Testimony of Shira Perlmutter Register of Copyrights and Director, U.S. Copyright Office

Hearing on

The U.S. Copyright Office: Customers, Communities, and Modernization Efforts

Before the

Committee on House Administration

U.S. House of Representatives

June 26, 2024

Chairman Steil, Ranking Member Morelle, and Members of the Committee:

Thank you for the opportunity to report on the accomplishments and activities of the United States Copyright Office, relating to our services to the public and our work in updating information technology systems.

The Copyright Office has made significant progress in the past few years in building our new Enterprise Copyright System (ECS), with several modules already in production and used by the public. Concurrently with this work, we have reduced processing times for both registration and recordation to historic lows. Public engagement with the Office is breaking attendance records through stakeholder events and targeted outreach around the country. We are building a new contact center and continuing to digitize our historical public records. On legal and policy matters, we are in the midst of a study on copyright and artificial intelligence, concluding the first two years of smooth operations of our new small claims tribunal, engaging in several rulemakings and participating in important copyright litigations. All of these activities advance the Office's strategic goals: Copyright for All, Continuous Development, Provision of Impartial Expertise, and Enhanced Use of Data.¹ These goals, aligned closely with those of the Library of Congress, are intended to make the copyright system more accessible, understandable, and up-to-date.

I. ADMINISTERING THE COPYRIGHT ACT AND DEVELOPING NEW IT SYSTEMS

The Copyright Office is tasked with overseeing the national copyright registration and recordation systems; advising Congress on copyright policy and legislation; working with the courts, the Department of Justice and other federal agencies on copyright litigation

¹ U.S. COPYRIGHT OFFICE STRATEGIC PLAN 2022–2026: FOSTERING CREATIVITY & ENRICHING CULTURE (Jan. 2022), https://copyright.gov/reports/strategic-plan/USCO-strategic2022-2026.pdf.

and international matters; conducting administrative and regulatory activity including with respect to statutory licenses; and educating the public about copyright.² We perform these functions through the work of our exceptional staff of approximately 450, with the support of a modest budget.³

Modernization of the Office's information technology (IT) continues to be a top priority as well as a strategic goal. We are committed to ongoing improvements to avoid repeating the experience of overhauling severely outdated legacy systems. Under the Library of Congress' centralized IT structure, the Office collaborates with the Office of the Chief Information Officer (OCIO) who provides technology services, including system and software development.⁴ During 2020 and 2021, the Library implemented the Scaled Agile Framework (SAFe) to improve collaboration across projects, as well as a program-level view of our IT projects as a whole. The SAFe framework emphasizes continuous development⁵ as well as rapid delivery of new functions and features that optimize the stakeholder experience for all service units in the Library.

The ECS includes four major components: registration, recordation, public records, and licensing. As work has proceeded, we have seen the benefits of the continuous development model for meeting evolving changes in technology, providing secure and interconnected systems, and managing contract cost increases. OCIO is leading work on user experience design and platform services – that is, the design and architecture capabilities underpinning the ECS – while also being responsible for all aspects of IT security.

² 17 U.S.C. § 701.

³ For fiscal 2024, the Office's "Basic Budget" is \$96.9 million and 446 FTEs. (The basic budget funds the Copyright Office and not the Licensing Division or the Copyright Royalty Judges, who are part of the Library of Congress with the Copyright Office administering their budget. Including those two budgets, our overall fiscal 2024 budget was \$103.1 million.) See the Register's statements on the fiscal 2025 budget before the Senate Legislative Branch Appropriations Subcommittee on May 16, 2024 at https://www.copyright.gov/laws/hearings/USCO-Senate-FY25-Appropriations-Testimony-May-16-2024.pdf, and before the House Legislative Branch Appropriations Subcommittee at https://www.copyright.gov/laws/hearings/USCO-Senate-FY25-Appropriations-Testimony-May-16-2024.pdf.

⁴ As used here, "development" refers to the work related to the actual coding and building of functionality of technical systems.

⁵ Continuous development is an iterative approach to software development that is now industry standard. Rather than replacing a complex IT system or delivering a new application at once, software is delivered continuously according to business priorities, and enabling new functionality to be delivered to the users of the system as soon as it is completed. The continuous development approach reduces risk by increasing the timeliness of functional and security updates, allowing for increased stakeholder involvement, and improving the ability of the Library of Congress and the Copyright Office to plan and budget for large and complex programs like ECS.

The first components of ECS to be developed were recordation and public records, which were the most antiquated and in need of updating. The new versions are now available online and are being used by the general public, with very positive feedback. The lessons learned from that process are informing work on the largest and most complex ECS component, the registration system. This will replace the current registration system, called eCO (for Electronic Copyright Office), which was officially launched in 2008 (after two years of pilot testing); getting to that point is our priority in the coming months and years.

In addition to ECS, the Office collaborates with OCIO on other business priorities enabled by technology, such as improving online access to historical public records and implementing our new Contact Center. Of course, at the same time as our staff are working with OCIO colleagues and contractors on these complex IT projects, they are conducting their regular tasks in administering the Copyright Act.

A. The New Online Recordation System

The Office records transfers of copyright ownership and notices of termination, makes copyright documents and related information available to the public, researches and provides certified and non-certified copies of copyright deposits, ensures their storage and security, and safeguards our official records. In fiscal 2023, the Office recorded 16,592 documents containing titles of 1,165,653 works, including 5,875 documents and 568,618 titles submitted through the online system.⁶

Before we developed the online recordation system, recordation was entirely paper-based. The need to modernize it was the reason recordation was selected as the first ECS component released to the public. We began development in the fall of 2018 and released a limited public pilot for recordation of documents under section 205 of title 17 to a small group of users in April 2022. During the pilot, we conducted ongoing webinars and surveys to solicit feedback for system improvement.

On August 1, 2022, we opened the pilot to all members of the public and have seen an increase in users, with over 80% of section 205 recordations now coming in online. As expected, the new system has resulted in significantly shortened processing times, with the average from electronic submission to generation of the public record now measured in weeks rather than months. We are incorporating user feedback to make iterative improvements in an Agile manner. We do still accept paper recordations; while the pandemic resulted in longer processing times for paper documents, those times have been

3

_

⁶ There are three primary types of documents that may be submitted for recordation: transfers of copyright ownership, other documents pertaining to a copyright, and notices of termination. The pilot and newly released system are currently focused on only the first category (section 205 documents).

cut, too.⁷ We also are building functionality for processing notices of termination and making updates to the user interface.

B. Public Records and the New Copyright Public Record System (CPRS)

The Office is the custodian of many kinds of records related to registration and recordation. With respect to physical records, in 2023 we completed the consolidation of offsite records from three separate warehouses into a new storage facility in Cabin Branch, Maryland. In February 2024, the facility was dedicated as the Marybeth Peters Copyright Archive, in honor of the eleventh Register of Copyrights.

For years we have been working to make our public records, some going back more than a century, available online. The second ECS application to be publicly released was a pilot for the new Copyright Public Records System (CPRS). This system provides access to registration and recordation data, with advanced search capabilities, filters, and improved interfaces. Development began in the fall of 2019, and a public pilot allowing users to search, filter and email public catalog records launched in winter of 2020. Since then, we continue to build advanced functionality and features, and progressively digitize older records and make them available online (obviating the need to come to our physical premises in Washington).

The work on CPRS is particularly urgent because the Voyager system that supports the existing Copyright Office Online Public Catalog will be decommissioned by the Library of Congress in 2025. The Office expects that CPRS will become the sole source of authoritative online copyright information on registrations and recordations by summer 2025. Users can easily provide feedback on CPRS by participating in the form posted on the CPRS webpage.⁸

C. Registration: From eCO to ECS

The Copyright Office continues to effectively administer the national copyright registration system. In fiscal 2023, we registered over 441,526 copyright claims involving millions of works. Over the past three years, we have markedly improved registration processing times: the average for examining all copyright claims stands at 2.1 months for the first half of fiscal 2024. For fully electronic claims that do not require correspondence,

⁷ Regardless of the processing time, the effective date of recordation is the date the Copyright Office receives the complete submission in acceptable form. Processing times for paper recordations are posted on our website at https://copyright.gov/recordation/; we are currently processing March 2022 basic (section 205) recordation filings and July 2023 notices of termination.

⁸ The CPRS survey can be accessed at https://www.research.net/r/CPRS-feedback.

the average is just 1.2 months.⁹ Electronic applications with physical deposits without correspondence average 3 months, while paper applications have remained at an average of 4.1 months for claims without correspondence. Over 80% of all applications are submitted electronically.

Registration is the most complex of the Office's services and the focus of the greatest public attention. The Office published a notice of inquiry in October 2018 seeking public input regarding potential updates to improve the system's efficiency for both users and staff. Building on comments received then and at other public events in the years that followed, we began compiling thousands of user stories to identify needed functionality. In addition, teams in both Registration and OCIO studied developments underway with recordation and CPRS.

Planning and design work on a clickable Standard Application prototype and internal examination features for registration began in the fall of 2019, and development began in the summer of 2020, during the pandemic. In January 2024, the staff working on the project split into two teams, one dedicated to the external (public facing) module and the other to the internal (staff) module. Registration staff serve as quality testers for various upgrades needed for the current eCO system, identify user stories for ECS functions, and serve on Agile scrum teams with the developers. A third team was established in October 2023 to work on electronic Deposit (eDeposit) development, which will create enhanced upload and rendering capabilities necessary to support the submission of large numbers of files submitted in one group application, such as photographs, and very large files, such as feature-length motion pictures and television episodes. The eDeposit system is intended to render electronic deposits much more efficiently to staff for examination. By the end of this calendar year, we are on track to initiate a limited pilot of both the eDeposit upload functionality and the Standard Application, in order to obtain feedback from test participants.

⁹ Registration processing times are posted on our website at https://copyright.gov/registration/docs/processing-times-faqs.pdf. For the October 1, 2023 to March 31, 2024 timeframe, 82% of all registration claims were eService claims (online claims and electronic deposits); 14% were deposit ticket claims (online claims with separately mailed physical deposit materials); and about 1% were mail claims (paper claim forms and physical deposits).

¹⁰ In this notice, the Office sought and received public comment on three main areas of proposed reform: (1) the administration and substance of the application for registration, (2) the utility of the public record, and (3) the deposit requirements for registration. U.S. Copyright Office, Notice of Inquiry on Registration Modernization, 83 Fed. Reg. 52336 (Oct. 17, 2018), https://www.govinfo.gov/content/pkg/FR-2018-10-17/pdf/2018-22486.pdf. In March 2020, after reviewing the first set of comments, the Office issued a statement of policy and another notice of inquiry announcing several intended practice updates to be adopted with the deployment of the new technological system and requested additional comments. All can be view on the Office's webpage at https://copyright.gov/rulemaking/reg-modernization/.

D. Licensing

The Copyright Office also maintains our effective stewardship of statutory licensing revenues, which totaled over \$1.6 billion as of the end of fiscal 2023.¹¹ I am pleased to report that for the sixth consecutive year, we received an unmodified or "clean" audit opinion of the fiscal 2022 statutory licensing fiduciary asset financial statements.

IT development work in licensing involves internal processes rather than public-facing changes. Updating these internal processes will increase the efficiency of the Office's administration of the statements of account submitted by cable operators with statutory license royalty payments for retransmission of over-the-air television and radio broadcast stations. Our goals include value-driven improvements that streamline internal processes, reducing manual entry and leveraging existing data, systems, and services.

Development began in the fall of 2020 with work on user experience design and initial automated workflows to replace outdated processes. We are now focusing on implementing the statement of account examination processes in ECS and transitioning all royalty accounting processes onto the Legislative Branch Financial Management System to streamline and eliminate duplication. We expect to make the redesigned licensing processes available for staff use in early 2025.

E. Historical Public Records

As part of the Office's commitment to the preservation of and access to our historical records, we are digitizing print and microfilm records and making them available online. This includes the physical card catalog, the Catalog of Copyright Entries (CCEs), microfilm records, and the record books. Digitization is the first step, to be followed by metadata capture to enhance searchability, with all records eventually available through the new CPRS. Both the Virtual Card Catalog and the CCEs are already available online with limited browse capability. ¹²

_

¹¹ The Licensing Section is responsible for helping to administer the various statutory licenses and similar provisions, including secondary transmissions of radio and television programs by cable and satellite systems; making and distributing phonorecords of nondramatic musical works; and importing, manufacturing, and distributing digital audio recording devices or media.

¹² The Office already digitized and made available online our physical card catalog, which is available in the Virtual Card Catalog (VCC), as well as the CCEs. *See* https://copyright.gov/vcc/. The VCC Proof of Concept represents card records from 1870 to 1977, displayed in JPEG images, from the U.S. Copyright Card Catalog collection. The images are presented in a similar filing order as found in the physical card catalog. Initial work is underway to capture metadata on these cards. The CCEs were scanned by a third party in 2010. With respect to microfilm, the Office analyzed 26,317 reels to identify records from 1870-1977 that are only available on microfilm to prioritize them for digitization. We identified over 5,000 reels for future digitization that could be made searchable through the CPRS.

Considerable progress has been made to digitize and make publicly available the Office's 26,000 record books, which contain well over 26 million pages of records between 1870 and 1977. The first 500 books were published on the Library's website in February 2022,¹³ and now 12,792 books are available online. Work is being done in reverse chronological order from 1977, with the scanned books posted in batches; we hope to complete this project by early fiscal 2027. Finally, we are working with another division in the Library to test approaches for extracting metadata from the record books using artificial intelligence tools.

F. New Copyright Contact Center

The Copyright Office handles more than 200,000 questions from the public annually, with many of those coming through phone and email directed to our Office of Public Information and Education. Starting in fiscal 2023, we engaged with the U.S. General Services Administration (GSA) Centers of Excellence to modernize our call systems, including customer contact routing and reporting. Since then, we have worked with GSA to design and implement a new Copyright Contact Center technology suite, which includes a best-in-class Customer Relationship Management System (CRM) and omnichannel communication systems. The CRM solution builds upon already implemented capabilities to more effectively track and route calls and emails. As a result, we have streamlined the user experience and can now provide business intelligence to staff and managers. In April of this year, we launched the newest component, Salesforce CRM, to help provide our signature friendly service in an even more efficient manner.

G. Other Related Projects and Licenses

There are a number of other technology-related projects that the Copyright Office funds. These include ongoing maintenance of the operation of the current eCO system and engaging in quality assessment and testing, as well as paying for software licenses necessary to conduct regular work processes.

II. COMMUNICATION WITH THE PUBLIC

As part of our duties, the Copyright Office provides information and outreach to the public on a wide range of matters. We are committed to openness and transparency, and consult with stakeholders and the public in a variety of ways on an ongoing basis. Our

¹³ See U.S. Copyright Office, NewsNet 947, Copyright Office Launches Digitized Copyright Historical Record Books Collection (Feb. 7, 2022), https://www.copyright.gov/newsnet/2022/947.html. The scans are posted at https://www.loc.gov/collections/copyright-historical-record-books-1870-to-1977/about-this-collection/.

website, copyright.gov, contains a wide range of information (from written products to videos to recorded webinars), aimed at all kinds of audiences.

A. Outreach on Information Technology Matters

In January 2021, the Librarian of Congress appointed a Copyright Public Modernization Committee (CPMC) to enhance communication with external stakeholders about the technology-related aspects of developing the ECS and other initiatives. The CPMC was originally established for a three-year term and consisted of thirteen members from a range of interested sectors, including publishing, music, and photography, libraries and archives, and other fields. To

The CPMC has held public online meetings twice a year with hundreds of virtual attendees, as well as several informal briefings in the interim.¹⁶ Meeting topics have included privacy and security of deposits and handling of personally identifiable information, demonstrations of ECS Registration system features in development such as application program interfaces and functions for bulk upload, and the use of unique identifiers. At the most recent meeting, members discussed the value of the Committee and ideas for future improvements. In order to continue benefiting from this source of expertise and insights, the Library is reauthorizing the CPMC for an additional term.¹⁷ The deadline for applications for membership was June 18, 2024. Once the new members are selected, the Library intends to hold another CPMC meeting before the end of this calendar year.

In addition to the formal structure of the CPMC, the Office has hosted a number of public webinars and related outreach opportunities in various formats) to present and discuss our technology initiatives. This included hosting almost quarterly webinars on a variety of IT projects (in recordation, registration, and public records) between January 2019 and June 2022. We also conduct training webinars for users of systems already in production (recordation and CPRS), gather feedback via email, and ask users to complete surveys online. Feedback has been overwhelmingly positive, with a strong appetite expressed for continuing to add new features.

_

¹⁴ Library of Congress, Announcement of Copyright Public Modernization Committee, 86 Fed. Reg. 8044 (Feb. 3, 2021), https://www.govinfo.gov/content/pkg/FR-2021-02-03/pdf/2021-02194.pdf.

¹⁵ See Library of Congress Announces Copyright Public Modernization Committee (June 22, 2021), https://www.loc.gov/item/prn-21-034/library-of-congress-announces-copyright-public-modernization-committee/2021-06-22/.

¹⁶ Video and related material from past CPMC public meetings can be found on the U.S. Copyright Office webpage at https://www.copyright.gov/copyright-modernization/#modernization-committee.

¹⁷ Library of Congress, Announcement Reauthorizing Copyright Public Modernization Committee, 92 Fed. Reg. 40512 (May 10, 2024), https://www.govinfo.gov/content/pkg/FR-2024-05-10/pdf/2024-10243.pdf. ¹⁸ Video and related material from these Copyright Office-led meetings are posted on the U.S. Copyright Office webpage at https://copyright.gov/copyright-modernization/webinar/.

B. Public Outreach and Education

The Office engages in numerous outreach activities to provide clear and accurate information on copyright law and to raise awareness of the Copyright Claims Board (CCB) and other Office resources and programs. In fiscal 2023, we hosted or participated in 185 public events and speaking engagements, surpassing the prior fiscal year by 25 percent. Our Public Information Office and new reading room are now open and provide in-person services by appointment.

Since travel opened up after the pandemic, Office speakers have been in high demand, virtually and in person for audiences at all levels, around the country and elsewhere in the world. To help meet the demand, we launched a public webinar education series this year with a pilot named "Copyright Myths Explained," which was one of our highest-attended events. To reach new audiences, we customized our approach. For example, our expanded Spanish Language program provides educational materials as well as phone and email support in Spanish. To raise awareness of the Music Modernization Act, the CCB and copyright in general, our outreach has included bringing music-specific resources to nearly a dozen music industry and songwriter events.

The Office's outreach strategy is informed by economic research and data analysis, so that our information and education resources can go where they are most needed. Since the hiring of a Chief Economist in 2022, the Office has released two economic reports, *The Resilience of Creativity: An Examination of the COVID-19 Impact on Copyright-Reliant Industries and Their Subsequent Recovery* (May 2024) and *Women in the Copyright System: An Analysis of Women Authors in Copyright Registrations from 1978 to 2020* (June 2022). And we have recently developed a webpage¹⁹ which outlines economic research underway, as well as providing easy public access for the first time to copyright registration and recordation data in bulk format.

C. Public Nature of Our Legal, Policy and Regulatory Work

As noted above, the Copyright Office is very accessible and regularly invites public comment on our many legal and policy initiatives.

Copyright Claims Board: After two years of operations, the CCB is approaching 1,000 claims being filed. It has issued 16 final determinations and facilitated numerous voluntary settlements. Claims have come from forty-six states and thirty-two countries.²⁰ Over the past year, the Office completed rulemakings to update the CCB's processes and

¹⁹ U.S. Copyright Office, Economic Research webpage, https://copyright.gov/economic-research/.

²⁰ U.S. Copyright Office, Key Statistics on the Copyright Claims Board (March 2024), https://ccb.gov/CCB-Statistics-and-FAQs.pdf. More information about the CCB is at www.ccb.gov.

operations. The CCB and other Office staff have participated in scores of public events to describe and promote its use, reaching audiences in-person and virtually from all around the United States.

Regulations: The Office has several open rulemakings underway,²¹ two of which are mandated by law. In July 2023, we commenced the ninth triennial proceeding under section 1201 of the Digital Millennium Copyright Act (DMCA) regarding temporary exemptions to section 1201's prohibition against circumvention of technological measures that control access to copyrighted works. We have requested supporting and opposing comments related to any newly proposed exemptions, using a streamlined process adopted in the prior two rulemakings. Public hearings were held in mid-April 2024. The Office is working on its recommendations to the Librarian, and the final rules must be issued by late October 2024.

In addition, as directed by the Music Modernization Act (MMA), the Office maintains an oversight role, as well as engaging in education and outreach activities. In January 2024, we issued a notice of inquiry seeking public comments for the periodic review of our designations of the mechanical licensing collective (MLC) and digital licensee coordinator (DLC). Initial public comments were due on May 29 and reply comments are due on June 28.

The Office has other open rulemakings underway, including proposed group registration options for two-dimensional artwork and for dynamic news websites. We also are working on proposed regulations addressing how termination rights apply in the context of the MMA's blanket license and updating regulations on access to electronic deposits of published works submitted to the Office and selected for addition to the collections of the Library of Congress.

Initiative on Copyright and Artificial Intelligence: In early 2023, the Office announced an initiative to examine the copyright law and policy issues raised by generative AI, including the scope of copyright in works incorporating AI-generated content and the use of copyrighted materials in AI training. After convening public listening sessions and hosting webinars to gather information, the Office published a notice of inquiry in August 2023 that elicited over 10,000 comments by the December 2023 deadline. In February 2024, we provided Congress with an update on our accomplishments (including policy guidance on registration, litigation and Review Board activities, and the notice of inquiry) and our plans for next steps, including a report analyzing the issues and making

²¹ U.S. Copyright Office, Rulemakings webpage, https://copyright.gov/rulemaking.

recommendations.²² We expect the first section of the report, addressing digital replicas, to be issued in the coming weeks.

Working with Congress and Other Agencies: The Office provides legal advice and assistance across the government on an ongoing basis regarding copyright law and policy, including participation in Supreme Court and appellate litigation and interagency collaboration on international matters and trade. While some of this work is necessarily deliberative and non-public, much of the final work (such as litigation briefs) is public.

* * *

To conclude, we appreciate the support of the Committee for both the Library of Congress and the Copyright Office, including to ensure that the important work being done to modernize and further develop the Office's IT systems is sustained for the long-term. At this time, I would be pleased to answer any questions.

²² U.S. Copyright Office, Letter to Senators Coons and Tillis and Representatives Issa and Johnson (Feb. 23, 2024), https://copyright.gov/laws/hearings/USCO-Letter-on-AI-and-Copyright-Initiative-Update.pdf.