



ANNOUNCEMENT

from the Copyright Office, Library of Congress,
101 Independence Avenue, S.E., Washington, D.C. 20559-6000

NOTICE WITH REQUEST FOR COMMENTS.

ASCERTAINMENT OF CONTROVERSY FOR 1996 CABLE ROYALTY FUNDS

The following excerpt is taken from Volume 63, Number 181 of the
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LIBRARY OF CONGRESS

Copyright Office

[Docket No. RM 98-2 CARP CD 96]

Ascertainment of Controversy for 1996 Cable Royalty Funds

AGENCY: Copyright Office, Library of
Congress.

ACTION: Notice with request for
comments.

SUMMARY: The Copyright Office of the
Library of Congress directs all claimants to
royalty fees collected for secondary
transmission by cable systems in 1996 to
submit comments as to whether a Phase I or a
Phase II controversy exists as to the
distribution of these funds.

DATES: Comments are due October 19,
1998.

ADDRESSES: If sent by mail, an original
and five copies of written comments and a
Notice of Intent to Participate should be
addressed to: Copyright Arbitration Royalty
Panel (CARP), P.O. Box 70977, Southwest
Station, Washington, D.C. 20024. If hand-
delivered, an original and five copies of
written comments and a Notice of Intent to
Participate should be brought to: Office of
the Copyright General Counsel, James
Madison Memorial Building, LM Room 403,
First and Independence Avenue, S.E.,
Washington, D.C. 20559-6000.

FOR FURTHER INFORMATION

CONTACT: David O. Carson, General
Counsel, or Tanya M. Sandros, Attorney
Advisor, Copyright Arbitration Royalty
Panels, P.O. Box 70977, Southwest Station,
Washington, D.C. 20024. Telephone: (202)
707-8380. Telefax: (202) 707-8366.

SUPPLEMENTARY INFORMATION:

Each year, cable systems submit royalties to
the U.S. Copyright Office under a statutory
license which allows cable systems to
retransmit broadcast signals to their
subscribers. 17 U.S.C. 111. These royalties
are, in turn, distributed in one of two ways to
copyright owners whose works were included
in a cable system's secondary transmission
and who timely filed a claim with the
Copyright Office.

These copyright owners may either
negotiate a settlement agreement among
themselves as to the distribution of the
royalty fees, or the Librarian of Congress
may convene an ad hoc Copyright Arbitration
Royalty Panel (CARP) to determine the final
distribution of the royalty fees which remain
in controversy. See 17 U.S.C. chapter 8. The
Copyright Act also allows the copyright
owners to receive a partial distribution of the
royalty fees prior to the final determination
so long as sufficient funds are withheld from
distribution "to satisfy all claims with respect
to which a controversy exists." 17 U.S.C.
111(d)(4)(C).

Accordingly, on September 3, 1998, the
"representatives of the Phase I claimant
categories to which royalties have been
allocated in prior distribution proceedings"
filed a motion for partial distribution of 75%
of the 1996 cable royalties with the
Copyright Office. However, before
beginning a distribution proceeding or
making a partial distribution, the Librarian of
Congress must first ascertain whether a
controversy exists as to the distribution of the
funds. 17 U.S.C. 803(c).

For these reasons, the Office is requesting
comment on the existence of any
controversies as to the distribution of the
1996 cable royalties. The Office also
requests that those claimants intending to
participate in the 1996 distribution
proceeding file a Notice of Intent to

Participate, noting whether they anticipate
participating in a Phase I proceeding, a Phase
II proceeding, or both.

In a Phase I proceeding, the arbitrators
ascertain the distribution of royalties among
the categories of broadcast programming
represented in the proceeding, and in a Phase
II proceeding, the arbitrators settle disputes
between claimants within a particular
category concerning the distribution of
royalty fees within the group. If a claimant
anticipates a Phase II controversy, the
claimant must state each program category in
which he or she has an interest which by the
end of the comment period has not yet been
satisfied by private agreement.

Participants must advise the Office of the
existence of all controversies, Phase I or
Phase II, by the end of the comment period.
The Office will not consider controversies
which come to its attention after the close of
the comment period. Failure to file a timely
Notice of Intent to Participate shall also
preclude a party from participating in this
proceeding.

DATED: September 14, 1998

Marybeth Peters,
Register of Copyrights.

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