Before the
Copyright Royalty Judges
Washington, D.C.

In the Matter of:	:	**Docket No. 2005-5**
	:	**CRB DTNSRA**
Digital Performance Right In Sound Recordings and Ephemeral Recordings For a New Subscription Service	:	

REBUTTAL TESTIMONY OF PETER DOLCHIN,
DIRECTOR OF CONTENT DISTRIBUTION STRATEGY
AND BUSINESS DEVELOPMENT OF MTV NETWORKS

1. I am the Director, Content Distribution Strategy and Business Development of MTV Networks, a division of Viacom International Inc. ("MTVN"). As such, I am responsible for the distribution strategy of the digital audio service ("DAS") delivered by MTVN under the "URGE" brand, the service at issue in this proceeding. I submit this rebuttal testimony in support of MTVN in this proceeding.

2. I have worked at MTVN since June 2005. Before joining the staff at MTVN, I was a Consultant at Interbrand Corporation from 2003 through 2005. From 2000 through 2002, I was an Investment Banking Analyst at CIBC World Markets.

3. I graduated in May 2000 from the University of Florida with a Bachelor of Science in Business Administration. At the University of Florida, I majored in Finance, with a minor in Economics.

4. MTVN's URGE DAS can be distributed by cable and satellite television systems and it complies with the statutory licenses under 17 U.S.C. § 114(f)(2).

5. MTVN's URGE DAS competes directly with Music Choice in the same unique market. Music Choice is the substantial market leader for digital audio services broadcast by cable and satellite television. MTVN offers its URGE DAS to the exact same customers (cable and satellite television operators) as Music Choice.

6. MTVN's URGE DAS provides fifty-six channels of digital audio programming to cable and satellite television subscribers. To those subscribers, MTVN's URGE DAS is functionally the same as the Music Choice service. Music Choice and MTVN's DAS offer a similar number of channels programmed with a particular genre of music, accompanied by artist information and graphics.

7. MTVN is a new entrant in the market for DAS distributed by television. MTVN launched its URGE DAS in January 2007. The service is currently broadcast by six cable operators, including one national cable operator (Verizon FiOS) and five smaller regional cable systems (Cavalier, Grande, Everest, OEN and Buckeye). Regional cable providers typically reach less than 100,000 subscribers in just a few states. MTVN also has a contract with a second national cable operator, AT&T, but the service is not yet broadcast on AT&T's cable system.

8. MTVN's URGE DAS is currently broadcast to cable television subscribers in parts of California, Delaware, Florida, Kansas, Maryland, Massachusetts, Michigan, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Texas and Virginia.

9. On average, for the year 2008, MTVN will receive a weighted average total of [ ] per subscriber per month from the seven cable systems that have contracted to distribute the URGE DAS.

10. With regard to license fees, MTVN's agreements with cable operators for distribution of the URGE DAS are structured in one of two ways: (i) some operators pay [

]; and (ii) other operators pay [

] None of the other programming services are subject to the Section 114 statutory license.

11. When MTVN receives [

] However, as a new entrant to this market, MTVN is unable to charge the same amount for the URGE DAS that Music Choice charges for its service.

12. Certain regional cable operators, [ ], that pay [

] However, these rates are also constrained by the rates that Music Choice charges to cable and satellite television operators for its service, since MTVN competes directly with Music Choice for carriage on the same cable and satellite television systems.

13. In this CRB proceeding, MTVN seeks a rate that is equivalent to what Music Choice is paying to SoundExchange for its DAS. The URGE DAS competes for the same customers as Music Choice –cable and satellite television operators – and to subscribers of those cable and satellite television systems it is functionally the same system. If the rate set in this proceeding gave one provider (Music Choice) a competitive advantage over its direct competitors (including MTVN), that would certainly lead to a discriminatory and anticompetitive result for Music Choice's competitors.

I declare under the penalty of perjury that the foregoing is true and correct or, in some cases, upon information and belief.

Dated: July 24, 2007

Peter Dolchin / CS

Peter Dolchin

CERTIFICATE OF SERVICE

I, Leslie Burdette, hereby certify that a copy of the foregoing **Public Version of the Written Rebuttal Testimony of Peter Dolchin for MTV Networks** has been served on this 27th day of July 2007.

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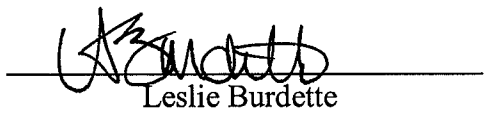

Leslie Burdette