

Special Notice about This Statement of Account - IMPORTANT

The Satellite Television Extension and Localism Act of 2010 (STELA), Public Law 111-175

Congress recently reauthorized Section 119 of the Copyright Act for a new five year term (through December 31, 2014) and it updated the license to reflect the digital television transition. New statutory terms and definitions have been added to account for the retransmission of digital television broadcast signals by satellite carriers. These changes may affect the number of distant television signals retransmitted by a satellite carrier, the royalty rates it would have to pay, and the way it must report such signals on the Statement of Account form.

Satellite Royalty Fee Rates for Private Home Viewing and Commercial Establishments

The Copyright Royalty Board published the royalty rates for the retransmission of distant broadcast signals under Section 119 of the Copyright Act for the period 2010–14. See 75 FR 53198 (August 31, 2010). In addition, the board published the 2011 cost-of-living adjustment in royalty rates. See 75 FR 75624 (December 6, 2010).

New Statutory Definition of “Unserved Household”

The term “unserved household” in Section 119(d)(10) of the Copyright Act has been amended. See page (ii) of the general instructions.

Additional Definitions

The terms “non-network station,” “primary stream,” “multicast stream,” and “qualifying date” were added to Section 119 by STELA. Note: The term “superstation” has been redesignated as “non-network station.” See the general instructions in the form for newly added terms and all definitions.

Removal of “Significantly Viewed” Provision

The provision regarding “significantly viewed” television signals was moved from Section 119 to Section 122 of the Copyright Act.

Electronic Payment of Royalty Fees Required

For detailed instructions concerning electronic payments, contact the Licensing Division between 8:30 AM and 5:00 PM Eastern time by calling (202) 707-8150, faxing (202) 707-0905, or emailing licfiscal@loc.gov for circulars 74A (on payments via wire), 74B (on payments via Automated Clearing House credit), and 74C (on payments using www.pay.gov), which are also available at www.copyright.gov/circs/circ74. The remittance must be made payable to Register of Copyrights.

Photocopy Required

The Copyright Office requires that a legible copy of the semiannual statement of account must be submitted together with the original statement of account.

Mailing Address

Return the completed statement of account to: *Copyright Office GC/I&R, Satellite Statement of Account, P.O. Box 70400, Washington, DC 20024-0400.*

If you have any questions concerning the use of this form, please contact the Licensing Division at:

Phone: (202) 707-8150

Fax: (202) 707-0905

Email: licensing@loc.gov

Web: www.copyright.gov/licensing

THIS FORM IS EFFECTIVE FOR THE ACCOUNTING PERIOD BEGINNING JANUARY 1, 2011.
 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 of Distant Television Signals

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:
 Copyright Office GC/I&R
 Satellite Statement of Acct
 P.O. Box 70400
 Washington, DC 20024-0400

(For courier deliveries,
 see page i of the instructions.)

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

.....

.....

Privacy Act Notice: Section 119 of title 17 of the United States Code authorizes the Copyright Office to collect the personally identifying information (PII) requested on this form in order to process your statement of account. PII is any personal information that can be used to identify or trace an individual, such as name, address and telephone numbers. By providing PII, you are agreeing to the routine use of it to establish and maintain a public record, which includes appearing in the Office's public indexes and in search reports prepared for the public. The effects of not providing the PII requested is that it may delay processing of your statement of account and its placement in the completed record of statements of account, and it may affect the legal sufficiency of the filing, a determination that would be made by a court of law.

Give the legal name as it appears in space B:

NETWORK STATIONS (PRIVATE HOME VIEWING)

Call signs	SUBSCRIBERS FOR EACH MONTH OF THE ACCOUNTING PERIOD						Total
	Month 1 (Jan/July)	Month 2 (Feb/Aug)	Month 3 (Mar/Sept)	Month 4 (Apr/Oct)	Month 5 (May/Nov)	Month 6 (June/Dec)	
Grand total network stations subscribers (private home viewing):							

SPACE D, PART 2 • Carriage for Viewing in a Commercial Establishment

NOTE: A commercial establishment is defined as an establishment used for commercial purposes, such as a bar, restaurant, private office, fitness club, oil rig, retail store, bank or other financial institution, supermarket, automobile or boat dealership, or any other establishment with a common business area. It does not include a multiunit permanent or temporary dwelling where private home viewing occurs, such as a hotel, dormitory, hospital, apartment, condominium, or prison.

- **FIRST:** Under the heading non-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 non-network station retransmitted within that station's local market. See page iii of the general instructions for the definition.

- **NEXT:** Compute the grand total number of subscribers receiving non-network stations.

NON-NETWORK STATIONS (COMMERCIAL ESTABLISHMENTS)

Call signs	SUBSCRIBERS FOR EACH MONTH OF THE ACCOUNTING PERIOD						Total
	Month 1 (Jan/July)	Month 2 (Feb/Aug)	Month 3 (Mar/Sept)	Month 4 (Apr/Oct)	Month 5 (May/Nov)	Month 6 (June/Dec)	
Grand total non-network station subscribers (commercial establishments):							

Give the legal name as it appears in space B:

SPACE D, PART 3 • Computation of the Royalty Fee

The Copyright Royalty Judges recently published the royalty rates for the retransmission of distant broadcast signals under Section 119 of the Copyright Act covering 2011. See 75 FR 75624 (December 6, 2010).

1. Enter the grand total non-network stations for private home viewing subscribers here and multiply by \$0.25 × .25 = \$ _____
2. Enter the grand total network stations for private home viewing subscribers here and multiply by \$0.25 × .25 = \$ _____
3. Enter the grand total non-network stations for commercial establishments subscribers here and multiply by \$0.51 × .51 = \$ _____
4. Interest Charge. Enter the amount from line 4, space E, page 5 \$ _____
5. Add Lines 1–4. This is the satellite carrier’s total royalty fee \$

REMIT THIS AMOUNT IN THE FORM OF AN ELECTRONIC PAYMENT PAYABLE TO *Register of Copyrights*.

NOTE: *Royalty fees are required to be paid by an electronic payment. SEE PAGE I OF THE GENERAL INSTRUCTIONS FOR MORE INFORMATION.*

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.

1. Enter the amount of late payment or underpayment \$ _____
× _____%
2. Multiply line 1 by the interest rate*
 and enter the sum here _____
× _____ days
3. Multiply line 2 by the number of days late _____
× .00274
4. Multiply line 3 by .00274**.
 Enter the amount here (unless \$5.00 or less) and on line 4,
 part 3, space D, (page 5) \$ _____
(interest charge)

Give the legal name as it appears in space B:

*To view the interest rate chart click on www.copyright.gov/licensing/interest-rate.pdf. For further assistance please contact the Licensing Division at (202) 707-8150 or licensing@loc.gov.

**This is the decimal equivalent of $\frac{1}{365}$, 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.

OWNER _____

ADDRESS _____

ACCOUNTING PERIOD _____

Space F — Contact Information

Identify an individual we can write to or call about this statement of account:

NAME _____

MAILING ADDRESS _____

TELEPHONE NUMBER (INCLUDE AREA CODE) _____

EMAIL (OPTIONAL) _____

FAX (OPTIONAL) _____

Space G — Signature

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 USC, Section 1001 (1986)]

SIGNATURE _____

TYPED/PRINTED NAME _____

TITLE/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 or for viewing in a commercial establishment and they make a direct or indirect charge for that service. Satellite carrier retransmissions of the copyrighted programming embodied in the signals of non-network 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 that chooses to obtain a statutory license to retransmit the signals of non-network or network stations to the public for private home viewing or for viewing in a commercial establishment 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.

Second Fill out the statement of account form, giving all of the required information about your satellite carrier and about the television stations carried. 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) payable to *Register of Copyrights* in the amount you have calculated in part 3 of space D to cover the copyright royalty fee. *Royalty fees are required to be paid by an electronic deposit.* See the *Federal Register*, August 10, 2006, 71 FR 45739.

Fifth Send the completed statement of account, together with one legible copy of the statement of account, and all continuation sheets to *Copyright Office GC/ICR, Satellite Statement of Account, P.O. Box 70400, Washington, DC 20024-0400.* For courier deliveries, see www.copyright.gov/mail.html for updated information.

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, *How to Make Statutory License Royalty EFT Payments*, which is also available via the Internet at www.copyright.gov/circs/circ74.

The related statement of account must be filed by the appropriate deadline. Statements of account and electronic funds transfers 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 non-network 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 non-network station 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 (except that non-network stations may also be retransmitted for viewing in commercial establishments) and the carrier makes a direct or indirect charge to each subscriber receiving the signals (or to a distributor, in the case of a non-network station).
- The satellite carrier must file semiannual statements of account with the Copyright Office and must also deposit at the same time semiannual royalty payments. The related statement of account must be filed by the appropriate deadline accompanied by a cover letter. The amount of the royalty depends on the number of subscribers to each distant broadcast signal retransmitted by the carrier each month. The royalty must be paid by electronic payment payable to *Register of Copyrights*.
- Any satellite carrier that retransmits the signals of a network station to unserved households must, not later than 90 days after commencing such retransmission, submit to the network that owns or is affiliated with that station a list identifying (by name and address, including street or rural route number, city, state, and 9-digit zip code) all subscribers to that service. Then, not later than the 15th of each month, the satellite carrier must submit to the network a list, aggregated by designated market area, 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 lists 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 subscribers 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 Use the §119 Statutory License

Under the statute, the retransmission of a non-network station is subject to statutory licensing only if it is made by a satellite carrier to the public for private home viewing or for viewing in a commercial establishment and the carrier makes a direct or indirect charge to the subscriber or to a distributor of the non-network station.

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 or 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 statutory 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.

Definitions

- 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 pursuant to this Section [119].”
- A *non-network station* is defined as “a television station, other than a network station, licensed by the Federal Communications Commission that is secondarily transmitted by a satellite carrier.”
- *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 *commercial establishment* means an “establishment used for commercial purposes, such as a bar, restaurant, private office, fitness club, oil rig, retail store, bank or other financial institution, supermarket, automobile or boat dealership, or any other establishment with a common business area;” and “does not include a multiunit permanent or temporary dwelling where private home viewing occurs, such as a hotel, dormitory, hospital, apartment, condominium, or prison.”
- A *subscriber* is defined as “a person or entity that receives a secondary transmission service from a satellite carrier and pays a fee for the service, directly or indirectly, to the satellite carrier or to a distributor.”
- *Subscribe* means to “elect to become a subscriber.”
- *Per subscriber per month* means “each subscriber subscribing to the station in question, or to a package including such station, on the last day of a given month.”
- A *network station* is defined as “(a) a television station licensed by the Federal Communications Commission, 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).”
- 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 or indirectly through other program distribution entities in accordance with the provisions of this Section [119].”
- *Unserved household*. - The term “unserved household”, with respect to a particular television network, means a household that -
 - (A) cannot receive, through the use of an antenna, an over-the-air signal containing the primary stream, or, on or after the qualifying date, the multicast stream, originating in that household's local market and affiliated with that network of-
 - (i) if the signal originates as an analog signal, Grade B intensity as defined by the Federal Communications Commission in section 73.683(a) of title 47, Code of Federal Regulations, as in effect on January 1, 1999; or

(ii) if the signal originates as a digital signal, intensity defined in the values for the digital television noise-limited service contour, as defined in regulations issued by the Federal Communications Commission (section 73.622(e) of title 47, Code of Federal Regulations), as such regulations may be amended from time to time;

(B) is subject to a waiver that meets the standards of subsection (a)(13) whether or not the waiver was granted before the date of the enactment of the Satellite Television Extension and Localism Act of 2010;

(C) is a subscriber to whom subsection (e) applies;

(D) is a subscriber to whom subsection (a)(11) applies; or

(E) is a subscriber to whom the exemption under subsection (a)(2)(B)(iii) applies.”

- **Qualifying Date:** means October 1, 2010, for multicast streams that exist on March 31, 2010; and January 1, 2011 for all other multicast streams.
- The term *local market*, in the case of both commercial and noncommercial 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 noncommercial educational television broadcast station, the market includes any station that is licensed to a community within the same designated market area as the noncommercial educational television broadcast station.” The term ‘designated market area’ means 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.”

In addition, a station’s local market “includes the county in which the station’s community of license is located.”

Regarding certain areas outside of any designated market area, “any census area, borough, or other area in the state of Alaska that is outside of a designated market area, as determined by Nielsen Media Research, shall be deemed to be part of one of the local markets in the state of Alaska. A satellite carrier may determine which local market in the state of Alaska will be deemed to be the relevant local market in connection with each subscriber in such census area, borough, or other area.”

- **Primary Stream.** - The term ‘primary stream’ means “the single digital stream of programming as to which a television broadcast station has the right to mandatory carriage with a satellite carrier under the rules of the Federal Communications Commission in effect on July 1, 2009; or if there is no [such] stream then either (i) the single digital stream of programming associated with the network last transmitted by the station as an analog signal or (ii) if there is no stream described in clause (i) then the single digital

stream of programming affiliated with the network that, as of July 1, 2009, had been offered by the television broadcast station for the longest period of time.”

- **Multicast Stream.** - The term ‘multicast stream’ means “a digital stream containing programming and program related material affiliated with a television network, other than the primary stream.”

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; 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 subscribers 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 of each calendar year, and the second runs from July through December. 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 5.) 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 can obtain the interest rate for the applicable accounting period(s) at www.copyright.gov/licensing/interest-rate.pdf or by contacting the Licensing Division at (202) 707-8150 or licensing@loc.gov.

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. The accrual period ends on the date that the remittance is received in the Copyright Office.

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.