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Copyright Royalty Board

37 CFR Part 385

[Docket No. 25-CRB-0012-PR COLA (2026)]

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, 2026, through December 31, 2026.

FOR FURTHER INFORMATION CONTACT: Anita Brown, CRB 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, 2025, is 324.800³. Applying the formulas in 37 CFR 385.11(a)(2) results in an increase in the rates for 2026.

The adjusted rates for 2026 are 13.1 cents for the per-work rate and 2.52 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 October 24, 2025, 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/pdf/cpi.pdf> at Table 1 (last viewed on Nov. 25, 2025). The Copyright Royalty Judges note that the October 24, 2025, publication is the most recent CPI-U published by the Secretary of Labor before December 1 of the preceding year of this COLA adjustment (i.e. 2026). The Bureau of Labor statistics has explained “BLS could not collect October 2025 reference period survey data due to a lapse in appropriations.” *See* <https://www.bls.gov/bls/2025-lapse-revised-release-dates.htm> (last viewed on Nov. 25, 2025).

**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 rates.

(a) * * *

(1) *2026 rate.* For the year 2026 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 13.1 cents or 2.52 cents per minute of playing time or fraction thereof, whichever amount is larger.

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Dated: November 26, 2025.

Christina L. Shifton,
Interim Chief Copyright Royalty Judge.

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