



LIBRARY OF CONGRESS

Copyright Royalty Board

Notice of Intent to Audit

[Docket No. 15-0002-CRB-AU]

AGENCY: Copyright Royalty Board, Library of Congress.

ACTION: Public notice.

SUMMARY: The Copyright Royalty Judges announce receipt of a notice of intent to audit the 2011, 2012, and 2013 statements of account submitted by Galaxie concerning the royalty payments its Business Establishment Service made pursuant to two statutory licenses.

FOR FURTHER INFORMATION CONTACT: LaKeshia Keys, Program Specialist, by telephone at (202) 707-7658 or by email at crb@loc.gov.

SUMMARY INFORMATION: The Copyright Act, title 17 of the United States Code, grants to copyright owners of sound recordings the exclusive right to perform publicly sound recordings by means of certain digital audio transmissions, subject to certain limitations. Specifically, the right is limited by two statutory licenses. The section 114 license allows nonexempt noninteractive digital subscription services and eligible nonsubscription services to perform publicly sound recordings by means of digital audio transmissions. 17 U.S.C. 114(f). The section 112 license allows a service to make necessary ephemeral reproductions to facilitate the digital transmission of the sound recording, including transmissions to business establishments¹. 17 U.S.C. 112(e).

¹ Subject to the limitations set forth in section 114(d)(1)(C)(iv).

Licensees may operate under these licenses provided they pay the royalty fees and comply with the terms set by the Copyright Royalty Judges. The rates and terms for the section 112 and 114 licenses are set forth in 37 CFR parts 380-384. As part of the terms set for these licenses, the Judges designated SoundExchange, Inc. as the Collective, *i.e.*, the organization charged with collecting the royalty payments and statements of account submitted by eligible nonexempt noninteractive digital subscription services such as, among others, Business Establishment Services, and distributing the royalties to the copyright owners and performers entitled to receive them. 37 CFR 384.4(b). As the designated Collective, SoundExchange may conduct a single audit of a licensee for any calendar year to verify royalty payments. SoundExchange must first file with the Judges a notice of intent to audit a licensee and serve the notice on the licensee to be audited. 37 CFR 384.6(c).

On December 23, 2014, SoundExchange filed with the Judges a notice of intent to audit Galaxie's Business Establishment Service for the years 2011, 2012, and 2013.

Section 384.6(c) requires the Judges to publish notice in the **Federal Register** within 30 days of receipt of a notice announcing the Collective's intent to conduct an audit. Today's notice fulfills this requirement with respect to SoundExchange's intent to audit Galaxie's Business Establishment Service filed on December 23, 2014.

Dated: January 13, 2015

Suzanne M. Barnett,
Chief Copyright Royalty Judge.

[FR Doc. 2015-00697 Filed 01/16/2015 at 8:45 am; Publication Date: 01/20/2015]