

# The Licensing Connection

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

## Chief's Note

TRACIE COLEMAN

In 2023, the Licensing Section continued to uphold its responsibility of administering the various royalty and non-royalty statutory licenses to support the mission of the section and Copyright Office.



In addition to providing the same level of service to our stakeholders, I am pleased to announce some exciting accomplishments in 2023:

- We celebrated our forty-fifth anniversary.
- We added a new accounting period to our **website's repository** of post-examination paper and electronic statements of account (SOAs).
- We made significant strides in developing the licensing module for the new Electronic Copyright System (ECS).

I am also pleased to announce that, for the sixth consecutive year, the section received an unmodified or "clean" audit opinion of the statutory licensing fiduciary asset financial statements.

Looking ahead to 2024, Licensing plans to

- modernize the examination and royalty investment and accounting processes as part of the development of the ECS licensing module;
- complete the design for and implement the ECS licensing module to process and examine statements of account;
- continue providing online access to examined paper and electronic SOAs through the Copyright.gov/Licensing website.

As the Licensing Section finishes out the year, we want to thank you for your continued support.

On behalf of the entire Licensing Section, we wish you a safe and healthy holiday season, filled with peace and joy in the New Year.

We look forward to continuing our outstanding service in year forty-six and beyond!

## Section to Cease Acceptance of PDF Submissions for Electronic Filing

Beginning with the 2023/2 accounting period, the Licensing Section will no longer accept PDF submissions of electronic statements of account. All electronic submissions must be submitted to [coplicsoa@copyright.gov](mailto:coplicsoa@copyright.gov) using the Excel form provided on the [section 111 webpage](#). Please note that Paper Submissions sent by mail will continue to be accepted.

## Reminder: Section Ends Return of E-SOA Copies

Beginning with the 2023/1 accounting period, the Licensing Section no longer sends signed copies of e-SOA submissions to remitters. These statements will be made available on the [Licensing Section's website](#), which is updated weekly as the section processes the statements. For more information or assistance, please email [licensing@copyright.gov](mailto:licensing@copyright.gov).

# Licensing and Legislation

## ***Copyright Office Issues a Supplemental Notice of Proposed Rulemaking Related to Termination Rights, Royalty Distributions, Ownership Transfers, Disputes, and the Music Modernization Act's Statutory Mechanical Blanket License***

On September 26, the Copyright Office published a supplemental notice of proposed rulemaking modifying an earlier proposed rule regarding the applicability of the derivative works exception to termination rights under the Copyright Act to the statutory blanket mechanical license established under the Music Modernization Act. The supplemental notice also expands the proposed rule's scope to address matters relevant to identifying the proper payee to whom the mechanical licensing collective must distribute royalties. More information can be found [here](#).

## ***Copyright Office Issues Interpretive Rule Regarding Fees for Late Royalty Payments Under the Music Modernization Act's Blanket Mechanical License***

On September 5, the Copyright Office issued an interpretive rule regarding the Music Modernization Act's due date for royalty payments as it relates to late fees under the blanket statutory mechanical license. In February 2023, following requests from interested parties, the Office published a notification of inquiry soliciting public comments regarding when royalty payments should be considered late, thus triggering late fees assessments. Interested parties were in disagreement about whether the Office's regulations governing the reporting by digital music providers under the Music Modernization Act's blanket license affected the Act's due date provisions.

Having carefully considered the statutory text, legislative history, and public comments, the Office concluded that the statute's due date provisions are unambiguous. The Office is not issuing regulations on this topic and is terminating its related notification of inquiry. More information can be found [here](#).

## ***Cost-of-Living Adjustment to Satellite Carrier Compulsory License Royalty Rates***

On November 30, 2023, the Copyright Royalty Judges announced a cost-of-living adjustment (COLA) of 3.2 percent in the royalty rates satellite carriers pay for a compulsory license under the Copyright Act. The COLA is based on the change in the Consumer Price Index from October 2022 to October 2023. These rates are applicable to the period January 1, 2024, through December 31, 2024. For more information, click [here](#).

## ***Cost-of-Living Adjustment to Public Broadcasters Compulsory License Royalty Rate***

On November 30, 2023, the Copyright Royalty Judges announced a cost-of-living adjustment (COLA) to the royalty rate that noncommercial radio stations at certain colleges, universities, and other educational institutions that are not affiliated with National Public Radio must pay for the use in 2024 of published nondramatic musical compositions in the SESAC Performing Rights, LLC (SESAC) and Global Music Rights, LLC (GMR) repertoires pursuant to the statutory license under the Copyright Act for noncommercial broadcasting. These rates are applicable to the period January 1, 2024, through December 31, 2024. For more information, click [here](#).

## ***Cost-of-Living Adjustment to Royalty Rates for Webcaster Statutory License***

On November 30, 2023, the Copyright Royalty Judges announce a cost-of-living adjustment (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 to the period January 1, 2024, through December 31, 2024. For more information, click [here](#).

**Note:** On December 21, 2023, the Copyright Royalty Board issued a correction to this document, found [here](#).

## ***Cost of Living Adjustment for Royalty Rates and Terms for Making and Distributing Phonorecords***

Effective January 1st, 2024, the Copyright Royalty Judges announced a cost of living adjustment (COLA) in the royalty rates for the statutory license for making and distributing phonorecords of nondramatic musical works regarding physical phonorecords and Permanent Downloads. For more information, click [here](#).

**Note:** On December 21, 2023, the Copyright Royalty Board issued a correction to this document, found [here](#).

## ***Copyright Royalty Judges Publish Final Rule and Order Governing Rates in Phonorecords III (Remand) Proceeding***

On August 10, the Copyright Royalty Judges published a final rule and order governing the rates and terms for making and distributing physical and digital phonorecords in the Phonorecords III (Remand) rate-setting proceeding for the years 2018–2022. For more information, click [here](#).

## Out & About

### Licensing Section Attends the 2023 Independent Show

Representing the Licensing Section, Information Unit head Oreon Pinkston and copyright specialist Corey Davis attended the 2023 Independent Show, an annual cable conference sponsored by the National Cable Television Cooperative (NCTC) and American Cable Association (ACA Connects). This year's conference was held in Minneapolis, Minnesota. The conference offered an opportunity for Copyright Office staff to speak directly with cable operators from across the country about the section 111 statutory license, Office regulations, and Pay.gov.



Oreon Pinkston and Corey Davis at the ACA Connects Booth on the show floor.



Kim Leake at the AGA conference.

### Licensing Attends AGAs 2023 Professional Development Training

Licensing Section chief Tracie Coleman and acting Fiscal Unit head Kim Leake attended the 2023 AGA Professional Development Training. This conference, held in Orlando, Florida, allowed the Licensing Section to network with industry experts and government financial management colleagues as well as listen in on

speakers from federal, state, and local government with key information and educational experiences.

## Important Reminders for 2023/2

**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.

For more information visit our [website](#).

## Want More TLC?

For previous issues, visit us on the web at [copyright.gov/licensing](https://copyright.gov/licensing).

To be added to the mailing list for future issues, contact us at [licensing@copyright.gov](mailto:licensing@copyright.gov).

Need more information about your topic of interest? Email your suggestions to [licensing@copyright.gov](mailto:licensing@copyright.gov).

## Subscribe to NewsNet

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## Out & About

Licensing Section staff may be available to attend, exhibit, or participate in upcoming activities. Let us know your plans at [licensing@copyright.gov](mailto:licensing@copyright.gov).

