

UNITED STATES COPYRIGHT ROYALTY JUDGES

In the Matter of	}	
	}	
Distribution of the 2004-2007	}	Docket No. 2010-2 CRB SD 2004-2007
Satellite Royalty Funds	}	
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ORDER GRANTING PHASE I CLAIMANTS' MOTION FOR PARTIAL DISTRIBUTION OF 2004-2007 SATELLITE ROYALTY FUNDS

On January 27, 2010, the Copyright Royalty Judges ("Judges") published in the **Federal Register** a Notice¹ soliciting comments on a Motion of Phase I Claimants for Partial Distribution of the 2004-2007 satellite royalty funds ("Motion"), dated October 27, 2009, seeking a partial distribution of 50 percent of those funds. In response to the publication, the Judges received a single comment from the Phase I Claimants supporting their motion.

In support of their Motion, the Phase I Claimants assert that all of the preconditions of section 801(b)(3)(C) of the Copyright Act have been or will be satisfied prior to distribution. That section provides that:

[T]he copyright royalty judges, at any time after the filing of claims under section... 119...may, upon motion of one or more of the claimants and after publication in the Federal Register of a request for responses to the motion from interested claimants, make a partial distribution of such fees, if, based upon all responses received during the 30-day period beginning on the date of such publication, the [Judges] conclude that no claimant entitled to receive such fees has stated a reasonable objection to the partial distribution, and all such claimants -

- (i) agree to the partial distribution;
- (ii) sign an agreement obligating them to return any excess amounts to the extent necessary to comply with the final determination on the distribution of the fees made under subparagraph (B);
- (iii) file the agreement with the Copyright Royalty Judges;
- and
- (iv) agree that such funds are available for distribution.

¹ 75 FR 4423. The Phase I Claimants are the Program Suppliers, Joint Sports Claimants, Broadcaster Claimants Group, Music Claimants (American Society of Composers, Authors and Publishers, Broadcast Music, Inc., and SESAC, Inc.), and Devotional Claimants.

17 U.S.C. § 801(b)(3)(C).

Having received no objections, the Judges determine that a partial distribution of 50 percent of the 2004, 2005, 2006, and 2007 satellite royalty funds is reasonable and appropriate. In their motion, the Phase I Claimants represent that the amount of funds available for distribution from the satellite royalty fees collected for 2004 through 2007 totals approximately \$352,758,219 and that a 50 percent partial distribution would approximate \$176,379,108.² The Phase I Claimants request that the funds be distributed as follows:³

<u>CLAIMANT GROUP</u>	<u>ROYALTY SHARE</u>
Program Suppliers	39.95050%
Joint Sports Claimants	39.73767%
Broadcaster Claimants Group (NAB)	15.01941%
Music Claimants	4.00000%
Devotional Claimants	1.29242%

² Motion at 2.

³ Motion at Attachment A. The Phase I Claimants request that the percentage share of the 2004-2007 funds distributed to each Phase I Claimant be the same percentage as that of Basic cable royalties, on a relative basis, as that Claimant was awarded for the year 1999 in the 1998-1999 Cable Royalty Distribution Proceeding. *See* Motion at 5. In the case of the Devotional Claimants, the relative percentage share to be paid to them would be the same share as they received pursuant to the settlement among all Phase I Claimants to the 1998-99 proceeding. Motion at 5-6. The Phase I Claimants represent that the proposed distribution percentages have been adjusted to account for the fact that three claimant groups who were entitled to receive a share of the 1999 Cable Royalties—National Public Radio, the Canadian Claimants Group, and the Public Television Claimants—do not claim a share of the 2004-07 Satellite Royalty Funds.

Wherefore, **IT IS ORDERED** that the Motion of Phase I Claimants for Partial Distribution of the 2004-2007 satellite royalty funds **IS GRANTED** and the distribution shall be made in accordance with the above-described percentages. The Copyright Office shall make such a distribution **PROVIDED THAT** each of the parties receiving a share of these funds provides to the Copyright Office a signed agreement prepared by the Copyright Royalty Judges no later than April 15, 2010, stating that any overpayment that results from the distribution of these funds shall be repaid to the Copyright Office with interest according to the amount that would have accrued if the principal had remained in the fund. In addition, all pertinent information to effect the transfer of funds must be provided to the Licensing Division of the Copyright Office no later than April 15, 2010. The distribution shall take place on or after April 22, 2010.

SO ORDERED.



James Scott Sledge
Chief, U.S. Copyright Royalty Judge

DATED: March 23, 2010