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Copyright Royalty Board

37 CFR Part 385

[Docket No. Docket No. 24-CRB-0010- PR-COLA (2025)]

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

AGENCY: Copyright Royalty Board, Library of Congress.

ACTION: Final rule; cost of living adjustment.

SUMMARY: The Copyright Royalty Judges announce 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.

DATES: *Effective date:* [INSERT DATE OF PUBLICATION IN THE **FEDERAL REGISTER**]

Applicability date: These rates and terms are applicable during the period from January 1, 2025, through December 31, 2025.

FOR FURTHER INFORMATION CONTACT: Anita Brown, Program Specialist, (202) 707-7658, crb@loc.gov.

SUPPLEMENTARY INFORMATION: Section 115 of the Copyright Act, title 17 of the United States Code, creates a statutory license for making and distributing phonorecords of nondramatic musical works. On December 16, 2022, the Copyright Royalty Judges (Judges) adopted final regulations governing the rates and terms of copyright royalty payments under that license for the license period 2024-2027 for making and distributing phonorecords of nondramatic musical works. *See* 87 FR 76942.

Pursuant to those regulations, at least 25 days before January 1 of each year, the Judges shall publish in the *Federal Register* notice of a cost of living adjustment (COLA) applicable to the royalty fees for making and distributing physical phonorecords and Permanent Downloads. *See* 37 CFR 385.11.

The adjustment in the royalty fee shall be based on a calculation of the percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U) published in November 2022 (298.012)¹ (“base rate”) according to the following formulas: for the per-work rate, $(1 + (C_y - 298.012^2) / 298.012) \times 12\text{¢}$, rounded to the nearest tenth of a cent; for the per-minute rate, $(1 + (C_y - 298.012) / 298.012) \times 2.31\text{¢}$, rounded to the nearest hundredth of a cent; where C_y is the CPI-U published by the Secretary of Labor before December 1 of the preceding year. 37 CFR 385.11(a)(2). The CPI-U published by the Secretary of Labor from the most recent index published before December 1, 2024, is 315.664³. Applying the formulas in 37 CFR 385.11(a)(2) results in an increase in the rates for 2025.

The adjusted rates for 2025 are 12.7 cents for the per-work rate and 2.45 cents for the per-minute rate.

List of Subjects in 37 CFR Part 385

Copyright, Phonorecords, Recordings.

Final Regulations

In consideration of the foregoing, the Judges amend part 385 of title 37 of the Code of Federal Regulations as follows:

¹ The CPI-U published in November 2022 is available at https://www.bls.gov/news.release/archives/cpi_11102022.htm at Table 1.

² Base rate.

³ The CPI-U announced on November 13, 2024, by the Bureau of Labor Statistics in its *Consumer Price Index News Release – Consumer Price Index*, is available at https://www.bls.gov/news.release/archives/cpi_11142024.htm at Table 1.

**PART 385—RATES AND TERMS FOR USE OF NONDRAMATIC MUSICAL
WORKS IN THE MAKING AND DISTRIBUTING OF PHYSICAL AND
DIGITAL PHONORECORDS**

1. The authority citation for part 385 continues to read as follows:

Authority: 17 U.S.C. 115, 801(b)(1), 804(b)(4).

2. Section 385.11 is amended by revising paragraph (a)(1) to read as follows:

**§ 385.11 Royalty fees for the public performance of sound recordings and the
making of ephemeral recordings.**

(a) * * *

(1) *2025 rate.* For the year 2025 for every physical phonorecord and Permanent
Download the Licensee makes and distributes or authorizes to be made and distributed,
the royalty rate payable for each work embodied in the phonorecord or Permanent
Download shall be either 12.7 cents or 2.45 cents per minute of playing time or fraction
thereof, whichever amount is larger.

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Dated: November 22, 2024.

David P. Shaw,
Chief Copyright Royalty Judge.

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