

May 7, 2013

**Media Captioning Services
2111 Palomar Airport Road
Carlsbad, CA 92011**

**VIA ECFS
Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554**

**Re: Annual Assessment of the Status of Competition in the market for
the Delivery of Video Programming, MB Docket NO. 12-203**

**Ex Parte Meeting Re: The need to include a Review of anticompetitive
practices by Video Programmer in the Acquisition of real-time closed
captioning services, in the Annual Assessment, and a review of the
potential negative impact on quality and availability of such services for
Deaf and Hard of hearing consumers resulting from diminishing
opportunities for very small real time captioning providers.**

Dear Ms. Dortch:

**On May 2, 2013 Patricia Ferrier, President of Media Captioning Services,
Richard Pettinato, ExVP, Media Captioning Services met with Commissioner
Mignon L. Clyburn, David Grimaldi, Chief of Staff and Media Legal Advisor to
Commissioner Mignon L. Clyburn, and Karen Peltz Strauss, Deputy Chief,
Consumer and Governmental Affairs Bureau. During the meeting,
anticompetitive practices of large video programmers, specifically their
sourcing policies for real time captioning and the negative impact on the closed
captioning industry were discussed.**

**Pursuant to filing requirements for Ex Parte meetings, this letter is being filed
electronically with the Commission**

Sincerely,

**Richard Pettinato, Ex VP
Media Captioning Services c**

**cc: Mignon L. Clyburn
David F. Grimaldi
Karen Peltz Strauss**

SUMMARY OF EX PARTE MEETING May 2, 2013

On May 2, 2013 Media Captioning Services of Carlsbad, Ca. held an Ex Parte meeting with FCC personnel. FCC personnel present at the meeting were Commissioner Mignon L. Clyburn, David F. Grimaldi, Chief of Staff, and Karen Peltz Strauss, Deputy Chief, Consumer and Governmental Affairs Bureau. MCS was represented by Patricia Ferrier, President, and Richard Pettinato, Ex. VP. The topic of discussion was a review of anticompetitive practices in the closed captioning industry, and the need to address such practices in the Annual Assessment of the Status of Competition in the market for Delivery of Video Programming. Closed-captioning is an intrinsic part of the video signal provided by video programmers to maximize accessibility to video programming for Deaf and hard of hearing viewers. MCS commented on anticompetitive practices utilized to "source" closed-captioning services by major video programmers which, by preferencing a few dominant closed-captioning firms, have resulted in reduced opportunities for very small real time closed captioning companies that form the preponderant number of companies in this business.

As a result of these sourcing practices, enrollment in schools (which receive federal funding) has dropped significantly, and entrants into the profession by experienced reporters has also declined. MCS noted, as an example, that AIB College of Business, which offered a highly regarded teaching program for real time captioning, and received Federal funds to train new captioners at their Harkin Center lab, was ending their court reporting program and had closed the Harkin Center lab. The sourcing practices by major video programmers have resulted in diminished growth opportunities for very small captioning companies, and significantly reduced compensation levels which have declined consistently for real time captioners in this field and for individuals considering this career. Since the year 2000, levels of compensation to captioning companies and to individuals in this field have consistently declined despite the FCC requirement for video programmers to provide increasing levels of captioning. Declining income levels and opportunities for income growth in real time captioning careers were cited by teachers as reasons parents are disincenting their children from entering the closed captioning profession.

The ability of the closed captioning industry to meet real time captioning requirements at quality levels needed by Deaf and hard of hearing viewers, including the ability to meet peak demands at times of national and regional emergencies was noted as a significant risk in the near future. MCS noted, as an example, sourcing policies of Comcast and Disney for the real time captioning of thousands of hours they provide for their horizontal and vertically controlled holdings preference a few large, dominant captioning companies. Few, if any, very small captioning companies have an opportunity to realistically compete and be awarded captioning business, and the trend toward reducing the number of vendors used by these large video programmers exacerbates the

difficulty for very small companies to grow their business and provide employment opportunities for new captioners. The need for regulations by the FCC on quality requirements for real-time captioning was briefly addressed.

The meeting ended with MCS responding to an FCC request for possible courses of action, suggesting(but not limited) to the following- (1) a Notice of Inquiry on the extent to which video programmers are using very small non dominant captioning companies across their regional, local and national networks, and (2) considering such utilization when renewing broadcast licenses held by video programmers.