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MHZ NETWORKS AND CLOSED CAPTIONING EXEMPTION

In consultation with its legal counsel who specializes in matters regulated by the Federal Communications Commission (FCC), MHZ Networks describes below why its programming is currently exempt from closed captioning obligations.

Decisions that the FCC adopted in the 1990's make it clear that the direct responsibility for compliance with the FCC's closed captioning rules governing television lies solely with video program distributors (VPDs), such as TV broadcast stations, cable operators, satellite distributors and other multi-channel video programming distributors. Although the FCC has solicited comment on whether to extend the responsibilities for compliance with the closed captioning rules to video program providers like MHZ Networks, the FCC has not done so yet.

The FCC also has adopted 13 "self-implementing" exemptions from the closed captioning rules, which are summarized on the FCC's website at either of the following links: http://transition.fcc.gov/cgb/dro/exemptions_from_cc_rules.html or <http://www.fcc.gov/encyclopedia/exemptions-closed-captioning-rules>.

Under self-implementing exemption 12 (codified as 47 C.F.R. § 79.1(d)(12)), a TV station is not required to close caption any programming on a digital sub-channel that had less than \$3M in annual revenues in the prior calendar year (although the TV station must pass through any closed captioning it receives from a programmer or a network). MHZ Networks understands that all of its affiliates are eligible for this complete exemption from closed captioning requirements for the digital sub-channel that carries MHZ Networks' programming.

Best,

Frederick Thomas
CEO