



National Association of Theatre Owners™

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Chairman Harkin, Senator Alexander, and members of the committee – thank you for the opportunity to appear before you today on behalf of over 600 motion picture theater companies operating here in the United States. Our organization, the National Association of Theatre Owners, represents more than 30,000 movie screens in all 50 states, and our industry employs more than 125,000 people.

The movie theater industry is currently experiencing a dramatic transformation from analog, film-based delivery and projection technologies, to digital cinema systems. In an atmosphere of industry innovation and cooperation, this conversion enables more widespread installation of closed captioning systems for deaf patrons and descriptive audio systems for blind patrons. As a result of the proactive and voluntary initiatives of our members, more than half of all digital cinema auditoriums now have captioning and description technologies, and the number is growing every day.

Let me describe how we arrived at this exciting point in our industry's history.

America's Theater Operators Strongly Support Access for Disabled Patrons

NATO and its members have long been committed to making movie theaters as accessible as possible to all Americans, including those with disabilities. NATO testified in favor of passage of the ADA when the legislation was first debated in Congress. When the ADA Standards for Accessible Design (ADA Standards) were first promulgated by the Department of Justice, NATO prepared and circulated an ADA Compliance Manual to assist theater owners in designing compliant theaters. Since the ADA Standards became effective, NATO and its members have continued to work closely with the Access Board, the ANSI A117 Committee, the DOJ, state and local authorities, other industry groups, and disability rights groups to clarify and implement the requirements of the ADA.

The great majority of NATO members are small businesses operating fewer than 20 screens. The typical NATO member has no construction department, no in-house architect, no staff attorneys, and no regulatory affairs specialists. For most members, the owner/operator is solely responsible for regulatory compliance, including ensuring that new construction, renovations, and alterations meet the requirements of the ADA.

At the same time, our membership also includes larger regional and national movie theater chains that have often taken the lead to develop better technologies to provide greater access for patrons with disabilities. I will talk a bit more about some of those innovations in a minute.

NATO's members have spent hundreds of millions of dollars and countless working hours to expand accessibility in America's movie theaters. Theater operators proudly accommodate mobility-impaired patrons with accessible doors, box office and concession counters, paths of

travel, restrooms, and most importantly, wheelchair seating spaces in each auditorium. We accommodate service animals. For our patrons who are hard of hearing, our theaters use infrared assistive listening systems. These systems include an emitter for each auditorium, which provides the audio output, and headsets, which are generally made available to patrons either at the box office or at the guest services counter within the theater.

Movie Captioning for the Deaf Presented Unique Challenges Until Very Recently

Until very recently, however, it has been more difficult to accommodate deaf patrons for whom assistive listening devices are insufficient. NATO and our members actively supported movie access for these patrons for more than twenty years, but with only moderate results. We helped develop the first open caption film program with our partners in the movie studios and at InSight Cinema (formerly “Tripod”). In this program, copies of movies, which we call “film prints”, were distributed with open captions to volunteer movie theater companies for advertised screenings. After closed captions for film were introduced with the WGBH Rear Window® Captioning system, many NATO members installed closed caption systems in select auditoriums for the exhibition of those movies distributed with captions, and publicly advertised the availability of these special screenings.

In spite of these efforts, open and closed captioning in the film era encountered only moderate success for several reasons. The production, distribution and exhibition of open captioned prints is expensive. Movie studios were only able to distribute a limited number of prints for a limited number of movie titles. Even more problematic, open captioned screenings draw few deaf patrons to the cinema and drive hearing patrons away. When NATO members offered the same movie in two auditoriums, one with open captions and one without, very few patrons attended the open captioned screening even if the other auditorium was crowded.

Closed captioned screenings do not produce the same disincentive for attendance by hearing patrons. But despite advertising by theater companies and the technology providers of the availability of closed captioned movies in designated cinemas, usage surveys show that the systems were rarely used. Closed captioning in the film era, moreover, imposed very significant cost burdens on the theater operators, as the cost of the equipment vastly exceeded the negligible additional revenues generated.

With the Advent of Digital Cinema, the Industry has Made Tremendous Progress Toward the Goal of Greater Access for Deaf and Blind Patrons

NATO has maintained for some time that our industry’s conversion from film to digital technologies would enable much greater access for deaf and blind patrons. Events during the past year have proved that statement to be true. We are very excited about these developments.

Digital cinema constitutes the greatest technological transition in the cinema industry since the advent of the “talkies”. For the past one hundred years, movies have been distributed and projected on celluloid film prints. Today, the industry has nearly completed our transition to digital distribution and projection. Approximately 88% of the nation’s movie screens now use digital projection.

Throughout this transition, NATO and our members have worked aggressively to ensure that the new theater systems would enable greater access for deaf and blind patrons. We first developed specific technology standards that called for digital cinema servers to be capable of playing narrative audio tracks and caption tracks when included in content distribution. Then our NATO members, led by Regal Cinemas of Knoxville, Tennessee, worked closely with access equipment companies by providing technical guidance, cinema testing locations, design requirements, and other collaborative efforts. NATO members have organized hands-on demonstrations of prototype access equipment to representatives of the disabled community and to industry participants at large. At the same time, NATO took the lead public advocacy position within the broader movie studio, exhibition and equipment industries to promote captioning and descriptive audio.

These efforts resulted in two important advances. First, all major movie distributors now provide captions and descriptions with virtually all of their major movie releases. NATO is grateful to the Motion Picture Association of America and their movie studio members for the supply of captioned and described movies. We are still working with some smaller distribution companies to get access to as many captioned and described movies as possible.

Second, equipment vendors have created new systems to provide captioning and description in digital cinemas. These systems include:

1. Ultra Stereo Labs CCR 100 and CCR 200 Closed Captioning Receivers: Gooseneck held, theater seat mounted screen with built in caption display that receives captions via infra red (CCR 100) or Wi Fi with Sony digital systems (CCR 200). Descriptive audio also available with 2 channel headset, IRH-230. Captioning and descriptive audio data supplied by studios.
2. Doremi CaptiView Closed Captioning Receivers and Fidelio Descriptive Video Receivers: Gooseneck held, theater seat mounted screen with captioning display that receives captions and audio content via Wi Fi signals. Captioning and descriptive audio data supplied by studios.
3. Sony’s Entertainment Access Glasses and Audio Description receivers: Closed Captioning Eye Glasses that utilize unique holographic technology to display text in the direct line of sight of the user. A single receiver receives data for closed captions,

descriptive audio data and also accommodates the use of neck loop technology. Captioning and descriptive audio data supplied by studios.

4. Rear Window Captioning: Gooseneck held, theater seat mounted clear plastic panels that capture text displayed on the rear wall of an auditorium. Also capable of distributing descriptive audio to separate headsets. Captioning and descriptive audio data supplied by studios.

The first three technologies listed above, from USL, Doremi and Sony, constitute first generation equipment that has become available in the digital cinema world. The Rear Window technology has been adapted from earlier systems that were also available in the film era.

At Least 53% of America's Digital Cinema Screens are Currently Enabled for Closed Captioning and Video Description, with More on the Way

Over the past year the digital cinema transition has come to fruition, a much higher percentage of movies has been distributed with captions and descriptions, and the access equipment companies have rolled out their first generation devices. In response, America's cinema owners are installing captioning and description systems literally as fast as the manufacturers can produce them.

We conducted a survey of our members that concluded on May 3. Though we did not get responses from all 604 members, we did receive responses from members covering more than two-thirds of the digital cinema screens in the market. This extensive data suggests that more than 18,000 digital movie screens, or at least 53 % of the total digital cinema market, are now enabled with equipment for captioning and description.

For the most part, the access systems are first generation. As such, the industry has experienced the typical challenges associated with new technologies, including the need for greater staff training as well as design modifications.

Equally important, the industry, along with advocacy groups and equipment companies, must work together to market and publicize the availability of these products. For their part, movie theaters are raising awareness of the availability of accessibility devices through myriad avenues, ranging from newspapers, press materials and signage at the box office to Facebook and company websites. Additionally, at the click of a mouse, moviegoers can search for accessible movies in any city or town in every state throughout the country via third-party websites like Fandango, MovieTickets and Captionfish .

In the end, we hope as many deaf and blind patrons as possible attend our cinemas and have a great experience at the movies.

The Movie Industry's Efforts Make Legislation or Rulemaking Unnecessary

As a final note, we are aware that Chairman Harkin recently introduced legislation on this topic. We also understand that the Department of Justice has revealed plans for rulemaking. Our industry strongly opposes such legal government mandates. These proposals would only serve to enrich trial lawyers instead of improving access for the disabled community. I will save the details of our opposition to such efforts for another day. For today's purposes, I hope the committee members can see that the movie theater industry has been so proactive in expanding access to our cinemas that additional government regulation is simply unnecessary.

Thank you.

John Fithian, President & CEO

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