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March 24, 2020

**Via email**

Regan Smith  
General Counsel and Associate Register of Copyrights  
Anna Chauvet  
Associate General Counsel  
Jason Sloan  
Assistant General Counsel  
United States Copyright Office  
Library of Congress  
101 Independence Ave. SE  
Washington, DC 20559-6000

**Re: Docket No. 2019-0005**  
**Summary of ex parte call regarding Music Modernization Act Implementing**  
**Regulations for the Blanket License for Digital Uses and Mechanical Licensing**  
**Collective**

Dear Ms. Smith, Ms. Chauvet and Mr. Sloan,

This letter summarizes the March 19, 2020 call (“March 19 Call”) between the Mechanical Licensing Collective (the “MLC”) and representatives of the Copyright Office. The MLC thanks the Copyright Office for its time and attention in meeting with the MLC concerning the above-referenced rulemaking proceeding.

The persons participating in the March 19 Call for the MLC were Alisa Coleman (Chair of the Board of Directors), Danielle Aguirre (nonvoting Board member), Kris Ahrend (CEO), Richard Thompson (CIO) and counsel Benjamin Semel, Frank Scibilia and Mona Simonian.

On behalf of the Copyright Office, Regan Smith, Anna Chauvet, Jason Sloan, Terrence Hart and Cassandra Sciortino participated in the call.

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The following summarizes the discussion:

### MLC Reporting and Payments to Copyright Owners

There was a discussion concerning the MLC's proposal for statements of account to copyright owners, as laid out in Section G and Appendix G of its initial comments. The information fields laid out in Appendix G were discussed in detail.

There was a discussion of the usefulness of line 25 (Territory), although the MLC's reporting will be U.S. only, since copyright owners receive reporting from numerous territories around the world, and it is efficient for each to be labelled respectively.

With respect to fields concerning product information, the MLC indicated that it would be appropriate to remove lines 17-19 from its proposal of required fields, given their limited usefulness and the existence of the other fields for identifying sound recordings at issue. The MLC could then provide such fields only where they prove relevant as the industry evolves.

There was a discussion of line 20 in Appendix G (Infrastructure provider vs. storefront). It was explained that this was important in order to identify the branded offering in the case of white-labeled offerings. It was further noted that, provided that usage reporting is appropriately made separately for each offering, which includes separate accountings for different price points or white-labelled offerings, which is a requirement that the MLC believes should be clarified in the regulations, then line 22 (Service tier) should be adequate to convey this information, and line 20 would not be necessary.

There was a discussion that line 27 (Licensing Scheme) relates to whether the use is under the blanket license or a voluntary license, and could in some situations include a voluntary license identifier.

There was a discussion that a minimum royalty threshold for delivering payment is used across the industry, and the MLC indicated that this is standard and appropriate for the MLC as well. The MLC intends to adopt a minimum threshold, but it has not yet determined the precise amount of the threshold, which it expects to be different for electronic payments versus checks. The MLC indicated its position that regulations should preserve the MLC's flexibility to adopt reasonable minimum thresholds, to allow it to adapt to the needs of copyright owners while maintaining reasonably efficient operations.

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There was a discussion of statement delivery format, and the MLC indicated that it intended to provide statements in electronic format. As with payment thresholds, the MLC indicated its position that the regulations should preserve the MLC's ability to provide statements in reasonable formats, to allow it to adapt to the needs of copyright owners while maintaining reasonably efficient operations.

There was also a discussion of the MLC's ongoing attempts to work with the DLC to reach agreement on proposed regulatory language in certain areas of the rulemaking. While the MLC has continued discussions since the March 19 Call, they remain ongoing and the parties have not reached agreement as to any such language yet.

The MLC also indicated that it will follow up with the Copyright Office on several topics, including: (1) information on minimum thresholds for royalty distribution that are used across the industry, and information on payment delivery fee estimates or budgets; (2) information concerning the use in the DDEX DSRF format of different metadata fields related to identification of sound recordings and musical works identification, including Catalog number, UPC, ISNI, IPI, Label, Album Title and Distributor, and any further information on the importance of such fields for the MLC's operations; (3) feedback on a potential proposal requiring DMPs to maintain records of use containing usage information sought by the MLC, and to make such information available to the MLC on request, as an alternative to requiring regular monthly reporting of such information by DMPs. The MLC will follow up with additional information and feedback on these topics.

The MLC appreciates the Copyright Office's time, effort and thoughtful inquiries, and is available to provide further information on request.

Sincerely yours,



Benjamin K. Semel