

**Before the
COPYRIGHT ROYALTY JUDGES
Washington, DC**

)	
In the Matter of)	
)	
Distribution of the)	Docket No. 14-CRB-CD-0007-CD (2010-2012)
2012 Cable Royalty Funds)	
)	

**COMMENTS OF PROGRAM SUPPLIERS
ON THE EXISTENCE OF A CONTROVERSY**

The Motion Picture Association of America, Inc. (“MPAA”), on behalf of 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 October 1, 2014. *See Distribution of the 2012 Cable Royalty Funds*, 79 Fed. Reg. 59306 (October 1, 2014) (“Notice”).¹ The *Notice* requests comments regarding: (1) whether there are any reasonable objections to Phase I Parties’ Motion for Partial

¹ In the *Notice*, the Judges refer to “sports” as one of the program categories that “have traditionally been” awarded royalties at the Phase I level. *Notice* at 59306, n. 1. Program Suppliers wish to clarify that “live team sports” is the more accurate label for that Phase I category. *See Joint Motion Of The Phase I Parties To Adopt Stipulation As To Claimant Group Categorization And Scope Of Claims*, Docket No. 2007-3 CRB CD 2000-2003 at Exhibit A (“2004-05 Stipulation”) (defining the Joint Sports Claimants category as “live telecasts of professional and college team sports broadcast by U.S. and Canadian television stations”). This clarification is significant because there are other sports and sports-themed programs (non-team and/or non-live) that fall within the “movies and syndicated television series” (*i.e.*, Program Suppliers) category.

Distribution, (“Motion”), concerning the 2012 cable royalty fund (“2012 Cable Fund”), and (2) the existence of outstanding Phase I and Phase II controversies for the 2012 Cable Fund.²

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 31, 2014) (“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 2012 Cable 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 2012 Cable Fund

A. Phase I Controversies

As discussed in the Joint Comments, a controversy currently exists among the Phase I Parties as to the 2012 Cable Fund. Program Suppliers anticipate that a hearing will be necessary to resolve Phase I controversies as to the 2012 Cable Fund.

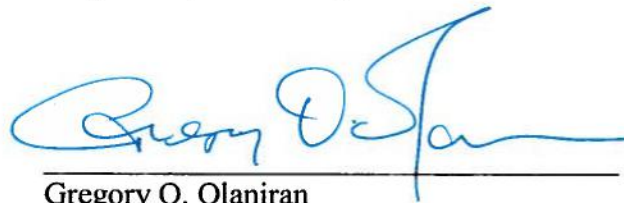
B. Phase II Controversies

MPAA-represented Program Suppliers have claims to royalties awarded for movies, syndicated programming, and special programs, including non-team sports programming, as to

² Program Suppliers’ comments regarding the existence of Phase I and Phase II controversies are based on the program category definitions utilized in the 2004-05 Stipulation. Should those definitions change or be altered, Program Suppliers reserve the right to supplement these comments.

the 2012 Cable 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. 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”). MPAA has not reached a Phase II settlement with either NAB or IPG as to the 2012 Cable Fund, and it anticipates that a hearing will be necessary to resolve those controversies. MPAA-represented Program Suppliers estimate that a Phase II reserve amount of \$500,000 is more than adequate to satisfy both NAB and 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 31, 2014

CERTIFICATE OF SERVICE

I hereby certify that on this 31st day of October, 2014, a copy of the foregoing Comments of Program Suppliers on the Existence of Controversies was sent by Federal Express to the individuals listed below:



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