

**This form is effective beginning with the January 1 to June 30, 2017 accounting period (2017/1)**  
 If you are filing for a prior accounting period, contact the Licensing Division for the correct form.

**SA3E  
 Long Form**

Return completed workbook by email to:

[coplicsoa@loc.gov](mailto:coplicsoa@loc.gov)

For additional information, contact the U.S. Copyright Office Licensing Division at:  
 Tel: (202) 707-8150

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

General instructions are located in the first tab of this workbook.

FOR COPYRIGHT OFFICE USE ONLY	
DATE RECEIVED	AMOUNT
08/27/2020	\$
	ALLOCATION NUMBER

<b>A</b> Accounting Period	ACCOUNTING PERIOD COVERED BY THIS STATEMENT: <b>2020/1</b>																											
<b>B</b> Owner	<p><b>Instructions:</b>                  Give the full legal name of the owner of the cable system. If the owner is a subsidiary of another corporation, give the full corporate title of the subsidiary, not that of the parent corporation.                  List any other name or 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.</p> <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. <span style="float: right;"><b>62981</b></span>																											
	<p><b>LEGAL NAME OF OWNER/MAILING ADDRESS OF CABLE SYSTEM</b>  <b>Michigan Bell Telephone Company</b></p> <p style="text-align: right;"><b>6298120201</b> <b>62981 2020/1</b></p> <p><b>2260 E Imperial Hwy Room 839</b>  <b>EI Segundo, CA 90245</b></p>																											
<b>C</b> System	<p><b>INSTRUCTIONS:</b> 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.</p>																											
	1	IDENTIFICATION OF CABLE SYSTEM:																										
	2	MAILING ADDRESS OF CABLE SYSTEM: (Number, street, rural route, apartment, or suite number) (City, town, state, zip code)																										
<b>D</b> Area Served First Community Sample	<p><b>Instructions:</b> For complete space D instructions, see page 1b. Identify only the first community served below and relist on page 1b with all communities.</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 60%;">CITY OR TOWN</td> <td style="width: 20%;">STATE</td> <td colspan="2"></td> </tr> <tr> <td><b>Grand Rapids</b></td> <td><b>MI</b></td> <td colspan="2"></td> </tr> </table> <p>Below is a sample for reporting communities if you report multiple channel line-ups in Space G.</p> <table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 40%;">CITY OR TOWN (SAMPLE)</th> <th style="width: 15%;">STATE</th> <th style="width: 20%;">CH LINE UP</th> <th style="width: 25%;">SUB GRP#</th> </tr> </thead> <tbody> <tr> <td><b>Alda</b></td> <td><b>MD</b></td> <td><b>A</b></td> <td><b>1</b></td> </tr> <tr> <td><b>Alliance</b></td> <td><b>MD</b></td> <td><b>B</b></td> <td><b>2</b></td> </tr> <tr> <td><b>Gering</b></td> <td><b>MD</b></td> <td><b>B</b></td> <td><b>3</b></td> </tr> </tbody> </table>				CITY OR TOWN	STATE			<b>Grand Rapids</b>	<b>MI</b>			CITY OR TOWN (SAMPLE)	STATE	CH LINE UP	SUB GRP#	<b>Alda</b>	<b>MD</b>	<b>A</b>	<b>1</b>	<b>Alliance</b>	<b>MD</b>	<b>B</b>	<b>2</b>	<b>Gering</b>	<b>MD</b>	<b>B</b>	<b>3</b>
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LEGAL NAME OF OWNER OF CABLE SYSTEM: <b>Michigan Bell Telephone Company</b>	<b>SYSTEM ID#</b> <b>62981</b>
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**Instructions:** List each separate community served by the cable system. A “community” is the same as a “community unit” as defined in FCC rules: “a separate and distinct community or municipal entity (including unincorporated communities within unincorporated areas and including single, discrete unincorporated areas.” 47 C.F.R. §76.5(dd). The first community that you list will serve as a form of system identification hereafter known as the “first community.” Please use it as the first community on all future filings.

**Note:** Entities and properties such as hotels, apartments, condominiums, or mobile home parks should be reported in parentheses below the identified city or town.

If all communities receive the same complement of television broadcast stations (i.e., one channel line-up for all), then either associate all communities with the channel line-up “A” in the appropriate column below or leave the column blank. If you report any stations on a partially distant or partially permitted basis in the DSE Schedule, associate each relevant community with a subscriber group, designated by a number (based on your reporting from Part 9).

When reporting the carriage of television broadcast stations on a community-by-community basis, associate each community with a channel line-up designated by an alpha-letter(s) (based on your Space G reporting) and a subscriber group designated by a number (based on your reporting from Part 9 of the DSE Schedule) in the appropriate columns below.

**D**  
**Area**  
**Served**

CITY OR TOWN	STATE	CH LINE UP	SUB GRP#
<b>Grand Rapids</b>	<b>MI</b>		
<b>Ada Township</b>	<b>MI</b>		
<b>Alamo Township</b>	<b>MI</b>		
<b>Algoma Township</b>	<b>MI</b>		
<b>Alpine Township</b>	<b>MI</b>		
<b>Antwerp Township</b>	<b>MI</b>		
<b>Battle Creek</b>	<b>MI</b>		
<b>Bedford Township</b>	<b>MI</b>		
<b>Blendon Township</b>	<b>MI</b>		
<b>Byron Township</b>	<b>MI</b>		
<b>Caledonia Township</b>	<b>MI</b>		
<b>Cannon Township</b>	<b>MI</b>		
<b>Cascade Township</b>	<b>MI</b>		
<b>Cedar Springs</b>	<b>MI</b>		
<b>Comstock Township</b>	<b>MI</b>		
<b>Convis Township</b>	<b>MI</b>		
<b>Cooper Township</b>	<b>MI</b>		
<b>Crockery Township</b>	<b>MI</b>		
<b>East Grand Rapids</b>	<b>MI</b>		
<b>Emmett Township</b>	<b>MI</b>		
<b>Ferrysburg</b>	<b>MI</b>		
<b>Fillmore Township</b>	<b>MI</b>		
<b>Fruitport Township</b>	<b>MI</b>		
<b>Gaines Township</b>	<b>MI</b>		
<b>Georgetown Township</b>	<b>MI</b>		
<b>Grand Haven</b>	<b>MI</b>		
<b>Grand Haven Township</b>	<b>MI</b>		
<b>Grand Rapids Township</b>	<b>MI</b>		
<b>Grandville</b>	<b>MI</b>		
<b>Hastings</b>	<b>MI</b>		
<b>Hastings Township</b>	<b>MI</b>		
<b>Holland</b>	<b>MI</b>		
<b>Holland Township</b>	<b>MI</b>		
<b>Hudsonville</b>	<b>MI</b>		
<b>Ionia</b>	<b>MI</b>		
<b>Ionia Township</b>	<b>MI</b>		
<b>Jamestown Township</b>	<b>MI</b>		
<b>Kalamazoo</b>	<b>MI</b>		
<b>Kalamazoo Township</b>	<b>MI</b>		

**First**  
**Community**

See instructions for additional information on alphabetization.



<b>Name</b>	LEGAL NAME OF OWNER OF CABLE SYSTEM: <b>Michigan Bell Telephone Company</b>				<b>SYSTEM ID#</b> <b>62981</b>	
<b>E</b>  <b>Secondary Transmission Service: Subscribers and Rates</b>	<p><b>SECONDARY TRANSMISSION SERVICE: SUBSCRIBERS AND RATES</b>  <b>In General:</b> 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).  <b>Number of Subscribers:</b> 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).  <b>Rate:</b> 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.  <b>Block 1:</b> 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. <b>Note:</b> 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)."  <b>Block 2:</b> 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
<b>Residential:</b> • Service to first set • Service to additional set(s) • FM radio (if separate rate)	28,096	\$ 19.00	<b>HD Tech Fee</b>	17,455	\$ 10.00	
			<b>Set-Top Box</b>	28,233	\$0-\$15	
			<b>Broadcast TV Surcharge</b>	28,096	\$8.99-\$9.99	
<b>Motel, hotel</b>						
<b>Commercial</b>	137	\$ 20.00				
<b>Converter</b> • Residential • Non-residential						
<b>F</b>  <b>Services Other Than Secondary Transmissions: Rates</b>	<p><b>SERVICES OTHER THAN SECONDARY TRANSMISSIONS: RATES</b>  <b>In General:</b> 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.  <b>Block 1:</b> Give the standard rate charged by the cable system for each of the applicable services listed.  <b>Block 2:</b> 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
<b>Continuing Services:</b> • Pay cable • Pay cable—add'l channel • Fire protection • Burglar protection	\$5-\$199	<b>Installation: Non-residential</b> • Motel, hotel • Commercial • Pay cable • Pay cable-add'l channel • Fire protection • Burglar protection		<b>Video on Demand</b>	\$0-\$150	
<b>Installation: Residential</b> • First set • Additional set(s) • FM radio (if separate rate) • Converter	\$0-\$199	<b>Other services:</b> • Reconnect • Disconnect • Outlet relocation • Move to new address	\$0-\$35  \$0-\$55	<b>Service Activation Fee</b>	\$0-\$35	
				<b>Credit Management Fee</b>	\$0-\$449	
				<b>Dispatch on Demand</b>	\$99	
				<b>Wireless Receiver</b>	\$0 - \$49	
				<b>HD Premium Tier</b>	\$10	
				<b>DVR Upgrade Fee</b>	\$105	
				<b>Vacation Hold</b>	\$7	
				<b>Program Downgrade Fee</b>	\$ 5.00	
				<b>Non-Return Eqpt Fee</b>	\$0-\$150	







<b>Name</b>	LEGAL NAME OF OWNER OF CABLE SYSTEM: <b>Michigan Bell Telephone Company</b>	SYSTEM ID# <b>62981</b>
<b>M</b>  Channels	<p><b>CHANNELS</b></p> <p><b>Instructions:</b> 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.</p> <p>1. Enter the total number of channels on which the cable system carried television broadcast stations . . . . . <span style="border: 1px solid black; padding: 2px 20px;">18</span></p> <p>2. Enter the total number of activated channels on which the cable system carried television broadcast stations and nonbroadcast services . . . . . <span style="border: 1px solid black; padding: 2px 20px;">616</span></p>	
<b>N</b>  Individual to Be Contacted for Further Information	<p><b>INDIVIDUAL TO BE CONTACTED IF FURTHER INFORMATION IS NEEDED:</b> (Identify an individual we can contact about this statement of account.)</p> <p>Name <u>Myriam Nassif</u> Telephone <u>310-964-1930</u></p> <p>Address <u>2260 E Imperial Hwy Room 839</u> <small>(Number, street, rural route, apartment, or suite number)</small></p> <p><u>El Segundo, CA 90245</u> <small>(City, town, state, zip)</small></p> <p>Email <u>mn112s@att.com</u> Fax (optional) _____</p>	
<b>O</b>  Certification	<p><b>CERTIFICATION</b> (This statement of account must be certified and signed in accordance with Copyright Office regulations.)</p> <ul style="list-style-type: none"> <li>• I, the undersigned, hereby certify that (Check one, <i>but only one</i>, of the boxes.)</li> <li><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</li> <li><input 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</li> <li><input checked="" 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.</li> </ul> <p>• 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., Section 1001(1986)]</p> <div style="margin-top: 20px;"> <span style="font-size: 2em; vertical-align: middle; margin: 0 5px;">X</span> <span style="border: 1px solid black; padding: 2px 10px; display: inline-block;">/s/ Michael Santogrossi</span> </div> <p style="font-size: 0.8em; margin-top: 5px;">Enter an electronic signature on the line above using an "/s/" signature to certify this statement. (e.g., /s/ John Smith). Before entering the first forward slash of the /s/ signature, place your cursor in the box and press the "F2" button, then type /s/ and your name. Pressing the "F" button will avoid enabling Excel's Lotus compatibility settings.</p> <p>Typed or printed name: <b>Michael Santogrossi</b></p> <p style="text-align: center;">.....</p> <p>Title: <b>Vice President – Finance</b> <small>(Title of official position held in corporation or partnership)</small></p> <p>Date: <u>August 26, 2020</u></p>	

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LEGAL NAME OF OWNER OF CABLE SYSTEM: <b>Michigan Bell Telephone Company</b>	<b>SYSTEM ID#</b> <b>62981</b>	<b>Name</b>
<p><b>SPECIAL STATEMENT CONCERNING GROSS RECEIPTS EXCLUSIONS</b></p> <p>The Satellite Home Viewer Act of 1988 amended Title 17, section 111(d)(1)(A), of the Copyright Act by adding the following sentence:</p> <p style="padding-left: 20px;">“In determining the total number of subscribers and the gross amounts paid to the cable system for the basic service of providing secondary transmissions of primary broadcast transmitters, the system shall not include subscribers and amounts collected from subscribers receiving secondary transmissions pursuant to section 119.”</p> <p>For more information on when to exclude these amounts, see the note on page (vii) of the general instructions in the paper SA3 form.</p> <p>During the accounting period did the cable system exclude any amounts of gross receipts for secondary transmissions made by satellite carriers to satellite dish owners?</p> <p><input checked="" type="checkbox"/> NO</p> <p><input type="checkbox"/> YES. Enter the total here and list the satellite carrier(s) below. . . . . \$ _____</p>		<p style="font-size: 2em; font-weight: bold;">P</p> <p style="text-align: center; font-weight: bold;">Special Statement Concerning Gross Receipts Exclusion</p>
Name _____ Mailing Address _____ _____ _____	Name _____ Mailing Address _____ _____ _____	
<p><b>INTEREST ASSESSMENTS</b></p> <p>You must complete this worksheet for those royalty payments submitted as a result of a late payment or underpayment. For an explanation of interest assessment, see page (viii) of the general instructions in the paper SA3 form.</p> <p>Line 1 Enter the amount of late payment or underpayment . . . . . _____</p> <p style="text-align: right; padding-right: 20px;">x _____</p> <p>Line 2 Multiply line 1 by the interest rate* and enter the sum here . . . . . _____ -</p> <p style="text-align: right; padding-right: 20px;">x _____ days</p> <p>Line 3 Multiply line 2 by the number of days late and enter the sum here . . . . . _____ -</p> <p style="text-align: right; padding-right: 20px;">x 0.00274</p> <p>Line 4 Multiply line 3 by 0.00274** enter here and on line 3, block 4, space L, (page 7) . . . . . _____ \$ _____ -</p> <p style="text-align: right; padding-right: 20px;">(interest charge)</p> <p>* To view the interest rate chart click on <a href="http://www.copyright.gov/licensing/interest-rate.pdf">www.copyright.gov/licensing/interest-rate.pdf</a>. For further assistance please contact the Licensing Division at (202) 707-8150 or <a href="mailto:licensing@loc.gov">licensing@loc.gov</a>.</p> <p>** This is the decimal equivalent of 1/365, which is the interest assessment for one day late.</p> <p>NOTE: If you are filing this worksheet covering a statement of account already submitted to the Copyright Office, please list below the owner, address, first community served, accounting period, and ID number as given in the original filing.</p> <p>Owner _____                  Address _____                  _____                  _____</p> <p>First community served _____                  Accounting period _____                  ID number _____</p>		<p style="font-size: 2em; font-weight: bold;">Q</p> <p style="text-align: center; font-weight: bold;">Interest Assessment</p>

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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 (v) of the General Instructions in the paper SA3 form.

**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 SA3E (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 is . . . . . 1.00
- **Network:** its type-value is . . . . . 0.25
- **Noncommercial educational:** its type-value is . . . . . 0.25

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 SA3E, 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 SA3E (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 SA3E (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 76.73 (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.

**COMPUTING THE BASE RATE FEE—PART 8 OF THE DSE SCHEDULE**

**SCHEDULE**

Determine whether any of the stations you carried were partially distant—that is, whether you retransmitted the signal of one or more stations to subscribers located within the station’s local service area and, at the same time, to other subscribers located outside that area.

- If none of the stations were partially distant, calculate your base rate fee according to the following rates—for the system’s permitted DSEs as reported in block B, part 6 or from part 5, whichever is applicable.

First DSE	1.064% of gross receipts
Each of the second, third, and fourth DSEs	0.701% of gross receipts
The fifth and each additional DSE	0.330% of gross receipts

**PARTIALLY DISTANT STATIONS—PART 9 OF THE DSE SCHEDULE**

- If any of the stations were partially distant:
  1. Divide all of your subscribers into subscriber groups depending on their location. A particular subscriber group consists of all subscribers who are distant with respect to exactly the same complement of stations.

2. Identify the communities/areas represented by each subscriber group.

- 3. For each subscriber group, calculate the total number of DSEs of that group’s complement of stations.

If your system is located wholly outside all major and smaller television markets, give each station’s DSEs as you gave them in parts 2, 3, and 4 of the schedule; or

If any portion of your system is located in a major or smaller television market, give each station’s DSE as you gave it in block B, part 6 of this schedule.

- 4. Determine the portion of the total gross receipts you reported in space K (page 7) that is attributable to each subscriber group.

- 5. Calculate a separate base rate fee for each subscriber group, using (1) the rates given above; (2) the total number of DSEs for that group’s complement of stations; and (3) the amount of gross receipts attributable to that group.

6. Add together the base rate fees for each subscriber group to determine the system’s total base rate fee.

7. If any portion of the cable system is located in whole or in part within a major television market, you may also need to complete part 9, block B of the Schedule to determine the Syndicated Exclusivity Surcharge.

**What to Do If You Need More Space on the DSE Schedule.** There are no printed continuation sheets for the schedule. In most cases, the blanks provided should be large enough for the necessary information. If you need more space in a particular part, make a photocopy of the page in question (identifying it as a continuation sheet), enter the additional information on that copy, and attach it to the DSE schedule.

**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:

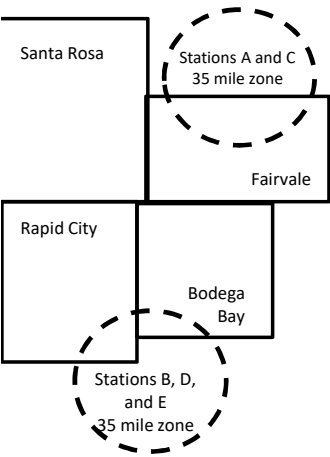
- When the fourth decimal point is 1, 2, 3, or 4, the third decimal remains unchanged (example: .34647 is rounded to .346).
- When the fourth decimal point is 5, 6, 7, 8, or 9, the third decimal is rounded up (example: .34651 is rounded to .347).

*The example below is intended to supplement the instructions for calculating only the base rate fee for partially distant stations. The cable system would also be subject to the Syndicated Exclusivity Surcharge for partially distant stations, if any portion is located within a major television market.*

**EXAMPLE:**

**COMPUTATION OF COPYRIGHT ROYALTY FEE FOR CABLE SYSTEM CARRYING PARTIALLY DISTANT STATIONS**

In most cases under current FCC rules, all of Fairvale would be within the local service area of both stations A and C and all of Rapid City and Bodega Bay would be within the local service areas of stations B, D, and E.	<b>Distant Stations Carried</b>		<b>Identification of Subscriber Groups</b>		<b>GROSS RECEIPTS FROM SUBSCRIBERS</b>
	STATION	DSE	CITY	OUTSIDE LOCAL SERVICE AREA OF	
	A (independent)	1.0		Stations A, B, C, D, E	\$310,000.00
	B (independent)	1.0	Santa Rosa	Stations A and C	100,000.00
	C (part-time)	0.083	Rapid City	Stations A and C	70,000.00
	D (part-time)	0.139	Bodega Bay	Stations B, D, and E	120,000.00
	E (network)	<u>0.25</u>	Fairvale		
	<b>TOTAL DSEs</b>	<b>2.472</b>		<b>TOTAL GROSS RECEIPTS</b>	<b>\$600,000.00</b>
	<b>Minimum Fee Total Gross Receipts</b>		\$600,000.00		
			x .01064		
			<u>\$6,384.00</u>		
	<b>First Subscriber Group (Santa Rosa)</b>		<b>Second Subscriber Group (Rapid City and Bodega Bay)</b>		<b>Third Subscriber Group (Fairvale)</b>
	Gross receipts	\$310,000.00	Gross receipts	\$170,000.00	Gross receipts \$120,000.00
	DSEs	2.472	DSEs	1.083	DSEs 1.389
	Base rate fee	\$6,497.20	Base rate fee	\$1,907.71	Base rate fee \$1,604.03
	\$310,000 x .01064 x 1.0 =	3,298.40	\$170,000 x .01064 x 1.0 =	1,808.80	\$120,000 x .01064 x 1.0 = 1,276.80
	\$310,000 x .00701 x 1.472 =	<u>3,198.80</u>	\$170,000 x .00701 x .083 =	<u>98.91</u>	\$120,000 x .00701 x .389 = <u>327.23</u>
	Base rate fee	<u>\$6,497.20</u>	Base rate fee	<u>\$1,907.71</u>	Base rate fee <u>\$1,604.03</u>
	<b>Total Base Rate Fee: \$6,497.20 + \$1,907.71 + \$1,604.03 = \$10,008.94</b>				
	In this example, the cable system would enter \$10,008.94 in space L, block 3, line 1 (page 7)				





<b>Name</b>	LEGAL NAME OF OWNER OF CABLE SYSTEM: <b>Michigan Bell Telephone Company</b>	<b>SYSTEM ID#</b> <b>62981</b>
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**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 in the paper SA3 form.)

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	=
	÷	=		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, .....▶ 0.00

**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 in the paper SA3 form).

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, .....▶ 0.00

**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 ● _____▶	<b>0.00</b>
2. Number of DSEs from part 3 ● _____▶	<b>0.00</b>
3. Number of DSEs from part 4 ● _____▶	<b>0.00</b>

TOTAL NUMBER OF DSEs \_\_\_\_\_▶ 0.00

LEGAL NAME OF OWNER OF CABLE SYSTEM: <b>Michigan Bell Telephone Company</b>						SYSTEM ID# <b>62981</b>			Name		
<p><b>Instructions:</b> Block A must be completed.                  In block A:                  • If your answer if "Yes," leave the remainder of part 6 and part 7 of the DSE schedule blank and complete part 8, (page 16) of the schedule.                  • If your answer if "No," complete blocks B and C below.</p>									<b>6</b>		
<b>BLOCK A: TELEVISION MARKETS</b>									<b>Computation of 3.75 Fee</b>		
Is the cable system located wholly outside of all major and smaller markets as defined under section 76.5 of FCC rules and regulations in effect on June 24, 1981? <input type="checkbox"/> Yes—Complete part 8 of the schedule—DO NOT COMPLETE THE REMAINDER OF PART 6 AND 7. <input checked="" type="checkbox"/> No—Complete blocks B and C below.											
<b>BLOCK B: CARRIAGE OF PERMITTED DSEs</b>											
Column 1: CALL SIGN  Column 2: BASIS OF PERMITTED CARRIAGE  Column 3: List the DSE for each distant station listed in parts 2, 3, and 4 of the schedule. *( <b>Note:</b> For those stations identified by the letter "F" in column 2, you must complete the worksheet on page 14 of this schedule to determine the DSE.)			List the call signs of distant stations listed in part 2, 3, and 4 of this schedule that your system was permitted to carry under FCC rules and regulations prior to June 25, 1981. For further explanation of permitted stations, see the instructions for the DSE Schedule. (Note: The letter M below refers to an exempt multicast stream as set forth in the Satellite Television Extension and Localism Act of 2010.)  Enter the appropriate letter indicating the basis on which you carried a permitted station. (Note the FCC rules and regulations cited below pertain to those in effect on June 24, 1981.) A Stations carried pursuant to the FCC market quota rules [76.57, 76.59(b), 76.61(b)(c), 76.63(a) referring to 76.61(b)(c)] B Specialty station as defined in 76.5(kk) (76.59(d)(1), 76.61(e)(1), 76.63(a) referring to 76.61(e)(1) C Noncommercial educational station [76.59(c), 76.61(d), 76.63(a) referring to 76.61(d)] D Grandfathered station (76.65) (see paragraph regarding substitution of grandfathered stations in the instructions for DSE schedule). E Carried pursuant to individual waiver of FCC rules (76.7) *F A station previously carried on a part-time or substitute basis prior to June 25, 1981 G Commercial UHF station within grade-B contour, [76.59(d)(5), 76.61(e)(5), 76.63(a) referring to 76.61(e)(5)] M Retransmission of a distant multicast stream.								
1. CALL SIGN	2. PERMITTED BASIS	3. DSE	1. CALL SIGN	2. PERMITTED BASIS	3. DSE	1. CALL SIGN	2. PERMITTED BASIS	3. DSE			
								<b>0.00</b>			
<b>BLOCK C: COMPUTATION OF 3.75 FEE</b>											
Line 1: Enter the total number of DSEs from part 5 of this schedule									-		
Line 2: Enter the sum of permitted DSEs from block B above									-		
Line 3: Subtract line 2 from line 1. This is the total number of DSEs subject to the 3.75 rate. (If zero, leave lines 4–7 blank and proceed to part 7 of this schedule)									<b>0.00</b>		
Line 4: Enter gross receipts from space K (page 7)									x 0.0375		
Line 5: Multiply line 4 by 0.0375 and enter sum here									x		
Line 6: Enter total number of DSEs from line 3									-		
Line 7: Multiply line 6 by line 5 and enter here and on line 2, block 3, space L (page 7)									<b>0.00</b>		

Do any of the DSEs represent partially permitted/partially nonpermitted carriage? If yes, see part 9 instructions.







LEGAL NAME OF OWNER OF CABLE SYSTEM: <b>Michigan Bell Telephone Company</b>		SYSTEM ID# <b>62981</b>	Name
<b>BLOCK D: COMPUTATION OF THE SYNDICATED EXCLUSIVITY SURCHARGE</b>			
Section 1	Enter the amount of gross receipts from space K (page 7) . . . . .	\$ <b>10,992,843.83</b>	<b>7</b>  Computation of the Syndicated Exclusivity Surcharge
Section 2	A. Enter the total DSEs from block B of part 7 . . . . .	0.00	
	B. Enter the total number of exempt DSEs from block C of part 7 . . . . .	0.00	
	C. Subtract line B from line A and enter here. This is the total number of DSEs subject to the surcharge computation. <b>If zero, proceed to part 8.</b> . . . . .	\$ 0.00	
<p>• Is any portion of the cable system within a top 50 television market as defined by the FCC?  <input type="checkbox"/> Yes—Complete section 3 below.                      <input checked="" type="checkbox"/> No—Complete section 4 below.</p>			
<b>SECTION 3: TOP 50 TELEVISION MARKET</b>			
Section 3a	<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 checked="" type="checkbox"/> No—Complete the applicable section below.</p> <p>If the figure in section 2, line C is 4.000 or less, compute your surcharge here and leave section 3b blank. NOTE: If the DSE is 1.0 or less, multiply the gross receipts by .00599 by the DSE. Enter the result on line A below.</p>		
	A. Enter 0.00599 of gross receipts (the amount in section 1) . . . . .	\$	
	B. Enter 0.00377 of gross receipts (the amount in section 1) . . . . .	\$	
	C. Subtract 1.000 from total permitted DSEs (the figure on line C in section 2) and enter here . . . . .	\$	
	D. Multiply line B by line C and enter here . . . . .	\$	
	E. Add lines A and D. This is your surcharge. Enter here and on line 2 of block 4 in space L (page 7)	\$	
	<b>Syndicated Exclusivity Surcharge</b> . . . . .	\$	
Section 3b	<p>If the figure in section 2, line C is more than 4.000, compute your surcharge here and leave section 3a blank.</p>		
	A. Enter 0.00599 of gross receipts (the amount in section 1) . . . . .	\$	
	B. Enter 0.00377 of gross receipts (the amount in section 1) . . . . .	\$	
	C. Multiply line B by 3.000 and enter here . . . . .	\$	
	D. Enter 0.00178 of gross receipts (the amount in section 1) . . . . .	\$	
	E. Subtract 4.000 from total DSEs (the figure on line C in section 2) and enter here . . . . .	\$	
	F. Multiply line D by line E and enter here . . . . .	\$	
	G. Add lines A, C, and F. This is your surcharge. Enter here and on line 2 of block 4 in space L (page 7)	\$	
	<b>Syndicated Exclusivity Surcharge</b> . . . . .	\$	
<b>SECTION 4: SECOND 50 TELEVISION MARKET</b>			
Section 4a	<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 checked="" type="checkbox"/> No—Complete the applicable section below.</p> <p>If the figure in section 2, line C is 4.000 or less, compute your surcharge here and leave section 4b blank. NOTE: If the DSE is 1.0 or less, multiply the gross receipts by 0.003 by the DSE. Enter the result on line A below.</p>		
	A. Enter 0.00300 of gross receipts (the amount in section 1) . . . . .	\$	
	B. Enter 0.00189 of gross receipts (the amount in section 1) . . . . .	\$	
	C. Subtract 1.000 from total permitted DSEs (the figure on line C in section 2) and enter here . . . . .	\$	
	D. Multiply line B by line C and enter here . . . . .	\$	
	E. Add lines A and D. This is your surcharge. Enter here and on line 2 of block 4 in space L (page 7)	\$	
	<b>Syndicated Exclusivity Surcharge</b> . . . . .	\$	

<b>Name</b>	LEGAL NAME OF OWNER OF CABLE SYSTEM: <b>Michigan Bell Telephone Company</b>		<b>SYSTEM ID#</b> <b>62981</b>
<b>7</b>  <b>Computation of the Syndicated Exclusivity Surcharge</b>	Section 4b	If the figure in section 2, line C is more than 4.000, compute your surcharge here and leave section 4a blank.	
		A. Enter 0.00300 of gross receipts (the amount in section 1). . . . .	▶ \$ _____
		B. Enter 0.00189 of gross receipts (the amount in section 1). . . . .	▶ \$ _____
		C. Multiply line B by 3.000 and enter here. . . . .	▶ \$ _____
		D. Enter 0.00089 of gross receipts (the amount in section 1). . . . .	▶ \$ _____
		E. Subtract 4.000 from the total DSEs (the figure on line C in section 2) and enter here. . . . .	▶ _____
		F. Multiply line D by line E and enter here . . . . .	▶ \$ _____
		G. Add lines A, C, and F. This is your surcharge. Enter here and on line 2, block 4, space L (page 7) <b>Syndicated Exclusivity Surcharge.</b> . . . . .	▶ \$ _____
<b>8</b>  <b>Computation of Base Rate Fee</b>	<b>Instructions:</b> 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. • 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. <b>What is a partially distant station?</b> 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.		
	<b>BLOCK A: CARRIAGE OF PARTIALLY DISTANT STATIONS</b>		
	• 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 checked="" type="checkbox"/> No—Complete the following sections.		
	<b>BLOCK B: NO PARTIALLY DISTANT STATIONS—COMPUTATION OF BASE RATE FEE</b>		
	Section 1	Enter the amount of gross receipts from space K (page 7). . . . .	▶ \$ <b>10,992,843.83</b>
	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.). . . . .	▶ <b>0.00</b>
	Section 3	If the figure in section 2 is <b>4.000 or less</b> , 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.	
		A. Enter 0.01064 of gross receipts (the amount in section 1). . . . .	▶ \$ _____
		B. Enter 0.00701 of gross receipts (the amount in section 1). . . . .	▶ \$ <b>77,059.84</b>
		C. Subtract 1.000 from total DSEs (the figure in section 2) and enter here. . . . .	▶ _____
	D. Multiply line B by line C and enter here. . . . .	▶ \$ _____	
	E. Add lines A, and D. This is your base rate fee. Enter here and in block 3, line 1, space L (page 7) <b>Base Rate Fee.</b> . . . . .	▶ \$ _____	

LEGAL NAME OF OWNER OF CABLE SYSTEM: <b>Michigan Bell Telephone Company</b>	<b>SYSTEM ID#</b> <b>62981</b>	<b>Name</b>
Section 4 If the figure in section 2 is <b>more than 4,000</b> , compute your base rate fee here and leave section 3 blank.	8	
A. Enter 0.01064 of gross receipts (the amount in section 1) ..... ▶ \$ _____ B. Enter 0.00701 of gross receipts (the amount in section 1) ..... ▶ \$ _____ C. Multiply line B by 3.000 and enter here ..... ▶ \$ _____ D. Enter 0.00330 of gross receipts (the amount in section 1) ..... ▶ \$ _____ E. Subtract 4.000 from total DSEs (the figure in section 2) and enter here ..... ▶ _____ F. Multiply line D by line E and enter here ..... ▶ \$ _____ G. Add lines A, C, and F. This is your base rate fee. Enter here and in block 3, line 1, space L (page 7). <b>Base Rate Fee</b> ..... ▶ \$ <span style="border: 1px solid black; padding: 2px 10px;">0.00</span>	Computation of Base Rate Fee	

<p><b>IMPORTANT:</b> It is no longer necessary to report television signals on a system-wide basis. Carriage of television broadcast signals shall instead be reported on a community-by-community basis (subscriber groups) if the cable system reported multiple channel line-ups in Space G.</p> <p><b>In General:</b> If any of the stations you carried were partially distant, the statute allows you, in computing your base rate fee, to exclude receipts from subscribers located within the station's local service area, from your system's total gross receipts. To take advantage of this exclusion, you must:</p> <p><b>First:</b> Divide all of your subscribers into subscriber groups, each group consisting entirely of subscribers that are distant to the same station or the same group of stations. Next: Treat each subscriber group as if it were a separate cable system. Determine the number of DSEs and the portion of your system's gross receipts attributable to that group, and calculate a separate base rate fee for each group.</p> <p><b>Finally:</b> Add up the separate base rate fees for each subscriber group. That total is the base rate fee for your system.</p> <p>NOTE: If any portion of your cable system is located within the top 100 television market and the station is not exempt in part 7, you must also compute a Syndicated Exclusivity Surcharge for each subscriber group. In this case, complete both block A and B below. However, if your cable system is wholly located outside all major television markets, complete block A only.</p> <p><b>How to Identify a Subscriber Group for Partially Distant Stations</b></p> <p><b>Step 1:</b> For each community served, determine the local service area of each wholly distant and each partially distant station you carried to that community.</p> <p><b>Step 2:</b> For each wholly distant and each partially distant station you carried, determine which of your subscribers were located outside the station's local service area. A subscriber located outside the local service area of a station is distant to that station (and, by the same token, the station is distant to the subscriber.)</p> <p><b>Step 3:</b> Divide your subscribers into subscriber groups according to the complement of stations to which they are distant. Each subscriber group must consist entirely of subscribers who are distant to exactly the same complement of stations. Note that a cable system will have only one subscriber group when the distant stations it carried have local service areas that coincide.</p> <p><b>Computing the base rate fee for each subscriber group:</b> Block A contains separate sections, one for each of your system's subscriber groups.</p> <p>In each section:</p> <ul style="list-style-type: none"> <li>• Identify the communities/areas represented by each subscriber group.</li> <li>• Give the call sign for each of the stations in the subscriber group's complement—that is, each station that is distant to all of the subscribers in the group.</li> <li>• If:                         <ol style="list-style-type: none"> <li>1) your system is located wholly outside all major and smaller television markets, give each station's DSE as you gave it in parts 2, 3, and 4 of this schedule; or,</li> <li>2) any portion of your system is located in a major or smaller television market, give each station's DSE as you gave it in block B, part 6 of this schedule.</li> </ol> </li> <li>• Add the DSEs for each station. This gives you the total DSEs for the particular subscriber group.</li> <li>• Calculate gross receipts for the subscriber group. For further explanation of gross receipts see page (vii) of the general instructions in the paper SA3 form.</li> <li>• Compute a base rate fee for each subscriber group using the formula outline in block B of part 8 of this schedule on the preceding page. In making this computation, use the DSE and gross receipts figure applicable to the particular subscriber group (that is, the total DSEs for that group's complement of stations and total gross receipts from the subscribers in that group). You do not need to show your actual calculations on the form.</li> </ul>	9	
	Computation of Base Rate Fee and Syndicated Exclusivity Surcharge for Partially Distant Stations, and for Partially Permitted Stations	

<p><b>Name</b></p>	<p>LEGAL NAME OF OWNER OF CABLE SYSTEM: <b>SYSTEM ID#</b>  <b>Michigan Bell Telephone Company</b> <b>62981</b></p> <p><b>Guidance for Computing the Royalty Fee for Partially Permitted/Partially NonPermitted Signals</b>  <b>Step 1:</b> 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.  <b>Step 2:</b> 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.  <b>Step 3:</b> 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><b>Guidance for Computing the Royalty Fee for Carriage of Distant and Partially Distant Multicast Streams</b>  <b>Step 1:</b> 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.          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>
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LEGAL NAME OF OWNER OF CABLE SYSTEM: <b>Michigan Bell Telephone Company</b>						SYSTEM ID# <b>62981</b>		Name			
<b>BLOCK A: COMPUTATION OF BASE RATE FEES FOR EACH SUBSCRIBER GROUP</b>											
FIRST SUBSCRIBER GROUP					SECOND SUBSCRIBER GROUP						
COMMUNITY/ AREA <span style="float: right;">0</span>					COMMUNITY/ AREA <span style="float: right;">0</span>						
CALL SIGN	DSE	CALL SIGN	DSE	CALL SIGN	DSE	CALL SIGN	DSE	CALL SIGN	DSE		
Total DSEs				<u>0.00</u>		Total DSEs				<u>0.00</u>	
Gross Receipts First Group				\$ <u>10,992,843.83</u>		Gross Receipts Second Group				\$ <u>0.00</u>	
Base Rate Fee First Group				\$ <span style="border: 1px solid black; padding: 2px;">0.00</span>		Base Rate Fee Second Group				\$ <span style="border: 1px solid black; padding: 2px;">0.00</span>	
THIRD SUBSCRIBER GROUP					FOURTH SUBSCRIBER GROUP						
COMMUNITY/ AREA <span style="float: right;">0</span>					COMMUNITY/ AREA <span style="float: right;">0</span>						
CALL SIGN	DSE	CALL SIGN	DSE	CALL SIGN	DSE	CALL SIGN	DSE	CALL SIGN	DSE		
Total DSEs				<u>0.00</u>		Total DSEs				<u>0.00</u>	
Gross Receipts Third Group				\$ <u>0.00</u>		Gross Receipts Fourth Group				\$ <u>0.00</u>	
Base Rate Fee Third Group				\$ <span style="border: 1px solid black; padding: 2px;">0.00</span>		Base Rate Fee Fourth Group				\$ <span style="border: 1px solid black; padding: 2px;">0.00</span>	
<b>Base Rate Fee:</b> Add the <b>base rate fees</b> for each subscriber group as shown in the boxes above. Enter here and in block 3, line 1, space L (page 7)										\$ <span style="border: 1px solid black; padding: 2px;">0.00</span>	

**9**

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





**Nonpermitted 3.75 Stations**

LEGAL NAME OF OWNER OF CABLE SYSTEM: <b>Michigan Bell Telephone Company</b>						SYSTEM ID# <b>62981</b>		Name	
<b>BLOCK A: COMPUTATION OF BASE RATE FEES FOR EACH SUBSCRIBER GROUP</b>									
FIFTH SUBSCRIBER GROUP					SIXTH SUBSCRIBER GROUP				
COMMUNITY/ AREA _____ <b>0</b>					COMMUNITY/ AREA _____ <b>0</b>				
CALL SIGN	DSE	CALL SIGN	DSE	CALL SIGN	DSE	CALL SIGN	DSE	CALL SIGN	DSE
Total DSEs _____ <b>0.00</b>				Total DSEs _____ <b>0.00</b>				<b>9</b> Computation of Base Rate Fee and Syndicated Exclusivity Surcharge for Partially Distant Stations	
Gross Receipts First Group \$ _____ <b>0.00</b>				Gross Receipts Second Group \$ _____ <b>0.00</b>					
Base Rate Fee First Group \$ _____ <b>0.00</b>				Base Rate Fee Second Group \$ _____ <b>0.00</b>					
SEVENTH SUBSCRIBER GROUP					EIGHTH SUBSCRIBER GROUP				
COMMUNITY/ AREA _____ <b>0</b>					COMMUNITY/ AREA _____ <b>0</b>				
CALL SIGN	DSE	CALL SIGN	DSE	CALL SIGN	DSE	CALL SIGN	DSE	CALL SIGN	DSE
Total DSEs _____ <b>0.00</b>				Total DSEs _____ <b>0.00</b>				<b>9</b> Computation of Base Rate Fee and Syndicated Exclusivity Surcharge for Partially Distant Stations	
Gross Receipts Third Group \$ _____ <b>0.00</b>				Gross Receipts Fourth Group \$ _____ <b>0.00</b>					
Base Rate Fee Third Group \$ _____ <b>0.00</b>				Base Rate Fee Fourth Group \$ _____ <b>0.00</b>					
<b>Base Rate Fee:</b> Add the <b>base rate fees</b> for each subscriber group as shown in the boxes above. Enter here and in block 3, line 1, space L (page 7)						<div style="border: 1px solid black; width: 150px; height: 20px; display: inline-block;"></div>			



<b>Name</b>	LEGAL NAME OF OWNER OF CABLE SYSTEM: <b>Michigan Bell Telephone Company</b>	<b>SYSTEM ID#</b> <b>62981</b>
<b>9</b>  <b>Computation of Base Rate Fee and Syndicated Exclusivity Surcharge for Partially Distant Stations</b>	<b>BLOCK B: COMPUTATION OF SYNDICATED EXCLUSIVITY SURCHARGE FOR EACH SUBSCRIBER GROUP</b>	
	<p>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:</p> <p style="text-align: center;"> <input type="checkbox"/> First 50 major television market                      <input type="checkbox"/> Second 50 major television market         </p> <p><b>INSTRUCTIONS:</b></p> <p><b>Step 1:</b> 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.</p> <p><b>Step 2:</b> 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.</p> <p><b>Step 3:</b> In line 3, subtract line 2 from line 1. This is the total number of DSEs used to compute the surcharge.</p> <p><b>Step 4:</b> 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.</p>	
	<b>FIRST SUBSCRIBER GROUP</b>	<b>SECOND SUBSCRIBER GROUP</b>
	Line 1: Enter the VHF DSEs . . . . . <input style="width: 100px;" type="text"/> Line 2: Enter the Exempt DSEs . . . . . <input style="width: 100px;" type="text"/> 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 . . . . . <input style="width: 100px;" type="text"/> -	Line 1: Enter the VHF DSEs . . . . . <input style="width: 100px;" type="text"/> Line 2: Enter the Exempt DSEs . . . . . <input style="width: 100px;" type="text"/> 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 . . . . . <input style="width: 100px;" type="text"/> -
	<b>SYNDICATED EXCLUSIVITY SURCHARGE</b> First Group . . . . . \$ <input style="width: 100px;" type="text"/>	<b>SYNDICATED EXCLUSIVITY SURCHARGE</b> Second Group . . . . . \$ <input style="width: 100px;" type="text"/>
	<b>THIRD SUBSCRIBER GROUP</b>	<b>FOURTH SUBSCRIBER GROUP</b>
	Line 1: Enter the VHF DSEs . . . . . <input style="width: 100px;" type="text"/> Line 2: Enter the Exempt DSEs . . . . . <input style="width: 100px;" type="text"/> 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 . . . . . <input style="width: 100px;" type="text"/> -	Line 1: Enter the VHF DSEs . . . . . <input style="width: 100px;" type="text"/> Line 2: Enter the Exempt DSEs . . . . . <input style="width: 100px;" type="text"/> 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 . . . . . <input style="width: 100px;" type="text"/> -
	<b>SYNDICATED EXCLUSIVITY SURCHARGE</b> Third Group . . . . . \$ <input style="width: 100px;" type="text"/>	<b>SYNDICATED EXCLUSIVITY SURCHARGE</b> Fourth Group . . . . . \$ <input style="width: 100px;" type="text"/>
	<b>SYNDICATED EXCLUSIVITY SURCHARGE:</b> 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) . . . . . \$ <input style="width: 100px;" type="text"/>	

<b>Name</b>	LEGAL NAME OF OWNER OF CABLE SYSTEM: <b>Michigan Bell Telephone Company</b>		<b>SYSTEM ID#</b> <b>62981</b>
<b>9</b>	<b>BLOCK B: COMPUTATION OF SYNDICATED EXCLUSIVITY SURCHARGE FOR EACH SUBSCRIBER GROUP</b>		
<p><b>Computation of Base Rate Fee and Syndicated Exclusivity Surcharge for Partially Distant Stations</b></p>	<p>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:</p> <p style="text-align: center;"> <input type="checkbox"/> First 50 major television market                      <input type="checkbox"/> Second 50 major television market         </p> <p><b>INSTRUCTIONS:</b></p> <p><b>Step 1:</b> 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.</p> <p><b>Step 2:</b> 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.</p> <p><b>Step 3:</b> In line 3, subtract line 2 from line 1. This is the total number of DSEs used to compute the surcharge.</p> <p><b>Step 4:</b> 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.</p>		
	<b>FIFTH SUBSCRIBER GROUP</b>	<b>SIXTH SUBSCRIBER GROUP</b>	
	<p>Line 1: Enter the VHF DSEs . . . . . <input style="width: 100px;" type="text"/></p> <p>Line 2: Enter the Exempt DSEs . . . . . <input style="width: 100px;" type="text"/></p> <p>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 . . . . . <input style="width: 100px;" type="text"/></p> <p><b>SYNDICATED EXCLUSIVITY SURCHARGE</b></p> <p>First Group . . . . . \$ <input style="width: 100px;" type="text"/></p>	<p>Line 1: Enter the VHF DSEs . . . . . <input style="width: 100px;" type="text"/></p> <p>Line 2: Enter the Exempt DSEs . . . . . <input style="width: 100px;" type="text"/></p> <p>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 . . . . . <input style="width: 100px;" type="text"/></p> <p><b>SYNDICATED EXCLUSIVITY SURCHARGE</b></p> <p>Second Group . . . . . \$ <input style="width: 100px;" type="text"/></p>	
	<b>SEVENTH SUBSCRIBER GROUP</b>	<b>EIGHTH SUBSCRIBER GROUP</b>	
	<p>Line 1: Enter the VHF DSEs . . . . . <input style="width: 100px;" type="text"/></p> <p>Line 2: Enter the Exempt DSEs . . . . . <input style="width: 100px;" type="text"/></p> <p>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 . . . . . <input style="width: 100px;" type="text"/></p> <p><b>SYNDICATED EXCLUSIVITY SURCHARGE</b></p> <p>Third Group . . . . . \$ <input style="width: 100px;" type="text"/></p>	<p>Line 1: Enter the VHF DSEs . . . . . <input style="width: 100px;" type="text"/></p> <p>Line 2: Enter the Exempt DSEs . . . . . <input style="width: 100px;" type="text"/></p> <p>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 . . . . . <input style="width: 100px;" type="text"/></p> <p><b>SYNDICATED EXCLUSIVITY SURCHARGE</b></p> <p>Fourth Group . . . . . \$ <input style="width: 100px;" type="text"/></p>	
	<p><b>SYNDICATED EXCLUSIVITY SURCHARGE:</b> 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) . . . . . \$ <input style="width: 100px;" type="text"/></p>		