

122 of title 17 of the United States Code, for the retransmission of television broadcast stations by satellite carriers to subscribers located within the local markets of those stations. In order to be eligible for this compulsory license, a satellite carrier must be in full compliance with all applicable rules and regulations of the Federal Communications Commission, including any must-carry obligations imposed upon the satellite carrier by the Commission or by law.

Because the copyrighted programming contained on local broadcast programming is already licensed with the expectation that all viewers in the local market will be able to view the programming, the new section 122 license is a royalty-free license. Satellite carriers must, however, provide local broadcasters with lists of their subscribers receiving local stations so that broadcasters may verify that satellite carriers are making proper use of the license. The subscriber information supplied to broadcasters is for verification purposes only, and may not be used by broadcasters for other reasons.

Satellite carriers are liable for copyright infringement, and subject to the full remedies of the Copyright Act, if they violate one or more of the following requirements of the section 122 license. First, satellite carriers may not in any way willfully alter the programming contained on a local broadcast station.

Second, satellite carriers may not use the section 122 license to retransmit a television broadcast station to a subscriber located outside the local market of the station. If a carrier willfully or repeatedly violates this limitation on a nationwide basis, then the carrier may be enjoined from retransmitting that signal. If the broadcast station involved is a network station, then the carrier could lose the right to retransmit any network stations. If the willful or repeated violation of the restriction is performed on a local or regional basis, then the right to retransmit the station (or, if a network station, then all networks) can be enjoined on a local or regional basis, depending upon the circumstances. In addition to termination of service on a nationwide or local or regional basis, statutory damages are available up to \$250,000 for each 6-month period during which the pattern or practice of violations was carried out. Satellite carriers have the burden of proving that they are not improperly making use of the section 122 license to serve subscribers outside the local markets of the television broadcast stations they are providing.

The section 122 license is not limited to private home viewing, as is the section 119 compulsory license, so that satellite carriers may make use of it to serve commercial establishments as well as homes. The local market of a television broadcast station for purposes of the section 122 license will be defined by the Federal Communications Commission as part of its broadcast carriage rules for satellite carriers.

Section 203. Extension of effect of amendments to section 119 of title 17, United States Code

Section 203 of the bill extends the expiration date of the current section 119 satellite compulsory license from December 31, 1999, to December 31, 2004.

Section 204. Computation of royalty fees for satellite carriers

Section 204 of the bill reduces the 27-cent royalty fee adopted last year by the Librarian of Congress for the retransmission of network and superstation signals by satellite carriers under the section 119 license. The 27-

cent rate for superstations is reduced by 30 percent per subscriber per month, and the 27-cent rate for network stations is reduced by 45 percent per subscriber per month.

In addition, section 119(c) of title 17 is amended to clarify that in royalty distribution proceedings conducted under section 802 of the Copyright Act, the Public Broadcasting Service may act as agent for all public television copyright claimants and all Public Broadcasting Service member stations.

Section 205. Public Broadcasting Service satellite feed; definitions

Section 205 of the bill amends the section 119 satellite compulsory license for retransmission of distant signals by providing that satellite carriers may deliver the national satellite feed of the Public Broadcasting Service under the section 119 license. PBS will supply its national feed to satellite carriers in lieu of the signals of its affiliates, as long as PBS certifies to the Corporation for Public Broadcasting on an annual basis, as provided in section 105 of the bill, that the affiliates support the national feed. Such certification is not required until satellite carriers provide their subscribers with local PBS affiliates, or two years from date of enactment, whichever is earlier.

Section 206. Distant signal retransmissions

Section 206 of the bill amends the section 119 satellite compulsory license for the retransmission of distant signals by removing the "Unserved household" restriction from the Copyright Act. Instead of the "unserved household" use of the section 119 license by satellite carriers is contingent upon compliance with the FCC's nonduplication rules for satellite prescribed in section 104 of the bill.

Section 207. Application of Federal Communications Commission regulations

Section 207 of the bill amends the section 119 satellite compulsory license to clarify that satellite carriers' eligibility for the license is contingent upon their full compliance with all Federal Communications Commission rules governing carriage of television broadcast signals.

Section 208. Study

Section 208 provides that the Copyright Office and the NTIA shall jointly study the proliferation of local-to-local service to smaller markets.

Section 209. Effective date

The amendments made by the bill take effect on July 1, 1999, the first day of a new copyright accounting period for satellite carriers, except the amendments made by section 205 and 208 which take effect upon date of enactment.

INTRODUCTION OF THE SATELLITE COPYRIGHT, COMPETITION, AND CONSUMER PROTECTION ACT

HON. W.J. (BILLY) TAUZIN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 26, 1999

Mr. TAUZIN. Mr. Speaker, the gentleman from North Carolina, Mr. COBLE and I are introducing the Satellite Copyright, Competition, and Consumer Protection Act. The bill represents the combined work of the House Committee on commerce and the House Committee on the Judiciary.

I am pleased to report that, through hard work and difficult consideration, we are able to present the House an agreement on changes to telecommunications and copyright law in order to provide the American consumer with a stronger, more viable competitor to their incumbent cable operator. This legislation will enact comprehensive reforms to the offering of satellite television service. I expect that the reforms contained in this bill will have a dramatic and beneficial effect on the multichannel video programming marketplace for years to come.

Consumers today expect more from their video programming providers, whether it be their cable company, their satellite company, their broadcaster or other distributors—including the Internet. Consumers are very savvy, and they now expect—indeed, demand—that their video programming distributor offer a wide array of programming at a reasonable cost, and with exceptional picture quality.

Today, however, there are some limitations on the ability of satellite carriers to meet consumer demand. These limitations put satellite carriers at a competitive disadvantage to incumbent cable operators. The main limitation on satellite providers is the inherent difficulties in providing local broadcast programming via satellite. Even though broadcasters are experiencing a dramatic reduction in overall audience share compared to just a few years ago, the overwhelming number of consumers want local broadcast programming. Consumer surveys conclude that the lack of local broadcast programming is the number one reason some consumers are unwilling to subscribe to satellite service.

The bill Mr. COBLE and I are introducing today is designed to put satellite on competitive equal footing with cable. The bill provides for a compulsory license to retransmit local broadcast programming, and ensures carriage for local broadcast stations through retransmission consent/must-carry elections. The bill also provides for network non-duplication, syndicated exclusivity, and sports blackout protections.

Mr. Speaker, this bill combines the telecommunications provisions of H.R. 851, the Save Our Satellites Act of 1999 (as reported), and the copyright provisions of H.R. 1027, the Satellite Television Improvement Act (as reported). The legislative history of this bill can therefore be found in the applicable portions of the reports filed by our two Committees (i.e., H. Rep. 106-79 for Title I, and H. Rep. 106-86 for Title II).

Mr. Speaker, let me thank the hard work of the large group of Members that had a role in bringing this new bill to introduction: Chairman BLILEY, Ranking Member DINGELL and Subcommittee Ranking Member MARKEY from the Commerce Committee; and Chairman HYDE, Subcommittee Chair COBLE, Ranking Member CONYERS and Subcommittee Ranking Member BERMAN from the Judiciary Committee. This is a bi-partisan, bi-committee approach to a very important legislative bill. I am pleased that we were all able to work together and bring this compromise to the House.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for