In the Matter of

Distribution of the
2012 Satellite Royalty Funds

Docket No. 14-CRB-0008-SD (2010-2012)

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 satellite 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 Satellite Royalty Funds, 79 Fed. Reg. 59306 (October 1, 2014) (“Notice”). The Notice requests comments regarding: (1) whether there are any reasonable objections to Phase I Parties’ Motion for Partial Distribution, (“Motion”), concerning the 2012 satellite royalty fund (“2012 Satellite Funds”).

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 59307, 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.
Fund”), and (2) the existence of outstanding Phase I and Phase II controversies for the 2012 Satellite 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 1, 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 3-5. These same policy considerations favor an initial distribution of the 2012 Satellite 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 Satellite Fund

A. Phase I Controversies

As discussed in the Joint Comments, a controversy currently exists among the Phase I Parties as to the 2012 Satellite Fund. Program Suppliers anticipate that a hearing will be necessary to resolve Phase I controversies as to the 2012 Satellite 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 Satellite 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 2012 Satellite 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 Broadcaster Claimants Group ("BCG") and Independent Producers Group ("IPG"). MPAA has not reached a Phase II settlement with either BCG or IPG as to the 2012 Satellite 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 BCG 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,

[Signature]

Gregory O. Olaniran  
D.C. Bar No. 455784  
Lucy Holmes Plovnick  
D.C. Bar No. 488752  
MITCHELL SILBERBERG & KNUPP LLP  
1818 N Street NW, 8th Floor  
Washington, D.C. 20036  
Telephone: (202) 355-7917  
Facsimile: (202) 355-7887  
goo@msk.com  
lhp@msk.com

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:

Lucy Holmes Plovnick

JOINT SPORTS CLAIMANTS
Robert Alan Garrett
Charles G. Curtis
Michael Kientzle
ARNOLD & PORTER LLP
555 Twelfth Street, NW
Washington, DC 20004-1206

INDEPENDENT PRODUCERS GROUP
Brian D. Boydston
PICK & BOYDSTON LLP
10786 Le Conte Ave.
Los Angeles, CA 90024

BROADCASTER CLAIMANTS GROUP
John I. Stewart, Jr.
Jennifer H. Burdman
Ann Mace
CROWELL & MORING LLP
1001 Pennsylvania Ave., NW
Washington, DC 20004-2595
MUSIC CLAIMANTS

AMERICAN SOCIETY OF COMPOSERS, AUTHORS AND PUBLISHERS

Samuel Mosenkis
ASCAP
One Lincoln Plaza
New York, NY 10023

BROADCAST MUSIC, INC.

Joseph J. DiMona
BROADCAST MUSIC, INC.
7 World Trade Center
250 Greenwich Street
New York, NY 10007-0030

Michael J. Remington
Jeffrey J. Lopez
Philip J. Cardinale
DRINKER BIDDLE & REATH LLP
1500 K Street, NW – Suite 1100
Washington, DC 20005

SESAC, INC.

John C. Beiter
SHACKELFORD, ZUMWALT & HAYES
1014 16th Avenue South
Nashville, TN 37212
DEVOTIONAL CLAIMANTS

Clifford M. Harrington
PILLSBURY WINTHROP SHAW PITTMAN LLP
2300 N Street, NW
Washington, DC 20037

Arnold P. Lutzker
LUTZKER & LUTZKER LLP
1233 20th Street, NW, Suite 703
Washington, DC 20036

Edward S. Hammerman
HAMMERMAN, PLLC
5335 Wisconsin Avenue, NW
Suite 440
Washington, DC 20015-2052

W. Thad Adams III
SHUMAKER, LOOP, & KENDRICK LLP
Suite 2350 Charlotte Plaza
201 South College Street
Charlotte, NC 28244

Wendell R. Bird, P.C.
Jonathan T. McCants
BIRD, LOECHL, BRITTA Ho McCANTS, LLC
1150 Monarch Plaza
3414 Peachtree Road, N.E.
Atlanta, GA 30326

Gregory H. Guillot
GREGORY H. GUILLOT, P.C.
13455 Noel Road, Suite 1000
Dallas, TX 75240

George R. Grange, Esq.
Kenneth E. Liu, Esq.
GAMMON & GRANGE, P.C.
8280 Greensboro Drive, 7th Floor
McLean, VA 22102