

THIS FORM IS EFFECTIVE FOR ACCOUNTING PERIODS BEGINNING JANUARY 1, 2015
 If you are filing for a prior accounting period, contact the Licensing Division for the correct form.

**SA3
 Long Form**

STATEMENT OF ACCOUNT
*for Secondary Transmissions by
 Cable Systems (Long Form)*

General instructions are at the end of this form [pages i–viii].

FOR COPYRIGHT OFFICE USE ONLY	
DATE RECEIVED	AMOUNT
8/20/2018	\$
	ALLOCATION NUMBER

Return to:
 Library of Congress
 Copyright Office
 Licensing Division
 101 Independence Ave. SE
 Washington, DC 20557-6400
 (202) 707-8150

For courier deliveries,
 see page ii of the general
 instructions.

A Accounting Period	ACCOUNTING PERIOD COVERED BY THIS STATEMENT: (Check one of the boxes and fill in the year date.)	
	<input checked="" type="checkbox"/> January 1–June 30 2018 (Year)	<input type="checkbox"/> July 1–December 31 (Year)

B Owner	INSTRUCTIONS: Give the full legal name of the owner of the cable system in line 1. If the owner is a subsidiary of another corporation, give the full corporate title of the subsidiary, not that of the parent corporation. In line 2, list any other names under which the owner conducts the business of the cable system. 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. <input type="checkbox"/> Check here if this is the system's first filing. If not, enter the system's ID number assigned by the Licensing Division. _____	
	1	LEGAL NAME OF OWNER OF CABLE SYSTEM: The Utilities Board of the City of Foley
	2	BUSINESS NAME(S) OF OWNER OF CABLE SYSTEM (IF DIFFERENT):
	3	MAILING ADDRESS OF OWNER OF CABLE SYSTEM: P.O. Box 2050 (Number, street, rural route, apartment, or suite number) Foley, AL 36535-2050 (City, town, state, zip)

C System	INSTRUCTIONS: In line 1, give any business or trade names used to identify the business and operation of the system unless these names already appear in space B. In line 2, give the mailing address of the system, if different from the address given in space B.	
	1	IDENTIFICATION OF CABLE SYSTEM:
	2	MAILING ADDRESS OF CABLE SYSTEM: (Number, street, rural route, apartment, or suite number) (City, town, state, zip code)

D Area Served First Community Sample	Instructions: For complete space D instructions, see page 1b. Identify only the first community served below and relist on page 1b with all communities.			
	CITY OR TOWN		STATE	
	Below is a sample for reporting communities if you report multiple channel line-ups in Space G.			
	CITY OR TOWN (SAMPLE)	STATE	CH LINE UP	SUB GRP#
	Alda	MD	A	1
Alliance	MD	B	2	
Gering	MD	B	3	

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Name	LEGAL NAME OF OWNER OF CABLE SYSTEM: The Utilities Board of the City of Foley
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E Secondary Transmission Service: Sub- scribers and Rates	SECONDARY TRANSMISSION SERVICE: SUBSCRIBERS AND RATES In General: The information in space E should cover all categories of secondary transmission service of the cable system, that is, the retransmission of television and radio broadcasts by your system to subscribers. Give information about other services (including pay cable) in space F, not here. All the facts you state must be those existing on the last day of the accounting period (June 30 or December 31, as the case may be). Number of Subscribers: Both blocks in space E call for the number of subscribers to the cable system, broken down by categories of secondary transmission service. In general, you can compute the number of subscribers in each category by counting the number of billings in that category (the number of persons or organizations charged separately for the particular service at the rate indicated—not the number of sets receiving service). Rate: Give the standard rate charged for each category of service. Include both the amount of the charge and the unit in which it is generally billed. (Example: "\$20/mth"). Summarize any standard rate variations within a particular rate category, but do not include discounts allowed for advance payment. Block 1: In the left-hand block in space E, the form lists the categories of secondary transmission service that cable systems most commonly provide to their subscribers. Give the number of subscribers and rate for each listed category that applies to your system. Note: Where an individual or organization is receiving service that falls under different categories, that person or entity should be counted as a subscriber in each applicable category. Example: a residential subscriber who pays extra for cable service to additional sets would be included in the count under "Service to the first set" and would be counted once again under "Service to additional set(s)." Block 2: If your cable system has rate categories for secondary transmission service that are different from those printed in block 1 (for example, tiers of services that include one or more secondary transmissions), list them, together with the number of subscribers and rates, in the right-hand block. A two- or three-word description of the service is sufficient.					
	BLOCK 1			BLOCK 2		
	CATEGORY OF SERVICE	NO. OF SUBSCRIBERS	RATE	CATEGORY OF SERVICE	NO. OF SUBSCRIBERS	RATE
Residential: • Service to first set • Service to additional set(s) • FM radio (if separate rate)	2,929	\$43.75				
Motel, hotel Commercial Converter • Residential • Non-residential	1,132	\$25.08				
	711	\$5.95				

F Services Other Than Secondary Transmissions: Rates	SERVICES OTHER THAN SECONDARY TRANSMISSIONS: RATES In General: Space F calls for rate (not subscriber) information with respect to all your cable system's services that were not covered in space E, that is, those services that are not offered in combination with any secondary transmission service for a single fee. There are two exceptions: you do not need to give rate information concerning (1) services furnished at cost or (2) services or facilities furnished to nonsubscribers. Rate information should include both the amount of the charge and the unit in which it is usually billed. If any rates are charged on a variable per-program basis, enter only the letters "PP" in the rate column. Block 1: Give the standard rate charged by the cable system for each of the applicable services listed. Block 2: List any services that your cable system furnished or offered during the accounting period that were not listed in block 1 and for which a separate charge was made or established. List these other services in the form of a brief (two- or three-word) description and include the rate for each.					
	BLOCK 1			BLOCK 2		
	CATEGORY OF SERVICE	RATE	CATEGORY OF SERVICE	RATE	CATEGORY OF SERVICE	RATE
Continuing Services: • Pay cable • Pay cable—add'l channel • Fire protection • Burglar protection	\$17.50	Installation: Non-residential • Motel, hotel • Commercial • Pay cable • Pay cable—add'l channel • Fire protection • Burglar protection	\$50.00	Underground Drop +1.00 per foot	\$20.00	
Installation: Residential • First set • Additional set(s) • FM radio (if separate rate) • Converter	\$50.00	Other services: • Reconnect • Disconnect • Outlet relocation • Move to new address	\$50.00	DVR Service HD Service	\$10.00	
	\$50.00		\$50.00		\$10.00	

1. CALL SIGN	2. B'CAST CHANNEL NUMBER	3. TYPE OF STATION	4. DISTANT? (Yes or No)	5. BASIS OF CARRIAGE (If Distant)	6. LOCATION OF STATION
WEIQ	42-1	E	No		Mobile, AL
WEIQ	42-2	E-M	No		Mobile, AL
WEIQ	42-3	E-M	No		Mobile, AL
WEIQ	42-4	E-M	No		Mobile, AL
WEAR	3-1	N	No		Pensacola, FL
WEAR	3-2	I-M	No		Pensacola, FL
WEAR	3-3	I-M	No		Pensacola, FL
WSRE	23-1	E	No		Pensacola, FL
WSRE	23-2	E-M	No		Pensacola, FL
WSRE	23-3	E-M	No		Pensacola, FL
WSRE	23-4	E-M	No		Pensacola, FL
WKRQ	5-1	N	No		Mobile, AL
WKRQ	5-3	I-M	No		Mobile, AL
WKRQ	5-4	I-M	No		Mobile, AL
WFNA	55-1	I	No		Gulf Shores, AL
WFNA	55-2	I-M	No		Gulf Shores, AL
WFNA	55-3	I-M	No		Gulf Shores, AL
WFNA	55-4	I-M	No		Gulf Shores, AL
WMPV	21-1	I	No		Mobile, AL
WMPV	21-2	I-M	No		Mobile, AL
WMPV	21-3	I-M	No		Mobile, AL
WMPV	21-4	I-M	No		Mobile, AL
WMPV	21-5	I-M	No		Mobile, AL
WJTC	44-1	I	No		Pensacola, FL
WJTC	44-2	I	No		Pensacola, FL
WALA	10-1	N	No		Mobile, AL
WALA	10-2	IM	No		Mobile, AL
WALA	10-3	IM	No		Mobile, AL
WALA	10-4	IM	No		Mobile, AL
WPMI	15-1	N	No		Mobile, AL
WPMI	15-2	I-M	No		Mobile, AL
WPMI	15-3	I-M	No		Mobile, AL
WHBR	33-1	I	No		Pensacola, FL
WHBR	33-2	I-M	No		Pensacola, FL
WFGX	35-1	I	No		Fort Walton Beach, FL
WFGX	35-2	IM	No		Fort Walton Beach, FL
WFGX	35-3	IM	No		Fort Walton Beach, FL
WFBD	48-1	I	No		Pensacola, FL
WDPM	18-1	I	No		Mobile, AL

LEGAL NAME OF OWNER OF CABLE SYSTEM: The Utilities Board of the City of Foley	Name
GROSS RECEIPTS Instructions: The figure you give in this space determines the form you file and the amount you pay. Enter the total of all amounts (gross receipts) paid to your cable system by subscribers for the system's secondary transmission service (as identified in space E) during the accounting period. For a further explanation of how to compute this amount, see page (vii) of the general instructions. Gross receipts from subscribers for secondary transmission service(s) during the accounting period. \$ 953,786.13 (Amount of gross receipts)	K Gross Receipts
COPYRIGHT ROYALTY AND FILING FEES Instructions: Use the blocks in this space L to determine the royalty fee you owe: • Complete block 1, showing your minimum fee. • Complete block 2, showing whether your system carried any distant television stations. • If your system did not carry any distant television stations, leave block 3 blank. Enter the amount of the minimum fee from block 1 on line 1 of block 4, and calculate the total royalty fee. • If your system did carry any distant television stations, you must complete the applicable parts of the DSE Schedule accompanying this form and attach the schedule to your statement of account. ► If part 8 or part 9, block A, of the DSE schedule was completed, the base rate fee should be entered on line 1 of block 3 below. ► If part 6 of the DSE schedule was completed, the amount from line 7 of block C should be entered on line 2 in block 3 below. ► If part 7 or part 9, block B, of the DSE schedule was completed, the surcharge amount should be entered on line 2 in block 4 below.	L Copyright Royalty Fee
Block 1 MINIMUM FEE: All cable systems with semiannual gross receipts of \$527,600 or more are required to pay at least the minimum fee, regardless of whether they carried any distant stations. This fee is 1.064 percent of the system's gross receipts for the accounting period. Line 1. Enter the amount of gross receipts from space K. \$953,786.13 Line 2. Multiply the amount in line 1 by 0.01064 Enter the result here. This is your minimum fee. \$ 10,148.28	
Block 2 DISTANT TELEVISION STATIONS CARRIED: Your answer here must agree with the information you gave in space G. If, in space G, you identified any stations as "distant" by stating "Yes" in column 4, you must check "Yes" in this block. • Did your cable system carry any distant television stations during the accounting period? <input type="checkbox"/> Yes—Complete the DSE schedule. <input checked="" type="checkbox"/> No—Leave block 3 below blank and complete line 1, block 4.	
Block 3 Line 1. BASE RATE FEE: Enter the base rate fee from either part 8, section 3 or 4, or part 9, block A of the DSE schedule. If none, enter zero \$ Line 2. 3.75 Fee: Enter the total fee from line 7, block C, part 6 of the DSE schedule. If none, enter zero \$ Line 3. Add lines 1 and 2 and enter here. \$	
Block 4 Line 1. BASE RATE FEE/3.75 FEE or MINIMUM FEE: Enter either the minimum fee from block 1 or the sum of the base rate fee/3.75 fee from block 3, line 3, whichever is larger. \$ 10,148.28 Line 2. SYNDICATED EXCLUSIVITY SURCHARGE: Enter the fee from either part 7 (block D, section 3 or 4) or part 9 (block B) of the DSE schedule. If none, enter zero. \$ 0.00 Line 3. INTEREST CHARGE: Enter the amount from line 4, space Q, page 9 (Interest Worksheet) \$ Line 4. FILING FEE: \$ 725.00 TOTAL ROYALTY AND FILING FEES PAYABLE FOR ACCOUNTING PERIOD. Add Lines 1, 2, 3 and 4 of block 4 and enter total here \$ 10,873.28 Remit this amount via <i>electronic payment</i> payable to <i>Register of Copyrights</i> . (See page (i) of the general instructions for more information.)	Cable systems submitting additional deposits under Section 111(d)(7) should contact the Licensing Division for the appropriate form for submitting the additional fees.

Name	LEGAL NAME OF OWNER OF CABLE SYSTEM: The Utilities Board of the City of Foley	Name
M Channels	CHANNELS Instructions: You must give (1) the number of channels on which the cable system carried television broadcast stations to its subscribers and (2) the cable system's total number of activated channels, during the accounting period.	
	1. Enter the total number of channels on which the cable system carried television broadcast stations	39
	2. Enter the total number of activated channels on which the cable system carried television broadcast stations and nonbroadcast services	249
N Individual to Be Contacted for Further Information	INDIVIDUAL TO BE CONTACTED IF FURTHER INFORMATION IS NEEDED: (Identify an individual we can contact about this statement of account.)	
	Name Robert D. Clark	Telephone 251-943-5001 <small>(Area code)</small>
	Address P.O. Box 2050 <small>(Number, street, rural route, apartment, or suite number)</small>	
	Foley, AL 36535-2050 <small>(City, town, state, zip)</small>	
	Email (optional) rclark@rivierautilities.com	Fax (optional)
O Certification	CERTIFICATION (This statement of account must be certified and signed in accordance with Copyright Office regulations, as explained in the general instructions.)	
	<ul style="list-style-type: none"> • I, the undersigned, hereby certify that (Check one, <i>but only one</i>, of the boxes.) <input type="checkbox"/> (Owner other than corporation or partnership) I am the owner of the cable system as identified in line 1 of space B; or <input checked="" type="checkbox"/> (Agent of owner other than corporation or partnership) I am the duly authorized agent of the owner of the cable system as identified in line 1 of space B and that the owner is not a corporation or partnership; or <input type="checkbox"/> (Officer or partner) I am an officer (if a corporation) or a partner (if a partnership) of the legal entity identified as owner of the cable system in line 1 of space B. 	
	<ul style="list-style-type: none"> • I have examined the 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 U.S.C. sec. 1001] 	
		Handwritten signature: 
	Typed or printed name: Thomas L. DeBell	
	Title: General Manager/CEO <small>(Title of official position held in corporation or partnership)</small>	
	Date: August 13, 2018	

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LEGAL NAME OF OWNER OF CABLE SYSTEM: The Utilities Board of the City of Foley	Name						
<p>SPECIAL STATEMENT CONCERNING GROSS RECEIPTS EXCLUSIONS The Satellite Home Viewer Act of 1988 amended Title 17, section 111(d)(1)(A), of the Copyright Act by adding the following sentence: "In determining the total number of subscribers and the gross amounts paid to the cable system for the basic service of providing secondary transmissions of primary broadcast transmitters, the system shall not include subscribers and amounts collected from subscribers receiving secondary transmissions pursuant to section 119." For more information on when to exclude these amounts, see the note on page (vii) of the general instructions. During the accounting period did the cable system exclude any amounts of gross receipts for secondary transmissions made by satellite carriers to satellite dish owners? <input type="checkbox"/> NO <input type="checkbox"/> YES. Enter the total here and list the satellite carrier(s) below. \$ _____</p>	P Special Statement Concerning Gross Receipts Exclusions						
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 2px;">Name _____</td> <td style="width: 50%; padding: 2px;">Name _____</td> </tr> <tr> <td style="padding: 2px;">Mailing address _____</td> <td style="padding: 2px;">Mailing address _____</td> </tr> <tr> <td style="padding: 2px;">_____</td> <td style="padding: 2px;">_____</td> </tr> </table>	Name _____	Name _____	Mailing address _____	Mailing address _____	_____	_____	
Name _____	Name _____						
Mailing address _____	Mailing address _____						
_____	_____						
<p>INTEREST ASSESSMENT You must complete this worksheet for those royalty payments submitted as a result of a late payment or underpayment. For an explanation of interest assessment, see page (viii) of the general instructions.</p> <p>Line 1 Enter the amount of late payment or underpayment \$ _____ x _____ %</p> <p>Line 2 Multiply line 1 by the interest rate* and enter the sum here _____ x _____ days</p> <p>Line 3 Multiply line 2 by the number of days late and enter the sum here _____ x 0.00274</p> <p>Line 4 Multiply line 3 by 0.00274** enter here and on line 3, block 4, space L, (page 7) \$ _____ (interest charge)</p> <p>* 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.</p> <p>** This is the decimal equivalent of 1/365, which is the interest assessment for one day late.</p> <p>NOTE: If you are filing this worksheet covering a statement of account already submitted to the Copyright Office, please list below the owner, address, first community served, accounting period, and ID number as given in the original filing.</p> <p>Owner _____ Address _____ _____ First community served _____ Accounting period _____ ID number _____</p>	Q Interest Assessment						

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INSTRUCTIONS FOR DSE SCHEDULE

WHAT IS A "DSE"

The term "distant signal equivalent" (DSE) generally refers to the numerical value given by the Copyright Act to each distant television station carried by a cable system during an accounting period. Your system's total number of DSEs determines the royalty you owe. For the full definition, see page (vi) of the General Instructions.

FORMULAS FOR COMPUTING A STATION'S DSE

There are two different formulas for computing DSEs: (1) a basic formula for all distant stations listed in space G (page 3), and (2) a special formula for those stations carried on a substitute basis and listed in space I (page 5). (Note that if a particular station is listed in both space G and space I, a DSE must be computed twice for that station: once under the basic formula and again under the special formula. However, a station's total DSE is not to exceed its full type-value. If this happens, contact the Licensing Division.)

BASIC FORMULA: FOR ALL DISTANT STATIONS LISTED IN SPACE G OF SA3 (LONG FORM)

Step 1: Determine the station's type-value. For purposes of computing DSEs, the Copyright Act gives different values to distant stations depending upon their type. If, as shown in space G of your statement of account (page 3), a distant station is:

- **Independent:** its type-value is.....1.00
- **Network:** its type-value is.....0.25
- **Noncommercial educational:** its type-value is.....0.25

Note that local stations are not counted at all in computing DSEs.

Step 2: Calculate the station's basis of carriage value: The DSE of a station also depends on its basis of carriage. If, as shown in space G of your Form SA3, the station was carried part time because of lack of activated channel capacity, its basis of carriage value is determined by (1) calculating the number of hours the cable system carried the station during the accounting period, and (2) dividing that number by the total number of hours the station broadcast over the air during the accounting period. The basis of carriage value for all other stations listed in space G is 1.0.

Step 3: Multiply the result of step 1 by the result of step 2. This gives you the particular station's DSE for the accounting period. (Note that for stations other than those carried on a part-time basis due to lack of activated channel capacity, actual multiplication is not necessary since the DSE will always be the same as the type value.)

SPECIAL FORMULA FOR STATIONS LISTED IN SPACE I OF SA3 (LONG FORM)

Step 1: For each station, calculate the number of programs that, during the accounting period, were broadcast live by the station and were substituted for programs deleted at the option of the cable system.

(These are programs for which you have entered "Yes" in column 2 and "P" in column 7 of space I.)

Step 2: Divide the result of step 1 by the total number of days in the calendar year (365—or 366 in a leap year). This gives you the particular station's DSE for the accounting period.

TOTAL OF DSEs

In part 5 of this schedule you are asked to add up the DSEs for all of the distant television stations your cable system carried during the accounting period. This is the total sum of all DSEs computed by the basic formula and by the special formula.

THE ROYALTY FEE

The total royalty fee is determined by calculating the minimum fee and the base rate fee. In addition, cable systems located within certain television market areas may be required to calculate the 3.75 fee and/or the Syndicated Exclusivity Surcharge. **Note:** Distant multicast streams are not subject to the 3.75 fee or the Syndicated Exclusivity Surcharge. Distant simulcast streams are not subject to any royalty payment.

The 3.75 Fee. If a cable system located in whole or in part within a television market added stations after June 24, 1981, that would not have been permitted under FCC rules, regulations, and authorizations (hereafter referred to as "the former FCC rules") in effect on June 24, 1981, the system must compute the 3.75 fee using a formula based on the number of DSEs added. These DSEs used in computing the 3.75 fee will not be used in computing the base rate fee and Syndicated Exclusivity Surcharge.

The Syndicated Exclusivity Surcharge. Cable systems located in whole or in part within a major television market, as defined by FCC rules and regulations, must calculate a Syndicated Exclusivity Surcharge for the carriage of any commercial VHF station that places a grade B contour, in whole or in part, over the cable system that would have been subject to the FCC's syndicated exclusivity rules in effect on June 24, 1981.

The Minimum Fee/Base Rate Fee/3.75 Percent Fee. All cable systems filing SA3 (Long Form) must pay at least the minimum fee, which is 1.064 percent of gross receipts. The cable system pays either the minimum fee or the sum of the base rate fee and the 3.75 percent fee, whichever is larger, and a Syndicated Exclusivity Surcharge, as applicable.

What is a "Permitted" Station? A permitted station refers to a distant station whose carriage is not subject to the 3.75 percent rate but is subject to the base rate and, where applicable, the Syndicated Exclusivity Surcharge. A permitted station would include the following:

- 1) A station actually carried within any portion of a cable system prior to June 25, 1981, pursuant to the former FCC rules.
- 2) A station first carried after June 24, 1981, which could have been carried under FCC rules in effect on June 24, 1981, if such carriage would not have exceeded the market quota imposed for the importation of distant stations under those rules.
- 3) A station of the same type substituted for a carried network, non-commercial educational, or regular independent station for which a quota was or would have been imposed under FCC rules (47 CFR 76.59 (b),(c), 76.61 (b),(c),(d), and 76.73 (a) [referring to 76.61 (b),(c)] in effect on June 24, 1981.
- 4) A station carried pursuant to an individual waiver granted between April 16, 1976, and June 25, 1981, under the FCC rules and regulations in effect on April 15, 1976.
- 5) In the case of a station carried prior to June 25, 1981, on a part-time and/or substitute basis only, that fraction of the current DSE represented by prior carriage.

NOTE: If your cable system carried a station that you believe qualifies as a permitted station but does not fall into one of the above categories, please attach written documentation to the statement of account detailing the basis for its classification.

Substitution of Grandfathered Stations. Under section 76.65 of the former FCC rules, a cable system was not required to delete any station that it was authorized to carry or was lawfully carrying prior to March 31, 1972, even if the total number of distant stations carried exceeded the market quota imposed for the importation of distant stations. Carriage of these grandfathered stations is not subject to the 3.75 percent rate, but is subject to the Base Rate, and where applicable, the Syndicated Exclusivity Surcharge. *The Copyright Royalty Tribunal has stated in view that, since section 76.65 of the former FCC rules would not have permitted substitution of a grandfathered station, the 3.75 percent fee applies to a station substituted for a grandfathered station if carriage of the station exceeds the market quota imposed for the importation of distant stations.*

COMPUTING THE 3.75 PERCENT RATE—PART 6 OF THE DSE SCHEDULE

- Determine which distant stations were carried by the system pursuant to former FCC rules in effect on June 24, 1981.
- Identify any station carried prior to June 25, 1981, on a substitute and/or part-time basis only and complete the log to determine the portion of the DSE exempt from the 3.75 percent rate.
- Subtract the number of DSEs resulting from this carriage from the number of DSEs reported in part 5 of the DSE Schedule. This is the total number of DSEs subject to the 3.75 percent rate. Multiply these DSEs by gross receipts by .0375. This is the 3.75 fee.

COMPUTING THE SYNDICATED EXCLUSIVITY SURCHARGE—PART 7 OF THE DSE SCHEDULE

- Determine if any portion of the cable system is located within a top 100 major television market as defined by the FCC rules and regulations in effect on June 24, 1981. If no portion of the cable system is located in a major television market, part 7 does not have to be completed.
- Determine which station(s) reported in block B, part 6 are commercial VHF stations and place a grade B contour, in whole, or in part, over the cable system. If none of these stations are carried, part 7 does not have to be completed.
- Determine which of those stations reported in block b, part 7 of the DSE Schedule were carried before March 31, 1972. These stations are exempt from the FCC's syndicated exclusivity rules in effect on June 24, 1981. If you qualify to calculate the royalty fee based upon the carriage of partially-distant stations, and you elect to do so, you must compute the surcharge in part 9 of this schedule.
- Subtract the exempt DSEs from the number of DSEs determined in block B of part 7. This is the total number of DSEs subject to the Syndicated Exclusivity Surcharge.
- Compute the Syndicated Exclusivity Surcharge based upon these DSEs and the appropriate formula for the system's market position.

COMPUTING THE BASE RATE FEE—PART 8 OF THE DSE SCHEDULE

Determine whether any of the stations you carried were partially distant— that is, whether you retransmitted the signal of one or more stations to subscribers located within the station's local service area and, at the same time, to other subscribers located outside that area.

- If none of the stations were partially distant, calculate your base rate fee according to the following rates—for the system's permitted DSEs as reported in block B, part 6 or from part 5, whichever is applicable.
 - First DSE 1.064% of gross receipts
 - Each of the second, third, and fourth DSEs 0.701% of gross receipts
 - The fifth and each additional DSE 0.330% of gross receipts

PARTIALLY DISTANT STATIONS—PART 9 OF THE DSE SCHEDULE

- If any of the stations were partially distant:
 - Divide all of your subscribers into subscriber groups depending on their location. A particular subscriber group consists of all subscribers who are distant with respect to exactly the same complement of stations.
 - Identify the communities/areas represented by each subscriber group.
 - For each subscriber group, calculate the total number of DSEs of that group's complement of stations.
 - If your system is located wholly outside all major and smaller television markets, give each station's DSEs as you gave them in parts 2, 3, and 4 of the schedule; or
 - If any portion of your system is located in a major or smaller television market, give each station's DSE as you gave it in block B, part 6 of this schedule.
 - Determine the portion of the total gross receipts you reported in space K (page 7) that is attributable to each subscriber group.

5. Calculate a separate base rate fee for each subscriber group, using (1) the rates given above; (2) the total number of DSEs for that group's complement of stations; and (3) the amount of gross receipts attributable to that group.

6. Add together the base rate fees for each subscriber group to determine the system's total base rate fee.

7. If any portion of the cable system is located in whole or in part within a major television market, you may also need to complete part 9, block B of the Schedule to determine the Syndicated Exclusivity Surcharge.

What to Do if You Need More Space on the DSE Schedule. There are no printed continuation sheets for the schedule. In most cases, the blanks provided should be large enough for the necessary information. If you need more space in a particular part, make a photocopy of the page in question (identifying it as a continuation sheet), enter the additional information on that copy, and attach it to the DSE schedule.

Rounding Off DSEs. In computing DSEs on the DSE schedule, you may round off to no less than the third decimal point. If you round off a DSE in any case, you must round off DSEs throughout the schedule as follows:

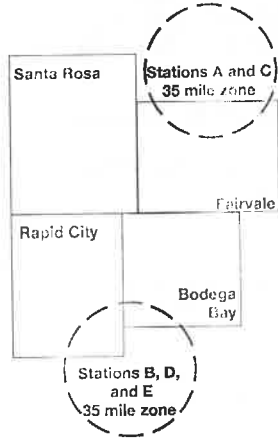
- When the fourth decimal point is 1, 2, 3, or 4, the third decimal remains unchanged (example: .34647 is rounded to .346).
- When the fourth decimal point is 5, 6, 7, 8, or 9, the third decimal is rounded up (example: .34651 is rounded to .347).

The example below is intended to supplement the instructions for calculating only the base rate fee for partially distant stations. The cable system would also be subject to the Syndicated Exclusivity Surcharge for partially distant stations, if any portion is located within a major television market.

EXAMPLE:

COMPUTATION OF COPYRIGHT ROYALTY FEE FOR CABLE SYSTEM CARRYING PARTIALLY DISTANT STATIONS

In most cases under current FCC rules, all of Fairvale would be within the local service area of both stations A and C and all of Rapid City and Bodega Bay would be within the local service areas of stations B, D, and E.



Distant Stations Carried		Identification of Subscriber Groups		GROSS RECEIPTS FROM SUBSCRIBERS
STATION	DSE	CITY	OUTSIDE LOCAL SERVICE AREA OF	
A (independent)	1.0	Santa Rosa	Stations A, B, C, D, E	\$310,000.00
B (independent)	1.0	Rapid City	Stations A and C	100,000.00
C (part-time)	0.083	Bodega Bay	Stations A and C	70,000.00
D (part-time)	0.139	Fairvale	Stations B, D, and E	120,000.00
E (network)	0.25			
TOTAL DSEs	2.472		TOTAL GROSS RECEIPTS	\$600,000.00

Minimum Fee Total Gross Receipts	\$600,000.00
	x .01064
	\$6,384.00

First Subscriber Group (Santa Rosa)	Second Subscriber Group (Rapid City and Bodega Bay)	Third Subscriber Group (Fairvale)
Gross receipts \$310,000.00	Gross receipts \$170,000.00	Gross receipts \$120,000.00
DSEs 2.472	DSEs 1.083	DSEs 1.389
Base rate fee \$6,497.20	Base rate fee \$1,907.71	Base rate fee \$1,604.03
\$310,000 x .01064 x 1.0 = 3,298.40	\$170,000 x .01064 x 1.0 = 1,808.80	\$120,000 x .01064 x 1.0 = 1,276.80
\$310,000 x .00701 x 1.472 = 3,198.80	\$170,000 x .00701 x .083 = 98.91	\$120,000 x .00701 x .389 = 327.23
Base rate fee \$6,497.20	Base rate fee \$1,907.71	Base rate fee \$1,604.03

Total Base Rate Fee: \$6,497.20 + \$1,907.71 + \$1,604.03 = \$10,008.94
 In this example, the cable system would enter \$10,008.94 in space L, block 3, line 1 (page 7)

1	LEGAL NAME OF OWNER OF CABLE SYSTEM: The Utilities Board of the City of Foley																														
2	Instructions: In the column headed "Call Sign": list the call signs of all distant stations identified by the letter "O" in column 5 of space G (page 3). In the column headed "DSE": for each independent station, give the DSE as "1.0"; for each network or noncommercial educational station, give the DSE as ".25."																														
Computation of DSEs for Category "O" Stations	CATEGORY "O" STATIONS: DSEs <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>CALL SIGN</th> <th>DSE</th> <th>CALL SIGN</th> <th>DSE</th> <th>CALL SIGN</th> <th>DSE</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table>	CALL SIGN	DSE	CALL SIGN	DSE	CALL SIGN	DSE																								
CALL SIGN	DSE	CALL SIGN	DSE	CALL SIGN	DSE																										
	SUM OF DSEs OF CATEGORY "O" STATIONS: • Add the DSEs of each station. Enter the sum here and in line 1 of part 5 of this schedule. <div style="border: 1px solid black; width: 100px; height: 20px; display: inline-block; margin-left: 10px;"></div>																														

Name LEGAL NAME OF OWNER OF CABLE SYSTEM:
The Utilities Board of the City of Foley

3
Computation of DSEs for Stations Carried Part Time Due to Lack of Activated Channel Capacity

Instructions: CAPACITY
Column 1: List the call sign of all distant stations identified by "LAC" in column 5 of space G (page 3).
Column 2: For each station, give the number of hours your cable system carried the station during the accounting period. This figure should correspond with the information given in space J. Calculate only one DSE for each station.
Column 3: For each station, give the total number of hours that the station broadcast over the air during the accounting period.
Column 4: Divide the figure in column 2 by the figure in column 3, and give the result in decimals in column 4. This figure must be carried out at least to the third decimal point. This is the "basis of carriage value" for the station.
Column 5: For each independent station, give the "type-value" as "1.0." For each network or noncommercial educational station, give the type-value as ".25."
Column 6: Multiply the figure in column 4 by the figure in column 5, and give the result in column 6. Round to no less than the third decimal point. This is the station's DSE. (For more information on rounding, see page (viii) of the general instructions.)

CATEGORY LAC STATIONS: COMPUTATION OF DSEs

1. CALL SIGN	2. NUMBER OF HOURS CARRIED BY SYSTEM	3. NUMBER OF HOURS STATION ON AIR	4. BASIS OF CARRIAGE VALUE	5. TYPE VALUE	6. DSE
	÷	=		X	=
	÷	=		X	=
	÷	=		X	=
	÷	=		X	=
	÷	=		X	=
	÷	=		X	=
	÷	=		X	=
	÷	=		X	=
	÷	=		X	=

SUM OF DSEs OF CATEGORY LAC STATIONS:

Add the DSEs of each station.

Enter the sum here and in line 2 of part 5 of this schedule,

4
Computation of DSEs for Substitute-Basis Stations

Instructions:
Column 1: Give the call sign of each station listed in space I (page 5, the Log of Substitute Programs) if that station:
 • Was carried by your system in substitution for a program that your system was permitted to delete under FCC rules and regulations in effect on October 19, 1976 (as shown by the letter "P" in column 7 of space I); and
 • Broadcast one or more live, nonnetwork programs during that optional carriage (as shown by the word "Yes" in column 6 of space I).
Column 2: For each station give the number of live, nonnetwork programs carried in substitution for programs that were deleted at your option. This figure should correspond with the information in space I.
Column 3: Enter the number of days in the calendar year: 365, except in a leap year.
Column 4: Divide the figure in column 2 by the figure in column 3, and give the result in column 4. Round to no less than the third decimal point. This is the station's DSE (For more information on rounding, see page (viii) of the general instructions.)

SUBSTITUTE-BASIS STATIONS: COMPUTATION OF DSEs

1. CALL SIGN	2. NUMBER OF PROGRAMS	3. NUMBER OF DAYS IN YEAR	4. DSE	1. CALL SIGN	2. NUMBER OF PROGRAMS	3. NUMBER OF DAYS IN YEAR	4. DSE
	÷	=			÷	=	
	÷	=			÷	=	
	÷	=			÷	=	
	÷	=			÷	=	
	÷	=			÷	=	
	÷	=			÷	=	

SUM OF DSEs OF SUBSTITUTE-BASIS STATIONS:

Add the DSEs of each station.

Enter the sum here and in line 3 of part 5 of this schedule,

5
Total Number of DSEs

TOTAL NUMBER OF DSEs: Give the amounts from the boxes in parts 2, 3, and 4 of this schedule and add them to provide the total number of DSEs applicable to your system.

- 1. Number of DSEs from part 2.....
- 2. Number of DSEs from part 3.....
- 3. Number of DSEs from part 4.....

TOTAL NUMBER OF DSEs

LEGAL NAME OF OWNER OF CABLE SYSTEM: The City Board of the City of Foley	Name
BLOCK D: COMPUTATION OF THE SYNDICATED EXCLUSIVITY SURCHARGE	
Section 1 Enter the amount of gross receipts from space K (page 7) \$ _____	7
Section 2 Enter the total DSEs from block B of part 7 _____ Enter the total number of exempt DSEs from block C of part 7 _____	
B. Subtract line B from line A and enter here. This is the total number of DSEs subject to the surcharge computation. If zero, proceed to part 8. 	
• Is a portion of the cable system within a top 50 television market as defined by the FCC? <input type="checkbox"/> Yes—Complete section 3 below. <input type="checkbox"/> No—Complete section 4 below.	
SECTION 3: TOP 50 TELEVISION MARKET	
Section 3a Did your cable system retransmit the signals of any partially distant television stations during the accounting period? <input type="checkbox"/> Yes—Complete part 9 of this schedule. <input type="checkbox"/> No—Complete the applicable section below.	7
If the figure in section 2, line C is 4.000 or less, compute your surcharge here and leave section 3b blank. NOTE: If the DSE is 1.0 or less, multiply the gross receipts by .00599 by the DSE. Enter the result on line A below.	
A. Enter 0.00599 of gross receipts (the amount in section 1) \$ _____	
B. Enter 0.00377 of gross receipts (the amount in section 1) \$ _____	
C. Subtract 1.000 from total permitted DSEs (the figure on line C in section 2) and enter here _____	
D. Multiply line B by line C and enter here _____	
E. Add lines A and D. This is your surcharge. Enter here and on line 2 of block 4 in space L (page 7) Syndicated Exclusivity Surcharge \$ 	
Section 3b If the figure in section 2, line C is more than 4.000, compute your surcharge here and leave section 3a blank.	
A. Enter 0.00599 of gross receipts (the amount in section 1) \$ _____	
B. Enter 0.00377 of gross receipts (the amount in section 1) \$ _____	
C. Multiply line B by 3.000 and enter here \$ _____	
D. Enter 0.00178 of gross receipts (the amount in section 1) \$ _____	
E. Subtract 4.000 from total DSEs (the figure on line C in section 2) and enter here _____	
F. Multiply line D by line E and enter here \$ _____	
Add lines A, C, and F. This is your surcharge. Enter here and on line 2, block 4, space L (page 7) Syndicated Exclusivity Surcharge \$ 	
SECTION 4: SECOND 50 TELEVISION MARKET	
Section 4a Did your cable system retransmit the signals of any partially distant television stations during the accounting period? <input type="checkbox"/> Yes—Complete part 9, of the Schedule. <input type="checkbox"/> No—Complete the following sections.	7
If the figure in section 2, line C is 4.000 or less, compute your surcharge here and leave section 4b blank. NOTE: If the DSE is 1.0 or less, multiply the gross receipts by 0.003 by the DSE. Enter the result on line A below.	
A. Enter 0.00300 of gross receipts (the amount in section 1) \$ _____	
B. Enter 0.00189 of gross receipts (the amount in section 1) \$ _____	
C. Subtract 1.000 from total permitted DSEs (the figure on line C in section 2) and enter here _____	
D. Multiply line B by line C and enter here \$ _____	
Add lines A and D. This is your surcharge. Enter here and in line 2, block 4, space L (page 7) Syndicated Exclusivity Surcharge \$ 	

Name	LEGAL NAME OF OWNER OF CABLE SYSTEM: The Utilities Board of the City of Foley							
7 Computation of the Syndicated Exclusivity Surcharge	Section 4b	<p>If the figure in section 2, line C is more than 4.000, compute your surcharge here and leave section 4a blank.</p> <p>A. Enter 0.00300 of gross receipts (the amount in section 1) \$ _____</p> <p>B. Enter 0.00189 of gross receipts (the amount in section 1) \$ _____</p> <p>C. Multiply line B by 3.000 and enter here \$ _____</p> <p>D. Enter 0.00089 of gross receipts (the amount in section 1) \$ _____</p> <p>E. Subtract 4.000 from the total DSEs (the figure on line C in section 2) and enter here _____</p> <p>F. Multiply line D by line E and enter here \$ _____</p> <p>G. Add lines A, C, and F. This is your surcharge. Enter here and on line 2, block 4, space L (page 7) Syndicated Exclusivity Surcharge \$ _____</p>						
8 Computation of Base Rate Fee	<p>Instructions: You must complete this part of the DSE schedule for the SUM OF PERMITTED DSEs in part 6, block B; however, if block A of part 6 was checked "Yes," use the total number of DSEs from part 5.</p> <ul style="list-style-type: none"> • In block A, indicate, by checking "Yes" or "No," whether your system carried any partially distant stations. • If your answer is "No," compute your system's base rate fee in block B. Leave part 9 blank. • If your answer is "Yes" (that is, if you carried one or more partially distant stations), you must complete part 9. Leave block B blank. <p>What is a partially distant station? A station is "partially distant" if, at the time your system carried it, some of your stations were located within that station's local service area and others were located outside that area. For the definition of a station's local service area," see page (v) of the general instructions.</p> <hr/> <p style="text-align: center;">BLOCK A: CARRIAGE OF PARTIALLY DISTANT STATIONS</p> <p>• Did your cable system retransmit the signals of any partially distant television stations during the accounting period? <input type="checkbox"/> Yes—Complete part 9 of this schedule. <input type="checkbox"/> No—Complete the following sections.</p> <hr/> <p style="text-align: center;">BLOCK B: NO PARTIALLY DISTANT STATIONS—COMPUTATION OF BASE RATE FEE</p> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:10%; text-align: center;">Section 1</td> <td>Enter the amount of gross receipts from space K (page 7) \$ _____</td> </tr> <tr> <td style="text-align: center;">Section 2</td> <td>Enter the total number of permitted DSEs from block B, part 6 of this schedule. (If block A of part 6 was checked "Yes," use the total number of DSEs from part 5.) _____</td> </tr> <tr> <td style="text-align: center;">Section 3</td> <td> <p>If the figure in section 2 is 4.000 or less, compute your base rate fee here and leave section 4 blank. NOTE: If the DSE is 1.0 or less, multiply the gross receipts by 0.01064 by the DSE. Enter the result on line A below.</p> <p>A. Enter 0.01064 of gross receipts (the amount in section 1) \$ _____</p> <p>B. Enter 0.00701 of gross receipts (the amount in section 1) \$ _____</p> <p>C. Subtract 1.000 from total DSEs (the figure in section 2) and enter here _____</p> <p>D. Multiply line B by line C and enter here \$ _____</p> <p>E. Add lines A, and D. This is your base rate fee. Enter here and in block 3, line 1, space L (page 7) Base Rate Fee \$ _____</p> </td> </tr> </table>		Section 1	Enter the amount of gross receipts from space K (page 7) \$ _____	Section 2	Enter the total number of permitted DSEs from block B, part 6 of this schedule. (If block A of part 6 was checked "Yes," use the total number of DSEs from part 5.) _____	Section 3	<p>If the figure in section 2 is 4.000 or less, compute your base rate fee here and leave section 4 blank. NOTE: If the DSE is 1.0 or less, multiply the gross receipts by 0.01064 by the DSE. Enter the result on line A below.</p> <p>A. Enter 0.01064 of gross receipts (the amount in section 1) \$ _____</p> <p>B. Enter 0.00701 of gross receipts (the amount in section 1) \$ _____</p> <p>C. Subtract 1.000 from total DSEs (the figure in section 2) and enter here _____</p> <p>D. Multiply line B by line C and enter here \$ _____</p> <p>E. Add lines A, and D. This is your base rate fee. Enter here and in block 3, line 1, space L (page 7) Base Rate Fee \$ _____</p>
Section 1	Enter the amount of gross receipts from space K (page 7) \$ _____							
Section 2	Enter the total number of permitted DSEs from block B, part 6 of this schedule. (If block A of part 6 was checked "Yes," use the total number of DSEs from part 5.) _____							
Section 3	<p>If the figure in section 2 is 4.000 or less, compute your base rate fee here and leave section 4 blank. NOTE: If the DSE is 1.0 or less, multiply the gross receipts by 0.01064 by the DSE. Enter the result on line A below.</p> <p>A. Enter 0.01064 of gross receipts (the amount in section 1) \$ _____</p> <p>B. Enter 0.00701 of gross receipts (the amount in section 1) \$ _____</p> <p>C. Subtract 1.000 from total DSEs (the figure in section 2) and enter here _____</p> <p>D. Multiply line B by line C and enter here \$ _____</p> <p>E. Add lines A, and D. This is your base rate fee. Enter here and in block 3, line 1, space L (page 7) Base Rate Fee \$ _____</p>							

<p>1. NAME OF OWNER OF CABLE SYSTEM: Utilities Board of the City of Foley</p>	<p>Name</p>
<p>5. If the figure in section 2 is more than 4,000, compute your base rate fee here and leave section 3 blank.</p> <p>A. Enter 0.01004 of gross receipts (the amount in section 1) \$ _____</p> <p>B. Enter 0.00701 of gross receipts (the amount in section 1) \$ _____</p> <p>C. Multiply line B by 100 and enter here \$ _____</p> <p>D. Enter 0.00333 of gross receipts (the amount in section 1) \$ _____</p> <p>E. Subtract 4.000 from total DSEs (the figure in section 2) and enter here _____</p> <p>F. Multiply line D by line E and enter here \$ _____</p> <p>G. Add lines A, C, and F. This is your base rate fee. Enter here and in block 3, line 1, space L (page 7) Base Rate Fee \$ _____</p>	<p>8</p> <p>Computation of Base Rate Fee</p>
<p>IMPORTANT: It is no longer necessary to report television signals on a system-wide basis. Carriage of television broadcast signals should be reported on a community-by-community basis (subscriber groups) if the cable system reported multiple channels in Space G.</p> <p>General: If any of the stations you carried were partially distant, the statute allows you, in computing your base rate fee, to exclude subscribers located within the station's local service area, from your system's total gross receipts. To take advantage of this exclusion, you must:</p> <p>First: Divide all of your subscribers into subscriber groups, each group consisting entirely of subscribers that are distant to the same complement of the same group of stations. Next: Treat each subscriber group as if it were a separate cable system. Determine the number of subscribers and the portion of your system's gross receipts attributable to that group, and calculate a separate base rate fee for each subscriber group.</p> <p>Finally: Add up the separate base rate fees for each subscriber group. That total is the base rate fee for your system.</p> <p>If any portion of your cable system is located within the top 100 television market and the station is <i>not exempt in part 7</i>, you must also compute a Syndicated Exclusivity Surcharge for each subscriber group. In this case, complete both block A and B below. Otherwise, if your cable system is wholly located outside all major television markets, complete block A only.</p> <p>How to Identify a Subscriber Group for Partially Distant Stations</p> <p>Step 1: For each community served, determine the local service area of each wholly distant and each partially distant station you carried to that community.</p> <p>Step 2: For each wholly distant and each partially distant station you carried, determine which of your subscribers were located outside the station's local service area. A subscriber located outside the local service area of a station is distant to that station (and, by the same token, the station is distant to the subscriber.)</p> <p>Step 3: Divide your subscribers into subscriber groups according to the complement of stations to which they are distant. Each subscriber group must consist entirely of subscribers who are distant to exactly the same complement of stations. Note that a cable system will have only one subscriber group when the distant stations it carried have local service areas that coincide.</p> <p>Computing the base rate fee for each subscriber group: Block A contains separate sections, one for each of your system's subscriber groups.</p> <p>Section:</p> <ul style="list-style-type: none"> • Identify the communities/areas represented by each subscriber group. • Give the call sign for each of the stations in the subscriber group's complement—that is, each station that is distant to all of the subscribers in the group. • If: <ul style="list-style-type: none"> 1) your system is located wholly outside all major and smaller television markets, give each station's DSE as you gave it in parts 2, 3 and 4 of this schedule; or, 2) a portion of your system is located in a major or smaller television market, give each station's DSE as you gave it in block B, part 5 of this schedule. • Add the DSEs for each station. This gives you the total DSEs for the particular subscriber group. • Determine gross receipts for the subscriber group. For further explanation of gross receipts see page (vii) of the general instructions. • Compute a base rate fee for each subscriber group using the formula outline in block B of part 8 of this schedule on the preceding page. In making this computation, use the DSE and gross receipts figure applicable to the particular subscriber group (that is, the DSEs for that group's complement of stations and total gross receipts from the subscribers in that group). You do not need to show your actual calculations on the form. 	<p>9</p> <p>Computation of Base Rate Fee and Syndicated Exclusivity Surcharge for Partially Distant Stations, and for Partially Permitted Stations</p>

Name	LEGAL NAME OF OWNER OF CABLE SYSTEM: The Utilities Board of the City of Foley
	<p>Guidance for Computing the Royalty Fee for Partially Permitted/Partially Nonpermitted Signals</p> <p>Step 1: Use part 9, block A, of the DSE Schedule to establish subscriber groups to compute the base rate fee for wholly and partially permitted distant signals. Write "Permitted Signals" at the top of the page. Note: One or more permitted signals in one subscriber groups may be partially distant.</p> <p>Step 2: Use a separate part 9, block A, to compute the 3.75 percent fee for wholly nonpermitted and partially nonpermitted distant signals. Write "Nonpermitted 3.75 stations" at the top of this page. Multiply the subscriber group gross receipts by total DSE by .0375 and enter the grand total 3.75 percent fees on line 2, block 3, of space L. Important: The sum of the gross receipts reported for each part 9 used in steps 1 and 2 must equal the amount reported in space K.</p> <p>Step 3: Use part 9, block B, to compute a syndicated exclusivity surcharge for any wholly or partially permitted distant signals from step 1 that is subject to this surcharge.</p> <p>Guidance for Computing the Royalty Fee for Carriage of Distant and Partially Distant Multicast Streams</p> <p>Step 1: Use part 9, Block A, of the DSE Schedule to report each distant multicast stream of programming that is transmitted from a primary television broadcast signal. Only the base rate fee should be computed for each multicast stream. The 3.75 Percent Rate and Syndicated Exclusivity Surcharge are not applicable to the secondary transmission of a multicast stream.</p> <p>You must report but not assign a DSE value for the retransmission of a multicast stream that is the subject of a written agreement entered into on or before June 30, 2009 between a cable system or an association representing the cable system and a primary transmitter or an association representing the primary transmitter.</p>

Name LEGAL NAME OF OWNER OF CABLE SYSTEM:
The Utilities Board of the City of Foley

9
Computation of Base Rate Fee and Syndicated Exclusivity Surcharge for Partially Distant Stations

BLOCK B: COMPUTATION OF SYNDICATED EXCLUSIVITY SURCHARGE FOR EACH SUBSCRIBER GROUP

If your cable system is located within a top 100 television market and the station is *not exempt* in Part 7, you must also compute a Syndicated Exclusivity Surcharge. Indicate which major television market any portion of your cable system is located in and listed by section 76.5 of FCC rules in effect on June 24, 1981:

First 50 major television market Second 50 major television market

INSTRUCTIONS:

- Step 1:** In line 1, give the total DSEs by subscriber group for commercial VHF Grade B contour stations listed in block A, part 7 of this schedule.
- Step 2:** In line 2, give the total number of DSEs by subscriber group for the VHF Grade B contour stations that were classified as Exempt DSEs in block C, part 7 of this schedule. If none enter zero.
- Step 3:** In line 3, subtract line 2 from line 1. This is the total number of DSEs used to compute the surcharge.
- Step 4:** Compute the surcharge for each subscriber group using the formula outlined in block D, section 3 or 4 of part 7 of this schedule. In making this computation, use gross receipts figures applicable to the particular group. You do not need to show your actual calculations on this form.

FIRST SUBSCRIBER GROUP	SECOND SUBSCRIBER GROUP
Line 1: Enter the VHF DSEs _____	Line 1: Enter the VHF DSEs _____
Line 2: Enter the Exempt DSEs _____	Line 2: Enter the Exempt DSEs _____
Line 3: Subtract line 2 from line 1 and enter here. This is the total number of DSEs for this subscriber group subject to the surcharge computation _____	Line 3: Subtract line 2 from line 1 and enter here. This is the total number of DSEs for this subscriber group subject to the surcharge computation _____
SYNDICATED EXCLUSIVITY SURCHARGE First Group \$ _____	SYNDICATED EXCLUSIVITY SURCHARGE Second Group \$ _____

THIRD SUBSCRIBER GROUP	FOURTH SUBSCRIBER GROUP
Line 1: Enter the VHF DSEs _____	Line 1: Enter the VHF DSEs _____
Line 2: Enter the Exempt DSEs _____	Line 2: Enter the Exempt DSEs _____
Line 3: Subtract line 2 from line 1 and enter here. This is the total number of DSEs for this subscriber group subject to the surcharge computation _____	Line 3: Subtract line 2 from line 1 and enter here. This is the total number of DSEs for this subscriber group subject to the surcharge computation _____
SYNDICATED EXCLUSIVITY SURCHARGE Third Group \$ _____	SYNDICATED EXCLUSIVITY SURCHARGE Fourth Group \$ _____

SYNDICATED EXCLUSIVITY SURCHARGE: Add the surcharge for each subscriber group as shown in the boxes above. Enter here and in block 4, line 2 of space L (page 7) \$ _____

IF YOU ARE FILING FOR A PRIOR ACCOUNTING PERIOD, CONTACT THE LICENSING DIVISION FOR THE CORRECT FORM.

USE THIS FORM IF YOU:

- You are the owner (or represent the owner) of a cable system; and
 - You are filing the semiannual statement of account required by the copyright law; and
 - Your system's total annual gross receipts for secondary transmissions (the figure you give in space K of the form) is \$527,600 or more; and
 - You are also depositing the required semiannual royalty fee with the Licensing Division of the Copyright Office.
- FOR FIGURE YOUR ANNUAL GROSS RECEIPTS IN SPACE K IS LESS THAN \$527,600, USE FORM SA1-2 (SHORT FORM)**

GENERAL INSTRUCTIONS FOR SA3 (LONG FORM)

CABLE SYSTEMS AND THE COPYRIGHT LAW (P.L. 94-553)

Cable systems are subject to copyright liability for their use of copyrighted material in "secondary transmissions" (the retransmission of television and radio broadcasts to subscribers). These retransmissions of copyrighted programming are subject to a system of "statutory licensing." Among other things, this means that twice a year the owner of a cable system must send a statement of account, together with a royalty fee, to the Licensing Division of the Copyright Office.

TERMS

Primary stream. A primary stream is the single digital stream of programming that, after June 12, 2009, was substantially duplicating the programming transmitted by the television broadcast station as an analog signal. If there is no stream, then the primary stream is the single digital stream of programming transmitted by the television broadcast station for the longest period of time.

Primary transmitter. A primary transmitter is a television or radio broadcast station licensed by the Federal Communications Commission, or by an appropriate governmental authority of Canada or Mexico, that makes primary transmissions to the public.

Subscriber. The term subscriber means a person or entity that receives a secondary transmission service from a cable system and pays a fee for the service, directly or indirectly, to the cable system.

Subscribe. The term subscribe means to elect to become a subscriber.

In providing copyright liability for cable systems, the law draws a distinction between "primary transmissions" and "secondary transmissions":

- **Primary transmissions.** A primary transmission is a transmission made to the public by a transmitting facility whose signals are being received and further transmitted by a secondary transmission service, regardless of where or when the performance or display was first transmitted. In the case of a television broadcast station, the primary

stream and any multicast streams transmitted by the station constitute primary transmissions.

- **Secondary transmissions.** A secondary transmission is the basic service of retransmitting television and radio broadcasts to subscribers. The statute requires all U.S. cable systems, regardless of how many subscribers they have or whether they are carrying any distant signals, to pay some copyright royalties. However, instead of obliging cable systems to bargain individually for each copyrighted program they retransmit, the law offers them the opportunity to obtain a "statutory license" for secondary transmissions.

Note: Secondary transmissions do not include transmissions originated by a cable system (including local origination cablecasting, pay cable, program services, background music services, and originations on leased or access channels). Cable systems must negotiate for the use of any copyrighted material in the programming they originate, and their originations are not subject to statutory licensing.

HOW TO FILE THE STATEMENT OF ACCOUNT, ROYALTY AND FILING FEES

- 1 Study the general information on these pages and read through the detailed instructions in the statement of account form itself. Before you start completing the form, make sure that you have collected all of the necessary information and that you are using the right form.
- 2 Fill out the statement of account form, giving all of the required information about your cable system and about the television and radio stations carried by it. Print the information in black ink. If you need more space, use one or more continuation sheets.
- 3 Certify the statement of account by signing at space O. The statement of account is not acceptable unless it bears the original handwritten signature of one of the persons indicated in space O as authorized to certify it under Copyright Office regulations.
- 4 Make an *electronic payment* (see note on page ii) in the

copyright royalty and filing fees. See the *Federal Register*, August 10, 2006 (71 FR45739) available at www.copyright.gov/fedreg/2006/71fr45739.html. The remittance should be payable to *Register of Copyrights*. If you are using Pay.gov, contact your bank to determine if your account will accept an Automated Clearing House (ACH) debit.

- 5 Send the completed statement of account, one legible copy of the statement of account, all continuation sheets, and the DSE schedule, if required, to

Library of Congress
Copyright Office
Licensing Division
101 Independence Avenue, SE
Washington, DC 20557-6400

Courier deliveries are accepted in the James Madison Memorial Building, room LM-401, at the address above.

Note: Please **DO NOT** send pages consisting solely of instructions. Also note that if replying to Licensing Division correspondence or if submitting revisions or amendments to your original SOA, please do not include extra photocopies of the SOA pages affected. Only one original version of revised SOA pages is required with your reply letter, together with a single copy of any Licensing Division correspondence.

- 6 The Copyright Office will retain your statement of account and make it a part of our public records. You should therefore keep a copy of the entire statement, as filed, in case you need it for future reference.

Note: For detailed instructions concerning electronic payments, contact the Licensing Division for Circular 74 which is also available online at www.copyright.gov/circs/circ74.

HOW THE STATUTORY LICENSE WORKS

In general, having a statutory license means that a cable system can retransmit broadcast programming without violating the copyright law, as long as it complies with certain paperwork requirements and, twice a year, deposits a royalty fee with the Copyright Office.

- The cable system can, without negotiated licenses or advance permission from copyright owners, retransmit signals of any U.S. television or radio stations that it is authorized to carry under FCC rules, regulations, or authorizations (plus Mexican or Canadian stations in certain cases); and
- The cable system must file statements of account with the Copyright Office and must also deposit a semiannual royalty. The amount of the royalty, which is established under a statutory formula, depends on the total of the system's gross receipts for secondary transmission service.
- Every six months, the cable system must send the Copyright Office a statement of account on this form, SA3 (Long Form), or on SA1-2 (Short Form) (if the system's gross receipts for the accounting period are less than \$527,600).

- Each semiannual statement of account must be accompanied by the deposit of a royalty fee covering the retransmissions during the preceding six months in the form of an electronic payment payable to *Register of Copyrights*.

Why Having a Statutory License Is Important

Most television and radio broadcasts contain copyrighted material. Without a statutory license, a cable system would either have to negotiate licenses for all copyrighted programming it retransmits or run the risk of substantial civil (or, in some cases, criminal) liability for multiple acts of copyright infringement.

Who Can Utilize the Statutory License

Under the statute and Copyright Office regulations, retransmissions are subject to statutory licensing only if they are made by cable systems.

- Cable system.** A "cable system" is defined as a facility, located in any State, territory, or possession of the United States, that in whole or in part receives signals transmitted or programs broadcast by one or more television broadcast stations licensed by the Federal Communications Commission, and makes secondary transmissions of such signals or programs by means of cables, coaxial cable, or other communications channels to subscribers who are members of the public who pay for such service. A system that falls within this definition is considered a cable system for all purposes, even if the FCC has ruled that the system is not a cable system because of the number or type of subscribers or the nature of the secondary transmissions.
- Individual cable system.** An "individual" cable system is defined generally as "an entity, other than a cable system, that is a distinct entity under the rules of organization, and is a member of the Federal Communications Commission. It consists of two or more cable facilities that are classified as one individual cable system if either (a) the facilities are in the same geographic communities and are under common ownership, control, or management, or (b) the facilities operate from a common headend, even if they are owned by different entities. Two or more facilities will be considered as one individual cable system if they share a common headend."

WHAT A STATUTORY LICENSE DOES NOT PERMIT YOU TO DO

The statutory authority given to cable systems to retransmit television and radio broadcasts is not unlimited. The statute is limited in several ways:

- Originations.** To repeat a broadcast, the statute extends only to secondary transmissions (retransmissions). It does not permit the cable system to copy any of the copyrighted material without the copyright owner's permission that material.
- Nonsimultaneous retransmission.** In general, a retransmission of a copyrighted program is not permitted if the program is not permitted to be retransmitted by the original broadcaster.

- **Foreign signals.** Cable systems (not all) cable systems in contiguous states, and, even in those states where there are further limitations and restrictions, may retransmit signals that the system must meet.
- **Foreign signals that a cable system license are limited to those that are permitted under FCC rules, regulations, and orders.** A cable system in violation of FCC rules, regulations, and orders may be subject under the Copyright Act to civil and criminal penalties for copyright infringement and transmission.
- **Foreign signals that a cable system license does not permit to retransmit signals of foreign television stations.** Under a statutory license. The only exception to the signals of certain Mexican television stations whose foreign signals fall within the scope of the statute would not be authorized even if permissible under FCC rules, regulations, and orders.
- **Alteration of content.** Cable systems may not alter the content of retransmitted programs, delete, or substitute commercials in or adjacent to programs carried. There is one exception: under certain circumstances, such as those involving commercial advertising, alterations may be permitted.

Accounting Period

The statute establishes six-month accounting periods for the purpose of computing the royalty fee and reporting the information called for in the statement of account. The first semiannual period is from January through June, and the second is from July through December, of each calendar year. You must file the statements for these periods whether or not they coincide with the beginning or ending of your cable system's financial year.

Filing Dates

Cable systems are required to file their statements of account, including royalty fees, within 30 days after the close of each accounting period in which they are required to file. The following are the two filing dates you must observe:

- **January–June accounting period: *File between August 1 and August 30, inclusive;***
- **July–December accounting period: *File between January 1 and March 1, inclusive.***

Natural August 29 or March 1 falls on a weekend or federal holiday, statements of account, royalty and filing fees may be filed on the next succeeding business day.

Statements of account, royalty and filing fees received before the end of the accounting period will not be accepted. Statements and fees received after the August 29 or March 1 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 cable system that files late runs a substantial risk.

Refunds

Refund requests must be received within 60 days of the close of the filing period (by April 30 or October 28). Also, refund requests for late and amended payments must be received before the expiration of 60 days from the date of receipt at the Copyright Office of the royalty payment that is the subject of the request. The Debt Collection Improvement Act of 1996 requires that refunds be made through electronic funds transfer (EFT). Note: Late payments are subject to interest assessment. See page (viii) of the general instructions. Contact the Licensing Division for additional information.

How Royalty Fees Are Handled

For purposes of computing the semiannual royalty fee a cable system must pay, the statute creates three brackets, depending upon the system's gross receipts from subscribers for secondary transmissions during the accounting period:

- 1 Gross receipts of \$137,100 or less:** royalty fee of \$52;
- 2 Gross receipts of more than \$137,100 and less than \$527,600:** royalty fee determined by a formula based on percentage of gross receipts;
- 3 Gross receipts of \$527,600 or more:** royalty fee determined by a formula based on percentage of gross receipts and on the number of distant stations carried by the system.

A cable system is required to deposit its semiannual royalty fee with the Copyright Office at the time it files each statement of account. The royalty must be made by electronic payment, and the related statement of account must be filed by the appropriate deadline accompanied by a cover letter (see circulars 74a, 74b, and 74c). The Copyright Office transfers these fees into a special fund, which is later distributed to copyright owners as payment for the use of their works by cable systems.

PURPOSES OF THE STATEMENT OF ACCOUNT

The law requires a cable system to file statements of account for two purposes:

- To show the basis for the semiannual royalty fee the cable system owes under its statutory license, and
- To give the information needed to allocate royalty fees among copyright owners.

Thus, some of the information you give on your statement of account has nothing to do with computing your gross receipts or deciding the amount of your royalty fee. Nevertheless, you are required to give the additional information in order to provide the basis for the second phase of the statutory license: the distribution of fees to copyright owners.

SOME POINTS TO REMEMBER ABOUT STATUTORY LICENSES:

- As long as a cable system keeps its statutory license in force by complying with the requirements of the new copyright law, it is not obliged to negotiate individual copyright licenses for retransmission of television and radio broadcasts.
- The following are among the various ways a cable system can lose its statutory license: by failing to file the statements of account or royalty fees; by taping for delayed retransmission; by carrying signals in violation of FCC requirements; by carriage of certain foreign stations; and by altering programs or substituting commercials.
- Without a statutory license, a cable system can be sued by a copyright owner for the full range of civil remedies for copyright infringement, including injunctions, actual damages and profits, or statutory damages (of up to \$150,000 in cases of willful infringement). The statute also provides for criminal penalties in cases of willful infringements for commercial purposes.

WHAT FACTS THE STATEMENT OF ACCOUNT SHOULD COVER

All of the information you give in a statement of account must be an accurate presentation of the facts existing during the accounting period covered by that statement (or, in certain cases, on the last day of that period).

- **Spaces D, G, H, I, and J.** List all areas served, stations carried, and certain substitute or part-time programs carried at any time during the accounting period.
- **Spaces K and M.** You should report the total of gross receipts attributable to the particular accounting period in space K. The figures requested in space M should be the appropriate totals of channels for the entire period.
- **Spaces B, C, E, and F.** Even if items of information concerning the owner, system, subscribers, or rates have changed during the accounting period, your statement of account does not need to reflect the change. Give only the facts existing on the last day of the accounting period. 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.

SPACE G (Primary Transmitters: Television)

Stations Actually Carried. Make sure that space G lists all the television stations your system actually carried at any time during the accounting period (except as explained in space G of the form). Do not list stations that were not in fact

carried during that period, even if the FCC has authorized their carriage, and even if they were carried during earlier accounting periods.

Low Power Television Stations

- Beginning with the January 1–June 30, 2015, accounting period: The Copyright Act in section 111(f) defines the local status of a low power television station as follows: “In the case of a low power television station, as defined by the rules and regulations of the Federal Communications Commission, the ‘local service area of a primary transmitter’ comprises the designated market area, as defined in section 122(j)(2)(C), that encompasses the community of license of such station and any community that is located outside such designated market area that is either wholly or partially within 35 miles of the transmitter site or, in the case of such a station located in a standard metropolitan statistical area which has one of the 50 largest populations of all standard metropolitan statistical areas, as defined on the 1980 decennial census of population taken by the Secretary of Commerce, wholly or partially within the limits of such transmitter site.”
- For filings prior to the January 1–June 30, 2015, accounting period: The Copyright Act in section 111(f) defines the local status of a low power television station as follows: “In the case of a low power television station, as defined by the rules and regulations of the Federal Communications Commission, the ‘local service area of a primary transmitter’ comprises the area within 35 miles of the transmitter site, except that in the case of such a station located in a standard metropolitan statistical area which has one of the 50 largest populations of all standard metropolitan statistical areas (based on the 1980 decennial census of population taken by the Secretary of Commerce) the number of miles shall be 20 miles.”
- This means that a low power television station carried by a cable system within the area defined as “local” will be considered “local.” A low power television station should be identified as “distant” if a portion of space G that is carried by your cable system is not carried in the service area of the low power television station.

Translator Stations

Translator stations must be listed in space G. If a translator station is a primary transmitter, list only the programs it originally transmits. If it is a secondary transmitter, it receives from its parent station the programs being retransmitted from its parent station. If your cable system carries a translator station, you must list the translator station in space G, and if your system separately carries the parent station, both the translator station and its “parent” station should be listed in space G. The parent station should be listed first.

- **Type of Translator.** If you carry a translator station listed in space G, the type of translator should be listed in space G. The type of translator should be that of the parent station.

THREE POINTS TO REMEMBER IN CONNECTION WITH COLUMN 5 OF SPACE G:

- 1 Due to changes in FCC rules, it is no longer possible for cable systems to specify part-time carriage of specialty and late-night programming. Carriage by your cable system on either of those bases must now be included in category "O" cited above.
- 2 The "basis of carriage" to be identified in column 5 does not include *substitute carriage*. If a station was carried only on a substitute basis, you need not list it in space G but you must list it in space I. A station carried on a substitute basis, and also on some other basis, must be logged in space G and space I.
- 3 A part-time carriage log (space J) must be provided for stations carried on a LAC basis.

Distant Signal Equivalent:

The distant signal equivalent (DSE) is the value assigned to the secondary transmission of any non-network television programming carried by a cable system in whole or in part beyond the local service area of the primary transmitter. The DSE is computed by assigning a value of one to each primary stream and to each multicast stream (other than a simulcast) that is an independent station, and by assigning a value of one-quarter to each primary stream and to each multicast stream (other than a simulcast) that is a network station or a noncommercial educational station.

GENERAL INSTRUCTIONS REGARDING THE RETRANSMISSION OF MULTICAST STREAMS

A royalty payment shall be made for the retransmission of non-network television programming carried on each multicast stream of a distant digital television signal if such stream was first retransmitted by a cable system on or after February 27, 2010.

- Please list all of the multicast streams that the cable system carried during the accounting period.
- Assign a DSE value to each multicast stream that the cable system began to retransmit on or after February 27, 2010.
- Do not assign a DSE value for the retransmission of a multicast stream that is the subject of a written agreement entered into on or before June 30, 2009, between a cable system or an association representing the cable system and a primary transmitter or an association representing the primary transmitter.

Notes:

- No royalties payments shall be made for a distant multicast stream that "simulcasts" (i.e., duplicates) a primary stream or another multicast stream of the same station that the cable system is carrying.

- Distant multicast streams shall not be subject to the 3.75 percent fee or the syndicated exclusivity surcharge.
- Cable operators are not entitled to funds, or of set-aside, for the retransmission of broadcast signals first transmitted prior to the 2010/11 accounting period.

SPACE H (Primary Transmitter and Basis of Carriage)

All-Band Carriage. If your system carried FM radio stations on an all-band basis, you are not required to list each station that subscribers might possibly have received during the accounting period. Instead, you must file affidavits which require you to monitor the FM stations carried on your system's headend from time to time during the accounting period and to report the results of such monitoring to the stations identified as a result of the monitoring.

Stations Generally Referred to as "Two Channels for Determining Whether an FM Station is Carried on a Regular Basis":

- 1 Is the station usually carried on your system's headend; and
- 2 Can the station be received at the head-end, with your system's signal strength, for at least one consecutive hour each week for at least five consecutive days a week during any calendar quarter, with a signal strength of at least 50 microvolts per meter at the antenna or pole to which the antenna is attached?

The monitoring arrangements should be established at determining what stations are carried on a regular basis to meet these standards.

Monitoring Activities. You are not required to monitor continuously throughout the accounting period. You are required to make provisions for monitoring stations in fact monitored during the accounting period or not. Your monitoring should be conducted periodically at your headend. You should use a good monitoring

SPACE I (Substitute Broadcast Stations and Program Log)

Substitute Programs Must Be Listed and Filed. The Copyright Act requires cable operators to file their statement of account with the FCC, including a list of substitute programs that are carried on the local service area of the primary transmitter, or any other station, or any other station, or any other station, or any other station. The applicable provisions of the Copyright Act are identified in item 1 of the following table.

What Programs Must Be Listed in Space I if all three of the following conditions are met:

- 1 The program is a "nonnetwork television program" as defined in 17

1. The amount of gross receipts for a part of a network television station that is carried by a system carried it.
2. The amount of gross receipts for a distant station. A distant station is a station carried by a cable system that is not a local station and that station's local service area is not the same as the local service area, see part C of the instructions for "local service area," see part C of the instructions for "local service area" of the general instructions.
3. The amount of gross receipts for a cable system in substitution for a program under FCC rules, regulations, and authorizations.
4. The amount of gross receipts in effect on the date of the original broadcast of certain programming substituted for a program under FCC rules, regulations, and authorizations. This is, if a cable system is required to substitute programming because of FCC program exclusivity rules.
5. The amount of gross receipts, and authorizations in effect on the date of the original broadcast of a cable system at its local service area, and authorize the system to substitute programming from another distant station. This is, if the cable system elects to delete a distant station while that station is broadcasting a program primarily of local interest to the distant community, for the purpose of substituting programming under FCC rules sections 76.61(b) and 76.61(c) (including 76.61(b)(2)) continue to apply to the substituted programming.

Part D

1. The provisions of the Copyright Act dealing with voluntary licensing of certain programs are limited to the amount of gross receipts under FCC rules, regulations, and authorizations in effect on October 19, 1976.
2. Effective January 1, 1990, the FCC amended Parts 73 and 76 of its rules relating to program exclusivity in the cable and broadcast industries.

DO NOT FORGET TO FILL IN LOGS IN
SPACES G AND H.
 If you are reporting gross receipts (Block 2 of space I),
 you must also report the amount of gross receipts (space J).
DO NOT COMPLETE THESE TWO LOGS. THEY DO NOT RELATE, AND THEY SHOULD BE COMPLETED SEPARATELY.

SPACE K (Gross Receipts)

What are gross receipts? The gross receipts you enter in space K are the gross receipts of primary broadcast transmitters. This includes the amount of gross receipts for a service or tier of services that is provided to or received by subscribers, including additional set fees, and for other services. All gross receipts shall be aggregated

and the DSE calculations shall be made against the aggregated amount. Gross receipts for secondary transmission services do not include installation (including connection, relocation, disconnection or reconnection) fees; separate charges for security, alarm, or facsimile services; charges for late payments; or charges for pay cable or other program origination services provided that the origination services are not offered in combination with secondary transmission service for a single fee.

SATELLITE CARRIER GROSS RECEIPTS EXCLUSION

- The Satellite Home Viewer Act of 1988, Public Law 100-667, as amended by Public Law 103-369, Public Law 106-113, Public Law 108-447, Public Law 111-175, and Public Law 113-200, establishes a statutory license for certain secondary transmissions made by satellite carriers to satellite dish owners. Satellite carriers are subject to copyright liability for their use of copyrighted material when they make secondary transmissions (retransmissions of television broadcasts) to satellite dish owners 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 stations or network stations are eligible under an operational system of statutory licensing that is established in section 119 of the Copyright Act.
- A *satellite carrier* is defined in the Satellite Home Viewer Extension and Reauthorization Act of 2004 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 provide such distribution pursuant to tariff under the Communications Act of 1934, other than for private home viewing pursuant to Section 119."
- As provided in the Satellite Home Viewer Act [amendment of section 111(d)(1)(A)], any amounts collected by a cable system or distributor from subscribers should be excluded from the cable system's determination of gross receipts received for the basic service of providing secondary transmissions of primary broadcast transmitters pursuant to the cable compulsory license, section 111 (c) to (f). This provision contemplates the situation where the same entity may be offering both satellites and cable distribution of secondary transmissions of primary broadcast transmitters.
- If a cable system offers both satellite and cable services to satellite dish owners, then it may exclude those amounts attributed to the satellite service under section 119 of the

act. Such a system should declare on page 9 the amount of gross receipts that are excluded for this service and list the name and address of each satellite carrier in which the system has contracted as a distributor or agent to market the carrier's retransmissions service. The system should also maintain separate records of the subscriber fees received for satellite carrier retransmissions.

Accrual Basis. If your revenue accounts are kept on an accrual basis, the figure you give in space K should be the total of all gross receipts for secondary transmission service accrued for the accounting period. Subtract bad debts actually written off during the period and add previously written-off debts that were actually recovered during the period. (However, do not make adjustments for bad debts for secondary transmission service furnished before January 1, 1978.)

Cash Basis. If your revenue accounts are kept on a cash basis, your gross receipts are all amounts actually received during the accounting period for secondary transmission service.

SPACE L (Copyright Royalty and Filing Fees)

The method for calculating your royalty fee depends upon whether your system carried any distant stations and, if so, the number you carried. If the system did not carry any distant stations, you pay a minimum fee, which is calculated in space L.

If the system carried any distant stations, you must compute distant signal equivalents (DSEs) in parts 1 through 5 of the DSE schedule accompanying this form. Each cable system regardless of whether or not it is located in a television market area must compute a base rate fee if it carried any distant stations. This figure is computed in part 8 of the DSE schedule and is entered in block 3 of space L. (NOTE: Unless the system is located totally outside of all television markets, part 8 cannot be completed until parts 6 and 7 have been completed.) If any portion of the cable system is located within a television market area as defined by the FCC and that system carried any nonpermitted distant television stations, then you must compute the 3.75 fee in part 6 of the DSE schedule. This figure is to be entered on line 2, block 3 of space L. The base rate fee and the 3.75 percent fee are then added together and the sum compared to the minimum fee. Either the minimum fee or the sum of the base rate fee and the 3.75 percent fee (whichever is greater) is listed on line 1, block 4.

Additionally, if any portion of the cable system is located within a top 100 major market area as defined by the FCC and that system carried any distant stations, then you may need to compute the Syndicated Exclusivity Surcharge in part 7 of the DSE schedule. This figure is to be entered on line 2, block 4 of space L. The total copyright royalty fee due is computed in block 4 of space L by adding together (1) the minimum fee or the sum of the base rate fee/3.75 percent fee (whichever is greater), (2) the Syndicated Exclusivity Surcharge, (3) the interest charge and (4) the filing fee.

Rounding Off DSEs. In computing DSEs on the DSE

schedule, you may round off to no less than the third decimal point. If you round off a DSE in any case, you must round off DSEs throughout the schedule as follows:

- When the fourth decimal point is 1, 2, 3, or 4, the third decimal remains unchanged—(example: .34617 is rounded to .346)
- When the fourth decimal point is 5, 6, 7, 8, or 9, the third decimal is rounded up—(example: .34651 is rounded to .347)

Filing Fee. Include the \$725.00 filing fee payment.

Note: Cable systems submitting additional deposits under Section 111(d)(7) should contact the Licensing Division for the appropriate form for submitting the additional deposit.

Interest Charges For Underpayments and Late Payments

Underpayments or late payments received after the filing deadline shall be subject to an interest assessment. Cable systems must calculate their own interest charge. (A worksheet is provided at space Q, page 6.) 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. Cable systems may obtain the interest rate for the applicable accounting period(s) by calling the Licensing Division (202) 707-8150 or by clicking on <http://www.fcc.gov/copyright/interest-rate.pdf>.

For underpayments and late payments the interest shall begin to accrue on the day after the close of the filing date for that accounting period. The accrual shall begin on the date that the royalty fee is received in the Copyright Office. **Note:** The Office will not require, nor may it charge the system of, an interest charge of 7.62% or less.

