

EXHIBIT A

§ 380.10 Royalty fees for the public performance of sound recordings and the making of ephemeral recordings.

(c) Annual royalty fee adjustment. The Copyright Royalty Judges shall adjust the royalty fees each year to reflect any changes occurring in the cost of living as determined by the most recent Consumer Price Index (for all consumers and for all items) (CPI-U) published by the Secretary of Labor before December 1 of the preceding year. The adjusted rate shall be rounded to the nearest fourth decimal place. To account more accurately for cumulative changes in the CPI-U over the rate period, the calculation of the rate for each year shall be cumulative based on a calculation of the percentage increase in the CPI-U from the CPI-U published in November, 2015 (237.33), according to the formula $(1 + (C_y - 237.336)/237.336) \times R_{2016}$, where C_y is the CPI-U published by the Secretary of Labor before December 1 of the preceding year, and R_{2016} is the royalty rate for 2016 (*i.e.*, \$0.0022 per subscription performance or \$0.0017 per nonsubscription performance). By way of example, if the CPI-U published in November 2016 is 242.083, the adjusted rate for nonsubscription services in 2017 will be computed as $(1 + (242.083 - 237.336)/237.336) \times \0.0017 and will equal \$0.00173 (\$0.0017 when rounded to the nearest fourth decimal place). If the CPI-U published in November 2017 is 249.345, the rate for nonsubscription services for 2018 will be computed as $(1 + (249.345 - 237.336)/237.336) \times \0.0017 and will equal \$0.00179 (\$0.0018 when rounded to the nearest fourth decimal place). The Judges shall publish notice of the adjusted fees in the *Federal Register* at least 25 days before January 1. The adjusted fees shall be effective on January 1.