

Our next commenter is an old friend of the ADA, Steve Fellman, who is representing the National Association of Theater Owners. Steve and I have worked together on ADA issues before either of us would want to say. We're delighted to hear you today.

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>> STEVEN FELLMAN: Thank you, John. My name is Steve Fellman and I am ADA counsel for the National Association of Theater Owners, the other NATO.

NATO is the largest trade association of motion picture theater operators in the world. Our members operate more than 30,000 of the 40,000 motion picture screens in the United States.

I'm here today to talk about closed captioning and video description. ^M00:31:38:00

Today there are approximately 40,000 movie screens in the U.S. Roughly 12,000 screens are now digital.

They show movies sent by the distributor to the theater in a digital format, not a film format. By the end of 2013, the four largest theater chains which operate more than 18,000 screens, estimates that almost all of their first-run theaters will be digital. And within five years, the industry now estimates that over 30,000 U.S. movie screens will be digital.

Captioning and video description that works in a digital environment will not work in a film environment; and, similarly, captioning and video description that works in a film environment won't work in the digital environment.

Today we need to focus on digital cinemas. Just like the old movie era where you take pictures with snapshots, no one buys film anymore because of the digital camera. And we're going to the same thing.

Digital cinema offers enhanced products for movie goers and the industry has developed a program that will result in a new technology being affordable for the great majority of theaters.

To make digital cinema a reality, distributors must be able to transmit a standardized product, or movie, that can be played on standardized equipment with theaters.

When we add closed captioning and video description, the product coming from the distributor must have closed caption and video description content that can be read by the equipment in the theaters and transmitted to the captioning display unit or descriptive video headsets used by the consumer.

What is necessary is standards for distributors, equipment manufacturers, theater operators to provide quality and interoperability.

We are pleased to report that all the major standards are now in place, including major standards for closed captioning and descriptive video. What they're called is SMPTE DCP standards for closed captioning and descriptive video and they have just been published. It's very exciting news.

However, this is all so new that testing is still underway to ensure that everything works in a theater setting.

We need to know that the equipment is reliable, that movie goers can use the equipment, and we need to get hard numbers on what captioning and video description will cost.

We don't have these answers. And we can't answer the 90 questions that are before us. But we believe that these answers will be available within the next 24 months.

You will note that I have been talking about digital cinema. And you may ask what about those theaters that don't convert? We're talking about theaters with the lowest profitability, small theaters, rural theaters, theaters with short-term leases.

There is a great concern that many, if not most of these theaters will fail. Those that remain will not be showing first-run products. And any product that they will show may not have captioning content or video description available.

The motion picture industry, including exhibitors and distributors, have voluntarily moved forward on digital closed captioning and video description, even though I may add, we don't think we're required to do so.

However, it will be another 24 months before we can realistically provide the type of hard data on issues, such as costs, display unit options, interoperability, reliability, quality, and, of great importance, user acceptability that's called for in the ANPRM.

During the next 24 months we believe that major distributors will be providing digital cinema with closed captioning and video description in standardized SMPTE DCP format. And exhibitors will be getting the equipment that will enable us to experiment with the various types of display units that are being developed and now are coming onto the market.

Certainly, there will be a very substantial increase in closed captioning and video description availability, all on a voluntary basis.

We, therefore, request that the DOJ hold off further action on the ANPRM for 24 months and use that time to work with the industry and consumers to learn more about these new and exciting digital technologies.

During that time, DOJ must consider the situations of those theaters that did not convert to digital. Those will have to be exempted from any captioning.

NATO Testifies at Dept. Of Justice Hearing | National Association of Theater Owners
- from the rough transcript; Chicago, 18 November 2010

And, lastly one final thing, we want to assure you that in the digital world our industry is committed that our patrons will have access to closed captioning and video description. Thank you.

^M00:36:45:00 >> JOHN WODATCH: Thank you.
