

**Written Statement of
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Before the
Subcommittee on the Legislative Branch
Committee on Appropriations
U.S. House of Representatives
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Chairman Valadao, Ranking Member Espallat, and Members of the Subcommittee:

Thank you for the opportunity to submit the U.S. Copyright Office's fiscal 2026 budget request. The Copyright Office is charged with overseeing the national copyright registration and recordation systems, advising Congress on copyright policy and legislation, working with the Department of Justice and other federal agencies on copyright litigation and international matters, conducting targeted regulatory activity, administering certain statutory licenses, and educating the public about copyright.¹ With approximately 470 full time staff and a modest budget, we have provided these valuable services for over 125 years since Congress recognized the Office as a separate organization in the Library.

Processing times for our core services of registration and recordation stand at historic lows. We continue to make significant progress on IT modernization of our new Enterprise Copyright System (ECS), with three of the four components already in production and used by the public and our staff. We are nearing the three-year anniversary of the new small claims tribunal created by Congress. We are actively engaged in administrative oversight of the designation of the entities established by the Music Modernization Act (MMA). In the past year, we completed the ninth triennial Digital Millennium Copyright Act (DMCA) Section 1201 rulemaking and issued two reports on artificial intelligence and copyright. We have expanded our public outreach through educational events and other programs for a variety of audiences.

KEY ACCOMPLISHMENTS OVER THE PAST YEAR

Administration of the Copyright Act: The Office is charged with administering the Copyright Act, which involves providing several core services to the public. Much of this work is involved in our ongoing IT modernization initiative, discussed further below.

Registration: In fiscal 2024, we registered 424,155 copyright claims involving millions of works. Over the past three years, we have markedly improved registration processing times: the average time for examining all copyright claims stands at 1.9 months for the second half of fiscal 2024. For fully electronic claims that do not require correspondence, the average is just 1.2 months.² Electronic applications with physical deposits without correspondence average 2.6 months, while paper applications have remained at

¹ 17 U.S.C. § 701 (general responsibilities and organization), § 702 (authority to establish regulations).

² Registration processing times are posted on our website at <https://copyright.gov/registration/docs/processing-times-faqs.pdf>. For the April 1, 2024 to September 30, 2024 timeframe, 85% of all registration claims were eService claims (online claims and electronic deposits); 14% were deposit ticket claims (online claims with separately mailed physical deposit materials); and about 1% were mail claims (paper claim forms and physical deposits).

an average of 4.1 months for claims without correspondence. Approximately 99% of all applications are now submitted electronically through our electronic Copyright Office (eCO) portal, which we are in the process of replacing as part of our modernization.

Recordation: In fiscal 2024, the Office recorded 16,971 documents containing titles of 1,738,530 works.³ Our online recordation pilot, launched in April 2020, has significantly shortened processing times, with the average time from submission to generation of the public record now measured in weeks rather than months. On August 1, 2022, we opened the pilot to all members of the public and have seen an increase in users; nearly 90% of all recordations now come in electronically.⁴

Public Records: The Office is the custodian of records related to registration and recordation, many going back more than a hundred years, which we are working to make available online. In fiscal 2024, we continued development of the new Copyright Public Records System (CPRS) (which includes both recordation and registration records). To date, 3.5 million physical records have been made available in CPRS.

Licensing: The Office maintained our effective stewardship of \$1.6 billion in statutory licensing funds as of the end of fiscal 2024.⁵ For the seventh consecutive year, we received an unmodified or “clean” audit opinion of the fiscal 2023 statutory licensing fiduciary asset financial statements.

Additional Major Activities: The Copyright Office is engaged in other significant activities, such as implementing legislation, issuing rulemakings, and conducting economic research and public outreach.

Copyright Claims Board (CCB): This June, the CCB will complete three years of operations. By the end of February 2025, 1,186 claims had been filed, and the CCB had issued 33 final determinations. As of February 2025, CCB officers have successfully facilitated 92 agreements by holding settlement conferences. Staff have participated in scores of public events to promote the CCB’s use and have reached nationwide audiences in-person and virtually.⁶ Claims have come from forty-seven states and thirty-nine countries. As required by the Copyright Alternative in Small Claims Enforcement (CASE) Act of 2020, the Office has begun a review of the CCB’s operations to be completed in February 2026.

DMCA Section 1201 and the Music Modernization Act (MMA): Over the past few years, the Office has conducted numerous rulemakings,⁷ two of them mandated by law. In October 2024, we completed

³ There are three primary types of documents that may be submitted for recordation: transfers of copyright ownership, other documents pertaining to a copyright, and notices of termination. The pilot and newly released system are currently focused on the first category (section 205 documents).

⁴ Recordation processing times are posted on our website at <https://copyright.gov/recordation/>. Regardless of the processing time, the effective date of recordation is the date the Copyright Office receives the complete submission in acceptable form.

⁵ The Licensing Section is responsible for helping to administer the Copyright Act’s various statutory licenses, including secondary transmissions of radio and television programs by cable and satellite systems; and from digital audio recording devices or media. The Licensing Section collects and distributes royalties to copyright holders based on orders from the Copyright Royalty Judges (CRJ), a three-judge board which is part of the Library of Congress, not located in the Copyright Office.

⁶ For more details on the work of the CCB, see Nora Scheland, “How the Copyright Claims Board Can Lighten the Federal Court Docket,” Blog: Creativity At Work (Dec. 20, 2024), at <https://blogs.loc.gov/copyright/2024/12/how-the-copyright-claims-board-can-lighten-the-federal-court-docket/>.

⁷ U.S. Copyright Office, Rulemakings webpage, <https://copyright.gov/rulemaking>.

the ninth triennial proceeding under section 1201 of the DMCA regarding temporary exemptions to section 1201's prohibition against the circumvention of technological measures that control access to copyrighted works. Under the MMA, the Office maintains an oversight role as directed by the statute and engages in education and outreach activities. In January 2024, we issued a notice of inquiry seeking public comments regarding the periodic review of our designations of the mechanical licensing collective (MLC) and digital licensee coordinator (DLC).

Additional Regulatory Work: The Office's additional MMA regulatory work includes a rulemaking to provide a group registration for frequently updated news websites. Last September, we issued clarifications to regulations involving termination rights and the MMA's blanket license. We have several rulemakings underway, including a proposed group registration option for two-dimensional artwork and an update to our existing regulation regarding the selection of electronic deposits of published works for addition to the collections of the Library of Congress.

Initiative on Copyright and Artificial Intelligence: The Copyright Office also provides impartial advice and expertise to Congress, the courts, and government agencies, and information to the public. For example, the Office has been active in taking forward a comprehensive initiative to examine the copyright law and policy issues raised by generative AI. We issued initial registration guidance for applicants in March 2023. In 2024, we reviewed the 10,000 comments received in response to a public notice of inquiry. We are issuing our Report in several parts, with *Part 1: Digital Replicas* published on July 31, 2024, and *Part 2: Copyrightability* on January 29, 2025. The next Part will address the legal implications of training AI models on copyrighted works, including licensing considerations.⁸ This year, we plan to update the March 2023 Registration Guidance and initiate a request for public comments on relevant revisions to the *Compendium of U.S. Copyright Office Practices*. The Office recognizes that Congress continues to consider multiple important issues related to AI, and we are available to provide technical assistance.

Working with Other Agencies: The Office regularly provides legal advice and assistance across the government regarding complex areas of copyright law and policy. We participate in Supreme Court and appellate litigation with the Department of Justice, and engage in interagency collaboration and consultation on international matters and trade that impact copyright.

Economic Work: The Office's first Chief Economist has released several economic reports, including two in the past year, with additional research projects underway.⁹ The economic team also has worked to provide easy public access to decades of copyright registration and recordation data in bulk format.

Public Outreach and Education: The Office engages in numerous outreach activities to provide information on copyright law and to raise awareness of the CCB and other Office resources and programs. In fiscal 2024, we hosted or participated in 209 public events and speaking engagements, continuing an

⁸ For more information on our AI initiative, visit www.copyright.gov/ai.

⁹ U.S. Copyright Office, Economic Research webpage, at <https://copyright.gov/economic-research/>, which also points to the reports, *The Geography of Copyright Registrations* (September 2024), *The Resilience of Creativity: An Examination of the COVID-19 Impact on Copyright-Reliant Industries and Their Subsequent Recovery* (May 2024). In 2024, our team also convened a group of academic scholars to discuss economic issues related to copyright and AI and published a document summarizing a structured framework for evaluating relevant economic evidence. See Lutes, Brent A. ed., *Identifying the Economic Implications of Artificial Intelligence for Copyright Policy: Context and Direction for Economic Research*, U.S. Copyright Office (Feb. 2025).

upward trend. We engaged with many audiences, from stakeholders to lawyers to academics, including well-attended public webinars for users of our systems to gather feedback. Our Public Information Office and our new reading room provide in-person services by appointment.

CONTINUOUS DEVELOPMENT OF INFORMATION TECHNOLOGY

The modernization of the Office's information technology (IT) continues to be a top priority as well as a strategic goal. We are, however, facing an uncertain fiscal environment as we plan for fiscal 2026, which may impact the timeline for this work. The Office is committed to making regular updates and improvements to avoid repeating the experience of having to overhaul severely outdated legacy systems.¹⁰ Our Enterprise Copyright System development includes four main components (registration, recordation, public records, and licensing). We also collaborate with OCIO on other business priorities enabled by technology, such as improving online access to historical public records and the operation of our new Contact Center.

Recordation: Our online recordation system was the first ECS component to be released to the public, enabling recordation of documents under section 205 of Title 17. In August 2022, full access was provided to all members of the public. We are now incorporating user feedback to make iterative improvements and to build new functionality for processing notices of termination.

Copyright Public Records System (CPRS): The second ECS component to be publicly released was a pilot for the new CPRS, which provides access to registration and recordation data with advanced search capabilities, filters, and improved interfaces. The CPRS has expanded online access and research options by adding 3,539,247 card catalog records. It will become the Office's sole source of authoritative online copyright information by summer 2025.

Licensing: The Office completed the development and design of the licensing component and initial automated workflows to replace outdated systems and processes. We implemented the statement of account examination processes in ECS and transitioned royalty accounting processes onto the Library's Financial System to streamline and enhance operations. On March 13, 2025, we activated this component into production.

Registration: Registration is the largest and most complex of the Office's services and the focus of the greatest public attention. In response to strong demand from stakeholders, the current focus of ECS development is on accelerating the replacement of the existing online system, which is almost 20 years old. We have expanded the staff working on ECS Registration to comprise three teams: one dedicated to the external (public facing) component, one to the internal (staff) component, and one to electronic deposit (eDeposit) development (which will provide enhanced upload and rendering capabilities to support the

¹⁰ Under the Library of Congress's centralized IT structure, the Office of the Chief Information Officer (OCIO) is leading work on user experience design and platform services—that is, the design and architecture capabilities underpinning the ECS. Years ago, the Library transitioned to an agile IT development model that emphasizes continuous development as well as rapid delivery of new functions and features that optimize the stakeholder experience. We have seen the benefits of this model for meeting evolving changes in technology, providing secure and interconnected systems, and managing contract cost increases.

submission of large numbers of files in one group application, such as photographs, and very large files, such as feature-length motion pictures and television episodes).

In late 2024, we initiated a limited pilot of both the eDeposit upload functionality and the new interface and functionality of the most commonly used registration form, the Standard Application (currently representing approximately 72% of all claims). During January and February 2025, we conducted 50 in-depth pilot test sessions with 57 participants representing individual and organizational users. The reaction has been uniformly positive, with comments noting that the difference between our current eCO system and the proposed model is “like night and day.” This feedback will inform future development steps and functionalities.

Historical Public Records: As part of the Office’s commitment to the preservation of and access to historical records, we are digitizing print and microfilm records and making them available online.¹¹ This includes the old card catalog, the Catalog of Copyright Entries (CCEs), microfilm, and the internal record books.¹² Digitization is the first step, to be followed by metadata capture to enhance searchability, with all records eventually available through the new CPRS. Great progress has been made to digitize and make available the Office’s record books: the first 500 were published on the Library’s website in February 2022,¹³ and now 16,763 books – well over half of the 26,142 total – are available online.

New Contact Center: The Office’s modernization of customer contact routing and reporting recently achieved a major milestone. Working with the GSA Centers of Excellence, we implemented a best-in-class customer relationship management (CRM) solution. This CRM enhances the public’s experience, enables robust data analytics, and provides centralized knowledge management capabilities to track and route customers’ calls and emails more effectively.

Copyright Public Modernization Committee: In January 2021, the Librarian of Congress appointed a Copyright Public Modernization Committee (CPMC) to enhance communication with external stakeholders about the technology-related aspects of the ECS. The CPMC was originally established for a three-year term, with thirteen members from a range of interested sectors; it held public online meetings twice a year with hundreds of virtual attendees, as well as several informal briefings.¹⁴ Last year, the Librarian reauthorized the CPMC for another three-year term, and a new set of thirteen members were selected (including some returning members).¹⁵ The first public meeting of the new CPMC was held online on October 10, 2024, and the most recent one was held on April 3, 2025.

¹¹ For details on our Historical Public Records program, visit <https://www.copyright.gov/historic-records/>.

¹² The Office already digitized and made available online our physical card catalog, which is available in the Virtual Card Catalog (VCC), as well as the CCEs. See <https://copyright.gov/vcc/>.

¹³ See U.S. Copyright Office, NewsNet 947, Copyright Office Launches Digitized Copyright Historical Record Books Collection (Feb. 7, 2022), <https://www.copyright.gov/newsnet/2022/947.html>. The scans are posted at <https://www.loc.gov/collections/copyright-historical-record-books-1870-to-1977/about-this-collection/>.

¹⁴ Video and related material from CPMC public meetings can be found on the U.S. Copyright Office webpage at <https://www.copyright.gov/copyright-modernization/#modernization-committee>.

¹⁵ Library of Congress, Library of Congress Announces New Members of Copyright Public Modernization Committee, Sept. 24, 2024, at <https://newsroom.loc.gov/news/library-of-congress-announces-new-members-of-copyright-public-modernization-committee/s/2d289494-93b4-4404-98a1-452cb791571d>.

FUNDING AND UPDATE TO THE FISCAL 2026 BUDGET REQUEST

The Copyright Office performs all of its work on a modest budget, composed of three separate budgets allocated by program areas:

- (1) Basic Budget. This funds most of the Office's operations and initiatives, including the majority of payroll and related expenses and the operations of the CCB. Historically, the Basic Budget has been composed of a combination of appropriated dollars and offsetting fee collection authority, with fees constituting less than one half of the total.
- (2) Licensing Division Budget. This is derived entirely from collections of licensing royalties payable to copyright owners and filing fees paid by cable and satellite licensees pursuant to statutory licenses administered by the Office.
- (3) Copyright Royalty Judges (CRJ) Budget. Although the CRJ program is not part of the Office, we provide it with budget, financial management, and administrative support on behalf of the Library. CRJ appropriated funding supports payroll and partially funds other expenses not supported by fees and royalty payments.

Request in Fiscal 2025: For fiscal 2025, the Office requested an overall budget of \$107 million in funding and 478 FTEs, of which \$45.9 million would be funded through offsetting fees collected in fiscal 2023 and prior years. That budget request would have covered mandatory pay increases, price level increases, and nothing more. We did not request additional appropriations for IT development, as we are now completing the last year of prior Congressional funding. With the fiscal 2025 basic budget now final, the impact of a full year Continuing Resolution on the Office's programs amounted to an effective \$4 million reduction.

Request for Fiscal 2026: Given that work to modernize our IT systems and services is still underway and accelerating, further support through appropriated funds will be needed. In our fiscal 2025 budget statement, we previewed that both the Copyright Office and OCIO anticipated the need for greater financial resources for IT modernization in fiscal 2026.¹⁶ The requested fiscal 2026 funds will support work on IT-related initiatives to meet user demands for ECS functionality and continuous development for components already in public release. Stakeholders have praised the work we have done so far on modernizing IT systems, and maintaining momentum is essential to deliver a timely ECS Registration component. To summarize, our fiscal 2026 requests are as follows:

- **Basic Budget:** \$92.972 million and 445 FTEs, to include a net \$4.791 for mandatory pay-related and price level increases, a program decrease for non-recurring Searchable Historic Records costs, and a program increase for Continuous Development of the ECS. This budget comprises \$37.025 million in offsetting fee collections (40%) and \$60.738 million (60%) in appropriated dollars.

¹⁶ Statement of Register of Copyrights Shira Perlmuter Before the Subcommittee on the Legislative Branch of the Committee on Appropriations of the U.S. Senate, May 15, 2024, at page 6, at <https://www.copyright.gov/laws/hearings/USCO-Senate-FY25-Appropriations-Testimony-May-16-2024.pdf>. Recall that the initial financial support for our modernization initiative, funded for five years as part of the fiscal 2019 budget, ended in fiscal 2023. The other segment of authorized Historical Public Records funding from fiscal 2019 was provided for seven years and ends in fiscal 2025.

- **Licensing Division Budget:** \$6.712 million and 26 FTEs, all of which are to be funded from collection of licensing royalties payable to copyright owners and filing fees paid by cable and satellite licenses pursuant to statutory licenses administered by the Office. The net mandatory pay-related and price level increases of \$0.251 include an adjustment for the Copyright Royalty Judges.
- **Copyright Royalty Judges Budget:** \$3.801 million and 7 FTEs include the mandatory pay-related and price level increase and a net program increase of \$0.608 million from Copyright Licensing. Of this total, royalties and participation fees offset \$1.112 million (for non-personnel-related expenses). The remainder, \$2.689 million in appropriated dollars, is to cover the personnel and other related expenses of the three judges and their staff.

For fiscal 2026, the Office is requesting an appropriation increase of \$6.8 million for three years to accelerate development and delivery to the public of the Registration component of ECS. This will allow increased IT development team capacity and meet sharply rising costs within the industry. In fiscal 2029, \$4.1 million will non-recur, leaving base funding of \$2.7 million for ongoing continuous development.

Drawing on the feedback from the limited pilot described above, the Copyright Office and OCIO plan to deliver the full ECS Registration component in fiscal 2028 and then transition to continuous development in fiscal 2029. Between now and then, planned steps include the following. In fiscal 2026, we will continue work on the Standard Application and the integration of the ECS Registration applicant-facing module, the examination module, the eDeposit uploader and examination renderer, and the message center. In fiscal 2027, we aim to complete the development of the group applications and digital registration certificates. In fiscal 2028, we will focus on integration with financial systems, including unified deposit accounts, and the workflow for physical deposits. Throughout, the Office will conduct user pilots to validate the system's evolving functionality.

Without the three years of proposed funding in our fiscal 2026 request, our plans to accelerate the ECS Registration system are at risk. That risk will likely escalate over time, as funds will have to be used to operate and maintain existing systems that are already beyond their useful life. The delivery timeline will significantly increase for the fully operational registration system demanded by stakeholders with the required components, workflows, and integrations. Looking ahead, after ECS Registration is made available to the public, the Copyright Office anticipates submitting a fiscal 2029 request to fund the necessary integration with other copyright functions (such as APIs, service request processing, content management capabilities, and a warehouse and records management system for copyright records and deposits that are submitted as part of registration).

In conclusion, the Copyright Office appreciates the Subcommittee's and Committee's continued support of our work to benefit the users of our services and the public, and to further our Constitutional mission of "promot[ing] the progress of science and useful arts."¹⁷

¹⁷ U.S. CONST. art. I, § 8, cl. 8.