

The Licensing Connection

A NEWSLETTER FROM THE U.S. COPYRIGHT OFFICE LICENSING SECTION



Acting Chief's Note

Oreon Pinkston

In 2024, the Licensing Section continued to fulfill its role in administering various royalty and non-royalty statutory licenses, supporting the mission of both the section and the U.S. Copyright Office.

In addition to delivering excellent service to our stakeholders, I'm excited to share some notable accomplishments from 2024:

1. For the seventh consecutive year, we received an unmodified or "clean" audit opinion of the statutory licensing fiduciary asset financial statements.
2. We added several new accounting periods (2010/1–2015/2 and 2020/2–2023/2) to our **website's repository** of examined paper and electronic cable statements of account (SOAs).
3. We made digitized satellite SOAs from 1989/1 to the present available on our **website**.
4. Staff attended the Independent Show 2024 in Nashville, Tennessee, to speak with cable operators from across the country about the section 111 statutory license and Pay.gov.
5. We made substantial advancements in the continuous development of the internal licensing module for the new Enterprise Copyright System (ECS). Please note this module is only for use by internal staff.

Looking ahead to 2025, the Licensing Section plans to

1. Launch production of the internal licensing module for ECS.
2. Continue providing **online access** to examined paper and electronic cable SOAs.
3. Continue providing **online access** to satellite SOAs.

As the section looks back on the past year, we are grateful for your continued support. We hope you had a safe and healthy holiday season and that the new year is filled with peace and joy. We look forward to continuing our exceptional service into year forty-seven and beyond!

Licensing Section Attends the 2024 Independent Show

Representing the Licensing Section, Section Chief Tracie Coleman and Information Unit Head Oreon Pinkston attended the 2024 Independent Show, an annual cable conference sponsored by the National Content & Technology Cooperative (NCTC) and America's Communications Association (ACA Connects). Held in Nashville, Tennessee, the conference offered an opportunity for Office staff to speak directly with cable operators from across the country about the section 111 statutory license, Office regulations, and Pay.gov.



New SOA Accounting Periods Now Available Online

Examined cable SOAs for the 2010/1 through 2023/2 accounting periods are now available online, with more recent accounting periods to follow.

Licensing and Legislation

Copyright Office Publishes Final Rule Relating to Cable, Satellite, and DART License Reporting Practices and Opens Rulemaking on Proposal to Require Pay.gov Use for Statutory Royalty Payments

In December 2024, the Copyright Office published a **final rule** relating to SOAs that cable, satellite, and digital audio recording devices or media (DART) operators must file under Title 17.

The rule amends the Office's regulations prescribing the information to be provided by cable operators on their SOAs, which must be filed biannually to obtain the benefits of section 111's statutory license for the retransmission of broadcast programming. The rule updates and amends the Office's regulations related to the reporting of equipment, broadcast, and franchise fees, as well as other information relating to the cable operator's activities, such as the county in which it is located. The rule also eliminates certain aspects of the SOA that are no longer relevant, in part due to the change from analog to digital video service and in part due to changes in the way cable systems operate. Finally, it makes technical amendments to the regulations governing satellite and DART filings for consistency.

To implement this rule, the Office will issue new SOA forms. In the interim, cable operators are advised to use the current forms available on the Office's website.

The Office also **issued** a proposal to amend its regulations regarding the submission of royalty fees by cable, satellite, and DART operators to require these fees be paid using Pay.gov.

Copyright Royalty Judges Announce Commencement of a Proceeding to Determine Distribution of 2018, 2019, 2020, and 2021 Cable and Satellite Royalty Funds

On August 14, 2024, the Copyright Royalty Judges **announced** the commencement of proceedings to determine distribution of 2018, 2019, 2020, and 2021 royalties deposited with the Copyright Office under the cable service statutory license and the satellite carrier license. Petitions to participate were due September 12, 2024.

Copyright Royalty Judges Announce Receipt of Notices of Intent to Audit

On August 22, 2024, the Copyright Royalty Judges **announced** the receipt from SoundExchange, Inc., of a notice of intent to audit the 2021, 2022, and 2023 SOAs submitted by commercial webcaster licensee Salem Media Group concerning royalty payments it made pursuant to two statutory licenses.

Copyright Royalty Judges Announce Comment Period for Proposed Regulations Governing Digital Performances of Sound Recordings by New Subscription Services and the Making of Ephemeral Copies to Facilitate Those Transmissions

On August 14, 2024, the Copyright Royalty Judges **published** for comment proposed regulations governing the rates and terms for the digital performances of sound recordings by new subscription services and for the making of ephemeral copies to facilitate those transmissions for the period commencing on January 1, 2026, and ending on December 31, 2030. Comments were due November 12, 2024.

Cost of Living Adjustment to Satellite Royalty Rates

The Copyright Royalty Judges **announced** a cost-of-living adjustment (COLA) of 2.6 percent in the royalty rates satellite carriers pay for a compulsory license under Title 17. The COLA is based on the change in the Consumer Price Index from October 2023 to October 2024. These rates are applicable for the period beginning January 1, 2025, and ending December 31, 2025.

Cost of Living Adjustment to Webcaster Royalty Rates

The Copyright Royalty Judges **announced** a COLA in the royalty rates that commercial and noncommercial noninteractive webcasters pay for eligible transmissions pursuant to the statutory licenses for the public performance of and for the making of ephemeral reproductions of sound recordings. These rates are applicable for the period beginning January 1, 2025, and ending December 31, 2025.

Licensing and Legislation *(continued)*

Cost of Living Adjustment to Public Broadcasters Compulsory License Royalty Rate

The Copyright Royalty Judges **announced** a COLA to the royalty rate that noncommercial radio stations at certain colleges, universities, and other educational institutions not affiliated with National Public Radio must pay for the use in 2025 of published nondramatic musical compositions in the SESAC Performing Rights and Global Music Rights repertoires pursuant to the statutory license under Title 17 for noncommercial broadcasting. This rate is applicable for the period beginning January 1, 2025, and ending December 31, 2025.

Cost of Living Adjustment to Royalty Rates for Phonorecords Statutory License

The Copyright Royalty Judges **announced** a COLA in the royalty rates for the statutory license for making and distributing phonorecords of nondramatic musical works regarding physical phonorecords and permanent downloads. These rates are applicable for the period beginning January 1, 2025, and ending December 31, 2025.

Termination Rights, Royalty Distributions, Ownership Transfers, Disputes, and the Music Modernization Act

The Office issued a **final rule** regarding how the Copyright Act's derivative works exception to termination rights applies to the statutory mechanical blanket license established by the Music Modernization Act. The final rule also addresses other matters relevant to identifying the proper payee to whom the mechanical licensing collective must distribute royalties. Among other things, the Office is adopting regulations addressing the mechanical licensing collective's distribution of matched historical royalties and administration of ownership transfers, other royalty payee changes, and related disputes.

Important Reminders for 2024/2

SATELLITE: The **\$725 filing fee** per statement in addition to the appropriate royalty fee is to be filed between **January 1 and January 30**, inclusive.*

CABLE: The **filing fee (\$15 for SA-1, \$20 for SA-2, or \$725 for SA-3) per statement** in addition to the appropriate royalty fee is to be filed between **January 1 and March 1**, inclusive.*

* Please remit the royalty fee and filing fee in one EFT payment via [Pay.gov](https://www.pay.gov).

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