



1410-72-P

LIBRARY OF CONGRESS

Copyright Royalty Board

Notice of Intent to Audit

[Docket No. 15-0001-CRB-AU]

AGENCY: Copyright Royalty Board, Library of Congress.

ACTION: Public notice.

SUMMARY: The Copyright Royalty Judges announce receipt of three notices of intent to audit the 2011, 2012, and 2013 statements of account submitted by 98frogfm.com, Christmas Music 24/7, and ZadioRadio concerning the royalty payments each made by each pursuant to two statutory licenses.

FOR FURTHER INFORMATION CONTACT: LaKeshia Keys, Program Specialist, by telephone at (202) 707-7658 or by email at crb@loc.gov.

SUPPLEMENTARY INFORMATION: The Copyright Act, title 17 of the United States Code, grants to copyright owners of sound recordings the exclusive right to perform publicly sound recordings by means of certain digital audio transmissions, subject to limitations. Specifically, the right is limited by two statutory licenses. The section 114 license allows nonexempt noninteractive digital subscription services and eligible nonsubscription services to perform publicly sound recordings by means of digital audio transmissions. 17 U.S.C. 114(f). The section 112 license allows a service to make necessary ephemeral reproductions to facilitate the digital transmission of the sound recording. 17 U.S.C. 112(e).

Licensees may operate under these licenses provided they pay the royalty fees and comply with the terms set by the Copyright Royalty Judges (Judges). The rates and terms for the section 112 and 114 licenses are set forth in 37 CFR parts 380-384. As part of the terms set for

these licenses, the Judges designated SoundExchange, Inc. as the Collective, *i.e.*, the organization charged with collecting the royalty payments and statements of account submitted by eligible nonsubscription services such as, among others, Eligible Small Webcasters, and distributing the royalties to the copyright owners and performers entitled to receive such royalties. 37 CFR 380.4(b)(1). As the designated Collective, SoundExchange may conduct a single audit of a licensee for any calendar year to verify royalty payments. *Id.* at § 380.6(b). Prior to conducting an audit, SoundExchange must file with the Judges a notice of intent to audit a licensee and serve the notice on the licensee to be audited. *Id.* at § 380.6(c).

On December 20, 2013, SoundExchange filed with the Judges three separate notices of intent to audit 98frogfm.com, Christmas Music 24/7, and ZadioRadio (all Eligible Small Webcasters), for the years 2011, 2012, and 2013.

Section 380.6(c) requires the Judges to publish notice in the **Federal Register** within 30 days of receipt of a notice announcing the Collective's intent to conduct an audit. Today's notice fulfills this requirement with respect to SoundExchange's notices of intent to audit 98frogfm.com, Christmas Music 24/7, and ZadioRadio filed on December 23, 2014.

Dated: January 13, 2015

Suzanne M. Barnett,
Chief Copyright Royalty Judge.

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