

July 8, 2014

Jacqueline C. Charlesworth  
General Counsel and Associate Register  
United States Copyright Office  
101 Independence Avenue, SE  
Washington, D.C. 20559

Re: July 9, 2014 Public Roundtable

**VIA EMAIL**

Dear Ms. Charlesworth:

The undersigned “Joint Stakeholders” are writing with regard to the public roundtable that the Copyright Office is hosting on July 9, 2014. The purpose of the roundtable is to elicit specific information concerning aspects of the “verification” (or “audit”) procedures that the Office has been directed to adopt pursuant to Sections 111(d)(6) and 119(b)(2) of the Copyright Act, as amended by the Satellite Television Extension and Localism Act of 2010 (“STELA”). While the Joint Stakeholders intend to have representatives in attendance at the public roundtable, we want to express in advance our concern with the approach that the Office is taking.

The newly created verification right established in STELA was an integral part of a legislative compromise between copyright users and copyright owners that addressed multiple issues, including the “phantom signal” controversy and the status of multicast signals for purposes of the compulsory license. The verification provision negotiated by the copyright users and owners, and enacted into law by Congress, contains a number of specific directives aimed at ensuring that the rules adopted by the Office balance the needs and interests of the entities participating in an audit.

Following the enactment of STELA and in response to the Office’s initial Notice of Proposed Rulemaking, the Joint Stakeholders engaged in extensive negotiations before reaching agreement on a detailed, comprehensive set of verification procedures. The Office then issued a further notice seeking comment on the Joint Stakeholders’ proposal as modified in certain respects by the Office. The Joint Stakeholders opposed those proposed modifications to the compromise proposal. Respectfully, the Joint Stakeholders also oppose the premise underlying the roundtable, *viz.*, further changes may be needed in the verification procedures proposed by the Joint Stakeholders. The Joint Stakeholders appreciate that the Office is motivated by its sincere desire for a verification process that is effective and efficient. After careful review of the Office's concerns, and with due consideration for the lengthy negotiations and carefully crafted solution we put forward for verification procedures, the Joint Stakeholders submit that their

compromise proposal is consistent with the Office's goals and with the requirements set out in Sections 111(d)(6) and 119(b)(2) as well as a realistic means to balance competing interests on this matter. Inasmuch as no interested copyright owner or copyright user has demonstrated a compelling need for the Office to consider revising the compromise proposal, and in order to preserve the compromise reached in the Joint Stakeholders' proposal, we respectfully request that the Office reconsider its efforts to introduce further modifications to the verification procedures.

As the Office is aware, Congress directed the Office to adopt regulations implementing the STELA audit provisions more than four years ago. The Joint Stakeholders urge the Office to conclude this rulemaking expeditiously so that all affected parties can move forward as Congress intended.

Sincerely,

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<p><b>SESAC, INC.</b></p> <p>/s/ John C. Beiter Shackelford, Zumwalt &amp; Hayes 1014 16<sup>th</sup> Avenue South Nashville, TN 37212 Telephone: (615) 256-7200 Fax: (615) 256-7106 jbeiter@shacklaw.net</p> <p>/s/ Michael J. Remington TN Bar No. 12564 D.C. Bar No. 344127Jeffrey Lopez Drinker Biddle &amp; Reath LLP 1500 K Street, NW - Suite 1100 Washington, D.C. 20005 Telephone: (202) 842-8823 Fax: (202) 842-8465 Michael.remington@dbr.com</p>	<p><b>DEVOTIONAL CLAIMANTS</b></p> <p>/s/ Arnold P. Lutzker Lutzker &amp; Lutzker LLP 1233 - 20<sup>th</sup> Street, NW - Suite 703 Washington, D.C. 20036</p>
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<b>PUBLIC TELEVISION CLAIMANTS</b>	
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cc: Erik Bertin (via email)  
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