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inter-industry forum that is being established. We have been assured that this forum will be established within six months after passage of this legislation and will include equal representation from the consumer electronics, computer, and movie studio industries.

With regard to our licensing terms, we commit to you and your colleagues that we will from the date of enactment adhere to the following points—which are essentially reflective of our current licensing policies. First, as stated above, our proprietary analog copy protection technology will be offered on reasonable and non-discriminatory terms, as that phrase is used in the normal industry parlance. Second, in relation to certain specific circumstances:

(a) Manufacturers of consumer-grade analog VHS and 8mm analog video cassette recorders/camcorders that are required by the legislation to conform to our proprietary analog copy protection technologies (and any new format analog videocassette recorder that is covered by paragraph (1)(A)(v) of the legislation and thereby required to conform to our proprietary analog copy control technologies) will be provided royalty-free licenses for the use of our relevant intellectual property in any device that plays back packaged, prerecorded content, or that reads and responds to or generates or carries forward the elements of these technologies associated with such content;

(b) In the same circumstances as described in (a), other manufacturers of devices that generate, carry forward, and/or read and respond to the elements of these technologies will be provided with licenses carrying only modest fees (in the current dollar range of $25,000 initial payment and lesser amounts as recurring annual fees);

(c) Manufacturers of other products, including set-top-boxes and other devices that perform similar functions (including integrated devices containing such functionality), will be provided with licenses on reasonable and non-discriminatory terms, including royalty and other considerations.

In the absence of the specific attached legislative and explanatory language, Macrovision would not have made the above referenced commitments regarding our licensing terms and our contract clauses on VCR responsiveness and playability issues. We very much appreciate the work of you and your colleagues in helping to draft and, hopefully, ultimately enact this legislation. We also appreciate and acknowledge the leadership and cooperation of certain companies and individuals in getting this proposal to this point.

I understand that this letter will be incorporated into the official report of the Conference Committee and that the Conferees are relying on our representation herein. If you or other members of the Conference have any questions or need any clarification on any point, please do not hesitate to contact me, or have one of your staff contact me.

Sincerely,

WILLIAM A. KREPICK,
President/COO.

SONNY BONO COPYRIGHT TERM EXTENSION ACT

Mr. HATCH. Mr. President, I am delighted at the recent passage of S. 505, the Sonny Bono Copyright Term Extension Act. The main purpose of the bill is to ensure adequate copyright protection for American works abroad by extending the U.S. term of copyright protection for an additional 20 years. The late Sonny Bono was an avid supporter of the bill, and he fully appreciated what its passage would mean to the American economy. It is therefore an appropriate memorial to this fine American.

20 years ago, Mr. President, Congress fundamentally altered the way in which the U.S. calculates its term of copyright protection by abandoning a fixed-year term of protection and adopting a basic term of protection based on the life of the author. In adopting the life-plus-50 term, Congress cited three primary justifications for the change: (1) the need to conform the U.S. copyright term with the prevailing worldwide standard; (2) the insufficiency of the U.S. copyright term to provide a fair economic return for authors and their dependents; and, (3) the failure of the U.S. copyright term to keep pace with the substantially increased commercial life of copyrighted works resulting from the rapid growth in communications media.

Developments over the past 20 years have led to a widespread reconsideration of the adequacy of the life-plus-50-year term based on these same reasons. Among the main developments is the effect of demographic trends, such as increasing longevity and the trend toward rearing children later in life, on the effectiveness of the life-plus-50 term to provide adequate protection for American creators and their heirs. In addition, unprecedented growth in technology over the last 20 years, including the advent of digital media and the development of the national Information Infrastructure and the Internet, have dramatically enhanced the marketable lives of creative works. Most importantly, though, is the growing international movement towards the adoption the longer term of life-plus-70.

Thirty five years ago, the Permanent Committee of the Berne Union began to reexamine the sufficiency of the life-plus-50-year term. Since then, a growing consensus of the inadequacy of the life-plus-50 term to protect creators in an increasingly competitive global marketplace has lead to actions by several nations to increase the duration of copyright. Of particular importance is the 1993 directive issued by the European Union, which requires its member countries to implement a term of protection equal to the life of the author plus 70 years by July 1, 1995.

According to the Copyright Office, all the states of the European Union have now brought their laws in compliance with the directive. And, as the Register of Copyrights has stated, those countries that are seeking to join the European Union, including Poland, Hungary, Turkey, the Czech Republic, and Bulgaria, are likely, as well, to amend their copyright laws to conform with the life-plus-70 standard.

The reason this is of such importance to the United States is that the EU Directive also mandates the application of what is referred to as "the rule of the shorter term." This rule may also be applied by adherents to the Berne Convention and the Universal Copyright Convention. In short, this rule permits those countries with longer copyright terms to limit protection of foreign works to the shorter term of protection granted in the country of origin. Thus, in those countries that adopt the longer term of life-plus-70, American works will forfeit 20 years of available protection and be protected instead for only the duration of the life-plus-50 term afforded under U.S. law.

Mr. President, as I've said previously, America exports more copyrighted intellectual property than any country in the world, a huge percentage of it to nations of the European Union. In fact, in 1996, the core U.S. copyright industries achieved foreign sales and exports exceeding $60 billion, surpassing, for the first time, every other export sector, including automotive, agriculture and aircraft. And, according to 1996 estimates, copyright industries account for some 5.7 percent of the total gross domestic product. Furthermore, copyright industries are creating American jobs at nearly three times the rate of other industries, with the number of U.S. workers employed by core copyright industries more than doubling between 1977 and 1996. Today, these industries contribute more to the economy and employ more workers than any single manufacturing sector, accounting for over 5 percent of the total U.S. workforce. In fact, in 1996, the total copyright industries employed more workers than the four leading noncopyright manufacturing sectors combined.

Clearly, Mr. President, America stands to lose a significant part of its international trading advantage if our copyright laws do not keep pace with emerging international standards. Given the mandated application of the "rule of the shorter term" under the EU Directive, American works will fall into the public domain 20 years before those of our European trading partners, undercutting our international trading position and depriving copyright owners of two decades of income they might otherwise have. Similar consequences will follow in those nations outside the EU that choose to exercise the "rule of the shorter term" under the Berne Convention and the Universal Copyright Convention.

The public performance of musical works is one of the copyright rights that will be benefited by the 20-year extension. But—ironically—in title II of the bill, Mr. President, we are cutting back on that right by expanding the exemption that currently exists in the Copyright Act for "mom-and-pop" establishments. Because of the public performance right, businesses that use music to attract customers are required to obtain a license. The licenses can be obtained from the performing rights organizations (PROs), namely, ASCAP, BMI, and SESAC. The PROs, in turn, pay the owners of copyright in

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the music—music publishers, composers, and/or songwriters—from the proceeds. Because the rates charged by the two biggest PROs, ASCAP and BMI, are monitored by the Rate Court of the U.S. District Court of the Southern District of New York, the rates today amount to a very small amount per annum per business. The rates are even smaller for the kinds of performances covered by title II of the bill—performances of music over television and radio sets that businesses turn on for the benefit of their customers. And, as I said, "mom-and-pop" establishments do not have to pay anything. Nevertheless, some have sought for over 3 years to eliminate the licensing of music that arrives in a business establishment through the reception of radio and TV signals.

I have a stellar record in supporting legislation that benefits small business, but this includes songwriters, who themselves are small businesses. I have yet to discover a reason to eliminate or even reduce the charge for the commercial use of some one else's property. In my view, property is property whether it's dirt or intangible, and I have always been a defender of property rights.

The associations that want to eliminate the public performance right for business establishments have held up passage of copyright term extension for more than three years, although they had no quarrel with copyright term extension on its merits. Since copyright term extension is so important to America, Mr. President, I began a series of negotiations last year to try to resolve the problem. Other negotiations were begun by others, and, in the end, a compromise was worked out. This compromise is included in title II of the bill.

Title II greatly expands the current "mom-and-pop" exemption in the Copyright Act. Indeed, data supplied by the Congressional Research Service reveals that over 65.2% of restaurants will be exempt.

But lest we think that the music licensing issue has been put to bed, I want to sound a note of caution. Despite the months of negotiations that produced title II, an unanticipated problem popped up just as a compromise was reached—the exemption contained in title II applies to radio broadcasts licensed by the FCC and does not cover Internet radio. We did not have time to address this problem, and, frankly, the novel nature of Internet radio precluded a simple solution. This issue concerns me, however, and I will turn to the music licensing question again in the future, if I see that a disparity exists between FCC-licensed radio and Internet radio. I would not want businesses to turn away from new technology because of artificial forces acting on the market. If we do turn to this question, we may discover that it is impossible to integrate Internet radio and TV into the exemption without modifying its scope.

Nevertheless, Mr. President, on balance, S. 505 is a good bill. I'm glad it passed, and I'm glad that a compromise was worked out on music licensing to allow the copyright term to be extended. I thank all who had a hand in the solution.

WIPO COPYRIGHT TREATIES IMPLEMENTATION ACT CONFERENCE REPORT

Mr. GRAMS. I rise in support of the WIPO Copyright Treaties Implementation Act Conference Report adopted by the Senate on October 8, and commend the Senator from Utah for his efforts in crafting legislation that will greatly aid American copyright owners and users in the digital world. This legislation is of great importance to the citizens of Minnesota, including many companies that produce copyrighted materials as well as the hard-working men and women employed by them.

As the Senator form Utah is also aware, however, I have a great interest in Senate action to protect database owners, to continue the availability of quality and reliable products and services for users here and abroad. Earlier this summer, I introduced S. 2291 to provide this protection, and worked to include this language into the WIPO Implementing legislation. I greatly regret this legislation could not be included as part of this Conference Report.

Would the Senator from Utah and his colleagues on the Judiciary Committee agree to take up this issue as a priority item early in the 106th Congress? I believe we need fair and balanced database protection legislation, similar to S.2291.

Mr. HATCH. I thank the Senator from Minnesota for his comments. This will be a top priority for the Committee next year. I intend to hold a hearing on database legislation and move for prompt consideration in the 106th Congress.

Mr. GRAMS. I thank the Senator from Utah and look forward to working with you early next year.

TRIBUTE TO SENATOR DIRK KEMPTHORNE

Mr. DOMENICI. Mr. President, it is with great pride and honor that I rise today to pay tribute to my retiring colleague from Idaho, Senator DIRK KEMPTHORNE. In his six years of service to the United States Senate, he has proven himself to be a very thoughtful and determined leader and I am honored to have the opportunity to rise and speak on his accomplishments.

It was a pleasure to work with Senator KEMPTHORNE as he crafted one of the most important bills we have passed in the United States Senate, the Unfunded Mandates bill. I was particularly pleased that the private sector was included in the assessment of Unfunded mandates and DIRK was generous and extraordinarily helpful to me and my staff throughout the legislative process as we developed and negotiated this legislation. Not only did the junior Senator from Idaho manage two weeks of debate on the Senate floor which sometimes lasted 12 hours a day, but his skillful leadership and influence brought affected parties to the table to negotiate and produce legislation which passed both the House and Senate by overwhelming margins. Clearly, without his strong commitment to American small businesses, this objective would not have been achieved.

In addition to his service on the Small Business Committee and Armed Forces Committee, Senator KEMPTHORNE was given the responsibility of chairing the Drinking Water, Fisheries, and Wildlife subcommittee of the Environment and Public Works Committee. He wrote an update of the Safe Drinking Water Act which won bipartisan praise. He worked many long and arduous hours crafting legislation to reauthorize and reform the Endangered Species Act, an issue extremely important New Mexico and other WesternStates. DIRK's perseverance and hard work was instrumental in laying the groundwork for long overdue reform of this law and I am hopeful that we can be as diligent and compromising as he has been in crafting and passing ESA reform legislation in the future.

The state of Idaho is fortunate to have a statesman of his caliber. During his tenure, he has earned the respect and admiration of his colleagues on both sides of the aisle because of his unique ability to negotiate, compromise, and foster positive working relationships not only with his colleagues, but between federal, state, and local governments. These skills will serve him well as he faces new challenges in the future. Although we will miss his presence in this body, I know that he will continue to be a valuable asset not only to the state of Idaho but to this Nation.

Finally, I understand the challenges and difficulties associated with raising a family while serving in Congress and I respect and admire his decision to do what is right for his family and their future. Nancy and I wish DIRK, Patricia, and their children all the best.

TRIBUTE TO SENATOR JOHN GLENN

Mr. DOMENICI. Mr. President, I would like to pay tribute on my behalf, and on behalf of the people of New Mexico, to a true American patriot, Senator JOHN GLENN. It has indeed been a privilege to serve in this Chamber for 24 years with a man of such honor and distinction.

Although I only served with Senator GLENN on the Senate Governmental Affairs Committee for a brief time, I have been able to witness firsthand JOHN GLENN's legendary fairness and leadership. I doubt there has ever been a Senator who could match his dogged determination. He worked tirelessly for

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