



**Statement of Position
National Association of Theatre Owners**

In Opposition to HB 1238: Motion Picture Houses – Captioning

Before the Senate Judicial Proceedings Committee, Maryland State Assembly

April 5, 2022

On behalf of the membership of the National Association of Theatre Owners (NATO) operating in Maryland, we respectfully submit these written comments in opposition to HB 1238 - Motion Picture Houses – Captioning.

The exhibition industry is committed to providing access for all patrons attending a motion picture. To achieve this goal, NATO has worked with the federal government, exhibitors, advocacy groups, film studios, and technology developers to provide personal closed captioning devices that ensure equal access for every movie at every showtime. Furthermore, theatres throughout the country, and especially those operating in Maryland, are committed to providing additional options for access by scheduling open-captioned showtimes based on consumer desire and guest feedback. In any given week, there are likely over 150 open captioned shows being offered throughout the state.

As you know, the exhibition industry continues to struggle in the wake of the COVID-19 pandemic. Nationally, theatres are down more than 50% this year compared to pre-covid numbers. With the extended closure of over a year in both Montgomery and Prince George's Counties, Maryland's theaters have been affected much worse than most areas. As of the end of 2021, Maryland's revenue loss at the box office and concessions was estimated to be well over \$400 million.

Meanwhile, data collected by exhibitors shows that open-captioned showtimes attract fewer guests than non-captioned shows. A mandate such as HB 1238 would further inhibit the industry's recovery in Maryland. Instead, we ask that the exhibitors be allowed to continue developing models for open-captioned programming that fit the needs of the communities where they operate.

A "one-size-fits-all" approach does not reflect the individualized operations of each theater nor the customers they serve. An open-captioned mandate would not allow theatres to build a flexible framework in which operators and advocates can work together to create market-driven programs that can be adjusted and improved where needed. Through this joint process, movie theaters aim to implement open-captioned programs that meet or exceed the demands of the local market.

For these reasons, NATO respectfully opposes HB 1238: Motion Picture Houses – Captioning. The exhibition industry remains committed to maintaining access for all patrons attending movies and expanding options for their customers based on consumer demand.



OPEN CAPTION MANDATES DO NOT REFLECT THE MARKETPLACE

Overbroad legislation requiring mandatory open captioned showings of films without consideration for economic realities would have a negative impact on the state’s movie theater industry—especially as financially crippled cinemas emerge from the pandemic. Instead, movie theater operators are working to expand access options for individuals who are deaf and hard of hearing through consumer-driven programs for films with on-screen subtitles. This is a proven solution as advocates and policymakers in other states have recognized the benefits of pursuing collaborative solutions instead of onerous, inflexible legislation. Additionally, allowing market-driven open caption programs to proceed will enable theatres to continue gathering and evaluating data, and work with stakeholders to pursue the most effective paths forward for motion picture accessibility in the state.

- ⊗ **Build Open Caption Programs.** Put simply, a “one-size-fits-all” approach does not reflect the individualized operations of each theater nor the communities they serve. Instead, it is important to avert rigid legislative mandates by building a flexible framework in which stakeholders work together to create market-driven programs that can be adjusted and improved where needed.
- ⊗ **Collect Data to Improve Access.** Cinemas will continue to collect and share data on the impact of open caption programs.
- ⊗ **Promote Open Caption Films.** Cinemas clearly display which showtimes offer open caption films on company websites and at the box office. Historically, NATO members have partnered with stakeholders to promote open caption programs in communities across the state.
- ⊗ **Improve Closed Caption Moviegoing Experience.** In accordance with NATO’s historic agreement with advocacy groups and the Department of Justice, cinemas will continue to provide closed caption devices for use at every movie showtime. NATO is also developing new staff training resources on proper maintenance and operation of closed caption devices and systems.

Cinemas throughout the country have been tracking open caption programs. Recent data from these efforts show little to no attendance at open caption shows in key industry markets, and even lower attendance where open caption shows have been mandated.



4.14 Tickets

**Average Attendance
Per Open Captioned Show
Regal Cinemas
Hawaii Statewide
(Mandate by Law)
Locations: 8
1,191 Open Caption Shows
Seats Unsold: 95.44%
(11/5/21 – 3/20/22)**



5.18 Tickets

**Average Attendance
Per Open Captioned Show
Regal Cinemas
Colorado
(Test Market)
Locations: 5
1,108 Open Caption Shows
Seats Unsold: 95.83%
(11/5/21 – 3/20/22)**



8.9 Tickets

**Average Attendance
Per Open Captioned Show
Cinemark
Colorado
(Test Market)
Locations: 8
4,170 Open Caption Shows
Seats Unsold: 91.2%
(6/12/21 – 12/31/22)**



12 Tickets

**Average Attendance
Per Open Captioned Show
AMC Theatres
New York City DMA
(Top USA Market)
Locations: 16
914 Open Caption Shows
Seats Unsold: 94.2%
(10/1/21 – 11/14/21)**