

THIS FORM IS EFFECTIVE FOR ACCOUNTING PERIODS BEGINNING JANUARY 1, 2015
 If you are filing for a prior accounting period, contact the Licensing Division for the correct form.

**SA3
 Long Form**

Return to:
 Library of Congress
 Copyright Office
 Licensing Division
 101 Independence Ave. SE
 Washington, DC 20557-6400
 (202) 707-8150

For courier deliveries,
 see page ii of the general
 instructions.

STATEMENT OF ACCOUNT
*for Secondary Transmissions by
 Cable Systems (Long Form)*

General instructions are at the
 end of this form [pages i-viii].

FOR COPYRIGHT OFFICE USE ONLY	
DATE RECEIVED	AMOUNT
8/28/2017	\$
	ALLOCATION NUMBER

A Accounting Period	ACCOUNTING PERIOD COVERED BY THIS STATEMENT: (Check one of the boxes and fill in the year date.)	
	<input checked="" type="checkbox"/> January 1–June 30 2017 (Year)	<input type="checkbox"/> July 1–December 31 (Year)

B Owner	INSTRUCTIONS: Give the full legal name of the owner of the cable system in line 1. If the owner is a subsidiary of another corporation, give the full corporate title of the subsidiary, not that of the parent corporation. In line 2, list any other names under which the owner conducts the business of the cable system. If there were different owners during the accounting period, only the owner on the last day of the accounting period should submit a single statement of account and royalty fee payment covering the entire accounting period. <input type="checkbox"/> Check here if this is the system's first filing. If not, enter the system's ID number assigned by the Licensing Division. _____	
	1	LEGAL NAME OF OWNER OF CABLE SYSTEM: The Utilities Board of the City of Foley
	2	BUSINESS NAME(S) OF OWNER OF CABLE SYSTEM (IF DIFFERENT):
	3	MAILING ADDRESS OF OWNER OF CABLE SYSTEM: P.O. Box 2050 (Number, street, rural route, apartment, or suite number) Foley, AL 36535-2050 (City, town, state, zip)

C System	INSTRUCTIONS: In line 1, give any business or trade names used to identify the business and operation of the system unless these names already appear in space B. In line 2, give the mailing address of the system, if different from the address given in space B.	
	1	IDENTIFICATION OF CABLE SYSTEM:
	2	MAILING ADDRESS OF CABLE SYSTEM: (Number, street, rural route, apartment, or suite number) (City, town, state, zip code)

D Area Served	Instructions: For complete space D instructions, see page 1b. Identify only the first community served below and relist on page 1b with all communities.		
	CITY OR TOWN	STATE	
First ▶ Community	Foley	AL	
Sample ▶	Below is a sample for reporting communities if you report multiple channel line-ups in Space G.		
	CITY OR TOWN (SAMPLE)	STATE	CH LINE UP
	Alda	MD	A
	Alliance	MD	B
	Gering	MD	B
			SUB GRP#
			1
			2
			3


Privacy Act Notice: Section 111 of title 17 of the *United States Code* authorizes the Copyright Office to collect the personally identifying information (PII) requested on this form in order to process your statement of account. PII is any personal information that can be used to identify or trace an individual, such as name, address, and telephone numbers. By providing PII, you are agreeing to the routine use of it to establish and maintain a public record, which includes appearing in the Office's public indexes and in search reports prepared for the public. The effect of not providing the PII requested is that it may delay processing of your statement of account and its placement in the completed record of statements of account, and it may affect the legal sufficiency of the filing, a determination that would be made by a court of law.

Name	LEGAL NAME OF OWNER OF CABLE SYSTEM: The Utilities Board of the City of Foley
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E Secondary Transmission Service: Sub- scribers and Rates	<p>SECONDARY TRANSMISSION SERVICE: SUBSCRIBERS AND RATES</p> <p>In General: The information in space E should cover all categories of secondary transmission service of the cable system, that is, the retransmission of television and radio broadcasts by your system to subscribers. Give information about other services (including pay cable) in space F, not here. All the facts you state must be those existing on the last day of the accounting period (June 30 or December 31, as the case may be).</p> <p>Number of Subscribers: Both blocks in space E call for the number of subscribers to the cable system, broken down by categories of secondary transmission service. In general, you can compute the number of subscribers in each category by counting the number of billings in that category (the number of persons or organizations charged separately for the particular service at the rate indicated—not the number of sets receiving service).</p> <p>Rate: Give the standard rate charged for each category of service. Include both the amount of the charge and the unit in which it is generally billed. (Example: "\$20/mth"). Summarize any standard rate variations within a particular rate category, but do not include discounts allowed for advance payment.</p> <p>Block 1: In the left-hand block in space E, the form lists the categories of secondary transmission service that cable systems most commonly provide to their subscribers. Give the number of subscribers and rate for each listed category that applies to your system. Note: Where an individual or organization is receiving service that falls under different categories, that person or entity should be counted as a subscriber in each applicable category. Example: a residential subscriber who pays extra for cable service to additional sets would be included in the count under "Service to the first set" and would be counted once again under "Service to additional set(s)."</p> <p>Block 2: If your cable system has rate categories for secondary transmission service that are different from those printed in block 1 (for example, tiers of services that include one or more secondary transmissions), list them, together with the number of subscribers and rates, in the right-hand block. A two- or three-word description of the service is sufficient.</p>					
	BLOCK 1			BLOCK 2		
	CATEGORY OF SERVICE	NO. OF SUBSCRIBERS	RATE	CATEGORY OF SERVICE	NO. OF SUBSCRIBERS	RATE
Residential:						
• Service to first set	3,404	\$27.00				
• Service to additional set(s)						
• FM radio (if separate rate)						
Motel, hotel	1,143	\$20.50				
Commercial						
Converter						
• Residential	777	\$5.95				
• Non-residential						

F Services Other Than Secondary Transmissions: Rates	<p>SERVICES OTHER THAN SECONDARY TRANSMISSIONS: RATES</p> <p>In General: Space F calls for rate (not subscriber) information with respect to all your cable system's services that were not covered in space E, that is, those services that are not offered in combination with any secondary transmission service for a single fee. There are two exceptions: you do not need to give rate information concerning (1) services furnished at cost or (2) services or facilities furnished to nonsubscribers. Rate information should include both the amount of the charge and the unit in which it is usually billed. If any rates are charged on a variable per-program basis, enter only the letters "PP" in the rate column.</p> <p>Block 1: Give the standard rate charged by the cable system for each of the applicable services listed.</p> <p>Block 2: List any services that your cable system furnished or offered during the accounting period that were not listed in block 1 and for which a separate charge was made or established. List these other services in the form of a brief (two- or three-word) description and include the rate for each.</p>					
	BLOCK 1			BLOCK 2		
	CATEGORY OF SERVICE	RATE	CATEGORY OF SERVICE	RATE	CATEGORY OF SERVICE	RATE
Continuing Services:		Installation: Non-residential				
• Pay cable	\$17.50	• Motel, hotel	\$40.00	Underground Installation	\$20.00	
• Pay cable—add'l channel		• Commercial		+0.70 per foot		
• Fire protection		• Pay cable	\$20.00			
• Burglar protection		• Pay cable—add'l channel				
Installation: Residential		• Fire protection				
• First set	\$40.00	• Burglar protection				
• Additional set(s)	\$50.00	Other services:				
• FM radio (if separate rate)		• Reconnect	\$40.00	DVR Service	\$10.00	
• Converter	\$40.00	• Disconnect		HD Service	\$10.00	
		• Outlet relocation	\$50.00			
		• Move to new address	\$40.00			

1. CALL SIGN	2. B'CAST CHANNEL NUMBER	3. TYPE OF STATION	4. DISTANT? (Yes or No)	5. BASIS OF CARRIAGE (If Distant)	6. LOCATION OF STATION
WEIQ	42-1	E	No		Mobile, AL
WEIQ	42-2	E-M	No		Mobile, AL
WEIQ	42-3	E-M	No		Mobile, AL
WEIQ	42-4	E-M	No		Mobile, AL
WEAR	3-1	N	No		Pensacola, FL
WEAR	3-2	I-M	No		Pensacola, FL
WEAR	3-3	I-M	No		Pensacola, FL
WSRE	23-1	E	No		Pensacola, FL
WSRE	23-2	E-M	No		Pensacola, FL
WSRE	23-3	E-M	No		Pensacola, FL
WSRE	23-4	E-M	No		Pensacola, FL
WKRG	5-1	N	No		Mobile, AL
WKRG	5-3	I-M	No		Mobile, AL
WFNA	55-1	I	No		Gulf Shores, AL
WFNA	55-2	I-M	No		Gulf Shores, AL
WFNA	55-3	I-M	No		Gulf Shores, AL
WMPV	21-1	I	No		Mobile, AL
WMPV	21-2	I-M	No		Mobile, AL
WMPV	21-3	I-M	No		Mobile, AL
WMPV	21-4	I-M	No		Mobile, AL
WMPV	21-5	I-M	No		Mobile, AL
WJTC	44-1	I	No		Pensacola, FL
WJTC	44-2	I	No		Pensacola, FL
WALA	10-1	N	No		Mobile, AL
WALA	10-2	IM	No		Mobile, AL
WALA	10-3	IM	No		Mobile, AL
WALA	10-4	IM	No		Mobile, AL
WPMI	15-1	N	No		Mobile, AL
WPMI	15-2	I-M	No		Mobile, AL
WHBR	33-1	I	No		Pensacola, FL
WHBR	33-2	I-M	No		Pensacola, FL
WFGX	35-1	I	No		Fort Walton Beach, FL
WFGX	35-2	IM	No		Fort Walton Beach, FL
WFGX	35-3	IM	No		Fort Walton Beach, FL
WFBD	48-1	I	No		Pensacola, FL
WDPM	18-1	I	No		Mobile, AL

Name	LEGAL NAME OF OWNER OF CABLE SYSTEM: The Utilities Board of the City of Foley	Name
M Channels	CHANNELS Instructions: You must give (1) the number of channels on which the cable system carried television broadcast stations to its subscribers and (2) the cable system's total number of activated channels, during the accounting period.	
	1. Enter the total number of channels on which the cable system carried television broadcast stations	36
	2. Enter the total number of activated channels on which the cable system carried television broadcast stations and nonbroadcast services	221
N Individual to Be Contacted for Further Information	INDIVIDUAL TO BE CONTACTED IF FURTHER INFORMATION IS NEEDED: (Identify an individual we can contact about this statement of account.)	
	Name Robert Clark	Telephone (251)943-5001 <small>(Area code)</small>
	Address P.O. Box 2050 <small>(Number, street, rural route, apartment, or suite number)</small>	
	Foley, AL 36535-2050 <small>(City, town, state, zip)</small>	
	Email (optional) rclark@rivierautilities.com	Fax (optional)
O Certification	CERTIFICATION (This statement of account must be certified and signed in accordance with Copyright Office regulations, as explained in the general instructions.)	
	<ul style="list-style-type: none"> • I, the undersigned, hereby certify that (Check one, <i>but only one</i>, of the boxes.) <input type="checkbox"/> (Owner other than corporation or partnership) I am the owner of the cable system as identified in line 1 of space B; or <input checked="" type="checkbox"/> (Agent of owner other than corporation or partnership) I am the duly authorized agent of the owner of the cable system as identified in line 1 of space B and that the owner is not a corporation or partnership; or <input type="checkbox"/> (Officer or partner) I am an officer (if a corporation) or a partner (if a partnership) of the legal entity identified as owner of the cable system in line 1 of space B. 	
	<ul style="list-style-type: none"> • I have examined the statement of account and hereby declare under penalty of law that all statements of fact contained herein are true, complete, and correct to the best of my knowledge, information, and belief, and are made in good faith. [18 U.S.C. sec. 1001] 	
		Handwritten signature: <u>Thomas L DeBell</u>
	Typed or printed name: Thomas L. DeBell	
	Title: General Manager/CEO <small>(Title of official position held in corporation or partnership)</small>	
	Date: August 25, 2017	

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INSTRUCTIONS FOR DSE SCHEDULE

WHAT IS A "DSE"

The term "distant signal equivalent" (DSE) generally refers to the numerical value given by the Copyright Act to each distant television station carried by a cable system during an accounting period. Your system's total number of DSEs determines the royalty you owe. For the full definition, see page (vi) of the General Instructions.

FORMULAS FOR COMPUTING A STATION'S DSE

There are two different formulas for computing DSEs: (1) a basic formula for all distant stations listed in space G (page 3), and (2) a special formula for those stations carried on a substitute basis and listed in space I (page 5). (Note that if a particular station is listed in both space G and space I, a DSE must be computed twice for that station: once under the basic formula and again under the special formula. However, a station's total DSE is not to exceed its full type-value. If this happens, contact the Licensing Division.)

BASIC FORMULA: FOR ALL DISTANT STATIONS LISTED IN SPACE G OF SA3 (LONG FORM)

Step 1: Determine the station's type-value. For purposes of computing DSEs, the Copyright Act gives different values to distant stations depending upon their type. If, as shown in space G of your statement of account (page 3), a distant station is:

- **Independent:** its type-value is1.00
- **Network:** its type-value is0.25
- **Noncommercial educational:** its type-value is0.25

Note that local stations are not counted at all in computing DSEs.

Step 2: Calculate the station's basis of carriage value: The DSE of a station also depends on its basis of carriage. If, as shown in space G of your Form SA3, the station was carried part time because of lack of activated channel capacity, its basis of carriage value is determined by (1) calculating the number of hours the cable system carried the station during the accounting period, and (2) dividing that number by the total number of hours the station broadcast over the air during the accounting period. The basis of carriage value for all other stations listed in space G is 1.0.

Step 3: Multiply the result of step 1 by the result of step 2. This gives you the particular station's DSE for the accounting period. (Note that for stations other than those carried on a part-time basis due to lack of activated channel capacity, actual multiplication is not necessary since the DSE will always be the same as the type value.)

SPECIAL FORMULA FOR STATIONS LISTED IN SPACE I OF SA3 (LONG FORM)

Step 1: For each station, calculate the number of programs that, during the accounting period, were broadcast live by the station and were substituted for programs deleted at the option of the cable system.

(These are programs for which you have entered "Yes" in column 2 and "P" in column 7 of space I.)

Step 2: Divide the result of step 1 by the total number of days in the calendar year (365—or 366 in a leap year). This gives you the particular station's DSE for the accounting period.

TOTAL OF DSEs

In part 5 of this schedule you are asked to add up the DSEs for all of the distant television stations your cable system carried during the accounting period. This is the total sum of all DSEs computed by the basic formula and by the special formula.

THE ROYALTY FEE

The total royalty fee is determined by calculating the minimum fee and the base rate fee. In addition, cable systems located within certain television market areas may be required to calculate the 3.75 fee and/or the Syndicated Exclusivity Surcharge. **Note:** Distant multicast streams are not subject to the 3.75 fee or the Syndicated Exclusivity Surcharge. Distant simulcast streams are not subject to any royalty payment.

The 3.75 Fee. If a cable system located in whole or in part within a television market added stations after June 24, 1981, that would not have been permitted under FCC rules, regulations, and authorizations (hereafter referred to as "the former FCC rules") in effect on June 24, 1981, the system must compute the 3.75 fee using a formula based on the number of DSEs added. These DSEs used in computing the 3.75 fee will not be used in computing the base rate fee and Syndicated Exclusivity Surcharge.

The Syndicated Exclusivity Surcharge. Cable systems located in whole or in part within a major television market, as defined by FCC rules and regulations, must calculate a Syndicated Exclusivity Surcharge for the carriage of any commercial VHF station that places a grade B contour, in whole or in part, over the cable system that would have been subject to the FCC's syndicated exclusivity rules in effect on June 24, 1981.

The Minimum Fee/Base Rate Fee/3.75 Percent Fee. All cable systems filing SA3 (Long Form) must pay at least the minimum fee, which is 1.064 percent of gross receipts. The cable system pays either the minimum fee or the sum of the base rate fee and the 3.75 percent fee, whichever is larger, and a Syndicated Exclusivity Surcharge, as applicable.

What is a "Permitted" Station? A permitted station refers to a distant station whose carriage is not subject to the 3.75 percent rate but is subject to the base rate and, where applicable, the Syndicated Exclusivity Surcharge. A permitted station would include the following:

- 1) A station actually carried within any portion of a cable system prior to June 25, 1981, pursuant to the former FCC rules.
- 2) A station first carried after June 24, 1981, which could have been carried under FCC rules in effect on June 24, 1981, if such carriage would not have exceeded the market quota imposed for the importation of distant stations under those rules.
- 3) A station of the same type substituted for a carried network, non-commercial educational, or regular independent station for which a quota was or would have been imposed under FCC rules (47 CFR 76.59 (b),(c), 76.61 (b),(c),(d), and 76.7.63 (a) [referring to 76.61 (b),(d)]) in effect on June 24, 1981.
- 4) A station carried pursuant to an individual waiver granted between April 16, 1976, and June 25, 1981, under the FCC rules and regulations in effect on April 15, 1976.
- 5) In the case of a station carried prior to June 25, 1981, on a part-time and/or substitute basis only, that fraction of the current DSE represented by prior carriage.

NOTE: If your cable system carried a station that you believe qualifies as a permitted station but does not fall into one of the above categories, please attach written documentation to the statement of account detailing the basis for its classification.

Substitution of Grandfathered Stations. Under section 76.65 of the former FCC rules, a cable system was not required to delete any station that it was authorized to carry or was lawfully carrying prior to March 31, 1972, even if the total number of distant stations carried exceeded the market quota imposed for the importation of distant stations. Carriage of these grandfathered stations is not subject to the 3.75 percent rate, but is subject to the Base Rate, and where applicable, the Syndicated Exclusivity Surcharge. *The Copyright Royalty Tribunal has stated its view that, since section 76.65 of the former FCC rules would not have permitted substitution of a grandfathered station, the 3.75 percent Rate applies to a station substituted for a grandfathered station if carriage of the station exceeds the market quota imposed for the importation of distant stations.*

COMPUTING THE 3.75 PERCENT RATE—PART 6 OF THE DSE SCHEDULE

- Determine which distant stations were carried by the system pursuant to former FCC rules in effect on June 24, 1981.
- Identify any station carried prior to June 25, 1981, on a substitute and/or part-time basis only and complete the log to determine the portion of the DSE exempt from the 3.75 percent rate.
- Subtract the number of DSEs resulting from this carriage from the number of DSEs reported in part 5 of the DSE Schedule. This is the total number of DSEs subject to the 3.75 percent rate. Multiply these DSEs by gross receipts by .0375. This is the 3.75 fee.

COMPUTING THE SYNDICATED EXCLUSIVITY SURCHARGE—PART 7 OF THE DSE SCHEDULE

- Determine if any portion of the cable system is located within a top 100 major television market as defined by the FCC rules and regulations in effect on June 24, 1981. If no portion of the cable system is located in a major television market, part 7 does not have to be completed.
- Determine which station(s) reported in block B, part 6 are commercial VHF stations and place a grade B contour, in whole, or in part, over the cable system. If none of these stations are carried, part 7 does not have to be completed.
- Determine which of those stations reported in block b, part 7 of the DSE Schedule were carried before March 31, 1972. These stations are exempt from the FCC's syndicated exclusivity rules in effect on June 24, 1981. If you qualify to calculate the royalty fee based upon the carriage of partially-distant stations, and you elect to do so, you must compute the surcharge in part 9 of this schedule.
- Subtract the exempt DSEs from the number of DSEs determined in block B of part 7. This is the total number of DSEs subject to the Syndicated Exclusivity Surcharge.
- Compute the Syndicated Exclusivity Surcharge based upon these DSEs and the appropriate formula for the system's market position.

Name LEGAL NAME OF OWNER OF CABLE SYSTEM:
The Utilities Board of the City of Foley

3
Computation of DSEs for Stations Carried Part Time Due to Lack of Activated Channel Capacity

Instructions: CAPACITY
Column 1: List the call sign of all distant stations identified by "LAC" in column 5 of space G (page 3).
Column 2: For each station, give the number of hours your cable system carried the station during the accounting period. This figure should correspond with the information given in space J. Calculate only one DSE for each station.
Column 3: For each station, give the total number of hours that the station broadcast over the air during the accounting period.
Column 4: Divide the figure in column 2 by the figure in column 3, and give the result in decimals in column 4. This figure must be carried out at least to the third decimal point. This is the "basis of carriage value" for the station.
Column 5: For each independent station, give the "type-value" as "1.0." For each network or noncommercial educational station, give the type-value as ".25."
Column 6: Multiply the figure in column 4 by the figure in column 5, and give the result in column 6. Round to no less than the third decimal point. This is the station's DSE. (For more information on rounding, see page (viii) of the general instructions.)

CATEGORY LAC STATIONS: COMPUTATION OF DSEs					
1. CALL SIGN	2. NUMBER OF HOURS CARRIED BY SYSTEM	3. NUMBER OF HOURS STATION ON AIR	4. BASIS OF CARRIAGE VALUE	5. TYPE VALUE	6. DSE
	÷	=		X	=
	÷	=		X	=
	÷	=		X	=
	÷	=		X	=
	÷	=		X	=
	÷	=		X	=
	÷	=		X	=
	÷	=		X	=
	÷	=		X	=

SUM OF DSEs OF CATEGORY LAC STATIONS:
 Add the DSEs of each station.
 Enter the sum here and in line 2 of part 5 of this schedule,▶

4
Computation of DSEs for Substitute-Basis Stations

Instructions:
Column 1: Give the call sign of each station listed in space I (page 5, the Log of Substitute Programs) if that station:
 • Was carried by your system in substitution for a program that your system was permitted to delete under FCC rules and regulations in effect on October 19, 1976 (as shown by the letter "P" in column 7 of space I); and
 • Broadcast one or more live, nonnetwork programs during that optional carriage (as shown by the word "Yes" in column 2 of space I).
Column 2: For each station give the number of live, nonnetwork programs carried in substitution for programs that were deleted at your option. This figure should correspond with the information in space I.
Column 3: Enter the number of days in the calendar year: 365, except in a leap year.
Column 4: Divide the figure in column 2 by the figure in column 3, and give the result in column 4. Round to no less than the third decimal point. This is the station's DSE (For more information on rounding, see page (viii) of the general instructions.)

SUBSTITUTE-BASIS STATIONS: COMPUTATION OF DSEs							
1. CALL SIGN	2. NUMBER OF PROGRAMS	3. NUMBER OF DAYS IN YEAR	4. DSE	1. CALL SIGN	2. NUMBER OF PROGRAMS	3. NUMBER OF DAYS IN YEAR	4. DSE
	÷	=			÷	=	
	÷	=			÷	=	
	÷	=			÷	=	
	÷	=			÷	=	
	÷	=			÷	=	

SUM OF DSEs OF SUBSTITUTE-BASIS STATIONS:
 Add the DSEs of each station.
 Enter the sum here and in line 3 of part 5 of this schedule,▶

5
Total Number of DSEs

TOTAL NUMBER OF DSEs: Give the amounts from the boxes in parts 2, 3, and 4 of this schedule and add them to provide the total number of DSEs applicable to your system.

1. Number of DSEs from part 2▶ _____

2. Number of DSEs from part 3▶ _____

3. Number of DSEs from part 4▶ _____

TOTAL NUMBER OF DSEs▶

Name LEGAL NAME OF OWNER OF CABLE SYSTEM:
 The Utilities Board of the City of Foley

Worksheet for Computing the DSE Schedule for Permitted Part-Time and Substitute Carriage

Instructions: You must complete this worksheet for those stations identified by the letter "F" in column 2 of block B, part 6 (i.e., those stations carried prior to June 25, 1981, under former FCC rules governing part-time and substitute carriage.)
 Column 1: List the call sign for each distant station identified by the letter "F" in column 2 of part 6 of the DSE schedule.
 Column 2: Indicate the DSE for this station for a single accounting period, occurring between January 1, 1978 and June 30, 1981.
 Column 3: Indicate the accounting period and year in which the carriage and DSE occurred (e.g., 1981/1).
 Column 4: Indicate the basis of carriage on which the station was carried by listing one of the following letters:
 (Note that the FCC rules and regulations cited below pertain to those in effect on June 24, 1981.)
 A—Part-time specialty programming: Carriage, on a part-time basis, of specialty programming under FCC rules, sections 76.59(d)(1), 76.61(e)(1), or 76.63 (referring to 76.61(e)(1)).
 B—Late-night programming: Carriage under FCC rules, sections 76.59(d)(3), 76.61(e)(3), or 76.63 (referring to 76.61(e)(3)).
 S—Substitute carriage under certain FCC rules, regulations, or authorizations. For further explanation, see page (vi) of the general instructions.
 Column 5: Indicate the station's DSE for the current accounting period as computed in parts 2, 3, and 4 of this schedule.
 Column 6: Compare the DSE figures listed in columns 2 and 5 and list the smaller of the two figures here. This figure should be entered in block B, column 3 of part 6 for this station.

IMPORTANT: The information you give in columns 2, 3, and 4 must be accurate and is subject to verification from the designated statement of account on file in the Licensing Division.

PERMITTED DSE FOR STATIONS CARRIED ON A PART-TIME AND SUBSTITUTE BASIS					
1. CALL SIGN	2. PRIOR DSE	3. ACCOUNTING PERIOD	4. BASIS OF CARRIAGE	5. PRESENT DSE	6. PERMITTED DSE

7 Computation of the Syndicated Exclusivity Surcharge

Instructions: Block A must be completed.
 In block A:
 If your answer is "Yes," complete blocks B and C, below.
 If your answer is "No," leave blocks B and C blank and complete part 8 of the DSE schedule.

BLOCK A: MAJOR TELEVISION MARKET

• Is any portion of the cable system within a top 100 major television market as defined by section 76.5 of FCC rules in effect June 24, 1981? Yes—Complete blocks B and C. No—Proceed to part 8

BLOCK B: Carriage of VHF/Grade B Contour Stations

Is any station listed in block B of part 6 the primary stream of a commercial VHF station that places a grade B contour, in whole or in part, over the cable system?

Yes—List each station below with its appropriate permitted DSE
 No—Enter zero and proceed to part 8.

CALL SIGN	DSE	CALL SIGN	DSE
TOTAL DSEs			

BLOCK C: Computation of Exempt DSEs

Was any station listed in block B of part 7 carried in any community served by the cable system prior to March 31, 1972? (refer to former FCC rule 76.159)

Yes—List each station below with its appropriate permitted DSE
 No—Enter zero and complete block D.

CALL SIGN	DSE	CALL SIGN	DSE
TOTAL DSEs			

Name	LEGAL NAME OF OWNER OF CABLE SYSTEM: The Utilities Board of the City of Foley							
7 Computation of the Syndicated Exclusivity Surcharge	Section 4b	<p>If the figure in section 2, line C is more than 4.000, compute your surcharge here and leave section 4a blank.</p> <p>A. Enter 0.00300 of gross receipts (the amount in section 1) ▶ \$ _____</p> <p>B. Enter 0.00189 of gross receipts (the amount in section 1) ▶ \$ _____</p> <p>C. Multiply line B by 3.000 and enter here ▶ \$ _____</p> <p>D. Enter 0.00089 of gross receipts (the amount in section 1) ▶ \$ _____</p> <p>E. Subtract 4.000 from the total DSEs (the figure on line C in section 2) and enter here ▶ _____</p> <p>F. Multiply line D by line E and enter here ▶ \$ _____</p> <p>G. Add lines A, C, and F. This is your surcharge. Enter here and on line 2, block 4, space L (page 7) Syndicated Exclusivity Surcharge ▶ \$ </p>						
8 Computation of Base Rate Fee	<p>Instructions: You must complete this part of the DSE schedule for the SUM OF PERMITTED DSEs in part 6, block B; however, if block A of part 6 was checked "Yes," use the total number of DSEs from part 5.</p> <ul style="list-style-type: none"> • In block A, indicate, by checking "Yes" or "No," whether your system carried any partially distant stations. • If your answer is "No," compute your system's base rate fee in block B. Leave part 9 blank. • If your answer is "Yes" (that is, if you carried one or more partially distant stations), you must complete part 9. Leave block B below blank. <p>What is a partially distant station? A station is "partially distant" if, at the time your system carried it, some of your subscribers were located within that station's local service area and others were located outside that area. For the definition of a station's "local service area," see page (v) of the general instructions.</p> <hr/> <p style="text-align: center;">BLOCK A: CARRIAGE OF PARTIALLY DISTANT STATIONS</p> <p>• Did your cable system retransmit the signals of any partially distant television stations during the accounting period? <input type="checkbox"/> Yes—Complete part 9 of this schedule. <input type="checkbox"/> No—Complete the following sections.</p> <hr/> <p style="text-align: center;">BLOCK B: NO PARTIALLY DISTANT STATIONS—COMPUTATION OF BASE RATE FEE</p> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:10%; text-align: center;">Section 1</td> <td>Enter the amount of gross receipts from space K (page 7) ▶ \$ _____</td> </tr> <tr> <td style="text-align: center;">Section 2</td> <td>Enter the total number of permitted DSEs from block B, part 6 of this schedule. (If block A of part 6 was checked "Yes," use the total number of DSEs from part 5.) ▶ _____</td> </tr> <tr> <td style="text-align: center;">Section 3</td> <td> <p>If the figure in section 2 is 4.000 or less, compute your base rate fee here and leave section 4 blank. NOTE: If the DSE is 1.0 or less, multiply the gross receipts by 0.01064 by the DSE. Enter the result on line A below.</p> <p>A. Enter 0.01064 of gross receipts (the amount in section 1) ▶ \$ _____</p> <p>B. Enter 0.00701 of gross receipts (the amount in section 1) ▶ \$ _____</p> <p>C. Subtract 1.000 from total DSEs (the figure in section 2) and enter here ▶ _____</p> <p>D. Multiply line B by line C and enter here ▶ \$ _____</p> <p>E. Add lines A, and D. This is your base rate fee. Enter here and in block 3, line 1, space L (page 7) Base Rate Fee ▶ \$ </p> </td> </tr> </table>		Section 1	Enter the amount of gross receipts from space K (page 7) ▶ \$ _____	Section 2	Enter the total number of permitted DSEs from block B, part 6 of this schedule. (If block A of part 6 was checked "Yes," use the total number of DSEs from part 5.) ▶ _____	Section 3	<p>If the figure in section 2 is 4.000 or less, compute your base rate fee here and leave section 4 blank. NOTE: If the DSE is 1.0 or less, multiply the gross receipts by 0.01064 by the DSE. Enter the result on line A below.</p> <p>A. Enter 0.01064 of gross receipts (the amount in section 1) ▶ \$ _____</p> <p>B. Enter 0.00701 of gross receipts (the amount in section 1) ▶ \$ _____</p> <p>C. Subtract 1.000 from total DSEs (the figure in section 2) and enter here ▶ _____</p> <p>D. Multiply line B by line C and enter here ▶ \$ _____</p> <p>E. Add lines A, and D. This is your base rate fee. Enter here and in block 3, line 1, space L (page 7) Base Rate Fee ▶ \$ </p>
Section 1	Enter the amount of gross receipts from space K (page 7) ▶ \$ _____							
Section 2	Enter the total number of permitted DSEs from block B, part 6 of this schedule. (If block A of part 6 was checked "Yes," use the total number of DSEs from part 5.) ▶ _____							
Section 3	<p>If the figure in section 2 is 4.000 or less, compute your base rate fee here and leave section 4 blank. NOTE: If the DSE is 1.0 or less, multiply the gross receipts by 0.01064 by the DSE. Enter the result on line A below.</p> <p>A. Enter 0.01064 of gross receipts (the amount in section 1) ▶ \$ _____</p> <p>B. Enter 0.00701 of gross receipts (the amount in section 1) ▶ \$ _____</p> <p>C. Subtract 1.000 from total DSEs (the figure in section 2) and enter here ▶ _____</p> <p>D. Multiply line B by line C and enter here ▶ \$ _____</p> <p>E. Add lines A, and D. This is your base rate fee. Enter here and in block 3, line 1, space L (page 7) Base Rate Fee ▶ \$ </p>							

Name	LEGAL NAME OF OWNER OF CABLE SYSTEM: The Utilities Board of the City of Foley
	<p>Guidance for Computing the Royalty Fee for Partially Permitted/Partially Nonpermitted Signals</p> <p>Step 1: Use part 9, block A, of the DSE Schedule to establish subscriber groups to compute the base rate fee for wholly and partially permitted distant signals. Write "Permitted Signals" at the top of the page. Note: One or more permitted signals in these subscriber groups may be partially distant.</p> <p>Step 2: Use a separate part 9, block A, to compute the 3.75 percent fee for wholly nonpermitted and partially nonpermitted distant signals. Write "Nonpermitted 3.75 stations" at the top of this page. Multiply the subscriber group gross receipts by total DSEs by .0375 and enter the grand total 3.75 percent fees on line 2, block 3, of space L. Important: The sum of the gross receipts reported for each part 9 used in steps 1 and 2 must equal the amount reported in space K.</p> <p>Step 3: Use part 9, block B, to compute a syndicated exclusivity surcharge for any wholly or partially permitted distant signals from step 1 that is subject to this surcharge.</p> <p>Guidance for Computing the Royalty Fee for Carriage of Distant and Partially Distant Multicast Streams</p> <p>Step 1: Use part 9, Block A, of the DSE Schedule to report each distant multicast stream of programming that is transmitted from a primary television broadcast signal. Only the base rate fee should be computed for each multicast stream. The 3.75 Percent Rate and Syndicated Exclusivity Surcharge are not applicable to the secondary transmission of a multicast stream.</p> <p>You must report but not assign a DSE value for the retransmission of a multicast stream that is the subject of a written agreement entered into on or before June 30, 2009 between a cable system or an association representing the cable system and a primary transmitter or an association representing the primary transmitter.</p>

Name LEGAL NAME OF OWNER OF CABLE SYSTEM:
The Utilities Board of the City of Foley

9

Computation of Base Rate Fee and Syndicated Exclusivity Surcharge for Partially Distant Stations

BLOCK B: COMPUTATION OF SYNDICATED EXCLUSIVITY SURCHARGE FOR EACH SUBSCRIBER GROUP

If your cable system is located within a top 100 television market and the station is *not exempt* in Part 7, you must *also* compute a Syndicated Exclusivity Surcharge. Indicate which major television market any portion of your cable system is located in as defined by section 76.5 of FCC rules in effect on June 24, 1981:

First 50 major television market Second 50 major television market

INSTRUCTIONS:

- Step 1:** In line 1, give the total DSEs by subscriber group for commercial VHF Grade B contour stations listed in block A, part 9 of this schedule.
- Step 2:** In line 2, give the total number of DSEs by subscriber group for the VHF Grade B contour stations that were classified as Exempt DSEs in block C, part 7 of this schedule. If none enter zero.
- Step 3:** In line 3, subtract line 2 from line 1. This is the total number of DSEs used to compute the surcharge.
- Step 4:** Compute the surcharge for each subscriber group using the formula outlined in block D, section 3 or 4 of part 7 of this schedule. In making this computation, use gross receipts figures applicable to the particular group. You do not need to show your actual calculations on this form.

FIRST SUBSCRIBER GROUP	SECOND SUBSCRIBER GROUP
Line 1: Enter the VHF DSEs _____	Line 1: Enter the VHF DSEs _____
Line 2: Enter the Exempt DSEs _____	Line 2: Enter the Exempt DSEs _____
Line 3: Subtract line 2 from line 1 and enter here. This is the total number of DSEs for this subscriber group subject to the surcharge computation _____	Line 3: Subtract line 2 from line 1 and enter here. This is the total number of DSEs for this subscriber group subject to the surcharge computation _____
SYNDICATED EXCLUSIVITY SURCHARGE First Group \$ <input style="width: 50px; height: 20px;" type="text"/>	SYNDICATED EXCLUSIVITY SURCHARGE Second Group \$ <input style="width: 50px; height: 20px;" type="text"/>

THIRD SUBSCRIBER GROUP	FOURTH SUBSCRIBER GROUP
Line 1: Enter the VHF DSEs _____	Line 1: Enter the VHF DSEs _____
Line 2: Enter the Exempt DSEs _____	Line 2: Enter the Exempt DSEs _____
Line 3: Subtract line 2 from line 1 and enter here. This is the total number of DSEs for this subscriber group subject to the surcharge computation _____	Line 3: Subtract line 2 from line 1 and enter here. This is the total number of DSEs for this subscriber group subject to the surcharge computation _____
SYNDICATED EXCLUSIVITY SURCHARGE Third Group \$ <input style="width: 50px; height: 20px;" type="text"/>	SYNDICATED EXCLUSIVITY SURCHARGE Fourth Group \$ <input style="width: 50px; height: 20px;" type="text"/>

SYNDICATED EXCLUSIVITY SURCHARGE: Add the surcharge for each subscriber group as shown in the boxes above. Enter here and in block 4, line 2 of space L (page 7) \$

copyright royalty and filing fees. See the *Federal Register*, August 10, 2006 (71 FR 45739) available at www.copyright.gov/fedreg/2006/71fr45739.html. The remittance should be payable to *Register of Copyrights*. If you are using Pay.gov, contact your bank to determine if your account will accept an Automated Clearing House (ACH) debit.

- 5 Send the completed statement of account, one legible copy of the statement of account, all continuation sheets, and the DSE schedule, if required, to

Library of Congress
Copyright Office
Licensing Division
101 Independence Avenue, SE
Washington, DC 20557-6400

Courier deliveries are accepted in the James Madison Memorial Building, room LM-401, at the address above.

Note: Please **DO NOT** send pages consisting solely of instructions. Also note that if replying to Licensing Division correspondence or if submitting revisions or amendments to your original SOA, please do not include extra photocopies of the SOA pages affected. Only one original version of revised SOA pages is required with your reply letter, together with a single copy of any Licensing Division correspondence.

- 6 The Copyright Office will retain your statement of account and make it a part of our public records. You should therefore keep a copy of the entire statement, as filed, in case you need it for future reference.

Note: For detailed instructions concerning electronic payments, contact the Licensing Division for Circular 74 which is also available online at www.copyright.gov/circs/circ74.

HOW THE STATUTORY LICENSE WORKS

In general, having a statutory license means that a cable system can retransmit broadcast programming without violating the copyright law, as long as it complies with certain paperwork requirements and, twice a year, deposits a royalty fee with the Copyright Office.

- The cable system can, without negotiated licenses or advance permission from copyright owners, retransmit signals of any U.S. television or radio stations that it is authorized to carry under FCC rules, regulations, or authorizations (plus Mexican or Canadian stations in certain cases); and
- The cable system must file statements of account with the Copyright Office and must also deposit a semiannual royalty. The amount of the royalty, which is established under a statutory formula, depends on the total of the system's gross receipts for secondary transmission service.
- Every six months, the cable system must send the Copyright Office a statement of account on this form, SA3 (Long Form), or on SA1-2 (Short Form) (if the system's gross receipts for the accounting period are less than \$527,600).

- Each semiannual statement of account must be accompanied by the deposit of a royalty fee covering retransmissions during the preceding six months in the form of an electronic payment payable to *Register of Copyrights*.

Why Having a Statutory License Is Important

Most television and radio broadcasts contain copyrighted material. Without a statutory license, a cable system would either have to negotiate licenses for all copyrighted programming it retransmits or run the risk of substantial civil (or, in some cases, criminal) liability for multiple acts of copyright infringement.

Who Can Utilize the Statutory License

Under the statute and Copyright Office regulations, retransmissions are subject to statutory licensing only if they are made by cable systems.

- **Cable system.** A "cable system" is defined as "a facility, located in any State, territory, trust territory, or possession of the United States, that in whole or in part receives signals transmitted or programs broadcast by one or more television broadcast stations licensed by the Federal Communications Commission, and makes secondary transmissions of such signals or programs by wires, cables, microwave, or other communications channels to subscribing members of the public who pay for such service." A system that meets this definition is considered a cable system for copyright purposes, even if the FCC excludes it from being considered a cable system because of the number or nature of its subscribers or the nature of its secondary transmissions.
- **Individual cable system.** An "individual" cable system is defined generally as "each cable system recognized as a distinct entity under the rules, regulations, and practices of the Federal Communications Commission." In addition, two or more cable facilities are considered as one individual cable system if either (a) the facilities are in contiguous communities and are under common ownership or control, or (b) the facilities operate from one headend. Thus, even if they are owned by different entities, two cable facilities will be considered as one individual cable system if they share a common headend.

WHAT A STATUTORY LICENSE DOES NOT PERMIT YOU TO DO

The statutory authority given to cable systems to retransmit television and radio broadcasts under a statutory license is limited in several ways:

- **Originations.** To repeat: a cable system's statutory license extends only to secondary transmissions (retransmissions). It does not permit the system to make any originations of copyrighted material without a negotiated license covering that material.
- **Nonsimultaneous retransmissions.** In general, to be subject to statutory licensing under the copyright law, a cable retransmission must be simultaneous with the broadcast being carried. As a rule, taping or other recording of the program is not permitted. Taping for delayed retransmis-

SOME POINTS TO REMEMBER ABOUT STATUTORY LICENSES:

- As long as a cable system keeps its statutory license in force by complying with the requirements of the new copyright law, it is not obliged to negotiate individual copyright licenses for retransmission of television and radio broadcasts.
- The following are among the various ways a cable system can lose its statutory license: by failing to file the statements of account or royalty fees; by taping for delayed retransmission; by carrying signals in violation of FCC requirements; by carriage of certain foreign stations; and by altering programs or substituting commercials.
- Without a statutory license, a cable system can be sued by a copyright owner for the full range of civil remedies for copyright infringement, including injunctions, actual damages and profits, or statutory damages (of up to \$150,000 in cases of willful infringement). The statute also provides for criminal penalties in cases of willful infringements for commercial purposes.

WHAT FACTS THE STATEMENT OF ACCOUNT SHOULD COVER

All of the information you give in a statement of account must be an accurate presentation of the facts existing during the accounting period covered by that statement (or, in certain cases, on the last day of that period).

- **Spaces D, G, H, I, and J.** List all areas served, stations carried, and certain substitute or part-time programs carried at any time during the accounting period.
- **Spaces K and M.** You should report the total of gross receipts attributable to the particular accounting period in space K. The figures requested in space M should be the appropriate totals of channels for the entire period.
- **Spaces B, C, E, and F.** Even if items of information concerning the owner, system, subscribers, or rates have changed during the accounting period, your statement of account does not need to reflect the change. Give only the facts existing on the last day of the accounting period. If there were different owners during the accounting period, only the owner on the last day of the accounting period should submit a single statement of account and royalty fee payment covering the entire accounting period.

SPACE G (Primary Transmitters: Television)

Stations Actually Carried. Make sure that space G lists all the television stations your system actually carried at any time during the accounting period (except as explained in space G of the form). Do not list stations that were not in fact

carried during that period, even if the FCC has authorized their carriage, and even if they were carried during earlier accounting periods.

Low Power Television Stations

- Beginning with the January 1–June 30, 2015, accounting period: The Copyright Act in section 111(f) delineates the local status of a low power television station as follows: “In the case of a low power television station, as defined by the rules and regulations of the Federal Communications Commission, the ‘local service area of a primary transmitter’ comprises the designated market area, as defined in section 122(j)(2)(C), that encompasses the community of license of such station and any community that is located outside such designated market area that is either wholly or partially within 35 miles of the transmitter site or, in the case of such a station located in a standard metropolitan statistical area which has one of the 50 largest populations of all standard metropolitan statistical areas (based on the 1980 decennial census of population taken by the Secretary of Commerce), wholly or partially within 20 miles of such transmitter site.”
- For filings prior to the January 1–June 30, 2015, accounting period: The Copyright Act in section 111(f) delineates the local status of a low power television station as follows: “In the case of a low power television station, as defined by the rules and regulations of the Federal Communications Commission, the ‘local service area of a primary transmitter’ comprises the area within 35 miles of the transmitter site, except that in the case of such a station located in a standard metropolitan statistical area which has one of the 50 largest populations of all standard metropolitan statistical areas (based on the 1980 decennial census of population taken by the Secretary of Commerce), the number of miles shall be 20 miles.”
- This means that a low power television station carried by a cable system within an area as defined above will be considered “local.” A low power television station should be identified as “distant” in column 4 of space G if it is carried by your cable system in whole or in part beyond the low power television station’s local service area.

Translator Stations

Translator stations must be listed. For copyright purposes, a translator station is a primary transmitter not only of any programs it originally transmits but also of all the programming it receives from its parent station and retransmits. Thus, if your cable system carried signals emanating from a translator station, you must list the translator station in space G. And, if your system separately carried signals from both a translator station and its “parent” station, both the translator and the parent station should be identified.

- **Type of Translator Station.** For any translator station listed in space G, the type of station indicated in column 3 should be that of the parent station.

THREE POINTS TO REMEMBER IN CONNECTION WITH COLUMN 5 OF SPACE G:

- 1 Due to changes in FCC rules, it is no longer possible for cable systems to specify part-time carriage of specialty and late-night programming. Carriage by your cable system on either of those bases must now be included in category "O" cited above.
- 2 The "basis of carriage" to be identified in column 5 does not include *substitute carriage*. If a station was carried only on a substitute basis, you need not list it in space G but you must list it in space I. A station carried on a substitute basis, and also on some other basis, must be logged in space G and space I.
- 3 A part-time carriage log (space J) must be provided for stations carried on a LAC basis.

Distant Signal Equivalent:

The distant signal equivalent (DSE) is the value assigned to the secondary transmission of any non-network television programming carried by a cable system in whole or in part beyond the local service area of the primary transmitter. The DSE is computed by assigning a value of one to each primary stream and to each multicast stream (other than a simulcast) that is an independent station, and by assigning a value of one-quarter to each primary stream and to each multicast stream (other than a simulcast) that is a network station or a noncommercial educational station.

GENERAL INSTRUCTIONS REGARDING THE RETRANSMISSION OF MULTICAST STREAMS

A royalty payment shall be made for the retransmission of non-network television programming carried on each multicast stream of a distant digital television signal if such stream was first retransmitted by a cable system on or after February 27, 2010.

- Please list all of the multicast streams that the cable system carried during the accounting period.
- Assign a DSE value to each multicast stream that the cable system began to retransmit on or after February 27, 2010.
- Do not assign a DSE value for the retransmission of a multicast stream that is the subject of a written agreement entered into on or before June 30, 2009, between a cable system or an association representing the cable system and a primary transmitter or an association representing the primary transmitter.

Notes:

- No royalties payments shall be made for a distant multicast stream that "simulcasts" (i.e., duplicates) a primary stream or another multicast stream of the same station that the cable system is carrying.

- Distant multicast streams shall not be subject to the 3.75 percent fee or the syndicated exclusivity surcharge.
- Cable operators are not entitled to refunds, or offsets, for the retransmission of any distant multicast stream carried prior to the 2010/1 accounting period.

SPACE H (Primary Transmitters: Radio)

All-Band Carriage. If your system carried FM radio stations on an all-band basis, you are not required to list every station that subscribers might possibly have received during the accounting period. Instead, Copyright Office regulations require you to monitor your FM transmission service at your system's headend from time to time during the accounting period and to report the generally receivable FM stations identified as a result of your monitoring.

Stations Generally Receivable. There are two standards for determining whether an FM station is "generally receivable":

- 1 Is the station usually carried whenever it is received at your system's headend; and
- 2 Can the station be expected to be received at the headend, with your system's FM antenna at least three consecutive hours each day at the same time each day, five or more days a week, for four or more weeks during any calendar quarter, with a strength of not less than 50 microvolts per meter measured at the foot of the tower or pole to which the antenna is attached?

The monitoring arrangements you set up should be aimed at determining what stations can reasonably be expected to meet these standards.

Monitoring Activities. It is not necessary to monitor continuously throughout the accounting period, and you are not required to make precise measurements to determine which stations in fact meet the technical standards and which do not. Your monitoring activities should take place periodically at your headend during the accounting period and you should use a good FM receiver.

SPACE I (Substitute Carriage: Special Statement and Program Log)

Substitute Programs Must Be Logged and Reported. The Copyright Act requires all cable systems to submit, with their statement of account, logs showing the times, dates, stations, and programs involved in any nonnetwork television programming that was carried in whole or in part beyond the local service area of the primary transmitter under rules, regulations, or authorizations of the FCC permitting the substitution or addition of signals under certain circumstances. The applicable present and former rules and regulations are identified in item 3, which follows.

What Programs Must Be Listed. You must list a program in space I if all three of the following conditions apply:

- 1 **The program is a nonnetwork television program.** A "nonnetwork television program" is a program that was not

act. Such a system should declare on page 9 the amount of gross receipts that are excluded for this service and list the name and address of each satellite carrier in which the system has contracted as a distributor or agent to market the carrier's retransmissions service. The system should also maintain separate records of the subscriber fees received for satellite carrier retransmissions.

Accrual Basis. If your revenue accounts are kept on an accrual basis, the figure you give in space K should be the total of all gross receipts for secondary transmission service accrued for the accounting period. Subtract bad debts actually written off during the period and add previously written-off debts that were actually recovered during the period. (However, do not make adjustments for bad debts for secondary transmission service furnished before January 1, 1978.)

Cash Basis. If your revenue accounts are kept on a cash basis, your gross receipts are all amounts actually received during the accounting period for secondary transmission service.

SPACE L (Copyright Royalty and Filing Fees)

The method for calculating your royalty fee depends upon whether your system carried any distant stations and, if so, the number you carried. If the system did not carry any distant stations, you pay a minimum fee, which is calculated in space L.

If the system carried any distant stations, you must compute distant signal equivalents (DSEs) in parts 1 through 5 of the DSE schedule accompanying this form. Each cable system regardless of whether or not it is located in a television market area must compute a base rate fee if it carried any distant stations. This figure is computed in part 8 of the DSE schedule and is entered in block 3 of space L. (NOTE: Unless the system is located totally outside of all television markets, part 8 cannot be completed until parts 6 and 7 have been completed.) If any portion of the cable system is located within a television market area as defined by the FCC and that system carried any nonpermitted distant television stations, then you must compute the 3.75 fee in part 6 of the DSE schedule. This figure is to be entered on line 2, block 3 of space L. The base rate fee and the 3.75 percent fee are then added together and the sum compared to the minimum fee. Either the minimum fee or the sum of the base rate fee and the 3.75 percent fee (whichever is greater) is listed on line 1, block 4.

Additionally, if any portion of the cable system is located within a top 100 major market area as defined by the FCC and that system carried any distant stations, then you may need to compute the Syndicated Exclusivity Surcharge in part 7 of the DSE schedule. This figure is to be entered on line 2, block 4 of space L. The total copyright royalty fee due is computed in block 4 of space L by adding together (1) the minimum fee or the sum of the base rate fee/3.75 percent fee (whichever is greater), (2) the Syndicated Exclusivity Surcharge, (3) the interest charge and (4) the filing fee.

Rounding Off DSEs. In computing DSEs on the DSE

schedule, you may round off to no less than the third decimal point. If you round off a DSE in any case, you must round off DSEs throughout the schedule as follows:

- When the fourth decimal point is 1, 2, 3, or 4, the third decimal remains unchanged—(example: .34647 is rounded to .346)
- When the fourth decimal point is 5, 6, 7, 8, or 9, the third decimal is rounded up—(example: .34651 is rounded to .347)

Filing Fee. Include the \$725.00 filing fee payment.

Note: Cable systems submitting additional deposits under Section 111(d)(7) should contact the Licensing Division for the appropriate form for submitting the additional fees.

Interest Charges For Underpayments and Late Payments

Underpayments or late payments received after the filing deadline shall be subject to an interest assessment. Cable systems must calculate their own interest charge. (A worksheet is provided at space Q, page 9.) The interest rate set for a specific accounting period is the U.S. Treasury Current Value of Funds Rate in effect on the first business day after the close of the filing deadline for that accounting period. Cable systems may obtain the interest rate for the applicable accounting period(s) by calling the Licensing Division at (202) 707-8150 or by clicking on to www.copyright.gov/licensing/interest-rate.pdf.

For underpayments and late payments the interest shall begin to accrue on the first day after the close of the filing date for that accounting period. The accrual period ends on the date that the remittance is received in the Copyright Office. **Note:** The Office shall not require, nor notify a cable system of, an interest charge of \$5.00 or less.