

# **U.S. Copyright Office FY2024 Fee Study: Cost Assessment Report**

A Report Prepared by the  
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**77 Years of Fee-Based Research Services to the Federal Government**  
**1948–2025**

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## 1. EXECUTIVE SUMMARY

This report details the findings of a study conducted by the Federal Research Division (FRD) of the Library of Congress that assessed the costs and revenues of the U.S. Copyright Office's (USCO) fee-based services. The main objective of this study was to analyze USCO's current and future costs in order to create an up-to-date cost and revenue projection model. USCO last updated its fee structure in 2020, following a previous study initiated in 2017. USCO will use the findings described in this report to inform its next fee study.

The FRD research team gathered information on the operating costs associated with USCO's fee-based activities through publicly available sources, financial and service records provided by USCO, and a data collection effort conducted by FRD and USCO. Specifically, FRD researchers designed a time-use worksheet to collect data on USCO employee time spent providing fee-based services. FRD distributed this worksheet to employees whose work is directly connected to fee-based services in the Office of Registration Policy and Practice (RPP), the Office of Copyright Records (CR), and the Licensing Section (LS). All estimated costs in this report are current to FY2025.

Additionally, researchers supplemented their analysis of time-use worksheets with twenty-seven semi-structured, qualitative interviews with USCO employees to learn about work processes and validate quantitative time-use data. Interview participants included employees in RPP, CR, and LS, as well as others involved in fee-based services, namely those in the Materials Control and Analysis Division (MCAD), the Office of Public Information and Education (PIE), and the Office of the General Counsel (OGC). FRD also circulated a questionnaire to OGC and the Office of Policy and International Affairs (PIA) employees involved in processing second appeals for registration claims.

Tables in Section 4, "Cost Assessment Findings," outline the unit costs of each fee-based copyright service. Other key findings from the cost assessment are listed below:

- In this study, direct costs include costs required to complete individual service requests, in most cases the costs of examination by an individual employee, while indirect costs include all operating costs not directly attributable to individual service requests. Complete definitions for these types of costs are available in Section 2, "Introduction." Across USCO, FRD estimates **\$15.6 million** in annual direct costs and **\$81.8 million** in annual indirect costs. Specifically, FRD estimates:
  - For registration services, annual direct costs total **\$14,052,125**, while annual indirect costs total **\$16,565,171**.

- For copyright records services, annual direct costs total **\$1,316,863**, while annual indirect costs total **\$6,242,077**.
  - For licensing records and filing services, annual direct costs total **\$201,078**, while annual indirect costs total **\$943,583**. The Licensing Section has additional direct and indirect costs, unrelated to the provision of records and filing services, which are fully offset by royalty revenue.
  - USCO annual overhead operating expenses total **\$48,097,279**, which the model allocates as indirect unit costs proportionally based on service volume to registration, copyright records, and licensing records and filing services.
  - USCO currently expects **\$10,000,000** in separate appropriations and spending for IT modernization, which the model allocates as indirect unit costs to registration and copyright records services. See Section 4.4. for further detail on the allocation of IT modernization costs.
- USCO provides Standard Applications, Paper Applications, and Single Applications in the highest volume relative to other fee-based services (comprising approximately 75 percent of all annual service volume). The direct costs of providing these services range from **\$12.02** per service to **\$28.04** per service. When incorporating allocated indirect costs, the total cost of providing Standard Applications, Paper Applications, and Single Applications ranges from **\$83.46** to **\$194.46**.
  - MCAD incurs a relatively high cost to accept and process physical deposit copies, which registration applicants have the option or obligation to submit depending on the application type. With a few exceptions for certain application types, in-processing each physical deposit costs MCAD an average of **\$27.07**. This additional cost is not incurred when applicants submit electronic deposit copies or for services without deposits. Out-processing costs MCAD significantly less, at **\$0.99** for each physical copyright certificate mailed to registrants.
  - Qualitative interviews provided context on fee-based service workloads, with some employees reporting seasonal fluctuations in their workloads. For example, LS employees noted seasonal variability with greater volumes of requests following statement of account due dates in March and August. As noted, more qualitative findings are found throughout Section 4.

The following section introduces FRD's main objectives in completing the study and summarizes the definitions of key terminology used in this report. Subsequent sections in the report detail the analytical methodology used, the cost categories analyzed by FRD, and the resulting estimates from FRD's quantitative and qualitative analysis.

## 2. INTRODUCTION

This report details the findings of a study conducted by the Federal Research Division (FRD) within the Library of Congress, aimed at assessing the costs and revenues of the U.S. Copyright Office (USCO) in support of its fee study. The main objective of this study was to analyze USCO's current and future projected costs and create an up-to-date overall cost and revenue projection model. Current cost estimates and projections of future costs and revenue reflect 2025 pay rates and FY2023 and FY2024 indirect cost and volume data. This report estimates USCO's current costs of providing fee-based services based on information gathered by FRD. The following section describes FRD's objectives in conducting the study, as well as the specific service/fee types for which the FRD research team assessed costs.

### 2.1. Cost Study Objectives

The objectives for FRD's study were to

1. Assess USCO's current costs and projected future costs;
2. Build a new cost and revenue projection model based on newly assessed costs; and
3. Validate the new model against USCO's existing cost and revenue projection model.

FRD conducted a comprehensive review of the full costs required to operate USCO and provide fee-based services, including current costs and future projected costs. The results reported here reflect 2025 pay rates and financial information through FY2024. The sections in this report describe the various services for which USCO collects fees, the FRD research team's methodologies for assessing costs, and the team's key findings on the costs of providing fee-based services.

### 2.2. Service Types

USCO provides a wide variety of registration, recordation, and licensing services to the public for a fee. This report refers to these items as "services" or "service types." A glossary table in Appendix I, "Abbreviations," provides further clarification on the key terms and abbreviations used in this report. The following services were included in the fee study and are reflected in the cost tables in Section 4, "Cost Assessment Findings:"

1. **Standard Applications and Paper Applications**, including
  - a. Standard Applications:
    - i. Literary Work,
    - ii. Single Serial Issue,

- iii. Work of the Performing Arts,
    - iv. Sound Recording,
    - v. Motion Picture/AV Work, and
    - vi. Work of the Visual Arts.
  - b. Paper Applications:
    - i. Form TX (Literary Work),
    - ii. Form SE (Single Serials Issue),
    - iii. Form PA (Work of the Performing Arts),
    - iv. Form SR (Sound Recording), and
    - v. Form VA (Work of the Visual Arts).
- 2. **Single Applications**, including
  - a. Literary Work,
  - b. Work of the Performing Arts,
  - c. Sound Recording,
  - d. Motion Picture/AV Work, and
  - e. Work of the Visual Arts.
- 3. **Group Registrations**, including registrations for the following works:
  - a. Registration of a claim in a group of unpublished works (GRUW),
  - b. Serials (GRSE),
  - c. Newspapers (GRNP),
  - d. Newsletters (GRNL),
  - e. Updates to a News Website (GRNW),
  - f. Contributions to periodicals (GRCP),
  - g. Short online literary works (GRTX),
  - h. Group of updates to a nonphotographic database (GRDB),
  - i. Group of updates to a photographic database,
  - j. Published photos (GRPPH),
  - k. Unpublished photos (GRUPH), and
  - l. Registration of a claim in a group of works published on an album of music (GRAM/PA or GRAM/SR).
- 4. **Preregistration, Renewals, and Supplementary Registrations**, including
  - a. Preregistration of certain unpublished works,
  - b. Supplementary registration (electronic application),
  - c. Supplementary registration (paper application/Form CA),
  - d. Renewal (Form RE), and

- e. Renewal addendum to Form RE.
5. **Secure Test Examinations**, including discrete secure tests and group registration of secure test items (GRSTQ).
  6. **Other Registrations**, including
    - a. Form GATT (Registration of foreign works that have been restored to copyright protection),
    - b. Form MW (mask works),
    - c. Form D-VH (vessel designs), and
    - d. Form DC (to correct a vessel design registration).
  7. **Special Handling** for registration applications.\*
  8. **PII Removal**, including requests to remove personally identifiable information (PII) and requests to reconsider removal of PII.
  9. **Requests for Reconsideration**, including first and second appeals.
  10. **Recordation of Documents**, including
    - a. Notice and counter notice of termination,
    - b. Transfer of ownership,
    - c. Other document pertaining to a copyright,
    - d. Title list (paper and electronic),
    - e. Additional works and alternate identifiers (paper and electronic), and
    - f. Special handling for recorded documents.
  11. **Records Research and Certification**, including
    - a. Copies and certifications records,
    - b. Estimate of retrieval or search fees, and
    - c. Other search and retrieval activities.
  12. **Miscellaneous Fees and Special Services**, including
    - a. Designations of agent under 17 U.S.C. § 512(c)(2) to receive notifications of claimed infringement or amendment or resubmission of designation,

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\* This service category includes special handling for all registration claims, as described in greater detail in Section 5.1.7. below. USCO also offers special handling for recordation services, for which FRD has provided an estimate in Section 5.2.1.

- b. Schedule of pre-1972 sound recordings or supplementals,
- c. Additional sound recordings (per group of 1 to 100 sound recordings),
- d. Notice of noncommercial use of pre-1972 sound recordings,
- e. Opt-out notice of noncommercial use of pre-1972 sound recordings,
- f. Copying of Copyright Office records by staff,
- g. Voluntary cancellations of registration, and
- h. Litigation statements (Form LS).

13. **Licensing Services**, including

- a. Statement of account including related amendments (cable television systems, satellite carriers, and digital audio recording devices or media [17 U.S.C. §§ 111, 119, and 1003]),
- b. Recordation of a notice of intention to make and distribute phonorecords for first title,
- c. Recordation of certain contracts by cable television systems located outside the forty-eight contiguous states,
- d. Notice of use of sound recordings using statutory license,
- e. Black and white photocopies of Licensing Section public records made by staff,
- f. Search report per hour,
- g. Certification of search report,
- h. Processing of a statement of account based on secondary transmissions of primary transmissions pursuant to 17 U.S.C. § 119 or 122,
- i. Initial or amended notice of digital transmission of sound recording (17 U.S.C. §§ 112, 114),
- j. Cable statement of account (SA1/SA2 form), and
- k. Cable statement of account (SA3 form), and
- l. Satellite statement of account.

### 2.3. Cost Assessment Terminology

This *Cost Assessment Report* employs the following terms:

- **Direct Costs:** Costs that are required and repeated for every unit of fee-based service that USCO provides. Direct costs are variable depending on the volume of service requests; therefore, total direct costs increase as service volume increases. The majority of direct costs in the model are the personnel costs for individual USCO employees over intervals of time required to fulfill one fee-based service request.

- **Indirect Costs:**\* Fixed personnel and non-personnel operating costs that support the provision of fee-based services and the overall administration of USCO. Total indirect costs are allocated as unit costs based on the proportion of fee-based service volume, and time spent providing those services, out of all fee-based services across USCO. Therefore, while total indirect costs are fixed within the fiscal year, unit indirect costs decrease as total service volume increases. Note, the Licensing Section is unique in that it offsets part of its indirect costs through royalty revenue.
- **In-Processing:** Activities required to process physical materials and deposit copies into USCO for certain application types. Direct in-processing costs include personnel costs of various employees in the Materials Control and Analysis Division (MCAD) to process incoming shipments. Extraneous in-processing costs are included in the cost and revenue projection model as indirect costs.
- **Out-Processing:** Activities required to send certificates to applicants for approved registration applications. Direct out-processing costs include the personnel and non-personnel costs of preparing and mailing each certificate.
- **Office or Section:** The organization providing each fee-based service. This study assesses the costs associated with the fee-based services of the following:
  - Office of Registration Policy and Practice (RPP), which provides registration services;
  - Office of Copyright Records (CR), which provides recordation services; and
  - Licensing Section (LS), which provides licensing services.
- **Pool:** A category of indirect costs allocated to a category of services. There are three pools of indirect costs representing each office or section included in the fee study (RPP, CR, and LS), as well as a fourth pool of indirect costs for the USCO general overhead. The model allocates the overhead pool as indirect costs across all fee-based services based upon their service volume and time-use. Specifically, the overhead pool comprises all personnel and non-personnel costs of offices including:
  - Office of the Register of Copyrights;
  - Office of the Assistant Register and Director of Operations (ARDO), excluding LS;
  - Office of the General Counsel (OGC), including the Copyright Review Board;
  - Office of Policy and International Affairs (PIA); and
  - Office of Public Information and Education (PIE).

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\* The FRD research team's definitions of the terms "direct costs" and "indirect costs" align with Library of Congress rules and regulations, which define a direct cost as "a cost that has a clearly beneficial or causal relationship to the product or service" in question, and an indirect cost as "any cost not directly identified with a single product or service but identified with two or more products or services, and therefore must be allocated on some cause and effect basis (overhead)." Source: Library of Congress Directive 6-410.1, "Revolving Funds," September 28, 2007, <https://staff.loc.gov/sites/rules-and-regulations/regulation/lcd-06-410-1/>.

- **IT Modernization:** Information technology costs for the continuing development of the Enterprise Copyright System (ECS), some of which are funded through separate appropriations.<sup>1</sup> The model allocates IT modernization costs as additional indirect costs of registration and copyright records services.

## 2.4. Model Overview

FRD assessed the costs of USCO's fee-based services by developing an original cost model based upon best practices identified in the federal government. For example, the Federal Accounting Standards Advisory Board (FASAB), which aims "to improve federal financial reporting,"<sup>2</sup> recommends "directly tracing costs wherever feasible and economically practicable."<sup>3</sup> However, where direct tracing is unfeasible, FASAB prescribes "assigning costs on a cause-and-effect basis," and then failing that, "allocating costs on a reasonable and consistent basis."<sup>4</sup> Additionally, the U.S. Government Accountability Office (GAO) recommends using cost assessment methodologies that incorporate accurate data on "all life cycle costs" to account for the effects of inflation, and are documented to a sufficient level of detail that "a cost analyst unfamiliar with the program" can reproduce the processes.<sup>5</sup>

The Office of Management and Budget (OMB) has provided guidance on cost analysis for fee-based services in Circular No. A-25, which prescribes that agencies assess the "full cost" of services, including direct and indirect costs.<sup>6</sup> FRD's cost model divides the unit costs of fee-based services into direct and indirect costs. Direct costs are variable based upon total service volume in a fiscal year. For example, the direct cost of processing a Standard Application includes the time needed by an examiner to review the submitted work. If USCO receives a higher number of service requests for Standard Applications in a fiscal year, more time, and subsequently, higher personnel costs, will be required for examiners to complete those services. USCO will incur higher direct costs as the average volume of fee-based service requests increases over time.

Indirect costs include all personnel and non-personnel costs required to operate USCO that are not directly attributable to individual fee-based service requests. In contrast to direct costs, indirect costs are largely insensitive to changes in service volume. For instance, USCO incurs the cost of the IT infrastructure required to process electronic copyright applications regardless of the exact number of service requests received each year. The total indirect costs for USCO in an ongoing fiscal year are fixed within reasonable bounds to a budget requested and approved in a prior fiscal year, regardless of current increases or decreases in service volume. FRD's model allocates indirect costs to each office based on their respective share of total service volume. Accordingly, estimated indirect costs per unit will, for example, decrease as service volume increases because those costs will be divided among a greater number of units.

A significant portion of direct costs are attributed to the paid time of employees who provide services, including examining, corresponding, and making decisions regarding registration claims. For applicable registration and recordation services, direct costs further include personnel and non-personnel costs incurred by MCAD for in-processing and out-processing. For many recordation services and all licensing services, direct costs strictly include the paid time of the one employee who fulfills the service request. Indirect costs, on the other hand, include the paid time of employees when not directly reviewing applications; the paid time of operations, administrative and policymaking employees in USCO who support fee-based services; and the non-personnel costs of the office, such as office supplies and IT platforms. Section 2, "Cost Assessment Methodology," summarizes the methodology used by FRD for estimating these costs.

FRD's cost model incorporates indirect costs utilizing activity-based costing, a best practice also used by the U.S. Patent and Trademark Office (USPTO).<sup>7</sup> The model assumes three pools of indirect costs specifically related to each office or section (RPP, CR, and LS). The model further assumes one overarching pool of indirect costs representing the general overhead costs of USCO, including offices such as OGC and PIE. The general overhead pool includes all other costs in administering USCO.\* The model also allocates a portion of the corresponding office or section indirect cost pool, as well as a portion of the general indirect cost pool, to each unit cost.

In summary, unit costs included in this report comprise:

- The direct time costs of providing each service,
- Any applicable direct costs for in-processing and out-processing physical materials,
- An allocation of the indirect costs for management and program personnel, as well as non-personnel costs, for the office or section providing that service, and
- An allocation of the indirect costs for management and support personnel, as well as non-personnel costs, for the rest of USCO's general overhead.

Unit costs in this report are not equivalent to future fees. This cost assessment is designed to inform USCO in setting future fees that will recover an appropriate portion of total costs.

Section 5, "Cost Assessment Findings," details these unit costs in full, while Appendix II, "Methodology Detail," describes the full quantitative and qualitative methodologies used by FRD to calculate direct and indirect costs.

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\* As the Copyright Royalty Board (CRB) operates under a stand-alone budget, it is not included in any figures of total USCO costs.

### 3. COST ASSESSMENT METHODOLOGY

FRD designed a mixed methodology (i.e., quantitative and qualitative) for assessing USCO costs, which included a data collection phase with USCO employees. This section provides a summary of that methodology. See Appendix II for a complete description of the data collection, cleaning, and analysis processes.

More than 150 USCO employees in RPP, CR, and LS participated in the study over the course of four weeks.\* These employees used a data collection instrument developed by FRD to record the amount of time spent providing different fee-based services, including time spent on correspondence with applicants and consultation with internal subject matter experts (SMEs) as well as managers and supervisors. This data collection marked a significant advance in the precision with which costs can be estimated compared to previous fee studies. FRD used this data, referred to as "time-use data" throughout this report, to calculate the average direct cost of paid employee time required to provide each service. All personnel costs in the study reflect 2025 General Schedule (GS) salaries set by the U.S. Office of Personnel Management.<sup>8</sup>

FRD also collected various cost datasets from USCO to calculate indirect personnel costs, non-personnel costs, and historical service volume in RPP, CR, and LS. These datasets include non-personnel financial records, financial statements, annual report data, and Electronic Copyright Office (eCO) database records from FY2020 to FY2024.

Additionally, FRD conducted twenty-seven semi-structured, qualitative interviews with USCO employees to gather additional context on the provision of fee-based services, confirm or qualify initial time-use estimates, and provide original estimates for infrequent services where empirical time-use data were not available. FRD conducted an additional survey with OGC and PIA employees to analyze the costs of second appeals of registration decisions.

FRD used Microsoft Excel and the R statistical programming language for all data management and data analysis. Direct unit costs in the final cost model reflect the average cost of employee time across all units for each service recorded over the four-week data collection period. Indirect unit costs in the final cost model reflect an allocation of the total fixed indirect cost for the corresponding office or section, in addition to an allocation of the total fixed general overhead

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\* FRD used data collected from the sample of more than 150 participating employees to calculate the average direct cost of providing each service. The composition of employees in this sample was not used to extrapolate total personnel costs for the participating offices. FRD used personnel cost records to calculate the total personnel costs of each office or section.

cost for all of USCO. FRD allocated indirect costs based on the estimated total volume of services provided each year and the average time spent to provide each service.

FRD acknowledges some assumptions and limitations associated with the cost model and the estimates provided in this report. Time-use estimates from the data collection phase are limited to the subset of employees who participated in the study and the services that were provided in the four-week data collection period. Similarly, the generalizability of the qualitative findings is limited by the sample of employees who participated in twenty-seven research interviews.

Cost estimates are projected from historical administrative data from FY2020 to FY2024 and pay rates from 2025. In the future, USCO will need to update the inputs to the model to reflect the most current and accurate costs.

A full description of limitations and assumptions also is available in Appendix II.

## 4. COST CATEGORIES

In FRD's cost model, unit costs of each service incorporate the following broad categories of costs:

- Direct time costs;
- Direct in-processing and out-processing costs;
- Indirect personnel costs; and
- Indirect non-personnel costs.

The following subsections further detail these categories and provide summaries of total costs, including itemized tables of the unit costs of each service. All cost values were taken directly from the cost model and may reflect small rounding errors not present when using the model.

### 4.1. Direct Time Costs

Direct time costs reflect the average cost of employee time required to complete an individual service activity. For registration services, this includes the time required to examine an application and approve it, refuse it, or mark it as "no-reply." For all service types, direct time costs include an estimate of time spent on applicant correspondence and manager, supervisor, and subject matter expert consultation.

As described in Section 2 and Appendix II, FRD calculated direct time costs using 2025 General Schedule (GS) salary rates.<sup>9</sup> FRD also incorporated Washington, DC, locality pay adjustments and estimated costs of benefits into direct time costs.

Direct time costs reflect the actual grade and step levels of employees completing each service activity during the time-use data collection phase. Therefore, hourly rates for employee time in the model differ slightly between each activity, as some activities require the expertise of higher-level employees. For example, it costs USCO an average of \$58.74 per hour to examine group registrations of newspapers (GRNP), which may be completed by GS-8 through GS-12 employees. By contrast, it costs USCO an average of \$78.20 per hour to examine group registrations of works published on an album of music (GRAM/PA or GRAM/SR), which may be completed by GS-12 through GS-13 employees. These two registration types, respectively, took on average eighty-four minutes and twenty-six minutes per unit to examine, which resulted in direct time costs of \$82.23 and \$33.24.

Direct time costs represent the cost of an individual employee's time under the assumption that one employee takes primary responsibility for providing each unit of a service; in most cases, this

is the cost of examination. The cost model incorporates any other relevant costs of paid time—whether as a consulting SME, Examiner-of-the-Day, or other collaborator—as overhead allocated across services as indirect unit costs.

#### **4.2. Direct In-Processing and Out-Processing Costs**

Direct in-processing and out-processing costs include time and material unit costs required for receiving and sending physical shipments related to certain registration and recordation services, as administered by MCAD.

Copyright registration applicants often submit two copies of the “best edition” of their work for registration.<sup>10</sup> For all but a few copyright registration types, applicants have the option of submitting physical deposit copies.<sup>11</sup> In FY2024, MCAD received 77,959 physical deposits, comprising 4,689 deposits for paper-based registration applications, 71,716 deposits for electronic registration applications, and 1,554 paper-based recordation claims.<sup>12</sup>

Direct in-processing costs apply to any application that is paper-based or is submitted with a physical deposit, reflecting the time costs of unpacking shipments and recording information to USCO’s electronic system. Specifically, unit in-processing costs include the direct time cost of GS-6 mail assistants unpacking physical shipments (on average, \$7.07 per deposit) and the supervision of a GS-7 leader and GS-9 team leader (on average, \$2.49 per deposit). An additional GS-7 employee inputs deposit information (on average, \$8.41 per deposit). In-processing costs also factor in the total annual cost of three GS-9 team leaders and three GS-11 supervisory team leaders who coordinate and manage the daily work of in-processing (on average, \$9.10 per deposit).

In total, the direct in-processing cost of most applications is estimated at \$27.07. However, certain application types require more time from GS-7 employees or review by GS-9 team leaders.<sup>13</sup> The time cost of any additional administrative employee in MCAD that may provide support or oversight to in-processing is considered an indirect personnel cost in the FRD cost model.

Direct out-processing costs, on the other hand, apply to all registration services. These costs reflect the material cost of sending copyright certificates to applicants at the conclusion of the registration process. Direct out-processing costs specifically include the cost of certificate paper, mailing envelopes, postage, the contract for a folder-inserter machine, and the direct time cost of a GS-6 out-processing technician. In total, these components are estimated to cost \$0.99 per registration. The FRD model applies this cost to registration services according to the proportion of total registration applications that are approved and result in a mailed certificate, which equaled

91 percent in FY2024. Recordation certificates also have associated out-processing costs, which vary based on the weight of materials. As these costs involve components from both MCAD and CR, the model includes the out-processing costs of recordation in the total pool of indirect non-personnel costs.

### 4.3. Indirect Personnel Costs

Indirect personnel costs include the total costs of pay and benefits of personnel engaged with the oversight of fee-based service activities, including but not limited to supervisory and administrative employees. Indirect personnel costs also include the portion of time not spent on fee-based services by employees otherwise directly engaged with fee-based services, such as time spent in training, in meetings, or on leave.

The cost model functions with a fixed pool of indirect personnel costs for each office or section, as well as an overarching fixed pool of indirect personnel costs representing the overhead for the rest of USCO. Each pool of total indirect personnel costs is calculated as the annual personnel cost in the office minus the total annual direct time cost of providing all fee-based service activities.

For example, the model assumes that 157,705 Standard Applications for Literary Works will be completed each year based upon historical volume data, each with a direct time cost of \$20.38. This assumption equates to approximately \$3.2 million in direct employee time spent processing this type of registration application each year. As a result, the model excludes approximately \$3.2 million from the expected annual personnel cost of RPP when calculating indirect personnel costs. This calculation method avoids double counting the time costs of providing Standard Applications for Literary Works as both direct and indirect costs. The same calculation is performed for all service types and applied to the total personnel costs in each office or section.

**Table 1. Personnel Costs by Office or Section**

Office/Section	Annual Payroll	Royalty Offset	Office/Section Direct Costs	Allocated Overhead	Effective Total Indirect Costs
Registration (RPP)	\$27,451,323	-	(\$10,886,152)	\$27,629,990	\$44,195,161
Recordation (CR)	\$7,443,778	-	(\$1,201,700)	\$4,132,125	\$10,374,203
Licensing (LS)	\$2,718,927	(\$2,219,518)	(\$201,078)	\$453,858	\$752,189

As shown in Table 1, RPP has an expected annual personnel cost of \$27,451,323, based on five years of personnel cost records (FY2020–24) and accounting for inflation (see Appendix II for detail). The model estimates the total direct time cost of RPP employees providing registration services at \$10,886,152 (39.7 percent of total personnel costs) each year. Therefore, the total indirect cost of personnel for registration is estimated at \$16,565,171 (60.3 percent of total

personnel costs). The model allocates this fixed cost across registration services as indirect unit costs based upon the relative proportion of direct time spent providing each registration service out of all registration services in a fiscal year.

CR has an expected annual personnel cost of \$7,443,778, based upon five years of personnel cost records (FY2020–24) and accounting for inflation. The cost model estimates the total direct time cost of providing recordation services at \$1,201,700 (16.1 percent of total personnel costs) each year. Therefore, the total indirect cost of personnel for recordation is estimated at \$6,242,077 (83.9 percent of total personnel costs). The model allocates this fixed cost across all recordation services as indirect unit costs based upon the relative proportion of direct time spent providing each recordation service out of all recordation services in a fiscal year.

LS is unique not only because it operates under a stand-alone budget, but also because some of its administrative costs are offset by annually collected royalty revenue. LS has an expected total personnel cost of \$2,718,927 each year, based upon five years of personnel cost records (FY2020–24) and accounting for inflation; however, approximately \$2,219,518 is offset by royalty revenue.\* The remaining \$499,409 in annual personnel costs is offset by records and filing service fees. The direct costs of providing those fee-based services amounts to \$201,078 (40.3 percent of non-offset personnel costs). Therefore, the total indirect cost of personnel for licensing records and filing services is estimated at \$298,331. The model allocates this fixed cost across all licensing services as indirect unit costs based upon the relative proportion of direct time spent providing each licensing service out of all licensing services in a fiscal year.

The rest of USCO has an expected annual personnel cost of \$35,497,108, based on five years of personnel cost records (FY2020–24) and accounting for inflation. The model deducts \$3,281,135 (9.2 percent of total personnel costs) from this total to account for expected employee time from OGC and PIE to provide PII removal services and reconsideration requests, as well as expected employee time from MCAD to process physical submissions. This results in an effective annual overhead personnel cost of \$32,215,973. The FRD cost model allocates this fixed cost across all fee-based services as additional indirect unit costs. This allocation is based upon the relative proportion of direct time spent providing each service out of all services in a fiscal year.

Specifically, the cost model allocates 85.8 percent (\$27,629,990) of general overhead personnel costs to RPP, 12.8 percent (\$4,132,125) of general overhead personnel costs to CR, and 1.4 percent (\$453,858) of general overhead personnel costs to LS. Although LS operates under a stand-alone budget separate from RPP and CR, the model assigns it a proportion of the total administrative

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\* Assuming that royalty revenue collected for the administrative costs of LS are used proportionally to offset personnel and non-personnel costs.

personnel costs because the section is supported by the administrative structure and services of USCO.

#### 4.4. Indirect Non-Personnel Costs

The indirect non-personnel cost category includes the total non-personnel costs for all offices of USCO, including but not limited to information technology, office equipment, travel, and contract services. Indirect non-personnel costs for registration and recordation include IT modernization costs, for which USCO has received \$10 million in appropriations each year for the past five years. The model does not allocate additional IT modernization costs to LS because the section spends its own separate budget for those costs. The cost model underlying this report features the option to include or exclude IT modernization, and allocate related costs to specific desired offices, in future projections.

Similar to personnel costs, the cost model functions with an overarching fixed pool of indirect non-personnel costs for all of USCO, as well as a separate fixed pool of non-personnel costs specifically for LS. Other than IT modernization costs allocated to registration and recordation direct out-processing costs incurred by MCAD for registration services, all non-personnel costs are treated as overhead and allocated to each service as indirect unit costs. Table 2 displays the annual indirect non-personnel costs by office or section.

**Table 2. Non-Personnel Costs by Office or Section**

Office/Section	Office/Section Indirect Costs	Royalty Revenue Offset	Allocated Overhead Costs	Effective Total Indirect Costs
Registration (RPP)	\$8,699,040	-	\$13,620,582	\$22,319,622
Recordation (CR)	\$1,300,960	-	\$2,036,988	\$3,337,948
Licensing (LS)	\$3,512,934	(\$2,867,682)	\$223,736	\$868,987

The annual indirect non-personnel costs for USCO, excluding LS, is estimated to be \$15,881,306, based upon five years of non-personnel financial transactions (FY2020–24) and accounting for inflation. The cost model allocates this fixed cost across all registration, recordation, and licensing services as indirect unit costs based upon the relative proportion of direct time spent providing each service out of all services in a fiscal year.

Specifically, as with overhead personnel costs, the cost model allocates 85.8 percent (\$13,620,582) of non-personnel costs to RPP, 12.8 percent (\$2,036,988) of USCO non-personnel costs to CR, and 1.4 percent (\$223,736) of USCO non-personnel costs to LS. Although LS operates under a stand-alone budget separate from RPP and CR, it is assigned a small proportion of overhead non-personnel costs because the section is served by the overall administrative structure of USCO.

As a section with a distinct budget, LS is estimated to have \$3,512,934 of its own indirect non-personnel costs each year in addition to its allocation of general overhead, based upon five years of non-personnel financial transactions (FY2020–24) and adjusted for inflation. However, approximately \$2,867,682 is offset by royalty revenue.\* The remaining \$645,252 in annual indirect non-personnel costs is offset by records and filing service fees. When indirect personnel costs, indirect non-personnel costs, and allocated overhead are combined, LS is estimated to have \$868,987 in total indirect costs each year not offset by royalty revenue.

Table 3 displays effective total indirect costs, including both personnel and non-personnel costs, for each USCO office providing fee-based services.

**Table 3. Total Indirect Costs by Office or Section**

<b>Office/Section</b>	<b>Indirect Personnel Costs</b>	<b>Non-Personnel Costs</b>	<b>Effective Total Indirect Costs</b>
<b>Registration (RPP)</b>	\$44,195,161	\$22,319,622	\$66,514,783
<b>Recordation (CR)</b>	\$10,374,203	\$3,337,948	\$13,712,151
<b>Licensing (LS)</b>	\$752,189	\$868,987	\$1,621,177

The model allocates these effective totals to each fee-based service as unit indirect costs. As detailed in Section 3, "Methodology," allocation of indirect costs is based upon the total service request volume and total time spent completing those service requests in each office or section.

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\* Assuming that royalty revenue collected for the administrative costs of LS are used proportionally to offset personnel and non-personnel costs.

## 5. COST ASSESSMENT FINDINGS

This section describes FRD's quantitative and qualitative assessments of costs for providing copyright services. Tables included in this section detail unit costs of all copyright services included in the study. The following definitions apply to all tables in this section:

- **Service Name:** The name of the fee-based service. These names may differ slightly from the presentation of service names on the public fee schedule.
- **Direct Cost:** The direct time cost of providing each service in addition to, for applicable services, the direct cost of out-processing one registration certificate.
- **Indirect Cost:** The estimated allocation per service of both indirect personnel and non-personnel costs for the relevant office or section and its corresponding cost pool(s).
- **Total Cost with E-Deposit or Electronic Submission:** The sum of the Direct Cost and Indirect Cost columns, for applications that are submitted electronically.
- **Total Cost with Physical Deposit:** The sum of the Direct Cost and Indirect Cost columns, in addition to the direct unit in-processing cost for paper forms or physical deposit copies.\*

FRD calculated the components above following the quantitative and qualitative methodology outlined in Section 2 and detailed in Appendix II.

### 5.1. Registration Services

Registration services include all registration applications and fee-based registration services offered by USCO. The tables in the following subsections provide direct, indirect, and total cost estimates for these services based on FRD's quantitative analysis.

For most registration applications, a single examiner reviews the application materials in an online system. However, if applicants submit paper applications or physical deposit copies, the MCAD in-processing team must first receive the materials and input information into an online system. For all registration types, examiners may have to correspond with applicants electronically or via physical mail to confirm details about each work or consult with SMEs within USCO; FRD's cost model includes estimated time spent on correspondence and consultation. Finally, the examiner completes a registration service by approving, refusing, or marking the request as "no-reply."<sup>14</sup>

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\* For total costs with physical deposit estimates and e-Deposit estimates, please note that small rounding errors ( $\pm \$0.01$ ) may be present.

In qualitative interviews that provided additional context on fee-based services, registration employees noted consistency in their workloads, and only a few noted variabilities based on special projects, as well as fluctuations in time spent examining versus consulting. However, RPP employees gave varied answers about fluctuations throughout the year, with a few employees noting that the holiday season affected their workloads.<sup>15</sup> RPP employees also provided insights into the additional costs and processes related to applications with special handling, as described in greater detail in Section 5.1.7. below.

Several registration employees also provided insight into the indirect non-personnel costs that support their work, such as office supplies and IT platforms, including computers, tablets, monitors, and media readers, as well as barcode scanners and paper.<sup>16</sup>

### **5.1.1. Standard Applications and Paper Applications**

The Standard Application may be used to register most works that are eligible for registration. The Standard Application is an online form, but applicants may still file with a paper form for a higher fee. Direct costs of processing online Standard Application forms range from \$12.20 to \$21.87, and direct costs of processing paper forms range from \$12.02 to \$28.04. Additional indirect costs of processing either paper or electronic forms range from \$71.26 to \$166.42 when allocated per unit. Standard Applications allow applicants the option to upload electronic copies or mail in physical copies of their work depending on several factors, such as whether the work is unpublished or published and the manner in which publication occurred. For most application types, in-processing physical deposit copies costs an additional \$27.07. However, in-processing for motion picture deposits requires data entry from GS-9 employees rather than GS-7 employees and therefore costs \$28.95 per deposit. Table 4 displays the unit costs of all Standard Application forms and paper applications.

**Table 4. Standard Applications and Paper Applications**

<b>Service Name</b>	<b>Direct Cost</b>	<b>Indirect Cost</b>	<b>Total Cost with E-Deposit</b>	<b>Total Cost with Physical Deposit</b>
Standard Application (Literary Work)	\$21.37	\$125.14	\$146.52	\$173.59
Standard Application (Single Serial Issue)	\$16.80	\$88.64	\$105.44	\$132.51
Standard Application (Work of the Performing Arts)	\$21.87	\$121.67	\$143.54	\$170.61
Standard Application (Sound Recording)	\$20.85	\$115.58	\$136.44	\$163.51
Standard Application	\$12.20	\$71.26	\$83.46	\$112.41

<b>Service Name</b>	<b>Direct Cost</b>	<b>Indirect Cost</b>	<b>Total Cost with E-Deposit</b>	<b>Total Cost with Physical Deposit</b>
(Motion Picture/AV Work)				
Standard Application (Work of the Visual Arts)	\$19.20	\$111.67	\$130.88	\$157.94
Paper Form TX (Literary Work)	\$27.17	\$152.08	\$179.25	\$206.32
Paper Form SE (Single Serials Issue)	\$18.74	\$108.63	\$127.38	\$154.45
Paper Form PA (Motion Picture)	\$12.02	\$73.87	\$85.89	\$114.83
Paper Form PA (All Other Works of the Performing Arts)	\$28.04	\$166.42	\$194.46	\$221.53
Paper Form SR (Sound Recording)	\$24.06	\$139.48	\$163.54	\$190.61
Paper Form VA (Work of the Visual Arts)	\$27.21	\$155.56	\$182.78	\$209.85

In the qualitative interviews, most RPP employees noted that paper applications took longer to complete than electronic applications, with some outlier paper applications taking up to twice as long to complete as electronic applications.\* Registration employees confirmed some of the FRD research team's initial time-use estimates and noted variances in other estimates.<sup>17</sup>

### **5.1.2. Single Applications**

The Single Application is an electronic registration option offered with a reduced fee to applicants registering one work, not made for hire, by the only author and claimant. The direct cost of registration with the Single Application ranges from \$14.34 to \$18.60, which on average is \$2.23 less than the average direct cost of registration with an online Standard Application. Indirect costs and potential in-processing costs also apply to the Single Application. Table 5 displays the unit costs of all Single Applications.

\* The USCO semiannual report on registration processing times, as of March 31, 2025, complements these qualitative statements with estimates that applications submitted with paper forms take between 2.1 and 2.5 times as long on average to process as online applications with e-deposits, with significant variance depending on whether or not claims require correspondence with applicants (USCO, *Registration Processing Times* [USCO, accessed April 18, 2025], <https://www.copyright.gov/registration/docs/processing-times-faqs.pdf>).

**Table 5. Single Applications**

<b>Service Name</b>	<b>Direct Cost</b>	<b>Indirect Cost</b>	<b>Total Cost with E-Deposit</b>	<b>Total Cost with Physical Deposit</b>
Single Application (Literary Work)	\$18.60	\$108.63	\$127.24	\$154.31
Single Application (Work of the Performing Arts)	\$14.34	\$80.39	\$94.73	\$121.80
Single Application (Sound Recording)	\$18.30	\$104.72	\$123.02	\$150.09
Single Application (Motion Picture/AV Work)	\$15.04	\$73.87	\$88.91	\$117.85
Single Application (Work of the Visual Arts)	\$18.05	\$106.02	\$124.07	\$151.14

**5.1.3. Group Registrations**

Group registrations include groups of serials, newspapers, newsletters, photographs, sound recordings, and other types of works. These registrations tend to be more time-consuming and have direct costs ranging from \$10.65 to \$300.45. Some group registrations require applicants to submit electronic deposit copies; therefore, Table 6 excludes additional costs for physical deposits for certain items. By contrast, group registrations of updates to a database not only require physical deposits, but must be submitted on a paper application, which requires both manual processing and electronic processing steps. This service costs MCAD \$60.71 on average to intake physical materials rather than the typical in-processing cost of \$27.07. Table 6 displays the unit costs of all group registration forms.

**Table 6. Group Registrations**

<b>Service Name*</b>	<b>Direct Cost</b>	<b>Indirect Cost</b>	<b>Total Cost with E-Deposit</b>	<b>Total Cost with Physical Deposit</b>
Registration of a claim in a group of unpublished works (GRUW)	\$30.25	\$171.64	\$201.89	—
Serials (GRSE)	\$10.65	\$55.18	\$65.84	—
Newspapers (GRNP)	\$83.22	\$608.33	\$691.56	—
Newsletters (GRNL)	\$99.63	\$554.02	\$653.65	—
Updates to a News Website (GRNW) <sup>†</sup>	\$79.37	\$437.57	\$516.94	—
Contributions to periodicals (GRCP)	\$300.45	\$1,520.83	\$1,821.29	—
Short online literary works (GRTX)	\$111.21	\$543.15	\$654.37	—
Group of updates to a non-photographic database (GRDB)	\$65.66	\$380.21	—	\$506.58
Group of updates to a photographic database <sup>†</sup>	\$79.37	\$437.57	—	\$577.65
Published photos (GRPPH)	\$13.40	\$92.12	\$105.52	\$132.59
Unpublished photos (GRUPH)	\$21.28	\$129.49	\$150.77	\$177.84

<b>Service Name*</b>	<b>Direct Cost</b>	<b>Indirect Cost</b>	<b>Total Cost with E-Deposit</b>	<b>Total Cost with Physical Deposit</b>
Registration of a claim in a group of unpublished works (GRUW)	\$30.25	\$171.64	\$201.89	—
Registration of a claim in a group of works published on an album of music (GRAM/PA or GRAM/SR)	\$34.23	\$184.67	\$218.90	\$245.97

\* Please note that the group registration option for secure test items (GRSTQ) is discussed in Section 4.1.5.

† For infrequent services and new services established within the past twelve months, where neither quantitative nor qualitative time-use data were available, FRD estimated direct time costs based upon the average for other services of the same category.

#### **5.1.4. Applications for Preregistration and Supplementary Registration**

USCO offers options to preregister certain unpublished works; and to correct or amplify a completed registration through a supplementary application. Direct costs for these services range from \$58.49 to \$127.47. Preregistration and supplementary registration do not involve in-processing deposits. Likewise, preregistrations do not require out-processing costs, because the certificate of preregistration is sent to the applicant via email (rather than a physical certificate that must be sent through the mail).<sup>18</sup> Therefore, of the total costs listed in Table 7, out-processing is only included for supplementary registration.

**Table 7. Applications for Preregistration and Supplementary Registrations**

<b>Service Name</b>	<b>Direct Cost</b>	<b>Indirect Cost</b>	<b>Total Cost</b>
Preregistration of certain unpublished works*	\$127.47	\$666.13	\$793.60
Supplementary registration (electronic application)	\$61.23	\$341.54	\$402.77
Supplementary registration (paper application/Form CA)*	\$58.49	\$325.89	\$384.39

\* For infrequent services where neither quantitative nor qualitative time-use data were available, FRD estimated direct time costs based upon the average for other services of the same category.

#### **5.1.5. Secure Test Examinations**

USCO offers two hourly fees for secure test examinations, which are applied in addition to the flat fee for Standard Applications for Literary Works. Generally, these applications are submitted and examined in batches of unique tests; therefore, while the unit costs of a single secure test or group registration of secure test items (GRSTQ) may be low, the cost incurred by USCO to process a typical batch of tests (in FY2024, an average of thirteen tests in each batch) at one time can be high.<sup>19</sup> The costs of secure test examinations involve the hourly time cost of a GS-12 examiner to review test materials with applicants over a live video call—limited to four hours per day to

mitigate reviewer fatigue—in addition to the time spent by a GS-13 team leader to make a preliminary assessment and coordinate the examination process, estimated conservatively at two hours per batch of tests. This estimate is made to accommodate any additional time that may be spent on correspondence and management, in addition to the expected unit costs of a Standard Application for Literary Works. Altogether, the average direct cost of registering each discrete secure test is \$24.15, or \$84.55 when incorporating indirect costs. The average direct cost of GRSTQ is \$29.66, or \$122.22 when incorporating indirect costs. Therefore, a batch of ten discrete tests and ten groups of secure test items could add to over \$500 in direct costs. On infrequent occasions, large requests with many tests may involve more than twenty hours of examination time. Table 8 displays unit costs of secure test examination.<sup>20</sup>

**Table 8. Secure Test Examination**

<b>Service Name</b>	<b>Direct Cost</b>	<b>Indirect Cost</b>	<b>Total Cost*</b>
Discrete secure test	\$24.15	\$60.40	\$84.55
Group registration of secure test items (GRSTQ)	\$29.66	\$92.55	\$122.22

\* This unit cost does not incorporate any additional costs for out-processing, which would be reflected in the unit cost of the Standard Application for Literary Works submitted with the secure test examination fee.

### **5.1.6. Other Registration Applications**

Table 9 displays other registration types, including renewal registrations for works published or registered before January 1, 1978, GATT registrations to restore foreign works, mask works, and vessel designs. Forms GATT, MW, and D-VH, and Renewal Form RE all require physical deposits; therefore, direct costs for these services incorporate the cost of in-processing. Renewal applications only require deposits when a renewal addendum is submitted with Form RE. Form DC does not require a deposit.<sup>21</sup> All of these claims must be submitted on a paper application which requires both manual processing and electronic processing.

**Table 9. Other Registration Applications**

<b>Service Name</b>	<b>Direct Cost</b>	<b>Indirect Cost</b>	<b>Total Cost</b>
Form GATT (registration of foreign works that have been restored to copyright protection)	\$146.32	\$434.51	\$520.14
Form MW (mask works)*	\$63.32	\$181.20	\$217.45
Form D-VH (vessel designs) <sup>†</sup>	\$70.37	\$217.26	\$260.57
Form DC (to correct a vessel design registration) <sup>†</sup>	\$55.05	\$277.66	\$332.72
Renewal Form RE	\$244.77	\$1,292.71	\$1,537.49
Renewal addendum to Form RE	\$246.27	\$977.68	\$1,163.24

\* FRD's fee study estimated significantly lower employee time-use and related direct costs for Form MW than the 2017 fee study. Portions of the Form MW process conducted by MCAD, likely captured as direct costs in the 2017 fee study, are now captured as overhead and allocated as indirect costs. Two qualitative interviews with USCO employees in the

current fee study corroborated FRD's direct cost estimates for the service (USCO, in communication with FRD, March 6, 2024; USCO, in communication with FRD, March 8, 2024; and RPP, in discussion with FRD, November 6–15, 2023).

<sup>†</sup> FRD's fee study estimated significantly lower employee time-use and related direct costs for Form D-VH than the 2017 fee study. USCO confirmed that work processes for Form D-VH have changed since 2017, and two qualitative interviews with USCO employees in the current fee study corroborated FRD's direct cost estimates for the service (USCO, in communication with FRD, March 6, 2024; USCO, in communication with FRD, March 8, 2024; and RPP, in discussion with FRD, November 6–15, 2023).

<sup>‡</sup> For infrequent services where neither quantitative nor qualitative time-use data were available, FRD estimated direct time costs based upon the average for other services of the same category.

### **5.1.7. Special Handling**

USCO offers special handling as an addition to all types of registration applications. In qualitative interviews, RPP employees who work on special handling noted that applications with special handling are prioritized over applications without special handling in work queues. Special handling requests, particularly those involving litigation, also typically involve more employees than requests without special handling. In addition to the work of an examiner, a GS-13 supervisor and RPP attorneys must also review the requests if litigation is involved. Many requests also require the work of Division Assistant Chiefs and Chiefs, as well as additional consultation with SMEs.<sup>22</sup>

For all registration applications with special handling, the unit costs of special handling are applied in addition to the unit costs of the registration application being examined and processed. FRD estimates that an application with special handling takes 50 percent longer to examine than a regular application, which, based upon the average direct time cost of registration services, involves \$19.86 in additional direct time costs from a GS-12 examiner. As previously noted, special handling applications often require additional quality assurance, review, and correspondence from GS-13 supervisors, although the workload can vary widely based upon whether the special handling involved litigation. To account for this variance, FRD incorporated one hour of GS-13 time into the direct unit cost of special handling, which amounts in total to \$108.55 in direct costs and \$550.19 in indirect costs for each special handling request.

**Table 10. Special Handling**

<b>Service Name</b>	<b>Direct Cost</b>	<b>Indirect Cost</b>	<b>Total Cost</b>
Special Handling – Registration	\$108.55	\$550.19	\$658.74

### **5.1.8. Personally Identifiable Information Removal**

The Office of Public Information and Education (PIE) processes requests to remove PII from copyright records, while the Office of the General Counsel (OGC) evaluates requests to reconsider

the removal of PII. In qualitative interviews, employees from PIE noted considerable variances in time spent on requests to remove PII, although a typical request requires one-and-a-half hours to fulfill, costing \$133.04 in direct employee time. In addition to time spent directly processing PII requests, an additional employee in PIE spends approximately ten hours per week placing removal requests on the docket for processing, which is included as an indirect cost.<sup>23</sup> OGC employees noted that requests to reconsider removal are very infrequent and take an average of five hours to fulfill, costing \$524.06 in direct employee time.<sup>24</sup> Table 11 displays the unit costs of PII removal services.

**Table 11. Personally Identifiable Information Removal**

<b>Service Name</b>	<b>Direct Cost</b>	<b>Indirect Cost</b>	<b>Total Cost</b>
PII Removal	\$133.04	\$651.79	\$784.83
PII Reconsideration	\$524.06	\$2,172.62	\$2,696.67

### **5.1.9. Requests for Reconsideration**

Lastly, FRD calculated the estimated costs of fulfilling first and second requests for reconsideration of registration decisions. FRD collected cost information for first and second appeals through qualitative interviews with RPP employees and a survey sent to OGC and PIA employees. Both services involve high direct costs, which reflect large time commitments from attorneys to review requests and draft decision letters to applicants.

In qualitative interviews, RPP employees noted a change in procedures for processing first appeals since the COVID-19 pandemic. During the pandemic, the office began accepting appeals requests via email in addition to physical mail, and email requests subsequently surpassed paper requests. Employees also noted that USCO is required to process each first appeals determination within four months.<sup>25</sup> The attorneys who work on first appeals determinations perform monthly roundtable discussions to process the appeals letters. The office processes an average of thirty to forty first appeals determinations per month. In particularly busy months, they process as many as sixty to seventy appeals determinations.<sup>26</sup>

In interviews, RPP employees indicated to FRD that preparation for roundtables is often time-intensive. For example, preparing for a recent roundtable discussion with forty claims took an employee eight hours. On average, RPP employees estimated that roundtables take two to four hours for thirty to forty claims. Employees stated that the time needed to complete appeals determinations differs according to the outcome, as they spend considerably longer writing determination letters that affirm examiners' decisions than letters that reverse those decisions. Specifically, while letters reversing examiners' decisions take thirty minutes to an hour to write,

letters affirming the decisions take three to five hours or more to write.<sup>27</sup> All letters also require costs for front-end processing, editing, proofreading, and submission.

In total, the direct costs of first appeals requests are \$690.56 on average, calculated on the assumption that 80.2 percent of decisions are affirmed. This calculation is based upon five years of historical data. Indirect costs of first appeals reflect an allocation of the total indirect cost of registration. Incorporating direct and indirect costs, FRD estimates the total unit cost of first appeals requests at \$3,244.13.

Responding to second requests for reconsideration is likewise time-intensive because the Copyright Review Board must fully consider the legal issues raised in each request before issuing a decision that constitutes final agency action (which is subject to judicial review). Currently, a total of fifteen attorneys respond to second appeals requests, and each request involves the work of several attorneys and administrative support employees. The process includes an attorney, with assistance from a supervising attorney, preparing a recommendation to the three-member Copyright Review Board, which then considers and votes on whether to affirm or reverse the refusal of registration. After the Board votes, the attorney drafts a decision letter, which undergoes at least one round of editorial review by a supervising attorney, followed by review and editing by all three Board members. Once edits are complete, administrative support employees finalize and issue the letter to the applicant. In those cases where the Board votes to reverse RPP's refusal decision, the draft decision letter is sent to RPP for review and feedback, which can result in further meetings and revisions before the letter is finalized.<sup>28</sup>

Copyright Review Board decisions often address and decide multiple second appeals requests for reconsideration submitted by one applicant regarding related works. In each of FY2023 and FY2024, the Board issued an average of thirty-three decision letters in response to seventy service requests annually, or 2.1 requests per determination. The direct costs of second appeals requests include the time of attorneys researching the record, presenting the case to the Board, and drafting final letters; the Copyright Review Board's time in reviewing and issuing decisions; and those editing decision letters and recommendations.<sup>29</sup> In total, FRD estimates that the \$9,471.04 spent on each second appeal service request, as illustrated in Table 12, amounts to an average cost of \$20,078.60 for each Review Board decision.

**Table 12. Requests for Reconsideration**

<b>Service Name</b>	<b>Direct Cost</b>	<b>Indirect Cost</b>	<b>Total Cost</b>
First Appeal	\$690.56	\$2,553.57	\$3,244.13
Second Appeal	\$3,628.80	\$5,842.24	\$9,471.04

## 5.2. Recordation Services

CR provides fee-based services to the public through the Recordation Division and the Records Research and Certification Division. The tables in the following subsections provide direct, indirect, and total cost estimates for these services.

The Recordation Division receives requests through a pilot system called the Electronic Copyright System (ECS) and by mail, with the ECS requests currently accounting for the majority of submissions. MCAD employees ingest mailed submissions into the eCO system, which generates a service request number. After the Accounting Department receives payment, supervisors in the Recordation Division assign submissions to Recordation Specialists to examine for completeness and correctness, with one specialist assigned per claim. If the submissions contain inconsistencies, specialists also correspond with applicants for clarification. After completing their review, specialists then generate a recordation number and send the necessary materials back to the applicant.<sup>30</sup> Online submissions are electronically processed completely through the online ECS pilot system and final approval completed by the Recordation Specialists.

The Records Research and Certification (RRC) Division receives fee-based service requests from applicants in-person or via mail, email, or fax. These services include copies of registration and copyright records, certificates, litigation statements (Form LS), and copyright search reports. When requested by RRC, employees in the CR Record Management (RM) Division retrieve relevant copyright records so that RRC employees can make any requested copies. If applicants request search reports or certification services, supervisors review and sign the search reports or certification documents, and employees assemble the certification materials.<sup>31</sup>

In qualitative interviews about time-use, CR employees noted that they experience some fluctuations throughout the year regarding their workloads. For example, one employee stated that their workload was usually lighter during the holiday season, while another employee stated that March through October were the heaviest months for records requests.<sup>32</sup> Employees also helped to confirm the FRD research team's estimates from the time-use worksheets.

CR employees further highlighted the indirect costs required to perform their work, including office equipment, supplies, such as paper, and other specialized materials, such as media materials. Additionally, employees pointed to indirect costs associated with electronic processing systems.<sup>33</sup>

### 5.2.1. Recordation of Documents

USCO offers fee-based services related to accepting, filing, and indexing documents into USCO's public records. These documents fall under three broad categories: notices of termination, transfers of ownership, and other documents pertaining to a copyright, such as licenses and wills.\* The total costs of recording these documents, incorporating direct and indirect costs, range from \$245.89 to \$1,131.50. Total costs include in-processing for instances when applicants submit paper-based claims by mail rather than through the ECS system. Applicants may record additional titles and alternate identifiers to those documents using either a paper or electronic title list. When using an electronic title list, USCO offers a graduated scale of reduced fees to record additional titles, ranging from one to fifty additional titles to 10,001 or more additional titles. However, to allow simple comparison between titles provided on electronic or paper title lists, FRD calculated the cost of processing groups of ten additional titles. On average, it directly costs \$20.22 to add a group of ten titles provided on a paper list and \$6.85 to add a group of titles provided on an electronic list. See Table 13.

**Table 13. Recordation of Documents**

Service Name	Direct Cost	Indirect Cost	Total Cost with Electronic Submission	Total Cost with Paper Form
Notice/counter notice of termination	\$95.68	\$1,006.88	\$1,102.56	\$1,131.50
Transfer of ownership/Other document pertaining to a copyright	\$37.55	\$366.08	\$403.63	\$432.58
Title list (electronic)	\$21.28	\$224.62	\$245.89	\$274.84
Title list (paper)	\$36.83	\$383.34	\$420.17	\$449.12
Additional works and alternate identifiers (paper; per group of 10)	\$20.22	\$224.62	\$244.83	—
Additional works and alternate identifiers (electronic; per group of 10)	\$6.85	\$81.46	\$88.31	—
Special handling for recorded documents	\$377.49	\$3,743.59	\$4,121.08	\$4,150.03

### 5.2.2. Records Research and Certification

USCO charges additional fees for records research and certifications services, as displayed in Table 14. Search and retrieval activities are billed hourly; therefore, the \$655.14 total unit cost is an hourly rate for both the direct and indirect costs of search activities.

\* Note that Table 13 aggregates the costs of transfers of ownership and other documents pertaining to a copyright. In the interactive model workbook provided to USCO, these costs are itemized separately. Small rounding errors in total indirect costs may be present when comparing the costs for these services in aggregated or disaggregated form.

**Table 14. Records Research and Certifications**

<b>Service Name</b>	<b>Direct Cost</b>	<b>Indirect Cost</b>	<b>Total Cost</b>
Copies and Certifications Records	\$45.21	\$1,121.28	\$1,166.49
Estimate of retrieval or search fee	\$51.10	\$775.07	\$826.18
Other search and retrieval activities (hourly cost)	\$56.17	\$598.97	\$655.14
Copying of Copyright Office Records by Staff	\$36.18	\$449.23	\$485.41
Litigation Statements (Form LS)	\$12.06	\$149.74	\$161.80

In qualitative interviews, RRC employees stated that time spent on copies and certification records was highly dependent on the requests' complexity, as well as whether they required certification. For example, an employee stated that electronic records including certification sometimes required extra processing time, given that this additional step involved compiling necessary materials and submitting the documents to a supervisor to sign.<sup>34</sup>

### 5.3. Miscellaneous and Special Services

Table 15 displays estimated costs for additional miscellaneous and special services offered under the registration and recordation programs. However, USCO offers several other service charges that were not included in the cost assessment and are not reflected in the table. For example, the service charge for Federal Express mailing was excluded under the assumption that USCO can recover that expense at cost. In another case, the service charge for matching unidentified deposits to deposit ticket claims is used very infrequently, but it can act as a deterrent against noncompliant customers mailing large physical shipments without matching deposit tickets. These are important considerations for creating a new fee schedule, but do not result in typical recurring costs to USCO and thus do not merit representation in this study.

**Table 15. Miscellaneous Fees and Special Services**

<b>Service Name</b>	<b>Direct Cost</b>	<b>Indirect Cost</b>	<b>Total Cost</b>
Designations of agent under 17 U.S.C. § 512(c)(2) to receive notifications of claimed infringement or amendment or resubmission of designation *	\$56.99	\$684.03	\$741.02
Schedule of pre-1972 sound recordings or supplemental	\$79.04	\$948.18	\$1,027.22
Additional sound recordings (per group of 1 to 100 sound recordings)	\$34.94	\$419.28	\$454.23

<b>Service Name</b>	<b>Direct Cost</b>	<b>Indirect Cost</b>	<b>Total Cost</b>
Notice of noncommercial use of pre-1972 sound recording*	\$56.99	\$684.03	\$741.02
Opt-out notice of noncommercial use of pre-1972 sound recordings*	\$56.99	\$684.03	\$741.02
Voluntary cancellations of registration*	\$24.12	\$299.49	\$323.61

\* For infrequent services where neither quantitative nor qualitative time-use data were available, FRD estimated direct time costs based upon the average for other services of the same category.

## 5.4. Licensing Services

The following section describes the costs associated with the fee-based licensing services offered by USCO. Table 16 provides direct, indirect, and total cost estimates for these licensing services based on FRD's analysis. Note that the licensing services included in this study specifically refer to fee-based filing and records services, and not the collection of royalty fees, which offset a large proportion of the annual administrative costs of LS.

For fee-based services, LS receives statements electronically or through the mail. Upon receipt, employees review the statements and enter initial information into the LS electronic system. Employees then verify the statement is consistent with the records. If any inconsistencies exist, they correspond with the filer for clarification. After reviewing the statement and verifying payment, employees close the statements either electronically or by paper notification and enter public documents into the record. In qualitative interviews that provided additional context for the services listed in Table 16, LS employees noted that they experienced two "peak periods" during the calendar year following the due dates for statements of account in March and August.<sup>35</sup>

LS employees largely confirmed the FRD research team's time-use estimates for employees who process SA forms 1, 2, and 3. These forms are denoted in the current fee schedule as processing a statement of account based on secondary transmissions of primary transmissions pursuant to 17 U.S.C. § 111.<sup>36</sup> However, a few employees noted some variabilities with regard to the estimate for SA form 3, as that form was often more complex than SA forms 1 and 2. An additional LS employee estimated that processing a statement of account based on secondary transmissions of primary transmissions could take up to thirty minutes, depending on the complexity of the request.<sup>37</sup>

LS employees also cited several indirect non-personnel costs associated with providing fee-based services in LS, including office supplies, such as paper, folders, and mailing materials, as well as technology costs, such as scanners.<sup>38</sup>

Table 16 displays the costs of licensing filing and records services offered by LS. On average, it takes less than one hour for one employee to fulfill one service request, ranging from \$27.58 to \$65.51 in direct time costs. The indirect operating costs of LS that are not offset by royalty revenue, ranging up to \$644.74 when allocated per service, reflect the relatively low volume of licensing service requests each year in relation to the high annual costs of maintaining public licensing records.

**Table 16. Licensing Services**

<b>Service Name</b>	<b>Direct Cost</b>	<b>Indirect Cost</b>	<b>Total Cost</b>
Statement of account amendment (cable television systems, satellite carriers, and digital audio recording devices or media, [17 U.S.C. §§ 111, 119, and 1003])	\$38.22	\$375.89	\$414.10
Recordation of a notice of intention to make and distribute phonorecords for first title	\$40.95	\$402.96	\$443.91
Recordation of certain contracts by cable television systems located outside the 48 contiguous states	\$65.51	\$644.74	\$710.26
Notice of use of sound recordings using statutory license	\$46.41	\$456.48	\$502.88
Photocopies made by employees (B&W)	\$32.76	\$322.37	\$355.13
Search report, per hour	\$65.51	\$644.74	\$710.26
Certification of search report	\$65.51	\$644.74	\$710.26
Processing of a statement of account based on secondary transmissions of primary transmissions pursuant to 17 U.S.C. § 119 or 122	\$27.58	\$225.02	\$252.59
Initial or amended notice of digital transmission of sound recording (17 U.S.C. §§ 112, 114)	\$32.76	\$322.37	\$355.13
Cable statement of account (SA1/SA2 form)	\$31.52	\$244.36	\$275.87
Cable statement of account (SA3 form)	\$46.10	\$360.41	\$406.51
Satellite statement of account	\$39.49	\$322.37	\$361.86

## 6. CONCLUSION

The *Cost Assessment Report* describes FRD's research methodologies and cost estimates for USCO's fee-based services. The FRD research team independently generated these estimates using administrative data provided by USCO and original data gathered from USCO employees through time-use instruments and qualitative interviews. FRD used this information to build a new model for estimating the costs of fee-based services according to federal accounting standards and best practices used by comparable organizations.

FRD estimates that USCO incurs \$15,434,266 each year in direct costs for providing fee-based services, including in-processing, examination, and out-processing as applicable. FRD estimates that USCO incurs \$81,848,111 each year in total indirect costs, which includes the administration of all USCO component offices. Based upon proportions of total time spent providing services each year, FRD allocates 85.8 percent of USCO's general administrative overhead costs to registration services. FRD respectively allocates 12.8 percent and 1.4 percent of those overhead costs to recordation services and licensing services. Including office- or section-specific costs and allocations of general overhead, FRD estimates that:

- For registration services, annual direct costs total **\$14,052,125**, while annual indirect costs total **\$16,565,171**.
- For copyright records services, annual direct costs total **\$1,316,863**, while annual indirect costs total **\$6,242,077**.
- For Licensing Section records and filing services, annual direct costs total **\$201,078**, while annual indirect costs total **\$943,583**. The Licensing Section has additional direct and indirect costs, unrelated to the provision of records and filing services, which are offset by royalty revenue.
- USCO annual overhead operating expenses total **\$48,097,279**, which the model allocates as indirect unit costs proportionally based on service volume to registration, copyright records, and licensing records and filing services.
- USCO currently expects **\$10,000,000** in separate appropriations and spending for IT modernization, which the model allocates as indirect unit costs to registration and copyright records services.

FRD researchers found that the total costs of providing fee-based services vary considerably between services. USCO's most frequently requested fee-based services, Standard Applications, Paper Applications, and Single Applications, cost between \$83.46 and \$194.46 per unit provided.

Of all service categories, licensing costs are particularly high, reaching as much as \$710.26 per unit provided, because of their relatively low service volume in relation to high indirect costs. The research team also estimated higher costs for processing physical deposits versus electronic deposits. For most services, in-processing one physical deposit is estimated to cost an additional \$27.07.

FRD used new cost estimates to replace USCO's existing forecasting model with new cost and revenue projections. The updated model allows USCO to estimate costs associated with fee-based services and associated revenues over one-year and five-year future projections. FRD wrote two supplemental reports for USCO to provide guidance for interpreting and updating this model.

## APPENDIX I. Abbreviations

Table 17 provides the definitions of key terms and abbreviations used throughout this report.

**Table 17. Key Abbreviations**

<b>Term/Abbreviation</b>	<b>Definition</b>
ARDO	Office of the Assistant Register and Director of Operations
CIS	Copyright Imaging System
CR	Office of Copyright Records
CRB	Copyright Royalty Board
eCO	Electronic Copyright Office
ECS	Enterprise Copyright System
FASAB	Federal Accounting Standards Advisory Board
Form CA	Paper application for supplementary registration
Form D-VH	Paper application to register vessel designs
Form DC	Paper application to correct a vessel design registration
Form GATT	Paper application for registration of foreign works that have been restored to copyright protection
Form LS	Litigation statement
Form MW	Paper application for mask works
Form PA	Paper application to register works of the performing arts
Form RE	Paper application for renewal registration
Form SE	Paper application to register single serials
Form SR	Paper application to register sound recordings
Form TX	Paper application to register literary works
Form VA	Paper application to register works of the visual arts
FRD	Federal Research Division
FY	Fiscal year
GAO	U.S. Government Accountability Office
GRAM/PA and GRAM/SR	Group registration of a group of works published on an album of music
GRCP	Group registration of contributions to periodicals
GRDB	Group registration for updates to a non-photographic database
GRNL	Group registration of newsletters
GRNW	Group registration of updates to a News Website
GRNP	Group registration of newspapers
GRPPH	Group registration of published photos
GRSE	Group registration of serials
GRSTQ	Group registration of secure test items
GRTX	Group registration of short online literary works
GRUPH	Group registration of unpublished photos
GRUW	Group registration of a claim in a group of unpublished works
GS	General Schedule

<b>Term/Abbreviation</b>	<b>Definition</b>
LS	Licensing Division Section
MCAD	Materials Control and Analysis Division
OGC	Office of the General Counsel
OMB	U.S. Office of Management and Budget
PIA	Office of Policy and International Affairs
PIE	Office of Public Information and Education
PII	Personally identifiable information
RPP	Office of Registration Policy and Practice
RM	Records Management Division
RRC	Records Research & Certification Division
SME	Subject matter expert
USCO	U.S. Copyright Office
USPTO	U.S. Patent and Trademark Office

## APPENDIX II. Methodology Detail

This appendix provides additional detail to the methodology section of the report. It includes more in-depth analysis of response rates for the time-use data collection and equations describing the cost allocation process.

### Data Collection

In order to build a rigorous and reliable methodology for this fee study, FRD developed and implemented an original data collection instrument to measure the time spent by USCO employees to process different fee-based service types. FRD developed a data collection worksheet in Microsoft Excel to record this information.

The FRD research team collected weekly time-use data for approximately one month from October 8, 2023 to November 4, 2023. FRD collaborated with USCO to send time-use spreadsheets to 173 participating USCO employees. USCO protected the anonymity of all participants during the data collection process. FRD received 543 completed spreadsheets, of which thirty-nine were excluded prior to analysis. One was discarded due to it being from the pilot time-use program, while the other two were discarded because they were missing both GS level and assigned ID data. Finally, an additional thirty-six spreadsheets were removed from the analysis due to missing data, such as no actions being designated. Besides these excluded spreadsheets, FRD conducted pre-cleaning of some worksheets to fix missing employee IDs, which were encoded as not available ("NA"). Of the 504 spreadsheets used in the final analysis, 405 came from RPP, fifty-eight came from CR, thirty-six came from LS, and five came from unknown sources due to the missing IDs. These 504 spreadsheets came from 160 different employees: 124 from RPP, twenty from CR, thirteen from LS, and three from other divisions. This resulted in an average of 3.15 completed responses per active participant across RPP, CR, and LS.

Additionally, USCO directly provided administrative data to FRD for further quantitative cost analysis. FRD reviewed all data in close collaboration with USCO to confirm these sources and appropriate data fields for use in the analysis. Specifically, USCO provided

- Personnel cost records from FY2018 to FY2024 to calculate indirect personnel costs.
- Non-personnel financial records from FY2018 to FY2024 to calculate indirect non-personnel costs.
- Licensing fiduciary financial statements from FY2017 to FY2024 to calculate estimated royalty revenue retained and offset for the administrative costs of LS.

- Annual report data from FY2020 to FY2024 and eCO database records from FY2023 and FY2024 to calculate service volume data.
- Specific transaction costs from FY2022, FY2023, and FY2024 from MCAD to calculate direct in-processing and out-processing costs.

Upon USCO's recommendation, FRD developed and implemented an additional survey using the SurveyMonkey platform to collect time-use information from OGC and PIA employees who conduct work for second appeals for registration claims. FRD deployed the survey November 6–10, 2023. The survey received twenty responses, including from all members of the Copyright Review Board.

### **Data Cleaning**

The FRD team used the R statistical programming language, including the R package *dplyr*, to clean and analyze the data to produce cost estimates. FRD used Microsoft Excel for additional data collection and management, such as the compilation of historical volume data.

FRD researchers compiled and cleaned the completed data collection worksheets into a single dataset using an automated R script. The script de-duplicated any repeat records submitted from the same employee in the same week of the study. As noted, some worksheets were discarded because they were missing GS level data or were from the pilot data collection effort. The research team assigned hourly pay rates to each time-use record using 2025 GS pay tables representing the Washington-Baltimore-Arlington federal locality pay area.<sup>39</sup> Hourly pay rates are calculated under the assumption that an employee works 2,080 hours each year. Hourly pay rates also incorporate an anticipated additional 35 percent cost to all federal salaries to account for benefits.

The FRD team cleaned personnel cost data and calculated personnel indirect costs by assigning personnel cost records to offices or sections and indirect cost pools using the six-digit fund codes and sixteen-digit organization codes associated with each transaction. The four indirect cost pools were for RPP, CR, LS, and a general overhead pool for all other USCO personnel costs. Specifically, the general overhead pool includes the Office of the Register of Copyrights, the Assistant Register and Director of Operations, excluding LS; the Office of the General Counsel, including the Copyright Claims Board; the Office of Policy and International Affairs; and the Office of Public Information and Education. In some cases, especially in FY2022 records for LS, fund codes were misclassified and had to be manually corrected. FRD researchers corrected these records by matching employee ID numbers from prior years' records and assigning their organization and fund codes to later years.

FRD researchers cleaned non-personnel financial records, used to calculate indirect non-personnel costs, by first removing any transfers pertaining to personnel-related budget object codes. The research team then assigned non-personnel costs to indirect cost pools corresponding to offices and sections indicated by the six-digit fund code and sixteen-digit organization code recorded with each transaction. Because non-personnel transactions, including for RPP and CR, were often associated with the general Copyright Basic budget, the research team assigned most indirect non-personnel costs to the general overhead cost pool. Specifically, all non-personnel costs under appropriated and fee-related fund codes not associated with IT modernization, LS, or the Copyright Royalty Board (CRB) were assigned to the general overhead pool. This general overhead pool necessarily includes the non-personnel costs of RPP and CR, in addition to the non-personnel costs for all other offices besides LS and the Copyright Royalty Board (CRB), as well as those costs that were not assigned a fund code or organization code.

The model treats IT modernization costs like general overhead, but exclusively allocates these non-personnel costs to RPP and CR indirect cost pools. The model does not allocate IT modernization costs to LS, because the section spends its own separate budget for those costs.

## **Data Analysis**

After cleaning the data, the FRD team calculated the cost of providing each service. The cost of providing the service includes the direct cost of the labor done to provide the service; indirect labor cost in the form of management and other offices, such as OGC; and any non-labor costs attributable to providing the service, such as electricity, paper, and computers. The FRD team calculated these indirect costs by assuming that each service takes the same amount of indirect costs per hour to provide the service and then allocating the costs accordingly.

The FRD team calculated the direct cost of each service action reported in the time-use worksheets as the total time spent on the action multiplied by that individual's calculated hourly pay rate. FRD calculated the average direct cost and time-use of each service as the mean direct cost and mean time spent on each completed unit of each service across all completed individual worksheets. These calculations include time spent on correspondence and consultation for registration applications, even when no applications were completed in the same day. This methodology assumes that some applications may take multiple days of passive correspondence and consultation work that may not result in a constant output of completed services each day. For

service types where no employees reported time-use in the data collection worksheets, FRD estimated the average time-use with estimates provided in qualitative interviews.\*

To estimate the annual volume for each service, FRD researchers calculated the mean annual service volume between FY2020 and FY2024, excluding years where no data were available. For several service types, no historical volume data were available for any past year. In these instances, the research team used estimates provided by USCO employees in the relevant offices and sections as a substitute. For services where employee estimates were not available, researchers used volume statistics from the 2017 fee study as a substitute.†

The research team calculated the annual direct time spent on each service by multiplying the average time-use for each service by the annual volume of each service. FRD researchers calculated the annual direct labor costs of providing each service by multiplying the direct cost of each service by the annual volume of each service. Researchers used these annual estimates for calculating and allocating indirect costs to each service.

The FRD team adjusted total indirect personnel and non-personnel costs for inflation before estimating future expected costs. FRD used historical increases in the GS pay scale and the Washington-Baltimore-Arlington locality payment from 2017 to 2025 to index the inflation of personnel costs.<sup>40</sup> FRD used historical increases in the Consumer Price Index, according to the U.S. Bureau of Labor Statistics, from 2017 to 2025 to index the inflation of non-personnel costs.<sup>41</sup> After adjusting historical personnel and non-personnel costs for each USCO office or section to their value in 2025 U.S. dollars, FRD used univariate linear regression to estimate expected indirect personnel and non-personnel costs in each cost pool (RPP, CR, LS, and general overhead) as of FY2025. Effectively, the model assumes slightly higher indirect personnel and non-personnel costs than were represented in the available data from FY2018 to FY2024 based upon the rate at which real costs increased over that time.‡

As described in Sections 4.3 and 4.4, FRD researchers subtracted the annual direct labor costs of providing services in each office or section from the expected cost of indirect personnel in each office or section. This calculation avoids double counting the direct cost of labor reported in time-use worksheets and personnel cost data.

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\* For several service types, time-use estimates were not available in either data collection worksheets or qualitative interviews. In these instances, FRD estimated time costs using the average of other services belonging to the same activity category. These service types are marked with an asterisk (\*) in the cost tables in Section 5.

† All volume numbers are considered estimates. The final Cost and Revenue Projection Model from the cost assessment will allow USCO to update expected volume for each service in the future, as well as forecast anticipated future increases or decreases in volume.

‡ Using this calculation, the final Cost and Revenue Projection Model will allow USCO to update indirect cost inputs and estimate expected future costs across several fiscal years.

Lastly, the FRD team subtracted the annual royalty revenue collected and offset for LS, documented in the note “Amounts Collected and Offset for Administrative Costs” of the licensing fiduciary financial statements, from the total indirect costs for LS.<sup>42</sup> This additional revenue used to fund indirect costs in LS was incorporated to avoid overestimating the indirect costs of LS fee-based filing services. To calculate this figure, researchers calculated the sum of licensing royalty fees collected in each fiscal year and then found the mean across FY2020–25.

Table 18 provides a summary of indirect costs by office or section, aggregating figures displayed in tables 1, 2, and 3 in Section 4 of this report.

**Table 18. Indirect Costs Summary**

Division	Direct Personnel	Indirect Personnel	Indirect Non-Personnel	Effective Total Indirect
RPP	\$10,886,152	\$44,195,161	\$22,319,622	\$66,514,783
CR	\$1,201,700	\$10,374,203	\$3,337,948	\$13,712,151
LS	\$201,078	\$752,189	\$868,987	\$1,621,177

FRD researchers allocated indirect costs to each service activity based upon the annual direct time spent providing that service. The research team allocated the indirect costs for each division based upon the proportion of total time spent providing each service out of all services in the respective office or section. Researchers allocated the general overhead costs of USCO based upon the proportion of total time spent providing each service out of all services provided by USCO.

Described mathematically, let  $T_{ij}$  be the estimated time each individual spent on a given action,  $C_{ij}$  be the cost incurred by that individual,  $n_{ij}$  be the number of a given application processed, total personnel costs be  $L$ , and non-labor indirect costs and general personnel costs be  $I = I_{gen} * p_d + I_d$  where  $I_{gen}$  is general overhead,  $p_d$  is the percent of all direct costs incurred by an office or section, and  $I_d$  is the non-personnel costs associated with the same office or section. Then the estimated time per action for each action is calculated according to the following:

$$t_i = \frac{\sum_j T_{ij}}{\sum_j n_{ij}}$$

The estimated cost per action is

$$c_i = \frac{\sum_j C_{ij}}{\sum_j n_{ij}}$$

Then, the percentage of personnel costs that is estimated to be indirect is

$$P = 1 - \frac{\sum_{i,j} C_{ij}}{L}$$

The total indirect costs in each office or section is

$$I + PL.$$

Therefore, the indirect cost per action is

$$i_i = \frac{\sum_j T_{ij}}{\sum_{ij} T_{ij}} (I + PL).$$

This finally outputs the total cost per action,  $c_i + i_i$ . This total cost per action is reflected in the cost tables in Section 5. For three service types that are billed hourly, FRD implemented an additional step of dividing the unit cost by the mean number of hours the task took to complete, resulting in the average hourly rate of providing the service, rather than the cost per request.

## Qualitative Interviews

The FRD research team conducted twenty-seven qualitative interviews with USCO employees who work on fee-based services, including employees in RPP, CR, LS, MCAD, PIE, and OGC. These interviews served two main purposes: 1) providing additional context regarding initial time-use estimates from the data collection worksheets, and 2) confirming or qualifying initial estimates and providing original estimates for infrequent services where empirical time-use data were not collected.

FRD researchers conducted interviews with fourteen RPP employees, five CR employees, and three LS employees to supplement the existing time-use data on RPP's, CR's, and LS's fee-based services. Additionally, researchers conducted three interviews with employees from MCAD to assess the direct costs associated with the division's support of copyright services. The research team also interviewed one employee from PIE to estimate costs associated with the PII removal requests process, and employees from OGC to understand the first appeals and PII reconsideration requests processes.

For the FY2023 study, the research team developed several semi-structured interview protocols targeted toward employees' specific duties in different offices, divisions, and sections. For interviews conducted with RPP, CR, and LS employees, researchers asked questions designed to verify and augment the time-use estimates for each service obtained from the data collection worksheets. The additional interview protocols for PIE, OGC, and MCAD employees, who did not participate in the four-week data collection effort, were respectively designed to produce

estimates of the direct and indirect costs associated with USCO's first appeals and PII removal services, as well as the costs of in-processing and out-processing copyright materials. For the FY2024 study, FRD researchers developed an additional semi-structured interview protocol to investigate special handling for registration services. Additionally, researchers conducted an interview to gather more information about secure test examinations.

### **Assumptions and Limitations**

FRD acknowledges some limitations and underlying assumptions in the methodology that could affect the validity of the cost assessments. More specifically, the FRD team's empirical data collection has a few methodological limitations. For example, some services are provided infrequently and, therefore, were not processed by the participating subset of employees during the four-week collection period. In these instances, FRD researchers used estimates from interviews as substitutes for empirical quantitative data, which are more susceptible to the subjectivity and bias of the individual employees interviewed. Additionally, if the four weeks from October 8, 2023 to November 4, 2023 were not representative of the entire year in terms of average time spent for each service, time-use estimates could be skewed. Lastly, individual data entries from worksheets also were subject to the bias or human error of employees who participated in the study. As detailed in Section 4, historical volume data included in the cost model originated from a combination of data sources, including both historical averages from previous years and estimates reported by employees. Inaccurate or out-of-date volume statistics used in the model could impact the accurate allocation of indirect costs in the future.

Estimates of total indirect non-personnel costs in this report are subject to the accuracy and specificity of non-personnel financial records. For example, non-personnel cost data did not consistently separate RPP and CR costs from other fund codes or organization codes that include USCO-wide administrative costs. As a result, non-personnel costs for RPP and CR are included in the model's general overhead cost pool and are allocated to each office or section only based on the proportion of time spent providing respective services each year. Indirect non-personnel costs associated with RPP and CR may be overestimated or underestimated based upon the true non-personnel costs specifically incurred by each office or section.

Although the qualitative interviews provided useful context on employee time, they also presented methodological limitations. Time-use estimates generated from interviews have limited generalizability due to the relatively small number of employees interviewed and their reliance on the individual memories of those employees to produce estimates about past activities. For the most part, the FRD team reached the target numbers of employees in each office, division, and

section for interviews. However, the research team interviewed just three LS employees, which fell short of the team's goal of four.

Cost estimates in this report are reflective of FY2025 but are limited to information available at the time of data collection. FRD researchers estimated expected indirect costs using a univariate linear regression based upon inflation-adjusted costs from FY2020 to FY2024. The research team calculated direct time costs using the grade and step levels of employees who participated in the study according to 2025 GS pay rates. In cases where employee step levels were unknown, researchers used the pay rates of step five in their grade level. Personnel and non-personnel costs may change in the future.

## NOTES

<sup>1</sup> Library of Congress, *Library of Congress Fiscal 2026 Budget Justification*, 102, <https://perma.cc/68ZN-NXTW>.

<sup>2</sup> Federal Accounting Standards Advisory Board (FASAB), "Mission," accessed August 17, 2024, <https://perma.cc/997J-WATR>.

<sup>3</sup> FASAB, "Statement of Federal Financial Accounting Standards 4: Managerial Cost Accounting Standards and Concepts," in *FASAB Handbook of Federal Accounting Standards and Other Pronouncements, as Amended*, 22nd ed. (FASAB, statement issued July 31, 1995; handbook current as of December 15, 2023), 2, <https://perma.cc/GAD5-C9TB>.

<sup>4</sup> FASAB, "Statement of Federal Financial Accounting Standards 4," 2.

<sup>5</sup> U.S. Government Accountability Office (GAO), *Cost Estimating and Assessment Guide: Best Practices for Developing and Managing Program Costs*, GAO-20-195G (GAO, March 2020), 32, <https://perma.cc/FXF4-6VQM>.

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<sup>7</sup> U.S. Patent and Trademark Office (USPTO), "Fee Setting and Adjusting: Patent Fee Setting and Adjusting Proposal to PPAC; Patent Fee Proposal: Background Information," May 2023, <https://www.uspto.gov/about-us/performance-and-planning/fee-setting-and-adjusting>; USPTO, "Fee Setting and Adjusting: Previous Fee Setting Information; Patent Fee Setting Effort with October 2, 2020 Effective Date: Setting and Adjusting Patent Fees During Fiscal Year 2020; Activity Based Information and Patent Fee Unit Expense Methodology," accessed August 15, 2024, <https://www.uspto.gov/about-us/performance-and-planning/fee-setting-and-adjusting?MURL=FeeSettingAndAdjusting#previousfee-info>.

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<sup>9</sup> OPM, "General Schedule."

<sup>10</sup> U.S. Copyright Office (USCO), *Circular 7D: Mandatory Deposit of Copies or Phonorecords for the Library of Congress* (USCO, revised November 2021), 1, <https://perma.cc/U3QE-BFHX>.

<sup>11</sup> USCO, *Changes to Deposit Requirements at the U.S. Copyright Office*, accessed December 15, 2023, <https://perma.cc/HT6G-N9CM>.

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<sup>13</sup> MCAD, in discussion with FRD.

<sup>14</sup> Office of Registration Policy and Practice (RPP), in discussion with FRD, November 6–15, 2023.

<sup>15</sup> RPP, in discussion with FRD.

<sup>16</sup> RPP, in discussion with FRD.

<sup>17</sup> RPP, in discussion with FRD.

<sup>18</sup> USCO, in communication with FRD, April 29, 2024.

<sup>19</sup> RPP, in discussion with FRD, January 24, 2025.

<sup>20</sup> RPP, in discussion with FRD, January 24, 2025.

<sup>21</sup> USCO, in communication with FRD.

<sup>22</sup> RPP, in discussion with FRD, January 21–February 5, 2025.

<sup>23</sup> Office of Public Information and Education (PIE), in discussion with FRD, November 21, 2023.

<sup>24</sup> Office of the General Counsel (OGC), in discussion with FRD, November 2, 2023.

<sup>25</sup> OGC, in discussion with FRD.

<sup>26</sup> RPP, in discussion with FRD.

<sup>27</sup> RPP, in discussion with FRD.

<sup>28</sup> USCO, in communication with FRD.

<sup>29</sup> USCO, in communication with FRD.

<sup>30</sup> Office of Copyright Records (CR), in discussion with FRD, November 8–20, 2023.

<sup>31</sup> CR, in discussion with FRD.

<sup>32</sup> CR, in discussion with FRD.

<sup>33</sup> CR, in discussion with FRD.

<sup>34</sup> CR, in discussion with FRD.

<sup>35</sup> Licensing Section (LS), in discussion with FRD, November 15–22, 2023.

<sup>36</sup> USCO, "Fees," accessed December 20, 2023, <https://perma.cc/AN5S-RECT>.

<sup>37</sup> LS, in discussion with FRD.

<sup>38</sup> LS, in discussion with FRD.

<sup>39</sup> OPM, "General Schedule."

<sup>40</sup> OPM, "General Schedule."

<sup>41</sup> U.S. Bureau of Labor Statistics, "CPI Inflation Calculator," accessed February 21, 2025, [https://www.bls.gov/data/inflation\\_calculator.htm](https://www.bls.gov/data/inflation_calculator.htm).

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