



ANNOUNCEMENT

from the Copyright Office, Library of Congress, Washington, D.C. 20559-6000

FINAL RULE

COST OF LIVING ADJUSTMENT OF THE MECHANICAL ROYALTY RATE

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LIBRARY OF CONGRESS

Copyright Office

37 CFR Part 255

[Docket No. 95-2 CARP]

Cost of Living Adjustment of the Mechanical Royalty Rate

AGENCY: Copyright Office, Library of Congress

ACTION: Final Rule

SUMMARY: The Copyright Office announces an adjustment of the mechanical royalty rate based on the change in the Consumer Price Index from September 1993 to September 1995. The rate is increased to either 6.95 cents, or 1.3 cents per minute of playing time or fraction thereof, whichever is larger.

EFFECTIVE DATE: January 1, 1996.

FOR FURTHER INFORMATION: Marilyn J. Kretsinger, Acting General Counsel, or Tanya M. Sandros, Copyright Arbitration Royalty Panel, P.O. Box 70977, Southwest Station, Washington, D.C. 20024. Telephone: (202) 707-8380. Telefax: (202) 707-8366.

SUPPLEMENTAL INFORMATION: In 1987, the Copyright Royalty Tribunal adopted the joint proposal submitted by the National Music Publishers' Association, The Songwriters Guild of America and the Recording Industry Association of America, Inc. to make adjustments every two years to the mechanical royalty rate based upon changes in the Consumer Price Index (CPI), except: 1) when the CPI declined, in which case the mechanical rate could go no lower than

the rates in effect in 1986-1987; and 2) when the CPI increased by more than 25%, in which case the rate increase would be no greater than 25%. 52 FR 22637 (June 15, 1987). Corrected to clarify the adjustment to the mechanical rate when the CPI declined. 52 FR 23546 (June 23, 1987).

On December 17, 1993, the Copyright Royalty Tribunal was abolished by Congress. Copyright Royalty Tribunal Reform Act of 1993 (CRT Reform Act), Pub. L. 103-198, 107 Stat. 2304. The CRT Reform Act directed the Library of Congress and the Copyright Office to adopt the rules and regulations of the CRT as found at 37 CFR chapter 3. 17 U.S.C. 802(d). The Office subsequently reissued the CRT regulations on December 22, 1993. 58 FR 67690 (December 22, 1993).

Former 37 CFR 307.3, which calls for a biannual cost of living adjustment to the mechanical royalty rate, was renumbered 37 CFR 255.3 in a later action. 59 FR 23964 (May 9, 1994).

Accordingly, the Copyright Office announces that the change in the cost of living as determined by the Consumer Price Index (all urban consumers, all items) is 5.58% (September 1993's Index was 145.1 and September 1995's Index was 153.2, with 1982-1984=100 as a reference base). The current mechanical rate is 6.60 cents, or 1.25 cents per minute of playing time or fraction thereof, whichever amount is larger. Adjusting that rate upward by 5.58% and rounding off the results to the nearest 1/20th of a cent, the new rate, effective January 1, 1996, shall be 6.95 cents, or 1.3 cents per minute of playing time or fraction thereof, whichever amount is larger. Section 255.3 is revised as shown below.

List of Subjects in 37 CFR Part 255

Copyright, Music recordings.
For the reasons set forth in the preamble, the Copyright Office amends 37 CFR 255.3 as follows:

PART 255 - ADJUSTMENT OF ROYALTY PAYABLE UNDER COMPULSORY LICENSE FOR MAKING AND DISTRIBUTING PHONORECORDS

1. The authority citation for Part 255 continues to read as follows:

Authority: 17 U.S.C. 801(b)(1) and 803.

2. Sec. 255.3 is revised to read as follows:

§255.3 Adjustment of Royalty Rate

(a) For every phonorecord made and distributed on or after January 1, 1983, the royalty rate payable with respect to each work embodied in the phonorecord shall be either 4.25 cents, or 0.8 cent per minute of playing time or fraction thereof, whichever amount is larger, subject to further adjustment pursuant to paragraphs (b), (c), (d), (e), (f), (g), and (h) of this section.

(b) For every phonorecord made and distributed on or after July 1, 1984, the royalty rate payable with respect to each work embodied in the phonorecord shall be either 4.5 cents, or 0.85 cent per minute of playing time or fraction thereof, whichever amount is larger, subject to further adjustment pursuant to paragraphs (c), (d), (e), (f), (g), and (h) of this section.

(c) For every phonorecord made and distributed on or after January 1, 1986, the royalty rate payable with respect to each work embodied in the phonorecord shall be either 5.0 cents, or 0.95 cent per minute of playing time or fraction

thereof, whichever amount is larger, subject to further adjustment pursuant to paragraphs (d), (e), (f), (g), and (h) of this section.

(d) For every phonorecord made and distributed on or after January 1, 1988, the royalty rate payable with respect to each work embodied in the phonorecord shall be either 5.25 cents, or 1.0 cent per minute of playing time or fraction thereof, whichever amount is larger, subject to further adjustment pursuant to paragraphs (e), (f), (g), and (h) of this section.

(e) For every phonorecord made and distributed on or after January 1, 1990, the royalty rate payable with respect to each work embodied in the phonorecord shall be either 5.7 cents, or 1.1 cents per minute of playing time or fraction thereof, whichever amount is larger, subject to further adjustment pursuant to paragraphs (f), (g), and (h) of this section.

(f) For every phonorecord made and distributed on or after January 1, 1992, the royalty rate payable with respect to each work embodied in the phonorecord shall be either 6.25 cents, or 1.2 cents per minute of playing time or fraction thereof, whichever amount is larger, subject to further adjustment pursuant to paragraphs (g), and (h) of this section.

(g) For every phonorecord made and distributed on or after January 1, 1994, the royalty rate payable with respect to each work embodied in the phonorecord shall be either 6.6 cents, or 1.25 cents per minute of playing time or fraction thereof, whichever amount is larger, subject to further adjustment pursuant to paragraph (h) of this section.

(h) For every phonorecord made and distributed on or after January 1, 1996, the royalty rate payable with respect to each work embodied in the phonorecord shall be either 6.95 cents, or 1.3 cents per minute of playing time or fraction thereof, whichever amount is larger.

Date: October 24, 1995

Marybeth Peters,

Register of Copyrights

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