

**Before the  
UNITED STATES COPYRIGHT OFFICE  
Washington, D.C.**

In the Matter of:

Music Licensing Study: Notice and  
Request for Public Comment

Docket No. 2014-03

**REPLY COMMENTS OF CONCORD MUSIC GROUP, INC.**

Concord Music Group, Inc. (“Concord”) was pleased to have the opportunity to participate in the two-day public roundtable hosted by the Copyright Office (the “Office”) in Los Angeles on June 16 and 17 in connection with the Office’s Music Licensing Study. We appreciate the time and attention the Office is devoting to identifying the problems that plague the current music licensing process and searching for holistic solutions to those problems.

Our impression from the roundtable in Los Angeles was that much of the dissatisfaction with the existing music licensing process was focused on musical work licensing. This is an issue that we care deeply about given that Concord owns and operates multiple record labels – and therefore routinely and necessarily acts as a licensee of musical works -- and is also a music publisher – and therefore routinely acts as a licensor of musical works.

As others have amply noted, the system(s) for licensing musical works are beset with a host of problems, many of which are attributable to the radical shifts in the ways that today’s consumers access and consume music and to the failure of existing laws, licensing organizations and industry practices to keep pace with those shifts. While Concord does not have a proposal that would solve all of the problems that have been identified by us and others in connection with this study, we believe there are a few fundamental principles as to which all interested parties – owners and distributors of sound recordings, writers and publishers of musical works, digital

music services and other users of musical works, and consumers – could agree and which, therefore, could form the foundation for a comprehensive reform of music licensing. Those fundamental principles are as follows:

1. All creators deserve and need rates that fairly compensate them for their creative efforts and therefore incentivize them to continue to create. Ideally, rates would be determined in a free market, but separately negotiating each license for each use of a musical work is simply not realistic and would stifle commerce, innovation and creativity.
2. The licensing process must be simplified and made more efficient. Collective, blanket and/or bundled rights licensing should be facilitated wherever practicable. It is imperative to eliminate the need to obtain separate licenses for different rights (e.g., reproduction and public performance) implicated in the same use of a musical work or recording. Simplification will result in more and more speedy transactions, reduced transaction costs and reduced legal risks, thereby promoting innovation, particularly in digital music services.
3. Information on copyright ownership needs to be improved so that it is clear, accurate, and readily available (e.g., through a comprehensive, authoritative database or other means), thereby facilitating use of musical works and enabling the owners and creators to be paid their rightful compensation more quickly and reliably.
4. Royalty payment obligations should include reasonably detailed reporting requirements that reflect today's digital marketplace and should come with reasonable audit rights, so as to ensure accurate and timely reports and payments, including direct payments from digital services to an agent representing musical work owners and songwriters.

We appreciate the opportunity to participate in this timely and important study. We look forward to reviewing the Office's final report. We would be happy to participate in any future discussions concerning music licensing reform that may be arranged by the Office.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Lawrence J. Blake", written over a horizontal line.

Lawrence J. Blake,  
Chief Legal & Business Affairs Officer