



ANNOUNCEMENT

from the Copyright Office, Library of Congress, Washington, D.C. 20559

PART 201

FINAL REGULATIONS

COMPULSORY LICENSE FOR CABLE SYSTEMS

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LIBRARY OF CONGRESS

Copyright Office

37 CFR Part 201

[Docket No. RM 79-4]

Compulsory License for Cable Systems

AGENCY: Library of Congress, Copyright Office.

ACTION: Final regulations.

SUMMARY: This notice is issued to advise the public that the Copyright Office of the Library of Congress is adopting revised regulations regarding section 111 of the Copyright Act of 1976, title 17 U.S.C. That section prescribes various conditions under which cable systems may obtain a compulsory license to retransmit copyrighted works, including conditions for the filing of certain notices and Statements of Account. The new regulations revise certain requirements concerning the filing of Statements of Account.

EFFECTIVE DATE: July 1, 1980.

FOR FURTHER INFORMATION CONTACT: Dorothy Schrader, General Counsel, Copyright Office, Library of Congress, Washington, D.C. 20559 (703) 557-8731.

SUPPLEMENTARY INFORMATION: Section 111(c) of the Copyright Act of 1976 (Act of October 19, 1976, 90 Stat. 2541) establishes a compulsory licensing system under which cable systems may

make secondary transmissions of copyrighted works. The compulsory license is subject to various conditions, including requirements that the cable system comply with provisions regarding deposit of Statements of Account under section 111(d)(2).

On June 27, 1978, the Copyright Office published in the Federal Register (43 FR 27827) amendments to its regulations (37 CFR 201.17) governing the form, content, and filing of Statements of Account. Further experience with these regulations led us to propose certain clarifying and technical amendments which were published in the Federal Register (44 FR 73123) on December 17, 1979. Twelve comments were received in response to the Notice of Proposed Rulemaking. After careful consideration of all the comments, we have decided to adopt the proposed regulations with several minor changes. A discussion of the major substantive comments appears below.

1. *Date or dates of receipt.* Comments received from copyright owners and cable system operators supported our proposal to delete from the regulations references to the "date of acceptance by the Copyright Office" and the term "accepted" appearing on the Statement of Account forms. Although the Licensing Division of the Copyright Office reviews the submitted Statements of Account, royalty fee payments, and other related documents and payments for certain obvious errors or omissions, and seeks their correction, it does not examine the documents or payments for all possible errors or omissions. As we stated in the supplementary information accompanying our proposed regulations

(44 FR 73124), the elimination of the concept of "acceptance" of submitted documents and fees is intended to clarify

that nothing on the form as finally placed on record should in any way suggest either that (1) the filing date, with its statutory consequences, has anything to do with the date the Copyright Office examines and finally processes the document; or (2) that the Office has sought to verify the information given and, by placing it on record, has given it some sort of official imprimatur or evidentiary weight.

One comment on behalf of cable system operators, however, criticized the extent of the examination and correction activities now undertaken by the Licensing Division. The comment suggested that our regulations be further amended to make clear that the Copyright Office will not reject filings because of disagreements with cable operators with respect to interpretations of the Act. In addition, the comment suggested that the regulations should specifically recognize the limitations of the Copyright Office insofar as enforcement of its cable regulations.

We have not adopted these suggestions. While elimination of the "acceptance" concept is intended to make clear that the Copyright Office will neither "accept" nor "reject" submitted documents and fees, we believe that we have a statutory obligation to examine the Statements of Account and royalty fee payments for obvious errors and omissions appearing on their face and to require their correction before placing the Statement in the completed record of Statements of Account. However, as we stated in the

supplementary information accompanying the proposed regulations (44 FR 73124).

the regulations will continue to make clear that placing the documents in the completed records of the Copyright Office does not imply any determination that the statutory requirements of section 111 have been met * * *

One comment submitted on behalf of a data research firm that compiles in automated form the information contained in the Licensing Division's cable records criticized the Office for our failure to seek correction of various types of nonobvious discrepancies that they have allegedly found on several Statements of Account. The research firm has generously offered us access to their data base in order to assist in the review of the submitted documents.

Although use of a data base of this kind might be beneficial in identifying certain discrepancies that would not be apparent from the face of the documents, the type of enforcement activity contemplated by the research firm in its comment would be beyond our statutory authority. The principal obligation for enforcement of violations of section 111 rests with the affected copyright owners, not the Copyright Office. In addition, it is uncertain whether the data base would be of value to the Licensing Division because of the difficulty of verifying the information provided therein.

Proposed § 201.17(c)(2) is therefore adopted without change.

2. *Distant signal equivalent values.* Proposed subparagraph (3) of § 201.17(f) is intended to eliminate any doubt concerning instances where a cable system may properly reduce the ordinary distant signal equivalent (DSE) value of a distant television station. Our proposal restricted these instances to the four situations specified in the definition of "distant signal equivalent" in section 111(f) of the Act.

Comments from representatives of the cable television industry were critical of this proposal. Their arguments can be summarized as follows:

1. The general principle underlying the cable television compulsory license is that royalty payments are to be based on the carriage of distant non-network programming;

2. The fact that Congress specifically noted four occasions in which the ordinary distant signal equivalent value can be reduced is indicative of a general policy of limiting the royalty payment schedule to the actual carriage of distant non-network programming;

3. Congress limited the exceptions to the four situations specified in the definition of "distant signal equivalent" because those were the only situations contemplated at the time of enactment. There is nothing in the legislative history of the Act to indicate that Congress would have precluded the reduction of the DSE value in other instances had they been considered; and

4. The statute should be broadly and liberally construed to carry out the policy of

Congress of calculating royalty payments based on the actual carriage of distant non-network programming.

We do not agree that Congress in enacting section 111 manifested the intent to limit royalty payments by cable systems to the actual carriage of distant non-network programming. On the contrary, Congress required that all cable systems, including those that carry no distant non-network programming, must pay a minimum copyright royalty fee of \$15 per accounting period. 17 U.S.C. 111(d)(2)(C).

We cannot emphasize too strongly that the phrase "distant signal equivalent" is a statutory definition, and one which was created *sui generis* in the Copyright Act. The Copyright Office was not given any authority by Congress to elaborate on this definition. General principles of statutory construction require that clear and unambiguous definitions, and provisos contained in and limiting the operative effect of definitions, shall be given controlling effect. This is especially true where the term or phrase was created by the very statute in which it appears. Thus, if the Copyright Office should attempt to modify this statutory definition, there is no other body of law to which we could look for guidance.

When we turn to the legislative history of this definition, we see that Congress clearly did not intend to establish an open-ended policy of permitting the reduction of DSE values to correspond to actual signal carriage. One of the exceptions and limitations specified in the definition of "distant signal equivalent" calls for the reduction of the DSE of a station where a cable system, at its option, under the rules, regulations, or authorizations of the Federal Communications Commission in effect on the date of enactment of the Act, retransmits a live non-network program in place of a substituted program. That Congress considered and specifically rejected a further extension of this provision to similar but distinct situations is apparent from the discussion of the definition in the Report of the Judiciary Committee of the House of Representatives (H.R. REP. NO. 94-1476, 94th cong., 2d Sess. (1976) at 100):

[W]here the FCC rules on the date of enactment of this legislation permit a cable system, at its discretion, to make such deletions or substitutions or to carry additional programs not transmitted by primary transmitters within whose local service area the cable system is located [and] * * * the substituted or additional program is a "live" program (e.g., a sports event), then an additional value is assigned to the carriage of the distant signal computed as a fraction of one distant signal equivalent * * *. [T]he discretionary exception is limited to those FCC rules in effect on the date of enactment of this legislation. If subsequent FCC rule amendments or individual authorizations enlarge the discretionary ability of cable systems to delete and substitute programs, such deletions and substitutions would be

counted at the full value assigned the particular type of station provided above. (emphasis added).

Given the legislative policy expressed in this excerpt and the clarity and specificity of the language used in the statutory definition, we see no justification for extending the exceptions and limitations to situations not specified in the section 111(f) definition of distant signal equivalent value.

That Congress *might* have legislated additional exceptions to a full DSE value if cable system operators had argued for additional exceptions cannot be demonstrated now. No support for this argument can be found in the relevant congressional reports. The Copyright Office cannot issue regulations to change a statutory definition based upon mere speculation about congressional reaction to arguments that were never presented to Congress.

General arguments in support of a "broad and liberal" construction of section 111 seem misplaced when it is recognized that this section is itself an exception to the broad principle of the Copyright Act that authors and other owners of copyright have the exclusive right to control public performances of their works. Section 111 establishes a compulsory license. Anyone who wants to obtain the benefits of that compulsory license must satisfy the clear statutory conditions and pay the required royalties. In construing the compulsory license for mechanical reproduction of music under the former copyright law, the courts held that a compulsory license provision, as a derogation of the property rights of copyright owners, should be narrowly construed. See, for example, *Duchess Music Corp. v. Stern*, 458 F. 2d 1305 (9th Cir. 1972), and cases cited therein.

In the supplementary information accompanying our proposed regulations (44 FR 73125) we noted five situations where questions have arisen concerning the reduction of the DSE value of a station. The fourth situation raised the question where:

During an accounting period, a signal changes its "type of station" status from a network station or a noncommercial educational station to an independent station (or vice versa).

One comment pointed out that the proposed regulation does not offer any guidance as to whether an affected cable operator should rely on the station's "type value" at the beginning of the period, or at its end; or whether to select the DSE value depending on its status during a majority of the accounting period.

We are not now prepared to issue a regulation that specifies a particular result for this situation. This issue may be considered later as part of a future rulemaking proceeding. For the present,

we can only suggest that a prudent approach would be to apply the greater of the two possible "type values" in calculating the royalty fee. This action would assure compliance with the statute. However, the Licensing Division will not question the propriety of submitted Statements of Account where the lower of the two possible "type values" has been used in this particular situation.

Comments submitted on behalf of professional sports proprietors were in support of our proposed regulation. However, they contended that based on the proposal, a signal which is carried on a substituted basis for its sports programming during part of an accounting period, and carried on a regular basis during another part of the accounting period, should have a DSE value greater than the full ordinary DSE value of the station. They contend that the full DSE value for the regular carriage during part of the accounting period and the fractional DSE value based on the substituted programming should be added together.

This result is inconsistent with section 111(f) of the Act. The structure of the "distant signal equivalent" definition in section 111(f) sets forth the general DSE value for particular types of stations and then provides certain exceptions and limitations which can be applied to *reduce* the ordinary DSE value. We do not believe the definition could reasonably and appropriately be interpreted to *increase*, rather than *reduce*, the ordinary full DSE value for a given station's signal. However, where a cable system carries a distant television station on a substitute program basis and on a part-time basis in which a reduction in the ordinary DSE value is permitted under the Act, the station's DSE would then be the total of the DSE's thus computed not to exceed the full DSE value for the station's signal.

Proposed § 201.17(f)(3) is therefore adopted without change.

3. *Corrections, supplemental payments, and refunds.* Copyright owners and cable system operators supported our proposal to allow for corrections to Statements of Account, acceptance of supplemental royalty payments and refunds of royalty overpayments. The cable system operators, however, were concerned with some of the limitations and conditions contained in the proposal.

Subparagraph (3)(i) of § 201.17(i) of our proposal required that cable operators *request* refunds "before the expiration of 60 days from the last day of the applicable Statement of Account filing period". This limitation has raised several questions.

One comment noted that most mistakes are discovered by the Licensing Division of the Copyright Office during its examination of the Statements of Account. Since this

examination process often extends beyond the 60 day filing period, this limitation, they contend, could preclude the availability of refunds in most cases.

Our proposal, however, is only intended to apply in those situations where the cable operator discovers an error in the statements *independent* from our examination. A *request* for a refund, in this case, must be made "before the expiration of 60 days from the last day of the applicable Statements of Account filing period." Since its inception, the Licensing Division has made refunds to cable operators of royalty overpayments detected during *its examination* of Statements of Account.

We have amended the proposed regulation to make clear that refunds in these cases will continue to be made without regard to any time limitations by adding subdivision (vi) to § 201.17(i). *

Other comments contended that our proposal arbitrarily limits the time period for refunds but not for submissions of supplemental payments. They suggest that cable systems should not be obligated to make supplemental payments after a similar time limit. We have not adopted this suggestion.

There is a significant difference between refunds and supplemental payments. In the former case, the compulsory licensee may be considered to have exceeded the compulsory license requirements. Under our regulations, a supplemental payment "shall have only such effect as may be attributed to it by a court of competent jurisdiction", but its submission may be *necessary* to assure compliance with the compulsory license requirements.

Furthermore, it would be beyond our statutory authority to modify the terms of the compulsory license to limit royalty payments to an amount *lower* than that required in section 111(d) of the Act.

Further comments suggested that the "60-day" time limit for refund requests should be extended to 6 months from the end of a filing period or even to the point of distribution by the Copyright Royalty Tribunal.

The supplementary information accompanying our proposed regulations (44 FR 73125) offered several reasons for designating a short and strict time limit on requests for refunds:

To enable the Copyright Office to fulfill its statutory obligation promptly to transfer royalty payments to the Treasury for investment in interest-bearing securities; to provide detailed accounting to the Copyright Royalty Tribunal; to assure that copyright owner will derive the intended benefits of prompt transfers and investment; and to prevent the Copyright Royalty Tribunal from being hampered in distributing the accumulated fees and interest to copyright owners.

We continue to believe that the statutory obligations addressed in the

Notice require us to adhere to this short and strict time limit. It should be noted that the time limit imposed in our corresponding regulation (37 CFR 201.16(g)(3)) for refund requests made in connection with the recordation and certification of coin-operated phonorecord players pursuant to section 116 of the Act is "30 days from the date on which the original certificate was issued by the Copyright Office." Because of the greater complexities involved in preparation and review of cable Statements of Account, we felt it would be appropriate to provide a longer refund request period. We believe that 120 days (the initial 60 day filing period following the expiration of the semiannual accounting period plus the 60 day extension for refund requests) is an adequate period of time to prepare a Statement of Account, review it, and seek a refund if so entitled.

In addition to requests for refunds "before the expiration of 60 days from the last day of the applicable Statement of Account filing period," paragraph (3)(i) of proposed § 201.17(i) provided an alternative date of "April 15, 1980," whichever is later. This alternative date was included to establish a reasonable cut-off date for refund requests relating to Statements filed for the first three accounting periods. One comment suggested that this date be extended to 6 months from the effective date of the final regulations in order to allow for a proper review of the three previous submissions.

We have not adopted this suggestion. Cable royalties collected during the first two accounting periods may be distributed by the Copyright Royalty Tribunal before the expiration of the 6 month period. Cable system operators have already had more than a year to review Statements of Account for calendar 1978. The publication of our Notice on December 17, 1979, alerted cable system operators that we would probably set a time limit on requests for refunds. Finally, since we have changed the cut-off date for refund requests to September 1, 1980, 6 months will have passed between publication of our original Notice and imposition of any time limit. We believe the time limits set in the regulation are ample for adequate review of the Statements of Account.

With respect to the form of the supplemental royalty payment, paragraph (i)(3)(iv)(B) of the proposed regulation requires that the payment be made in the form of a certified check, cashier's check, or money order. This corresponds to the requirement set forth in paragraph (h) of § 201.17 pertaining to the submission of ordinary royalty fee payments.

We have continued to receive complaints from cable operators about this requirement. Paragraph 10 of the supplementary information accompanying our final regulations as issued on June 27, 1978 (43 FR 27829)

*Error; line should read: "by adding subparagraph (vi) to §201.17(i)."

stated:

Copyright royalty fees are due on the dates specified in the regulations, and, after deducting administrative costs of the Copyright Office, are to be invested by the Department of the Treasury in "interest-bearing United States securities for later distribution with interest" to copyright owners. Copyright owners are thus entitled to interest earned on royalty fees from the earliest date on which purchase of the securities can be accomplished. In order to assure that none of this interest is lost to copyright owners because of payment by a check drawn on an account with insufficient funds, and also to assure that no administrative costs are incurred in handling bad checks, we are requiring in § 201.17(h) that all copyright royalty fee payments be made by certified check, cashier's check, or money order.

Because of the similar consequences resulting from a supplemental royalty fee payment by a check drawn on an account with insufficient funds, we feel obliged to extend this requirement to these payments as well.

4. *Other issues.* Several comments raised various issues outside the scope of the present rulemaking. Most of these comments suggested modifications in the Statement of Account forms. When the final regulations were first adopted, we stated in the supplementary information (43 FR 958):

It should be noted at the outset * * * that we are dealing with an entirely new area of copyright law in which all parties concerned lack practical experience. Moreover, future actions by the Copyright Royalty Tribunal and Federal Communications Commission can be expected to affect the theory and application of our rules. Accordingly, these regulations must be considered somewhat experimental and subject to reconsideration as circumstances and experience develop.

Based on their experience reviewing the Statements of Account submitted during the first three accounting periods, copyright owners noted in their comments particular areas where they feel further information and/or clarifications are needed. These areas principally concern the designation of local and distant stations, classification of Canadian and Mexican stations, and problems resulting from filings submitted on behalf of joint "individual" cable systems. In addition, some copyright owners proposed changes that they contend would streamline the royalty calculation steps required on forms CS/SA-2 and CS/SA-3.

Comments on behalf of cable operators, on the other hand, suggested that a good deal of the information required on the Statements of Account for the purpose of assisting copyright owners and the Copyright Royalty Tribunal in the distribution of cable royalties is, in fact, unnecessary. They also advocated a review of our definition of "gross receipts for the basic service of providing secondary

transmissions of primary broadcast transmitters" based on recent technological advances and new marketing strategies affecting the types of services now available for a single monthly fee.

We believe that some of these developments do warrant a review of our cable regulations and Statement of Account forms at an appropriate time. We will continue to monitor further developments and will consider additional issues in a separate proceeding.

The proposed regulations as published on December 17, 1979, subject to the changes noted above, are hereby adopted as final. Part 201 of 37 CFR Chapter II, is amended in the manner set forth below.

§ 201.17 Statements of account covering compulsory licenses for secondary transmissions by cable systems. [Amended]

1. By revising § 201.17(c)(2) (as adopted on June 27, 1978) to read as follows:

- * * *
- (c) * * *
- (1) * * *

(2) Upon receiving a Statement of Account and royalty fee, the Copyright Office will make an official record of the actual date when such Statement and fee were physically received in the Copyright Office. Thereafter, the Office will examine the Statement and fee for obvious errors or omissions appearing on the face of the documents, and will require that any such obvious errors or omissions be corrected before final processing of the documents is completed. If, as the result of communications between the Copyright Office and the cable system, an additional fee is deposited or changes or additions are made in the Statement of Account, the date that additional deposit or information was actually received in the Office will be added to the official record of the case. However, completion by the Copyright Office of the final processing of a Statement of Account and royalty fee deposit shall establish only the fact of such completion and the date or dates of receipt shown in the official record. It shall in no case be considered a determination that the Statement of Account was, in fact, properly prepared and accurate, that the correct amount of the royalty fee had been deposited, that the statutory time limits for filing had been met, or that any other requirements to qualify for a compulsory license have been satisfied.

2. By adding a new subparagraph (3) to § 201.17(c) to read as follows:

- (c) * * *
- (3) Statements of Account and royalty fees received before the end of the

particular accounting period they purport to cover will not be processed by the Copyright Office. Statements of Account and royalty fees received after the filing deadlines of August 29 or March 1, respectively, will be accepted for whatever legal effect they may have, if any.

3. By adopting, after subparagraph (2) of § 201.17(f) (as adopted on June 27, 1978), a new subparagraph (3) to read as follows:

- * * *
- (f) * * *
- (3) In computing the DSE of a primary transmitter in a particular case, the cable system may make no prorated adjustments other than those specified as permissible "exceptions and limitations" in the definition of "distant signal equivalent" in the fifth paragraph of section 111(f) of title 17 of the United States Code, as amended by Pub. L. 94-553. The four prorated adjustments, as prescribed in the fourth and fifth sentences of said definition, are permitted under certain conditions where:

- (i) A station is carried pursuant to the late-night programming rules of the Federal Communications Commission;
- (ii) A station is carried pursuant to the specialty programming rules of the Federal Communications Commission;
- (iii) A station is carried on a part-time basis where full-time carriage is not possible because the cable system lacks the activated channel capacity to retransmit on a full-time basis all signals which it is authorized to carry; and
- (iv) A station is carried on a "substitute" basis under rules, regulations, or authorizations of the Federal Communications Commission in effect on October 19, 1978.

4. By Deleting subparagraph (3) of § 201.17(f) (as adopted on June 27, 1978), and by adding a new subparagraph (4), to read as follows:

- (f) * * *
- (4) In computing a DSE, a cable system may round off to the third decimal point. If a DSE is rounded off in any case in a Statement of Account, it must be rounded off throughout the Statement. Where a cable system has chosen to round off, and the fourth decimal point for a particular DSE value would, without rounding off, have been 1, 2, 3, or 4, the third decimal point remains unchanged; if, in such a case, the fourth decimal point would, without rounding off, be 5, 6, 7, 8, or 9, the third decimal point must be rounded off the next higher number.

5. By adding a new paragraph (i) to § 201.17 to read as follows:

- (i) *Corrections, supplemental payments, and refunds.* (1) Upon

compliance with the procedures and within the time limits set forth in paragraph (i)(3) of this section, corrections to Statements of Account will be placed on record, supplemental royalty fee payments will be received for deposit, or refunds will be issued, in the following cases:

(i) Where, with respect to the accounting period covered by a Statement of Account, any of the information given in the Statement filed in the Copyright Office is incorrect or incomplete;

(ii) Where, for any reason except that mentioned in paragraph (i)(1)(ii) of this section, calculation of the royalty fee payable for a particular accounting period was incorrect, and the amount deposited in the Copyright Office for that period was either too high or too low; or

(iii) Where, for the semiannual accounting period of January 1, 1978, through June 30, 1978, the total royalty fee deposited was incorrect because the cable operator failed to compute royalties attributable to carriage of late-night, specialty, or part-time programming between January 1, 1978, and February 9, 1978.

(2) Corrections to Statements of Account will not be placed on record, supplemental royalty fee payments will not be received for deposit, and refunds will not be issued, where the information in the Statements of Account, the royalty fee calculations, or the payments were correct as of the date on which the accounting period ended, but changes [for example, addition or deletion of a distant signal] took place later.

(3) Requests that corrections to a Statement of Account be placed on record, that fee payments be accepted, or requests for the issuance of refunds, shall be made only in the cases mentioned in paragraph (i)(1) of this section. Such requests shall be addressed to the Licensing Division of the Copyright Office, and shall meet the following conditions:

(i) The request must be in writing, must clearly identify its purpose, and, in the case of a request for a refund, must be received in the Copyright Office before the expiration of 60 days from the last day of the applicable Statement of Account filing period, as provided for in paragraph (c)(1) of this section, or before September 1, 1980, whichever is later. A

request made by telephone or by telegraphic or similar unsigned communication, will be considered to meet this requirement if it clearly identifies the basis of the request, if it is received in the Copyright Office within the required 60-day period, and if a written request meeting all the conditions of this paragraph (i)(3) is also received in the Copyright Office within 14 days after the end of such 60-day period:

(ii) The Statement of Account to which the request pertains must be sufficiently identified in the request (by inclusion of the name of the owner of the cable system, the community or communities served, and the accounting period in question) so that it can be readily located in the records of the Copyright Office;

(iii) The request must contain a clear statement of the facts on which it is based, in accordance with the following requirements:

(A) In the case of a request filed under paragraph (i)(1)(i) of this section, where the information given in the Statement of Account is incorrect or incomplete, the request must clearly identify the erroneous or incomplete information and provide the correct or additional information;

(B) In the case of a request filed under paragraph (i)(1)(ii) of this section, where the royalty fee was miscalculated and the amount deposited in the Copyright Office was either too high or too low, the request must be accompanied by an affidavit under the official seal of any officer authorized to administer oaths within the United States, or a statement in accordance with section 1746 of title 28 of the United States Code, made and signed in accordance with paragraph (e)(14) of this section. The affidavit or statement shall describe the reasons why the royalty fee was improperly calculated and include a detailed analysis of the proper royalty calculations;

(C) In the case of a request filed under paragraph (i)(1)(iii) of this section, the request shall be identified as "Transitional and Supplemental Royalty Fee Payment" and include a detailed analysis of the proper royalty calculations;

(iv)(A) All requests filed under this paragraph (i) (except those filed under subparagraph (1)(iii) of this paragraph must be accompanied by a filing fee in

the amount of \$15 for each Statement of Account involved. Payment of this fee may be in the form of a personal or company check, or of a certified check, cashier's check or money order, payable to: Register of Copyrights. No request will be processed until the appropriate filing fees are received.

(B) All requests that a supplemental royalty fee payment be received for deposit under this paragraph (i), must be accompanied by a remittance in the full amount of such fee. Payment of the supplemental royalty fee must be in the form of a certified check, cashier's check, or money order, payable to: Register of Copyrights. No such request will be processed until an acceptable remittance in the full amount of the supplemental royalty fee has been received.

(v) All requests submitted under this paragraph (i) must be signed by the cable system owner named in the Statement of Account, or the duly authorized agent of the owner, in accordance with paragraph (e)(14) of this section.

(vi) A request for a refund is not necessary where the Licensing Division, during its examination of a Statement of Account or related document, discovers an error that has resulted in a royalty overpayment. In this case, the Licensing Division will forward the royalty refund to the cable system owner named in the Statement of Account without regard to the time limitations provided for in paragraph (i)(3)(i) of this section.

(4) Following final processing, all requests submitted under this paragraph (i) will be filed with the original Statement of Account in the records of the Copyright Office. Nothing contained in this paragraph shall be considered to relieve cable systems from their full obligations under title 17 of the United States Code, and the filing of a correction or supplemental payment shall have only such effect as may be attributed to it by a court of competent jurisdiction.

(17 U.S.C. 111, 702, 708)

Dated: June 25, 1980.

David L. Ladd,
Register of Copyrights.

Approved:
Daniel J. Boorstin,
The Librarian of Congress.

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