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**For Immediate Release**

**STATEMENT OF COMMISSIONER AJIT PAI**  
***On Copyright Office's Set-Top Box Submission***

WASHINGTON, DC, August 4, 2016.— The Copyright Office's devastating critique of the FCC's misguided set-top box scheme should be the final nail in the coffin. The Copyright Office explains in painstaking detail how the FCC's scheme would unfairly infringe the rights of content creators and hamper their ability to invest in new programming. The Copyright Office also exposes how the FCC misled the public about its proposal. Here are just two examples.

Chairman Wheeler has said, "This proposal will *not* interfere with the business relationships or content agreements between MVPDs and their content providers or between MVPDs and their customers."

The Copyright Office, however, has rejected that assertion. It concluded that "it appears inevitable that many negotiated conditions upon which copyright owners license their works to MVPDs would not be honored under the Proposed Rule."

Moreover, when asked on February 18, 2016, if the FCC's proposal would specifically prohibit extra advertising, Chairman Wheeler's response was "Yes, sir."

But that's not what the Copyright Office says. It has concluded that "the Proposed Rule would appear to allow [third-party devices and applications] to add additional advertising as part of the programming stream, *e.g.*, advertising spots before or after an on-demand video or banner advertising next to or overlaid on top of a program, without any requirement that resulting advertising revenue be shared with either the MVPD or the content creator."

It is long past time for the FCC's leadership to walk away from its deeply flawed set-top box scheme. Instead, the Commission should focus on ways to ditch the set-top box and embrace the video marketplace of the future.

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