## Before the COPYRIGHT ROYALTY JUDGES Washington, DC

In the Matter of

Distribution of the 2009 Cable Royalty Funds Docket No. 2011-7 CRB CD 2009

# COMMENTS OF PROGRAM SUPPLIERS ON THE EXISTENCE OF A CONTROVERSY

The Motion Picture Association of America, Inc. ("MPAA"), on behalf of its represented member companies and other MPAA-represented producers and distributors of syndicated series, including non-team sports, movies, and specials broadcast by television stations whose signals are carried as distant signals by cable systems ("Program Suppliers"), hereby submits its comments in response to the request for comments published by the Copyright Royalty Judges ("Judges") on September 6, 2011. *See Distribution of the 2009 Cable Royalty Funds*, 76 Fed. Reg. 55122 (September 6, 2011) ("*Notice*"). The *Notice* requests comments regarding: (1) whether there are any reasonable objections to Phase I Parties' Motion for Partial Distribution, ("Motion"), concerning the 2009 cable royalty fund ("2009 Fund"), and (2) the existence of outstanding Phase I and Phase II controversies for the 2009 Fund.

Program Suppliers address the first issue jointly, with the other Phase I Parties, in separately-filed comments supporting the Motion. *See* Comments of the Phase I Parties (filed on October 6, 2011) ("Joint Comments"). As the Phase I Parties note in the Motion and in their Joint Comments, sound policy considerations favor early partial distribution of royalties. Because there is often a substantial delay between the time that royalties are collected and the conclusion of distribution proceedings, both Congress and the Copyright Office ("Office") have recognized the importance of distributing the maximum amount of copyright royalties to copyright owners at the earliest possible date. *See* Motion at 3-4. These same policy considerations favor an initial distribution of the 2009 Fund at this time, and should be given considerable weight by the Judges in addressing the Motion.

Program Suppliers address the second issue identified in the *Notice* below.

## I. Controversies With Respect to the 2009 Cable Royalty Fund

#### A. Phase I Controversies

As discussed in the Joint Comments, although a controversy currently exists among the Phase I Parties as to the 2009 Fund, the Phase I Parties are in the process of negotiating an agreement that they believe will resolve the existing controversy. Therefore, Program Suppliers do not anticipate that a hearing will be necessary to resolve Phase I controversies as to the 2009 Fund.

## B. Phase II Controversies

MPAA-represented Program Suppliers have claims to royalties awarded for movies, syndicated programming, and special programs, including non-team sports programming, as to the 2009 Fund. To the extent a claimant not represented by MPAA makes a claim that could impact the claims of the MPAA-represented Program Suppliers in the course of these comments, a Phase II controversy would exist against the MPAA-represented Program Suppliers. With respect to the 2009 Fund, the MPAA-represented Program Suppliers are aware of Phase II controversies in the Program Suppliers category between the MPAA-represented Program Suppliers and those Program Suppliers represented by the National Association of Broadcasters ("NAB") and Independent Producers Group ("IPG"). The MPAA-represented Program Suppliers are in the process of negotiating an agreement with NAB that they believe will resolve

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the existing Phase II controversy. MPAA will promptly notify the Judges, via a separate filing, as soon as appropriate following the execution of a Phase II agreement covering the 2009 Fund. MPAA has not reached a Phase II settlement with IPG, and it anticipates that a hearing will be necessary to resolve that controversy. MPAA-represented Program Suppliers estimate that a Phase II reserve amount of \$250,000 is more than adequate to satisfy IPG's Phase II claims in the Program Suppliers category. If Phase II hearings are held, MPAA intends to participate fully in those hearings. MPAA will represent the producers and/or distributors of syndicated series, including non-team sports, movies, and specials who have agreed to representation by MPAA.

Respectfully submitted,

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Dated: October 6, 2011

### **CERTIFICATE OF SERVICE**

I hereby certify that on this 6th day of October, 2011, a copy of the foregoing Comments of Program Suppliers on the Existence of Controversies was sent by Federal Express to the individuals listed below:

Lucy Holmes Plonniek

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