



Broadcast Music, Inc. 40 West 57th Street, New York, N. Y. 10019 212 586-2000  
Cable Address: Brocastmus NY

March 10, 1978

MEMORANDUM

To: Copyright Royalty Tribunal

From: Broadcast Music, Inc.

Re: Advance Notice of Proposed Rulemaking Relating to Cable

The premise of this submission is that the licensing of music on television and subsequent use over cable systems differs from the use of other copyrighted material, therefore it should be the subject of separate - and simpler - regulations.

It is BMI's suggestion that the distribution of money collected from cable systems - and allocated by the Tribunal for music performance - be handled through a proven, convenient means that already exists. The simple solution, which hopefully will not be lost sight of in the mass of anticipated comments, is for the Copyright Tribunal to determine a distribution share for each performing rights organization and allow each organization to further distribute these royalties using its own, proven system. Such a procedure is, in fact, contemplated in the Copyright Law of 1976 where it is provided that "claimants...may lump their claims together and file them jointly or as a single claim, or may designate a common agent to receive payment on their behalf". Sec. 111 (d) (5) (A). A similar provision is found in Sec. 116 (c) (2) relating to jukeboxes. Moreover, and again in relation to jukeboxes, Sec. 116 (c) (4) specifies that distribution is made to the performing rights societies for determination of the method of payment to its affiliates or members.

It should be pointed out, of course, that BMI and the two other performing rights organizations are uniquely qualified for this distribution approach. A major problem that must be faced by the Tribunal is the development of some practical means for identifying claimants to the collected royalties. BMI and its two sister organizations represent nearly 100% of potential claimants to music performing royalties. BMI alone, for example, represents approximately 50,000 writers and publishers. Obviously the Tribunal would not want, and should not accept, the task of individually identifying such a large group.



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*The sole purpose of the performing rights licensing organizations, which collectively total a century and a half of experience, is to collect license fees for the public performance of music, identify claimants, and distribute the money. In our view, therefore, it would be of no practical benefit in this area of distribution for the Tribunal to require development of another - and possibly redundant - mechanism.*

*In view of the nature of our comments we did not feel it necessary to refer specifically at this time to the desirability of standard claim forms or the mechanics of a two-step filing procedure.*