

**Before the
COPYRIGHT OFFICE
LIBRARY OF CONGRESS
Washington, D.C.**

**EXECUTIVE SUMMARY OF THE
TESTIMONY OF THE JOINT SPORTS CLAIMANTS**

- The Joint Sports Claimants have historically opposed the Section 111 and 119 compulsory licenses as unnecessary impediments to the operation of the free marketplace. Such compulsory licenses unfairly deprive copyright owners of the ability to control the distribution of their works as well as the right to receive fair market compensation and other license terms typically included in marketplace agreements.
- The Joint Sports Claimants acknowledge the Copyright Office's view that the Section 111 and 119 compulsory licenses reflect the settled expectations of the licensees and at least some licensors, and that elimination of the licenses could be disruptive to the marketplace. If the licenses are retained, the Copyright Office should recommend legislative action to make certain that the Joint Sports Claimants and other copyright owners at least obtain fair market compensation from those that take advantage of these licenses.
- In addition, if the Section 111 and 119 compulsory licenses are retained, provisions for the determination of license terms and conditions should be added to the licenses so that copyright owners can obtain an audit right comparable to the audit right available to copyright owners under other compulsory licenses. Absent that right, copyright owners often have no option short of the cumbersome and expensive process of initiating litigation to determine whether licensees are properly computing and paying their royalties as required by the Section 111 and 119 licenses.
- The Copyright Office should act expeditiously on the two pending rulemaking proceedings to update the Section 111 regulations and statement of account forms to (1) clarify the details of application of the Section 111 compulsory license to digital signals and (2) require cable operators to provide adequate information on their statements of account so that the Office and copyright owners will be able to determine whether cable operator royalty payments are computed correctly. Action on these petitions is within the authority of the Copyright Office and should not be delayed pending completion of the Section 109 Report for Congress. Cable operators will be able to exploit uncertainty on these issues to avoid their full royalty obligations until the Copyright Office provides clarification and requires more transparency for statement of account computations.
- The current compulsory licensing schemes should not be expanded to include the delivery of broadcast or any other programming over the Internet.

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