



**United States Copyright Office**

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Dear Customers and Stakeholders,

There is a great deal of activity and excitement here in the Licensing Division. Many things are happening with our re-engineering effort so I thought I would take a moment to share them with you.

It took no small amount of effort, but the re-engineering team has arrived at a system architecture that will provide us the highly reliable and highly available environment we need. We have developed the architecture so that our new system will have three different interfaces: a public interface that allows submission of statements of account and searches of our records, a business to business interface that will allow batch submissions of statement of account data and an internal interface where division staff will perform their work and system administration. Each of these interfaces will be set up to run independently so that trouble in one will not affect the others. Each interface will also have a number of redundancies and failsafes built into it so that a problem within an interface will not stop that interface from working. In short, this architecture provides us the greatest chance of having a system that is available and performing well whenever it is needed.

To achieve the advantages I just described we have designed a system architecture that leverages state of the art server virtualization. What this means is that, instead of having a number of servers dedicated solely to our application and built to accommodate our peak needs, we will have parts of our application on a number of servers where space has been allotted exclusively for us. This enables us to create a reliable, high performing system that should afford us the flexibility to operate at a high capacity during peak times and to scale to a more appropriate capacity during non-peak periods.

We worked very closely with the library's technology services to plan this architecture and in the course of doing so we came to realize that it made the most sense for the division to host our application outside the Library of Congress. Doing so allows us to work closely with services that specialize in virtualized environments for government applications while the library itself transitions into virtualized architectures. We are only considering hosting partners that offer access and security that is at least as good as what is offered within the Library of Congress' system. The services we are considering have already been approved for government application hosting and they meet or

exceed the Library's standards. Furthermore, once a vendor has been selected and the application has been installed the library will conduct its customary certification and accreditation to guarantee the system meets all library security directives and standards.

We have also been working to maximize the return on our re-engineering effort. This has caused us to revisit some of the new processes and work flows we established earlier with Horizon Industries, our re-engineering contractor. We recently hired KPMG to perform an independent validation of our new work flows and they identified places where greater efficiencies could be obtained or where processes could be better interrelated. As with the system architecture, this effort involved a bit of time, but it will pay us dividends throughout the life of our new system.

Our date for unveiling the first release of the new system has been revised to accommodate the changes I've mentioned above. We now expect to have the first iteration of our cable statement of account system in mid September or early October. This release will show you the backbone of our new system and it will give you a general sense of how we will interact with the system. It will also give you the opportunity to provide feedback to us on the structure and general navigation of the system. A second release will take place the following July with the plan that the whole cable statement system will go live in time for the second filing period of 2013.

The first release, or Release 1A, will address all customer interfacing functions and will make available:

- Pre-submission work spaces where remitters can prepare their respective submissions;
- Capture and management of the submission through an electronic signature and authentication process;
- Allocation of received funds;
- Work flow management to effectively and efficiently manage the submission process, within the Licensing Division, from submission to completion;
- Work flow management to communicate with stakeholders. This will allow customer service representatives to provide stakeholders an up to the minute status on their respective submissions and/or queries.

The second release (Release 1B) will complete the cable statement system and is planned to address the back office requirements of:

- The management of royalties collection and automation;
- The management of deposits;
- The management of amendments and revisions;
- The enabling of an automated interface with the U.S. Treasury;
- The integrated investment management which will allow division staff to provide an up to the minute status view of all Licensing Division operations;
- The management of automated distributions;
- The enabling of an automated interface to the library's Momentum financial system;

- The framework for the external reporting database.

As you can see, there is a great deal of work being done to create the best possible new system for you and these are exciting times. In the next few months we will begin to see real, concrete results from the work we have been performing.

Before I close I would like to commend the staff of the Licensing Division and the Copyright Office to you. We have asked a great deal of a small, but tremendously talented and motivated staff and they have delivered time and time again. I am certain it has not escaped your notice that we continue to meet our statement of account processing and closure goals even as we ask our staff to do more and more to aid our re-engineering effort. The Licensing Division staff actively participate in brainstorming sessions, review documents, identify opportunities and risks and myriad other things while still helping us complete work on at least 96% of our statements of account within our target time frames. The people in the Licensing Division are tremendous and without them I have no doubt but that our re-engineering would fail. We have also enjoyed a great deal of support and encouragement from staff in other divisions of the Copyright Office. They have helped us manage technology and contractual aspects of this project and we owe them a great deal of praise and thanks as well.

I also thank you for your support and participation in our project. Please continue to give us your feedback, suggestions and good ideas. Together, I believe we are creating an ideal royalty management system, one that will serve us well for many years.

Best regards,



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