

**Before the  
Copyright Royalty Board**

In the Matter of )  
 )  
Distribution of the ) Docket No. 2005-4 CRB CD 2003  
2003 Cable Royalty Funds )

**JOINT COMMENTS**

On behalf of HSN LP, AST LLC, Home Shopping En Espangol GP, USA Broadcasting Productions, Studios USA, InterActive Corp. (“Joint Parties”), we submit the following comments in response to the Copyright Royalty Board’s (“CRB”) *Notice Announcing Partial Phase I Settlement and Soliciting Comments on Motion for Further Distribution* published at 72 Fed. Reg. 46516 (August 20, 2007).

The CRB seeks comments on 1) whether any claimant entitled to receive royalty fees from the 2003 Cable Fund has a reasonable objection to the propose partial distribution and the related requests of the Phase I parties; 2) whether any potential Phase I or Phase II controversies exist; 3) whether the Phase I claimant categories adequately represent the interests of all claimants or whether additional categories are needed; 4) if there is a controversy, whether a proceeding should be commenced at this time or delayed pending negotiations among parties; and 5) how should notices of pre-controversy motions or filings be made public so as to permit public comment.

**1. Comments on 2003 Partial Distribution**

The Joint Parties concur with the proposed NPR and lump sum distribution and the reserves for additional controversies. In the opinion of the Joint Parties, these reserves are sufficient to address any Phase II dispute that might arise affecting its interests.

## **2. Phase II Controversies**

The Joint Parties claims are within the Program Supplier Category. In view of the fact that there have been no negotiations or discussions between Joint Parties and Program Suppliers over the valuation of Joint Parties' share, a Phase II controversy exists between the Joint Parties and Program Suppliers with respect to these claims. The precise amount in controversy is not yet determined; however, the Joint Parties believe the amount in controversy is likely to be 1% or less of the Program Supplier category.

## **3. Claimant Categories**

The Joint Parties believe that the current categories are adequate to represent the interests of all claimants, including their own. In particular, with respect to the idea of creating a Spanish Language Category for Phase I or Phase II purposes, Joint Parties oppose such a proposal. We say this even though Joint Parties programming includes programming specifically designed for Spanish speaking audiences, i.e. Home Shopping En Espagnol. Joint Parties believe Spanish language programs are and will continue to be fairly compensated within the Program Supplier Category. Establishing a separate category would require Joint Parties to participate in multiple program categories, duplicating efforts at determining fair compensation for its programming. Such duplication would be needlessly expensive. We also note that the proposal to create a Spanish Language program category was long-ago considered and rejected by the Copyright Royalty Tribunal. The ensuing years have shown the wisdom of that ruling.

## **4. Commencement of Proceeding**

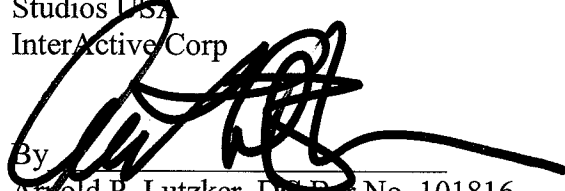
The Joint Parties have successfully resolved their Phase II claims in the Program Supplier category many times in the past. The Phase II share for HSN/AST is resolved through 2001. While there is a controversy for 2003 (as well as 2002 cable), we believe that the Joint Parties

and Program Suppliers should be given sufficient opportunity to resolve their claims; so rather than declaring a Phase II controversy at this time, we believe a period of private negotiations is appropriate.

#### **5. Pre-Controversy Notices**

The Joint Parties believe that when the CRB receives a motion or other filing requiring public comment, it should publish a notice in the Federal Register and provide formal notification on its website. That procedure would ensure that all members of the public have the notice and reasonable opportunity to comment on pertinent filings. After public comments are received, the Board can publish a service list, and all interested parties can receive due notice of additional proceedings.

Respectively Submitted,  
HSN LP  
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Home Shopping En Espanol GP  
USA Broadcasting Productions  
Studios USA  
InterActive Corp

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September 19, 2007

## **CERTIFICATE OF SERVICE**

I, Arnold P. Lutzker, hereby certify that a copy of the foregoing "Comments of Devotional Claimants" was served via overnight courier, this 19<sup>th</sup> day of September, 2007, upon the following:

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