will be automatically activated.



# CaptionLabs

1010 Taylor Station Road, Suite E, Columbus, OH 43230  
877-258-7800 • [www.CaptionLabs.com](http://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](mailto: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.



# MEDIA IMAGES

4991 Transamerica Dr. • Columbus, Ohio 43228 • Phone (614) 410-3000 • Fax (614) 410-3001

## Important Closed Captioning Information

November 16, 2006

Torin L. Johnson  
Van Buren First Assembly of God  
1014 Fayetteville Rd.  
Van Buren, AR 72956

Dear Torin L. Johnson,

Recently you applied to the FCC for an exemption from the closed captioning requirements for your television program. I understand the financial burden this places on your ministry, however, you may not be aware there is a cost effective alternative to expensive captioning services. Media Images, one of the country's premier religious media companies, has developed a service designed exclusively for ministries, at very reasonable prices.

Closed Captioning - 30 Minute Program - \$199.00  
Closed Captioning - 60 Minute Program - \$299.00

Our easy, inexpensive service will allow you to comply with the FCC closed captioning requirements immediately, or after your exemption expires. We offer duplication to and from most popular tape formats along with fast turn around times. This special pricing is open to ministries only and is not published on our web site. To begin using our service, please call us at (614) 410-3000 or visit our website at [www.SmartCaptioning.com](http://www.SmartCaptioning.com).

Blessings,

Adam R. Grover

Media Images Inc.  
4991 Transamerica Dr.  
Columbus, OH 43228  
Phone: (614) 410-3000 ext. 104  
Fax: (614) 410-3001  
[www.SmartCaptioning.com](http://www.SmartCaptioning.com)

November 29, 2011

Director of Media  
 Van Buren First Assembly of God  
 1014 Fayetteville Road  
 Van Buren, AR 72956

Director of Media:

I understand Van Buren First Assembly of God 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.**

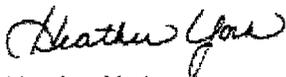
### **TURNKEY LIVE TO TAPE**

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](mailto: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  
 501-881-7534  
[Heather-y@vitac.com](mailto: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



December 11, 2006

Torin L. Johnson  
Van Buren First Assembly of God  
1014 Fayetteville Rd.  
Van Buren, AR 72956

Dear Torin:

As I am sure you already know, effective January 1<sup>st</sup> 2006, the Federal Communications Commission began requiring all English speaking television programs to be closed captioned for the hearing impaired. While there are some exemptions to this requirement, the vast majority of television programs aired on television broadcast stations and cable outlets need to have closed captioning added.

Allow me to introduce to you Atlantic Coast Communications - the company who could potentially be your **closed captioning partner**.

Perhaps you, like many television producers, are currently operating under a temporary exemption while your application to the FCC to be permanently exempt from closed captioning is being reviewed. Once the FCC gives a ruling on your application, you might need the assistance of Atlantic Coast Communications.

Atlantic Coast Communications can take care of any of your closed captioning needs. We assist program producers located throughout the United States.

I am attaching a fact and rate sheet on our closed captioning services as well as testimonials from a few of our clients. I know you will find our services competitively priced, with a quick turnaround, and attention given to detail. Atlantic Coast Communications has closed captioning projects airing on major network affiliates, local cable companies, as well as national cable channels.

We can turn your project around in under one week and within 48 hours if need be. We also work with all types of media, from Beta SP to Mini DV to DV Cam to DVD.

We would love to assist you with your close captioning needs. Please don't hesitate to call me if you have any further questions.

Sincerely,



J. Thomas Lamprecht  
President /ACC

ATLANTIC COAST COMMUNICATION, INC.  
3219 LANDMARK STREET • SUITE 3-B • GREENVILLE, NORTH CAROLINA 27834  
VOICE: 252.756.7220 FAX: 252.756.7008 E-MAIL: [production@accradio.com](mailto:production@accradio.com)  
REAL AUDIO WEBSITE: [www.accradio.com](http://www.accradio.com)



## Closed Captioning Services

Atlantic Coast Communications can add close captioning to your video productions, quickly and affordably. We can accommodate quick turn around and work with a variety of formats including Beta SP, DV, Mini DV, DV cam, and DVD.

### Rates Per Project\*

	Roll up		Pop up	
	30 min.	60 min.	30 min.	60 min.
1 time projects	\$200.00	\$340.00	\$220.00	\$374.00
Weekly projects**	\$170.00	\$289.00	\$185.00	\$318.00
Daily projects**	\$160.00	\$275.00	\$176.00	\$302.00

\*\*The above rates apply to a turnaround time in excess of more than one week; Please add 10% for projects that have a turnaround time less than one week.

\* Rates do not include shipping and media. Shipping rates based upon current UPS rates from Greenville, NC. Media rates based on current rates at [www.americanrecordablemedia.com](http://www.americanrecordablemedia.com) .

### Contact Information

Technical questions, Will Toney, 252-756-7220, ext. 8, [will@accradio.com](mailto:will@accradio.com)  
 Rate & Contract questions, Tom Lamprecht, 252-756-7220, ext. 4, [tom@accradio.com](mailto:tom@accradio.com)  
 Shipping Inquires, Andy Kingsbury, 252-756-7220, ext. 1, [andy@accradio.com](mailto:andy@accradio.com)  
 Billing questions, Colleen Lamprecht, 252-756-7220, ext. 2, [colleen@accradio.com](mailto:colleen@accradio.com)

Atlantic Coast Communications  
 3219 Landmark St. Suite 3-B, Greenville, NC 27834  
 252-756-7220 [www.accradio.com](http://www.accradio.com)

## Certificate of Service

I, Michelle Brown Johnson, hereby certify that on this 6th day of July, 2012, I caused a copy of the foregoing "Reply to Opposition to Petition for Waiver of Closed Captioning Rules" to be served via U.S. mail, postage prepaid, upon the following:

Blake A. Reid, Esq.  
Institute for Public Representation  
Georgetown Law  
600 New Jersey Avenue, N.W.  
Washington, D.C. 20001  
*Counsel for Telecommunications for the Deaf  
and Hard of Hearing, Inc.*

Shane Feldman, Chief Operating Officer  
National Association of the Deaf  
8630 Fenton Street  
Suite 820  
Silver Spring, MD 20910

Cheryl Heppner, Vice Chair  
Deaf and Hard of Hearing Consumer Advocacy Network  
3951 Pender Drive  
Suite 130  
Fairfax, VA 22030

Brenda Estes, President  
Association of Late-Deafened Adults  
8038 Macintosh Lane  
Rockford, IL 61107

Dr. Benjamin J. Soukup, Jr., CEO  
Communication Service for the Deaf, Inc.  
102 North Krohn Place  
Sioux Falls, SD 57103

Mark Hill, President  
Cerebral Palsy and Deaf Organization  
1219 NE 6th Street #219  
Gresham, OR 97030

  
Michelle Brown Johnson