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January 8, 1985

Honorable Marianne M. Hall
Chairman
Copyright Royalty Tribunal
1111 20th Street, N.W.
Fourth Floor
Washington, D.C. 20579

Re: 1985 Cable Inflation Rate Adjustment

Dear Chairman Hall:

This letter is written on behalf of Major League Baseball, the Motion Picture Association of America, National Basketball Association, North American Soccer League, National Hockey League, National Collegiate Athletic Association, National Association of Broadcasters, ASCAP, BMI, SESAC, and National Public Radio (collectively the "Copyright Owners").

As you are aware, the Tribunal is authorized to adjust for inflation the royalty rates and gross receipts limitations set forth in Sections 111(d)(2)(B)-(D) of the Copyright Act. See 17 U.S.C. §§ 801(b)(2)(A) & (D). The first such adjustments were made by the Tribunal after a proceeding conducted in 1980. See NCTA v. CRT, 689 F.2d 1077 (D.C. Cir. 1982). Pursuant to Section 804(a)(2)(A) of the Act, affected parties may petition the Tribunal in 1985 and every fifth year thereafter to make new inflation adjustments.

The 1985 and subsequent inflation adjustment proceedings may be commenced only after the filing of a petition by a party who the Tribunal determines has a "significant interest in the royalty rate in which an adjustment is requested." 17 U.S.C. §804(a)(2). The Tribunal must, of course, complete the proceeding and adopt any necessary adjustments within one year after the date that the proceeding has been commenced. See 17 U.S.C. §804(e).

The Copyright Owners believe that the Tribunal's decision in the 1980 inflation proceeding provides a basis on

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which they and the cable industry can stipulate to the appropriate inflation adjustments for 1985. The Copyright Owners are thus hopeful that these adjustments can be made without the necessity of any protracted proceedings before the Tribunal. To this end the Copyright Owners have initiated settlement discussions with representatives of the National Cable Television Association.

Because of the one-year time constraint and the other pressing matters that must occupy the Tribunal's attention in the next several months, the Copyright Owners have chosen to pursue settlement discussions with the cable industry before filing the petition contemplated by Section 804(a)(2)(A). As is clear from Section 804(a)(2)(A), this petition may be filed at any time in calendar year 1985. It is anticipated, however, that any resolution of this matter would be made in sufficient time to permit the inflation adjustments to take effect with the filing of statements of account for the first half of 1985 (due August 29, 1985).

Respectfully submitted,

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