

THIS FORM IS EFFECTIVE FOR THE ACCOUNTING PERIOD BEGINNING JANUARY 1, 2002. If you are filing for a prior accounting period, contact the Licensing Division for the correct form.



Official Business United States Copyright Office

Filing Deadline: The Statement of Account must be filed within 30 days after the last day of the accounting period. The filing deadline is July 30 for the January–June accounting period and January 30 for the July–December accounting period.

STATEMENT OF ACCOUNT *for Secondary Transmissions by* **SATELLITE CARRIERS FOR PRIVATE HOME VIEWING**

General Instructions are at the end of this form [pages i–iv].

FOR COPYRIGHT OFFICE USE ONLY	
DATE RECEIVED	AMOUNT
	\$
	REMITTANCE NUMBER

FORM SC

Return to:
Library of Congress
Copyright Office
Licensing Division
101 Independence Ave., S.E.
Washington, DC 20557-6400
(202) 707-8150

Deliveries to LM-458
8:30 am – 5:00 pm

SPACE A

ACCOUNTING PERIOD COVERED BY THIS STATEMENT: (Check one box and fill in the year)

January 1–June 30, _____ July 1–December 31, _____

SPACE B

LEGAL NAME OF SATELLITE CARRIER: Your file is established under this name. Give the full name of the owner of the satellite carrier. If the owner is a subsidiary of another corporation, give the full corporate title of the subsidiary, not that of the parent corporation.

LEGAL NAME OF OWNER OF SATELLITE CARRIER

BUSINESS NAME OF OWNER, IF DIFFERENT

MAILING ADDRESS

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Give the legal name as it appears in Space B.

SPACE C

PRIMARY TRANSMITTERS: TELEVISION—In this area, please identify every **television broadcast station** carried by the SATELLITE CARRIER during this accounting period. **DO NOT** list program services such as HBO, ESPN, TBS or CNN.

- **Column 1:** List each station’s call sign.
- **Column 2:** Give the number of the channel on which the station’s broadcasts are carried in its own community.
- **Column 3:** Indicate whether the station is a “superstation” or a “network ” station by entering the letter “S” (for superstation) or “N” (for network). See page ii of the General Instructions for the meaning of these terms.
- **Column 4:** Give the location of each station. This should be the community (city and state) to which the station is licensed by the FCC.

1. Call Sign	2. Channel Number	3. Station Type (S or N)	4. Location of Station
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SPACE D—COPYRIGHT ROYALTY FEE

GENERAL: In this space, report the number of subscribers receiving each television broadcast superstation and network station retransmitted outside the station's "local market." For the definition of a station's "local market," see page (iii) of the General Instructions.

The subscriber information must be reported for **each month** of the accounting period. The stations should be grouped together according to whether they are "superstations" or "network" stations as identified in Space C. Then, compute the total royalty fee in Part 2.

PART 1—CARRIAGE

• **FIRST:** Under the headings SUPERSTATIONS and NETWORK STATIONS, enter those stations’ call signs and the number of subscribers receiving those stations on the last day of **each month** of the accounting period. Then, for each station, total the number of subscribers for all six months of the accounting period and enter that figure under the column labeled TOTAL.

NOTE: Do not include those subscribers receiving a superstation retransmitted within that station's "local market" nor those subscribers receiving a network station retransmitted within that station's "local market" to subscribers residing in "unserved households." See page (ii) of the General Instructions for a definition of these terms.

• **NEXT:** Compute the grand total number of subscribers receiving “superstations” and “network” stations.

Give the legal name as it appears in Space B.

SUPERSTATIONS

SUBSCRIBERS FOR EACH MONTH OF THE ACCOUNTING PERIOD							
Call signs	Month 1 (Jan/July)	Month 2 (Feb/Aug)	Month 3 (Mar/Sept)	Month 4 (Apr/Oct)	Month 5 (May/Nov)	Month 6 (June/Dec)	Total

Grand total "Superstations" subscribers:

NETWORK STATIONS

SUBSCRIBERS FOR EACH MONTH OF THE ACCOUNTING PERIOD							
Call signs	Month 1 (Jan/July)	Month 2 (Feb/Aug)	Month 3 (Mar/Sept)	Month 4 (Apr/Oct)	Month 5 (May/Nov)	Month 6 (June/Dec)	Total

Grand total "Network" stations subscribers:

PART 2—COMPUTATION OF THE ROYALTY FEE

- Enter the grand total "Superstations" subscribers here and multiply by \$0.1890 _____ x .1890 = \$ _____
- Enter the grand total "Network" stations subscribers here and multiply by \$0.1485 _____ x .1485 = \$ _____
- Interest Charge. Enter the amount from line 4, Space E, page 4 \$ _____
- Add Lines 1, 2, and 3. This is the satellite carrier's total royalty fee \$

Remit this amount in the form of an electronic payment; or certified check, cashier's check, or money order payable to the Register of Copyrights. Do not send cash. We recommend electronic payment.

Give the legal name as it appears in Space B.

SPACE E—WORKSHEET FOR COMPUTING INTEREST

You must complete this worksheet for those royalty fee payments submitted as a result of a late payment or underpayment. For an explanation of interest assessment, see page (iv) of the General Instructions.

Line 1. Enter the amount of late payment or underpayment \$ _____
x _____ %

Line 2. Multiply line 1 by the interest rate*
and enter the sum here. _____
x _____ days

Line 3. Multiply line 2 by the number of days late _____
x.00274

Line 4. Multiply line 3 by .00274**. Enter the amount here
(unless \$5.00 or less) and on line 3, part 2,
space D, (page 3) \$ _____
(interest charge)

*Contact the Licensing Division at (202)707-8150 for the interest rate for the accounting period in which the late payment or underpayment occurred.

**This is the decimal equivalent of 1/365, which is the interest assessment for one day late.

NOTE: If you are filing this worksheet covering a Statement of Account already submitted to the Copyright Office, please list below the Owner, Address, and Accounting Period as given in the original filing.

SPACE F— Identify an individual to whom we can write or call about this Statement of Account:

NAME

MAILING ADDRESS

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TELEPHONE NUMBER (INCLUDE AREA CODE)

SPACE G—The Statement of Account must be signed in accordance with Copyright Office regulations.

I, the undersigned Owner or Agent of the Satellite Carrier, or Officer or Partner, if the Satellite Carrier is a corporation or partnership, have examined this Statement of Account and hereby declare under penalty of law that all statements of fact contained herein are true, complete, and correct to the best of my knowledge, information, and belief, and are made in good faith. [18 U.S.C., Section 1001(1986)]

SIGNATURE

TYPED OR PRINTED NAME

TITLE OR CAPACITY

DATE

General Instructions

Satellite Carriers and the Copyright Law

Satellite carriers are subject to copyright liability for their use of copyrighted material when they make "secondary transmissions" (retransmissions of television broadcasts) to the public for private home viewing and they make a direct or indirect charge for that service. Satellite carrier retransmissions of the copyrighted programming embodied in the signals of superstations or network stations are eligible under an optional system of statutory licensing, that is established in section 119 of the Copyright Act. A satellite carrier which chooses to obtain a statutory license to retransmit the signals of superstations or network stations to the public for private home viewing must deposit a Statement of Account and a royalty fee with the Licensing Division of the Copyright Office twice a year.

How to File the Statement of Account and Royalty Fee

- First:** Study the general information on these pages and the instructions in the Statement of Account form itself.
- Second:** Fill out the Statement of Account form, giving all of the required information about your satellite carrier and about the television stations carried by it. Use a typewriter, or print the information in dark ink. If you need more space, indicate that a continuation sheet is attached and use a blank page for that purpose.
- Third:** Certify the Statement of Account by signing at space G.
- Fourth:** **Make an electronic payment** (see **Note** below) or obtain a **certified check, cashier's check, or money order** in the amount you have calculated in Part 2 of space D, to cover the copyright royalty fee. Payment in any other form (such as personal or company checks) **will be returned**. The remittance should be payable to: Register of Copyrights; or electronic payment. Do not send cash. We recommend electronic payments.
- Fifth:** Send the completed Statement of Account, together with all continuation sheets, and the copyright royalty fee, to: Library of Congress, Copyright Office, Licensing Division, 101 Independence Ave., S.E., Washington, D.C. 20557-6400. Deliveries to LM-458 (8:30 - 5:00).
- Sixth:** The Copyright Office will retain your Statement of Account and make it a part of its public records. You should therefore keep a copy of the entire Statement as filed, in case you need it for further reference.

Note: For detailed instructions concerning electronic payments, contact the Licensing Division for Circular 74 which is also available via the Internet at the following address: www.copyright.gov/circs/circ74.pdf;
Telnet: locis.loc.gov

Where the royalty fee is remitted by electronic payment, the related Statement of Account must be filed by the appropriate deadline. Statement of Account and electronic funds transfer received after the filing deadline are subject to interest assessment.

How the Statutory License Works

In general, having a statutory license means that a satellite carrier can retransmit the signals of superstations and, in some instances, network stations without violating the copyright law, as long as it complies with certain statutory requirements.

- The satellite carrier can, without negotiated licenses or advance permission from copyright owners, retransmit the signals of any "superstation" to members of the public, and retransmit the signals of any network station to persons who reside in unserved households, so long as the retransmission is intended for private home viewing and the carrier makes a direct or indirect charge to each household receiving the signals (or to a distributor, in the case of a carrier of superstations).
- The satellite carrier must file semiannual Statements of Account with the Copyright Office and must also deposit at the same time semiannual royalty payments. Where the royalty fee is made by electronic payment, the related Statement of Account must be filed by the appropriate deadline accompanied with a cover letter. The amount of the royalty depends on the number of subscribers to each signal that is retransmitted outside the station's "local market" delivered by the carrier each month. The royalty should be paid by electronic payment, certified check, cashier's check or money order payable to: Register of Copyrights.
- Any satellite carrier that retransmits the signals of a network station to unserved households must 90 days after commencing such retransmission, submit to the network that owns or is affiliated with that station a list identifying (by street address, including county and zip code) all subscribers to that service. Then, on the 15th of each month, the satellite carrier must submit to the network a list so identifying any persons who have been added or dropped as subscribers since the last list was submitted. The carrier should contact the Licensing Division of the Copyright Office to determine the name and address of the network contact person to whom the subscriber list should be submitted.
- The networks should submit to the Licensing Division of the Copyright Office the name and address of a contact person to whom subscriber lists should be submitted by satellite carriers that retransmit a signal of a station owned or affiliated with that network.

Why Having A Statutory License Is Important

Most television broadcasts contain copyrighted programming. Without a statutory license, a satellite carrier that scrambles the signal of a broadcast station and retransmits the signal to home dish owners for a fee either has to negotiate licenses for all copyrighted programming it retransmits or risk substantial civil (or, in some cases, criminal) liability for multiple acts of copyright infringement.

Who Can Utilize the §119 Statutory License

Under the statute, the retransmission of a “superstation” is subject to statutory licensing only if it is made by a “satellite carrier” to the public for “private home viewing” and the carrier makes a direct or indirect charge to the subscriber or to a distributor of the “superstation.”

The retransmission of a “network station” is subject to statutory licensing under the same circumstances with the additional requirement that the carrier must retransmit the network station only to “unserved households.”

If a satellite carrier has contracted with a distributor to market the carrier’s retransmission service to the viewing public or otherwise act as an agent of the carrier, it is still the responsibility of the satellite carrier (and *not* the distributor) to obtain a statutory license for the retransmission service. If a cable system engages in distributorship activities on behalf of a satellite carrier, the cable system/distributor should segregate the subscription fees collected on behalf of the satellite carrier from those collected from cable subscribers pursuant to the section 111 cable compulsory license. The cable system should only report in its section 111 Statements of Account the number of cable subscribers served and the amount of gross receipts collected pursuant to section 111, and should pay only royalties pursuant to the requirements of section 111.

- A “**satellite carrier**” is defined as “an entity that uses the facilities of a satellite or satellite service licensed by the Federal Communications Commission, and operates in the Fixed Satellite Service under part 25 of title 47 of the Code of Federal Regulations or the Direct Broadcast Satellite Service under part 100 of title 47 of the Code of Federal Regulations, to establish and operate a channel of communications for point-to-multipoint distribution of television station signals, and that owns or leases a capacity or service on a satellite in order to provide such point-to-multipoint distribution, except to the extent that such entity provides such distribution pursuant to tariff under the Communications Act of 1934, other than for private home viewing.”
- A “**superstation**” is defined as “(A) a television broadcast station, other than a network station, licensed by the Federal Communications Commission that is secondarily transmitted by a satellite carrier; and (B) except for purposes of computing the royalty fee, includes the Public Broadcasting Service satellite feed.”
- “**Private home viewing**” is defined as “the viewing, for private use in a household by means of satellite reception equipment which is operated by an individual in that household and which serves only such household, of a secondary transmission delivered by a satellite carrier of a primary transmission of a television station licensed by the Federal Communications Commission.”
- A “**subscriber**” is defined as “an individual who receives a secondary transmission service for private home viewing by means of a secondary transmission from a satellite carrier and pays a fee for the service, directly or indirectly, to the satellite carrier or to a distributor.”
- A “**network station**” is defined as “(A) a television broadcast station, including any translator station or terrestrial satellite station that rebroadcasts all or substantially all of the programming broadcast by a network station, that is owned or operated by, or affiliated with, one or more of the television networks in the United States which offer an interconnected program service on a regular basis for 15 or more hours per week to at least 25 of its affiliated television licensees in 10 or more States; or (B) a noncommercial educational broadcast station (as defined in section 397 of the Communications Act of 1934); except that the term does not include the signal of the Alaska Rural Communications Service, or any successor entity to that service.”
- A “**distributor**” is defined as “an entity which contracts to distribute secondary transmissions from a satellite carrier and, either as a single channel or in a package with other programming, provides the secondary transmission either directly to individual subscribers for private home viewing or indirectly through other program distribution entities.”
- [Note: For the full definition of an “**unserved household**,” see section 119(d)(10) of title 17 of the United States Code].
An “**unserved household**” is defined as a household that (a) cannot receive, through the use of a conventional, stationary, outdoor rooftop receiving antenna, an over-the-air signal of a primary network station affiliated with that network of Grade B intensity as defined by the Federal Communications Commission under section 73.683(a) of title 47 of the Code of Federal Regulations, as in effect on January 1, 1999; (b) is subject to a waiver granted under regulations established under section 339(c)(2) of the Communications Act of 1934; (c) is a subscriber to whom section 119(e) of title 17 of the U.S. Code applies [which provides that, until December 31, 2004, a subscriber who does not receive a signal of Grade A intensity (as defined in the regulations of the Federal Communications Commission under section 73.683(a) of title 47 of the Code of Federal Regulations, as in effect on January 1, 1999, or predicted by the FCC using the Indi-

vidual Location Longley-Rice methodology described by the FCC in Docket No. 98-201) of a local network television broadcast station shall remain eligible to receive signals of network stations affiliated with the same network, if that subscriber had satellite service of such network signal terminated after July 11, 1998, and before October 31, 1999, as required by this section, or received such service on October 31, 1999]; (d) is a subscriber to whom section 119(a)(11) applies [which provides for (I) recreational vehicles as defined in regulations of the Secretary of Housing and Urban Development under section 3282.8 of title 24 of the Code of Federal Regulations; (II) commercial trucks that qualify as commercial motor vehicles under regulations of the Secretary of Transportation under section 383.5 of title 49 of the Code of Federal Regulations]; or (e) is a subscriber to whom the exemption under section 119(a)(2)(B)(iii) applies [which provides for a subscriber to C-band service who received secondary transmission of network stations before any termination of such secondary transmissions before October 31, 1999].

- The term “**local market**,” in the case of both commercial and non-commercial television broadcast stations, is defined as “the designated market area in which a station is located, and (i) in the case of a commercial television broadcast station, all commercial television broadcast stations licensed to a community within the same designated market area are within the same local market; and (ii) in the case of a non-commercial educational television broadcast station, the market includes any station that is licensed to a community within the same designated market area as the non-commercial educational television broadcast station.” In addition, a station’s local market “includes the county in which the station’s community of license is located.”
- The “**designated market area**” is defined as “a designated market area, as determined by Nielsen Media Research and published in the 1999-2000 Nielsen Station Index Directory and Nielsen Station Index United States Television Household Estimates or any successor publication.”
- **NOTE:** A satellite carrier does not pay a royalty fee for local retransmission of 1) superstation signals and 2) network signals to subscribers residing in “unserved households.”

What a Statutory License Does Not Permit You to Do

The statutory authority given to satellite carriers to retransmit television broadcasts under a statutory license is limited in several ways:

- **Program Alteration or Commercial Substitution.** Satellite carriers are not permitted to alter the content of retransmitted programs, or to change, delete, or substitute commercials or station announcements in or adjacent

to programs being carried, or to combine the programs with programming from any other broadcast signal.

- **Geographic Limitation on Retransmissions.** Satellite carriers are not permitted to retransmit signals to households that are not located in the United States (the United States includes its territories, trust possessions, and possessions).

Accounting Periods

The statute establishes two six-month accounting periods for purposes of computing the royalty fee and reporting the information called for in the Statement of Account. The first semiannual period runs from January through June, and the second from July through December, of each calendar year. You must use these accounting periods whether or not they coincide with the beginning or ending of your satellite carrier’s fiscal year.

Note: If there were different owners during the accounting period, only the owner on the last day of the accounting period should submit a *single* statement of account and royalty fee payment covering the entire accounting period.

Filing Dates

Satellite carriers are given 30 days after the close of each accounting period in which to file their Statements of Account and royalty fees:

- For the January-June accounting period:
File between July 1 and July 30, inclusive;
- For the July-December accounting period:
File between January 1 and January 30, inclusive.

Statements of Account and royalty fees received before the end of the accounting period will not be accepted. Statements and fees received after the July 30 or January 30 deadlines will be accepted for whatever legal effect they may have, if any. The Copyright Office takes no position as to what this effect will be, and a satellite carrier that files late runs a substantial risk of copyright infringement.

Interest Charges for Underpayments and Late Payments

Underpayments or late payments received after the filing deadline shall be subject to an interest assessment. Satellite carriers must calculate their own interest charge. (A worksheet is provided at space E, page 4.) The interest rate set for a specific accounting period is the U.S. Treasury Current Value of Funds Rate in effect on the first business day after the close of the filing deadline for that accounting period. Satellite carriers may obtain the interest rate for the applicable accounting period(s) by contacting the Licensing Division at (202) 707-8150.

For underpayments and late payments the interest shall begin to accrue on the first day after the close of the filing date for that accounting period. For a late payment the accrual period ends on the date that the Statement of Account and proper form of payment are received in the Copyright Office. For underpayments the accrual period ends on the date appearing on the certified check, cashier's check, money order, or electronic payment, provided that the remittance is received in the Copyright Office within five business days of that date. **Note:** The Office shall not require, nor notify a satellite carrier of an interest charge of \$5.00 or less.

Refunds

Refund requests must be received within 30 days after the close of the filing period (by March 1 or August 29), or before the expiration of 30 days from the date of receipt at the Copyright Office of the royalty payment that is the subject of the request, whichever time period is longer. Contact the Licensing Division for additional information.

PRIVACY ACT ADVISORY STATEMENT—(Required by Privacy Act of 1974 [Public Law 93-579])

Authority for Requesting This Information:

- Title 17 U.S.C. §119

Furnishing This Information Is:

- Voluntary

But If the Information Is Not Furnished:

- It may be necessary to delay placement of this Statement of Account in the completed record of Statements of Account

- You may be liable for civil or criminal penalties for copyright infringement with respect to retransmission of television stations (17 U.S.C. §§502-506, 509-510)

Principal Uses of Requested Information:

- Establishment and maintenance of a public record

- Examination of the Statement of Account for compliance with legal requirement

Other Routine Uses:

- Public inspection and copying
- Preparation of public indexes
- Preparation of search reports upon request

Note:

- No other advisory statement will be given

you in connection with this Statement of Account

- Please retain this statement and refer to it if we communicate with you regarding this Statement of Account