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**Copyright Royalty Board**

**37 CFR Part 386**

**[Docket No. 16-CRB-0017-SA-COLA (2017)]**

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

**AGENCY:** Copyright Royalty Board, Library of Congress.

**ACTION:** Final rule.

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**SUMMARY:** The Copyright Royalty Judges announce a cost of living adjustment (COLA) of 1.6% 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 2015 to October 2016.

**DATES:** *Effective Date:* January 1, 2017.

*Applicability Dates:* These rates are applicable to the period January 1, 2017, through December 31, 2017.

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**SUPPLEMENTARY INFORMATION:** The satellite carrier compulsory license establishes a statutory copyright licensing scheme for the retransmission of distant television programming by satellite carriers. 17 U.S.C. 119. Congress created the license in 1988 and has reauthorized the license for additional five-year periods, most recently with the passage of the STELA Reauthorization Act of 2014, Public Law 113-200.

On August 31, 2010, the Copyright Royalty Judges (Judges) adopted rates for the section 119 compulsory license for the 2010–2014 term. *See* 75 FR 53198. The rates were proposed by Copyright Owners and Satellite Carriers<sup>1</sup> and were unopposed. *Id.* Section 119(c)(2) of the Copyright Act provides that, effective January 1 of each year, the Judges shall adjust the royalty fee payable under Section 119(b)(1)(B) “to reflect any changes occurring in the cost of living as determined by the most recent Consumer Price Index (for all consumers and for all items) [CPI–U] published by the Secretary of Labor before December 1 of the preceding year.” Section 119 also requires that “[n]otification of the adjusted fees shall be published in the Federal Register at least 25 days before January 1.” 17 U.S.C. 119(c)(2).

The change in the cost of living as determined by the CPI-U during the period from the most recent index published before December 1, 2015, to the most recent index published before December 1, 2016, is 1.6%.<sup>2</sup> Application of the 1.6% COLA to the current rate for the secondary transmission of broadcast stations by satellite carriers for private home viewing — 27 cents per subscriber per month — results in an unchanged rate of 27 cents per subscriber per month (rounded to the nearest cent). *See* 37 CFR 386.2(b)(1). Application of the 1.6% COLA to the current rate for viewing in commercial establishments — 56 cents per subscriber per month — results in a rate of 57 cents per subscriber per month (rounded to the nearest cent). *See* 37 CFR 386.2(b)(2).

### **List of Subjects in 37 CFR Part 386**

Copyright, Satellite, Television.

### **Final Regulations**

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<sup>1</sup> Program Suppliers and Joint Sports Claimants comprised the Copyright Owners while DIRECTV, Inc., DISH Network, LLC, and National Programming Service, LLC, comprised the Satellite Carriers.

<sup>2</sup> On November 17, 2016, the Bureau of Labor Statistics announced that the CPI-U increased 1.6% over the last 12 months.

In consideration of the foregoing, the Judges amend part 386 of title 37 of the Code of Federal Regulations as follows:

**PART 386—ADJUSTMENT OF ROYALTY FEES FOR SECONDARY TRANSMISSIONS BY SATELLITE CARRIERS**

1. The authority citation for part 386 continues to read as follows:

**Authority:** 17 U.S.C. 119(c), 801(b)(1).

2. Section 386.2 is amended by adding paragraphs (b)(1)(viii) and (b)(2)(viii) as follows:

**§ 386.2 Royalty fee for secondary transmission by satellite carriers.**

\* \* \* \* \*

(b) \* \* \*

(1) \* \* \*

(viii) 2017: 27 cents per subscriber per month.

(2) \* \* \*

(viii) 2017: 57 cents per subscriber per month.

Dated: November 17, 2016.

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Suzanne M. Barnett,  
Chief Copyright Royalty Judge.

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