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CLIENT UPDATE

February 7, 2008

SUMMARY: All cable operators and other multichannel video programming distributors (MVPDs) are required to file a copyright statement of account by **March 1, 2008** for cable and video systems operated in the second half of calendar year 2007. If you have any questions about these requirements, please review this client update and contact John Pietila at 515-288-2500 or via e-mail at JohnPietila@davisbrownlaw.com.

CABLE COMPULSORY COPYRIGHT LICENSE

The federal Copyright Act requires MVPDs to obtain a compulsory license for the carriage of video programming. In exchange for this license, an MVPD pays fees on a semiannual basis directly to the Copyright Office for distribution to the copyright holders. The upcoming payment must be made by **March 1, 2008**. Late filings will accrue interest at rate determined by the Copyright Office in accordance with the Copyright Act.

The fee for each video system is based on the system's gross receipts from the carriage of broadcast signals and the number of distant signal equivalents carried by the system. Cable or video systems with semiannual gross receipts less than \$527,600 are required to file SA1-2 Short Form. Cable or video systems with semiannual gross receipts of \$527,600 or more are required to file SA3 Long Form.

The relevant forms (including detailed instructions) can be downloaded from the Copyright Office website at <http://www.copyright.gov/forms> or using the links below.

- [SA1-2 Short Form](#) — For use by cable television systems whose semiannual gross receipts are less than \$527,600
- [SA3 Long Form](#) — For use by cable television systems whose semiannual gross receipts are \$527,600 or more

The accounting period and filing window for Statements of Account filed in each semiannual accounting period is as follows:

Accounting Period

January 1 – June 30
July 1 – December 30

Filing Window

July 1 – August 29
January 1 – March 1

Each semi annual Statement of Account requires certain information about system revenue and signal carriage for the appropriate reporting period. Each Statement of Account must be accompanied by a royalty payment calculated in accordance with detailed instructions included with the form. **Effective October 1, 2006, all royalty payments to the Copyright Office must be made via electronic funds transfer.**

Combined Reporting for Multiple Communities: For purposes of the Copyright Act and applicable rules, two or more cable or video systems will be considered a single system, and therefore be subject to reporting on a single, combined Statement of Account if those systems are under common ownership and control and (a) located in the same or contiguous communities or (b) operated from the same headend.

If you have any questions about these requirements or this Client Update, please contact John Pietila at 515-288-2500 or via e-mail at JohnPietila@davisbrownlaw.com.

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