

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

**Oversight Hearing
Before the
Subcommittee on Intellectual Property
Committee on the Judiciary of the U.S. Senate
November 13, 2024**

Chairman Coons, Ranking Member Tillis, and Members of the Committee:

Thank you for the opportunity today to update you on the recent accomplishments and current projects of the Copyright Office (Office). In the two years since I last appeared before this Subcommittee, we have many achievements to report.

On legal and policy matters, we are in the midst of a study on copyright and artificial intelligence, have completed a joint study with the U.S. Patent and Trademark Office (USPTO) on non-fungible tokens, have engaged in several rulemakings, and are participating in important copyright litigation. We have concluded two full years of smooth operations of our small claims tribunal. We have made significant progress in building the planned Enterprise Copyright System (ECS), with several components already in production and used by the public. Concurrently, 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. Our new economics team is issuing valuable analyses as well as releasing bulk data in accessible formats for the public. 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

A. Law and Policy

As this Subcommittee knows, in addition to overseeing the national copyright registration and recordation systems, the Copyright Office’s responsibilities include advising Congress on copyright policy and legislation; working with the courts, the Department of Justice and other federal agencies on copyright litigation and international matters; and

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

conducting administrative and regulatory activity including with respect to statutory licenses.²

1. Two Years of the Copyright Claims Board

A major step in furthering the strategic goal of “Copyright for All” has been the establishment of the Copyright Claims Board (CCB), as directed by Congress in the Copyright Alternative in Small-Claims Enforcement Act of 2020 (CASE Act). As the first intellectual property small claims tribunal in the United States, the CCB is a voluntary, alternative forum to the federal courts for copyright claims of up to \$30,000.³ The CCB opened its doors in June 2022. To provide a snapshot of its operations so far:

- Just over 1,000 claims have now been filed, in a steady rate over time.
- By the end of FY 2024, nearly 40% of all claims (39%) involved pictorial, graphic, and sculptural works, including photographs. Motion picture and audiovisual works were involved in 21% of claims, literary works in 13%, and sound recordings in 10%.
 - Claims have come from 46 states, the District of Columbia, and Puerto Rico, as well as dozens of other countries.
 - By the close of FY 2024, the CCB had issued twenty-three final determinations.
- The CCB is designed to accommodate *pro se* parties, to avoid the cost of hiring a lawyer. While some parties before the CCB have legal representation, as of the close of FY 2024, about 80% of parties before the CCB represented themselves.
- Although the timelines are largely governed by statute, with generous deadlines for parties’ responses, on average, the CCB processes claims considerably faster than federal courts.
- So far the opt-out rate by respondents has not been high, with 91 claims dismissed due to opt-outs.
- The CCB has also been able to facilitate settlements, through settlement conferences or private agreements. We are aware of at least 90 claims that have been settled.

The Office has completed several rulemakings to establish or streamline the CCB’s processes and operations. In addition, both 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. As required by the CASE Act, we will be commencing a study of the CCB’s operations to be completed in 2026.

² 17 U.S.C. § 701.

³ More information about the CCB is at www.ccb.gov.

2. Regulatory Work

Over the past two years, the Office has handled an active regulatory agenda. We have completed several rulemakings and have others underway.⁴

Section 1201 Triennial Rulemaking: On October 28, 2024, we concluded 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. The goal of this proceeding is to determine whether there are particular classes of works as to which users are – or are likely to be in the next three years – adversely affected in their ability to make noninfringing uses due to the prohibition on circumventing access controls.

This cycle's rulemaking began in June 2023. We followed the same streamlined process of requesting comments and holding public hearings that we have used in two prior rulemakings. The Office received thirty-seven petitions seeking renewal of exemptions adopted in prior rulemakings, as well as eleven petitions seeking new exemptions or expansion of existing exemptions. We obtained public feedback through multiple rounds of written comments and three days of public hearings. We also held *ex parte* meetings and issued follow-up questions regarding several of the proposed exemptions.

The Office organized the petitions for expanded or new exemptions into seven classes. Based on the legal standards and evidentiary record, I recommended granting proposed exemptions, in whole or in part, in three of the seven classes, as well as renewing all existing exemptions for which petitions were filed. The Librarian of Congress adopted my recommendations in full, and the final rule was published on October 28.⁵

The Music Modernization Act and Related Issues: Under the Music Modernization Act (MMA), the Office exercises oversight responsibility over the Mechanical Licensing Collective (MLC) to ensure that it continues to fulfill its duties under the statute. To our knowledge, the MLC is administering the statutory blanket license in line with the statute and our regulations. We hold periodic meetings separately with the MLC, with the Digital Licensee Coordinator (DLC), and with songwriter groups, to gather feedback on the MLC's operations and how the MMA is working.

As required by the MMA, in January 2024, the Office issued a notice of inquiry requesting public comments regarding our periodic review of the designations of the

⁴ U.S. Copyright Office, Rulemakings webpage, at <https://copyright.gov/rulemaking>.

⁵ U.S. Copyright Office, Exemption to Prohibition on Circumvention of Copyright Protection Systems for Access Control Technologies, 89 Fed. Reg. 85437 (Oct. 28, 2024).

mechanical licensing collective and the digital licensee coordinator.⁶ We established a series of deadlines for information from the public as well as from the existing MLC and DLC, with the last set of submissions due July 29, 2024. We are currently reviewing these submissions.

The Office also adopted a final rule in July 2024 (i) confirming that the derivative works exception to termination rights under the Copyright Act does not apply to the statutory blanket mechanical license established under the MMA, and (ii) directing the MLC to distribute royalties in a manner consistent with that interpretation.

Other Rulemakings: In addition to the two major proceedings described above, we completed a number of other rulemakings, including the following:

- Regulations (along with the necessary technology changes) to create a new group registration option for frequently updated news websites (July 2024).
- A final rule amending the process and fee to obtain a certified final determination from the CCB, rather than using the generally applicable process to certify other Office records (October 2024).

Several additional rulemakings are still open, such as a proposed group registration option for two-dimensional artwork and a proposal to update regulations on secure, authorized user onsite access to electronic deposits of published works submitted to the Office through registration and selected for the Library's collections.

The Copyright Office also has specific, but limited, responsibilities related to the Copyright Royalty Board (CRB). Although the CRB is an independent body within the Library of Congress, and not part of the Copyright Office, the Office advises and assists Congress with questions on title 17, including those portions of the statute governing the Copyright Royalty Judges (CRJ).⁷ For example, in November 2022, the Office responded to a congressional inquiry about increasing opportunities for participation in proceedings before the CRB.⁸ We concluded that the CRJs possess authority under current law to provide a

⁶ The MMA directs the Office to designate an entity as the MLC to administer the blanket statutory mechanical license for the reproduction and distribution of nondramatic musical works. The MMA also allows the Office to designate a DLC, which will represent digital music services in the administration of the license and in the determination of the administrative assessment fee paid by digital music providers for the reasonable costs of operating the MLC. In July 2019, the Office made its initial designations for these two entities. The MMA requires the Office to periodically review these designations, with the first such review to commence in January 2024.

⁷ 17 U.S.C. § 701(b)(1).

⁸ Register of Copyrights Shira Perlmutter, Letter to Senators Patrick Leahy and Thom Tillis, Nov. 25, 2022, at <https://copyright.gov/laws/hearings/USCO-Letter-on-Copyright-Royalty-Board-Proceedings-11-25-2022.pdf>.

greater opportunity for public involvement in rate-setting proceedings, but legislation may be necessary for more sweeping change. In August 2024, we also responded to a congressional letter regarding questions about the Section 115 blanket license.⁹

3. Support to Other Agencies and the Courts

The Office provides legal advice and assistance across the government regarding complex areas of copyright law and policy, including in Supreme Court and appellate litigation. We work with the Department of Justice in preparing the U.S. government views presented in copyright cases. Over the past two years, two such cases have reached the Supreme Court,¹⁰ and a number have been decided or are pending before appellate courts.¹¹

We also collaborate on international matters and trade with agencies such as the Office of the U.S. Trade Representative and the USPTO. This includes working with other countries on legal issues and public education, regional intellectual property activities, and multilateral discussions at institutions such as the World Intellectual Property Organization (WIPO), the World Trade Organization (WTO), and the Organization for Economic Cooperation and Development (OECD).

4. 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. We began by issuing guidance to applicants on how to register works incorporating AI-generated content. After convening public listening sessions and hosting webinars to gather information about the technology and its uses, the Office published a notice of inquiry in August 2023 that elicited over 10,000 comments by the December deadline. In February 2024, we provided Congress with an update on our activities (including the registration guidance, litigation and Review Board decisions, and the notice of inquiry) and plans for next steps, including a report analyzing the issues and making recommendations.¹²

⁹ Register of Copyrights Shira Perlmuter, Letter to Senator Marsha Blackburn, Representative Adam Schiff, and Representative Ted Lieu, Aug. 21, 2024, at <https://copyright.gov/laws/hearings/response-to-6-12-2024-letter.pdf>.

¹⁰ *Warner Chappell Music, Inc. v. Nealy*, 601 U.S. 366 (2024); *Andy Warhol Found. for the Visual Arts, Inc. v. Goldsmith*, 598 U.S. 508 (2023).

¹¹ *See, e.g., Thaler v. Perlmuter*, 687 F. Supp. 3d 140 (D.D.C. 2023), *appeal pending*, No. 23-5233 (D.C. Cir. argued Sept. 19, 2024); *Valancourt Books, LLC v. Garland*, 82 F.4th 1222 (D.C. Cir. 2023); *Med. Imaging & Tech. All. v. Libr. of Cong.*, 103 F.4th 830 (D.C. Cir. 2024).

¹² U.S. Copyright Office, Letter to Senators Coons and Tillis and Representatives Issa and Johnson (Feb. 23, 2024), at <https://copyright.gov/laws/hearings/USCO-Letter-on-AI-and-Copyright-Initiative-Update.pdf>.

On July 31, 2024, we issued the first Part of that report on AI. In *Part One: Digital Replicas*, the Office described the widespread availability of generative AI tools that make it easy to create digital replicas of individuals' images and voices as well as the gaps in existing laws. We recommended that Congress establish a federal right that protects all individuals from the knowing distribution of their unauthorized digital replicas. We also made recommendations as to the appropriate contours of such a right, including First Amendment accommodations and limitations on transferability.

Forthcoming Parts of the report will address the copyrightability of materials created in whole or in part by generative AI and the legal implications of training AI models on copyrighted works. Our current goal is to complete these parts by the end of this calendar year, and we will keep the subcommittee informed of any timing adjustments. In 2025, we plan to update our March 2023 Registration Guidance and will initiate a request for public comments on relevant revisions to the *Compendium of U.S. Copyright Office Practices*.

The Office recognizes that Congress continues to consider multiple important issues related to AI, and we are always available to provide technical assistance.

5. Additional Policy and Legislative Work

On March 12, 2024, the Copyright Office and the USPTO published the results of our joint study on the intellectual property law and policy implications of non-fungible tokens (NFTs), requested by former Chairman Patrick Leahy and Ranking Member Thom Tillis. The Offices concluded that existing statutory enforcement mechanisms are sufficient to address infringement concerns related to NFT applications and that changes to IP laws, or to the Offices' registration and recordation practices, are not necessary or advisable at this time. Public education initiatives and product transparency play an important role in ensuring greater awareness and understanding about NFTs.

B. Office Services and IT Modernization

Modernization of the Office's information technology (IT) continues to be a top priority as well as a strategic goal. We are committed to a process of ongoing improvements to avoid repeating the need to overhaul outdated legacy systems. Under the Library of Congress's centralized IT structure, the Office of the Chief Information Officer (OCIO) provides technology services, including system and software development, to implement the Office's business needs.

The Copyright Office's primary IT project is building the Enterprise Copyright System (ECS), which includes four major components: registration, recordation, public records, and licensing. The first components to be developed were recordation and public

records—the services that were the most antiquated and in need of updating. The new versions are now available online and being used by the general public, with very positive feedback. 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.¹³

1. Registration

The Copyright Office continues to effectively administer the national copyright registration system—the most complex of our services and the subject of the greatest public interest. In fiscal 2024, we registered 424,155 copyright claims involving millions of works. Over the past three years, we have reduced registration processing times to historic lows: the average for all claims stands at 1.9 months for the second half of fiscal 2024. For fully electronic claims that do not require correspondence, the average is just 1.2 months.¹⁴ Electronic applications with physical deposits without correspondence average 2.6 months, while paper applications remain at an average of 4.1 months for claims without correspondence. Approximately 99% of all applications are now submitted electronically.

The Office’s electronic registration system, known as eCO (Electronic Copyright Office), has been in operation for about 16 years. The current focus of ECS development work is on speeding up its replacement. After soliciting public comments and identifying needed functionality, we began development in the summer of 2020. Since then we have expanded the staff working on ECS Registration to comprise three teams: one dedicated to the external (public facing) module, one to the internal (staff) module, and one to electronic Deposit (eDeposit) development (which will create enhanced upload and rendering capabilities 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). By the end of this calendar year, we are on track to initiate a limited pilot of both the eDeposit upload functionality and the new interface and functionality of the most commonly used registration form, the Standard Application (currently representing approximately 72% of all claims). Testing to obtain feedback from pilot participants will inform future development; this testing will take place during the second quarter of fiscal 2025.

¹³ The Copyright Office funds several other technology-related projects, including ongoing maintenance of the current eCO system, engaging in quality assessment and testing, and the software licenses necessary to conduct regular work processes.

¹⁴ Registration processing times are posted on our website at <https://copyright.gov/registration/docs/processing-times-faqs.pdf>. For the April 1, 2024 to September 30, 2024 timeframe, 85% 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).

2. Recordation

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 2024, we recorded 16,971 documents containing titles of 1,738,530 works.¹⁵

Our new online recordation system was the first ECS component to be released for public use, replacing an entirely paper-based process. After releasing a limited public pilot for recordation of documents under section 205 of title 17 to a small group of users in April 2022, we opened it to all members of the public in August of that year. Now, about 90% of recordations under section 205 enter via the online system. This has significantly shortened processing times, with the average from submission to generation of the public record now measured in weeks rather than months. We still accept paper recordations; while the pandemic resulted in longer processing times, those times have now been reduced.¹⁶ We also are building functionality for processing notices of termination and making updates to the user interface.

3. Copyright Public Records System

The Copyright Office is the custodian of many kinds of records related to registration and recordation. For years we have been working to make our public records, some going back more than a century, available online. The second ECS component to be publicly released was a pilot for the new Copyright Public Records System (CPRS). This system provides access to official registration and recordation data, with advanced search capabilities, filters, and improved interfaces. Development began in the fall of 2019, and a public pilot 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). To date, 3.25 million physical records have been made available in CPRS.

The work on CPRS is particularly urgent because the antiquated Voyager system that supports the existing Copyright Office Online Public Catalog will be decommissioned by the Library of Congress in 2025. We expect CPRS to become the sole source of authoritative

¹⁵ 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 currently cover the first category (section 205 documents).

¹⁶ 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/>.

online copyright information on registrations and recordings by summer 2025. With respect to physical records, in 2023 the Office completed a consolidation from three separate warehouses into a new storage facility in Cabin Branch, Maryland.

4. Licensing

The Copyright Office also maintains our effective stewardship of statutory licensing by managing a \$1.6 billion royalty investment as of the end of fiscal 2024.¹⁷ For the seventh consecutive year, in FY23 we received an unmodified or “clean” audit opinion of the fiduciary asset financial statements.

IT development of the ECS licensing component involves internal processes rather than public-facing changes. Updating these processes will increase the efficiency of the Office’s administration of the statements of account (SOAs) submitted by cable operators with statutory license royalty payments for retransmission of over-the-air television and radio broadcast stations. Our goals include streamlining 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. We are now integrating the SOA examination processes into ECS and plan to automate many of the royalty accounting processes onto the Legislative Branch Financial Management System to further streamline licensing operations. We expect to make the redesigned ECS licensing processes available for staff use in early 2025.

5. 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 our record books. Both the Virtual Card Catalog (VCC) and the CCEs are already available online with limited browse capability.¹⁸ Considerable progress has also 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 bound

¹⁷ 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.

¹⁸ See <https://copyright.gov/vcc/>. The VCC Proof of Concept represents card records from 1870 to 1977, displayed in JPEG images, from the Card Catalog collection, presented in a similar filing order. 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 has analyzed 26,317 reels to identify records from 1870 to 1977 that are only available on microfilm to prioritize them for digitization and determine which should be made searchable through CPRS.

record books were published on the Library’s website in February 2022,¹⁹ and over half (14,447 books) are now available online. Work is being done in reverse chronological order from 1977, with the scanned books posted in batches. Digitization is the first step, to be followed by metadata capture to enhance searchability, with all records eventually available through the new CPRS. We are working with the Library’s LC Labs division to test approaches for extracting metadata from the record books using artificial intelligence tools.

6. Copyright Contact Center

The Copyright Office handles more than 240,000 questions from the public annually, many 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. As a result, we have streamlined the user experience and can now provide business intelligence to staff and managers. In April 2024, the Office added additional capabilities to receive, track, and route calls and emails to improve communications quality and timeliness between the Office and the public.

7. The Copyright Public Modernization Committee

The Office also has worked to further outreach regarding IT development. 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 the ECS and other initiatives.²⁰ The CPMC was originally established for a three-year term, with thirteen members from a range of interested sectors, including publishing, music, photography, and libraries and archives.²¹ The CPMC has held public online meetings twice a year with hundreds of virtual attendees, as well as several informal

¹⁹ U.S. Copyright Office, NewsNet 947, Copyright Office Launches Digitized Copyright Historical Record Books Collection (Feb. 7, 2022), at <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/>.

²⁰ Library of Congress, Announcement of Copyright Public Modernization Committee, 86 Fed. Reg. 8044 (Feb. 3, 2021), at <https://www.govinfo.gov/content/pkg/FR-2021-02-03/pdf/2021-02194.pdf>.

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

briefings.²² Recently, the Librarian reauthorized the CPMC for another three-year term,²³ and a new set of thirteen members were selected (including some returning members).²⁴ The first online meeting of the new CPMC was held on October 10, 2024, and featured a demonstration of our work on ECS Registration.

C. Outreach and Economic Analyses

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 website, [copyright.gov](https://www.copyright.gov), contains extensive informational resources (from written products to videos to recorded webinars), aimed at all kinds of audiences.

In fiscal 2024, we hosted or participated in 209 public events and speaking engagements, continuing an upward trend. Our Public Information Office and new reading room provide in-person services by appointment. We produced two popular webinars entitled “Copyright Essentials: Myths Explained.” Our expanded Spanish Language program provides educational materials as well as phone and email support. To raise awareness of the MMA, the CCB, and copyright in general, we have brought music-specific resources to music industry and songwriter events, and participated in whole-of-government IP education and outreach initiatives.

The Office also has hosted a number of public webinars and produced communications in various formats to present and discuss our technology and modernization initiatives. We conduct training webinars for users of systems already in production (recordation and CPRS), and gather feedback via email and online surveys.

One of my priorities upon arriving at the Office was to establish in-house economic expertise. In June 2022, the Copyright Office hired its first Chief Economist. Since then, his staff has expanded to include another economist and a statistician. To date, they have released three economic reports:

²² Video and related material from CPMC public meetings can be found on the U.S. Copyright Office webpage at <https://www.copyright.gov/copyright-modernization/#modernization-committee>.

²³ Library of Congress, Announcement Reauthorizing Copyright Public Modernization Committee, 92 Fed. Reg. 40512 (May 10, 2024), at <https://www.govinfo.gov/content/pkg/FR-2024-05-10/pdf/2024-10243.pdf>.

²⁴ Library of Congress, Library of Congress Announces New Members of Copyright Public Modernization Committee, Sept. 24, 2024, at <https://newsroom.loc.gov/news/library-of-congress-announces-new-members-of-copyright-public-modernization-committee/s/2d289494-93b4-4404-98a1-452cb791571d>.

- *The Geography of Copyright Registrations* (September 2024)
- *The Resilience of Creativity: An Examination of the COVID-19 Impact on Copyright-Reliant Industries and Their Subsequent Recovery* (May 2024)
- *Women in the Copyright System: An Analysis of Women Authors in Copyright Registrations from 1978 to 2020* (June 2022)

A new webpage on the Office’s economic work²⁵ outlines other research underway. It also provides easy access for the first time to decades of copyright registration and recordation data in bulk format.

D. Copyright Office Staff and Budget

All of the work described above has been performed by our dedicated staff of about 450 full-time employees on a relatively modest budget. We appreciate Congress’ support and the budget we have received in recent fiscal years.²⁶

The Office’s overall budget is composed of three separate budgets or program areas:

- Basic Budget. This funds most of the Office’s operations and initiatives, including the majority of payroll-related expenses and the operations of the CCB. Historically, the Basic Budget has been composed of a combination of appropriated dollars and authority to spend fee revenue.
- Licensing Division Budget. This is derived completely from collections of licensing royalties payable to copyright owners and filing fees paid by cable and satellite licensees pursuant to statutory licenses administered by the Office.
- Copyright Royalty Judges (CRJ) Budget. Although the CRJ program is not part of the Copyright Office, we provide it with budget, financial management, and administrative support on behalf of the Library of Congress. CRJ appropriated funding supports payroll and partially funds non-pay expenses that are not supported by fees and royalty payments.

²⁵ U.S. Copyright Office, Economic Research webpage, at <https://copyright.gov/economic-research/>.

²⁶ In recent years, the Office has been able to use targeted programmatic requests to implement statutory requirements as well as to support our services. We requested and obtained \$3.2 million in additional fiscal 2022 funding to implement the CASE Act, subsequent to our unfunded fiscal 2021 work, which included hiring the CCB staff. For fiscal 2023, we obtained a single program increase of \$1.7 million to provide for new positions involving cost analysis, economic analysis, and statistic capabilities as well as software to support valuable new skillsets. For fiscal 2024, we had a single request of \$4.3 million to support continuous IT development, including three additional staff to support our business requirements.

For fiscal 2025, our basic budget request is for \$96.9 million and 445 FTEs, comprising \$38.025 million in offsetting fee collections (39%) and \$58.8 million (61%) in appropriated dollars. It includes mandatory pay-related and price level increases of \$3.9 million.²⁷ For fiscal 2025, we have not requested additional appropriations for IT work as we are completing the last year of prior congressional funding.

Given that work to modernize our IT systems and services is still underway, let me highlight that continued support through appropriated funds will be needed. Both the Copyright Office and OCIO have identified a need for greater financial resources in fiscal 2026 to timely meet strong and growing user demands for ECS functionality, including acceleration of the registration component, and to support continuous development.

Looking ahead, we plan to initiate our next fee study in 2025. The Office periodically reviews its fees, with the last set of fees going into effect in March 2020, shortly after the pandemic hit. Over the past year, the Office has been working internally to gather data and analyses to produce both a demand study and a cost study of our services. We plan to issue a notice of proposed rulemaking in 2025, and will request public comments. After our review, the Office will present a final proposed fee schedule and analysis of fees for our services to Congress in accordance with section 708(b) of Title 17. Pursuant to that section, Congress will have 120 days in which to disapprove the Office's proposal; otherwise, the new fees will be implemented. We will advise the Subcommittee on the timing of the fee study going forward.

* * *

The Copyright Office appreciates the Subcommittee's continued support of our work to promote and improve the copyright system. I would be pleased to answer any questions.

²⁷ For further details, see the Register's statements on the fiscal 2025 budget before the Senate Legislative Branch Appropriations Subcommittee on May 15, 2024 at <https://www.copyright.gov/laws/hearings/USCO-Senate-FY25-Appropriations-Testimony-May-16-2024.pdf>.