



December 10, 2025

Via email

Emily Chapuis
Acting General Counsel and Associate Register of Copyrights
United States Copyright Office
Library of Congress
101 Independence Ave. SE
Washington, DC 20559-6000

Re: Summary of The MLC's November 20, 2025, Ex Parte Meeting with the U.S. Copyright Office Concerning Docket No. 2024-1, Periodic Review of the Designations of the Mechanical Licensing Collective and Digital Licensee Coordinator

Dear Ms. Chapuis,

This letter summarizes the videoconference that took place on November 20, 2025, between the Mechanical Licensing Collective ("The MLC") and representatives of the U.S. Copyright Office (the "Office"). The people participating in the meeting for The MLC were Kris Ahrend (Chief Executive Officer), Rick Marshall (General Counsel), Ellen Truley (Chief Marketing and External Affairs Officer), and outside counsel Benjamin Semel (Pryor Cashman). The people participating on behalf of the Office were Emily Chapuis, Michael Druckman, Jalyce Mangum, Elizabeth Porter, and John Riley.

The following summarizes the discussion:

During the meeting, The MLC highlighted updates to key metrics and notable developments that have happened since the last record refresh¹. These updates and developments further underscore The MLC's operational effectiveness and commitment to continuous improvement²:

¹ The MLC previously provided Initial and Reply Submissions in this proceeding, which detailed The MLC's history, governance, metrics and results across numerous aspects of its operations and included copies of various organizational documents, policies and endorsements, all of which clearly demonstrated that The MLC continues to satisfy the MMA criteria to be the statutory collective. The MLC also participated in a series of meetings with the Office on July 10, 2025 and July 14, 2025 (the "July 2025 Meetings"), during which it refreshed the record in the proceeding, reiterated how the Public Comments in the proceeding demonstrated a broad industry consensus offering endorsement and support of The MLC, and responded to questions asked by the Office. (See *Letter from The MLC to the U.S. Copyright Office re: Periodic Review of Designation*, at 6 (July 21, 2025) ("July 2025 Letter")). This submission adopts the same defined terms as in The MLC's Initial and Reply Submissions and the July 2025 Letter.

² As noted in the July 2025 Meetings, The MLC has provided additional specific metrics and contextual details in the several hundred pages of materials submitted to the Office, including The MLC's Initial and Reply Submissions. Numerous updated metrics are also included in the two Annual Reports The MLC has published since the initiation of this proceeding, the most recent of which (The MLC's Annual Report for 2024) was published at the end of July 2025. These materials, along with the additional information provided during the July 2025 Meetings and included in the July 2025 Letter, contain data and metrics for dozens of performance indicators.



Blanket Royalty Metrics: The MLC’s royalty operations continue to grow. As of the November 2025 distribution, The MLC has processed over \$4.1 billion in total royalties and has distributed over \$3.47 billion in total royalties.³ The MLC’s current overall match rate across all usage periods has risen to 91.9%, with year-specific match rates of 94% for 2021, 93.5% for 2022, 92.5% for 2023, and 91.5% for 2024. The current overall distribution rate across all usage periods is now 84.8%, with year-specific match rates of 87.5% for 2021, 86.8% for 2022, 85.5% for 2023, and 84.3% for 2024. Additionally, The MLC has continued to distribute adjustments related to the Phono 3 rate period (2021–2022) and 2023 Annual Reports of Usage (“AROU”).⁴

Historical Unmatched Royalty Metrics: The MLC also continues to distribute more historical royalties, and corresponding match and distribution rates continue to improve. The MLC has now matched nearly \$317 million of the \$397 million in historical unmatched royalties that DMPs transferred in February 2021 (or 79% of the total amount transferred) and distributed approximately \$228.36 million (or more than 57.5% of the total transferred)⁵. The percentage of historical unmatched royalties The MLC has distributed from each phonorecords rate period have risen to: 93.16% for Phono 1, 53.69% for Phono 2, and 58.05% for Phono 3.

Membership Growth: As of November 1, 2025, The MLC’s membership is now nearing 71,000, reflecting the addition of approximately 9,000 new Members since the July 2025 Meetings, continuing consistent growth.

Member Support Metrics: The MLC’s Member Support Team has fielded over 11,000 calls, chat inquiries, and emails since the July 2025 Meetings, and continues to average more than 2,500 interactions per month and over 115 interactions per day (excluding weekends). The MLC’s Publisher Relations team continues to speak regularly with approximately 100 publishers per quarter and engages in many more non-recurring contacts.⁶

Marketing and Outreach Metrics: The MLC engaged in over 100 education and outreach events since the July 2025 Meetings. The total number of such events since The MLC’s inception is now over

³ The \$3.47 billion in total royalties distributed is comprised of \$3.21 billion in blanket royalties directly distributed by The MLC and \$261 million in voluntary royalties (valued at the applicable statutory rate) processed by The MLC but distributed by DMPs to licensors under voluntary license arrangements.

⁴ As noted in the July 2025 Meetings, these adjustments include cumulative payments for usage periods spanning 2021 through 2023, along with applicable interest. Monthly processing of the remaining adjustments for these three annual periods is ongoing, is following a tentative schedule that accounts for the volume and operational complexity of each DSP’s data, and is expected to continue into the second quarter of 2026.

⁵ As noted in the July 2025 Meetings, this is a remarkable achievement given that DMPs, which include the largest technology companies in the world, were only permitted to transfer these royalties to The MLC if they were not able to match and distribute them to respective rightsowners after engaging in “good-faith, commercially reasonable efforts to identify and locate each copyright owner of such musical work (or share thereof)”. (Section 115 (d)(10)(B)(i)).

⁶ As noted in the July 2025 Meetings, Members are periodically asked to answer a handful of survey questions at the conclusion of their interaction with The MLC’s support team to provide feedback on their experience. The MLC’s Member Support Team consistently receives high confidence scores in these surveys, reflecting that Members have high levels of satisfaction in the service The MLC provides and high levels of confidence in The MLC’s ability to answer their questions and address any concerns.



1,100, reaching more than 33,000 participants. The MLC's digital presence also continued to grow, with education and outreach materials also delivered to social media followership surpassing 317,000, including more than 268,000 followers on YouTube, over 24,700 on Instagram, and more than 17,800 on LinkedIn.

Public Database Metrics: The MLC's public musical works database now contains data for over 51.5 million works, an increase of approximately 2 million works since the July 2025 Meetings. The MLC's Bulk Data Access Subscription program and Public Search API program both remain available to the public, including the several hundred participants currently enrolled in the programs.

Member Tool Enhancements: The MLC has continued to enhance its suite of Member Tools and resources as part of its commitment to continuous improvement and responsiveness to Member feedback. As explained during the July 2025 Meetings, these ongoing developments are designed to streamline key processes and empower Members to manage their rights and data more effectively. Significant enhancements include:

Songwriter Hub: Since the July 2025 Meetings, The MLC has launched its new Songwriter Hub, which is available to any songwriter with works registered with The MLC. This tool enables songwriters to compile a catalog of every work in The MLC's database that credits them as a writer by searching for and selecting each variant of their name that has been used by parties that have registered works in The MLC's database. Songwriters can then filter and search their catalogs for specific works, songs written by specific co-writers, and songs recorded by specific artists. Songwriters can export public data on demand in a variety of formats for all the songs in their catalogs or any subset of their catalogs produced using the filter and search feature. Songwriters can request corrections or additions to the writer names and writer IPI numbers referenced in any songs of theirs that have been registered in The MLC's database. Finally, songwriters can access and use The MLC's Matching Tool to search for unmatched sound recordings that feature songs they have written and then to propose matches between those unmatched sound recordings and any songs of theirs that have been registered in The MLC's database. Once any proposed matches have been reviewed and approved by The MLC, royalties for those newly matched uses of their songs will flow to the publisher or administrator authorized by the songwriter to collect royalties on their behalf for the corresponding works concerned. The MLC plans to continue expanding the Songwriter Hub with additional tools and features to further empower songwriters to participate easily and effectively in the administration of their works.

Member Hub: Since the July 2025 Meetings, in addition to launching the Songwriter Hub, The MLC has implemented a number of significant enhancements to the suite of tools available to Members via its Member Hub. For example, the Overclaims Tool has been further refined, enabling Members to resolve overclaims more efficiently within the Member Hub platform. As part of its ongoing efforts to strengthen security and prevent fraud, The MLC has also implemented an expanded Know Your Customer ("KYC") process. Additionally, The MLC introduced a new Member Benefits page, which enhances the value of membership by providing Members with access to exclusive discounts on a variety of music industry products, services, and resources.

Catalog Transfer Tool: Another major development since the July 2025 Meeting is the launch of a new tool in the Member Hub: the Catalog Transfer Tool. This tool enables Members to initiate and manage



catalog transfers directly within the Member Hub. The new tool streamlines the catalog transfer process by allowing Members to search for and then export a schedule of works that they are acquiring, submit required information and documentation related to their proposed transfer, monitor submitted requests via a dashboard, and track the status of their submitted transfer requests within a single, integrated platform. Notably, the tool enhances efficiency by enabling both parties to a transfer to review and authorize the transfer in the Member Hub, reducing The MLC's manual involvement in facilitation of the transfer process.

There was discussion regarding The MLC's evaluation of the effectiveness of its outreach and education efforts. The MLC reiterated its statement in the Initial Submission that it "continually reviews and evaluates the effectiveness of its education and outreach efforts over time" and noted that it continues to observe and report steady and meaningful increases in its membership. (Initial Submission at 10). Since the start of this proceeding, The MLC's sustained efforts have resulted in engagement with countless prospective Members and their representatives, contributing to an increase of tens of thousands of Members and bringing total membership to over 71,000. The MLC also explained the inherent difficulty in drawing direct causal links between specific outreach initiatives and individual outcomes, such as new member registrations. It explained that such outcomes are often the result of cumulative and overlapping efforts rather than a one-to-one correspondence between initiative and result. Moreover, The MLC's outreach and education efforts have been informed by the comprehensive set of recommendations the Office made in its Unclaimed Royalties Study. The MLC highlighted its efforts to implement those recommendations, which were "developed after careful consideration of the views and suggestions made by a wide variety of stakeholders" through a public notice-and-comment process, and recommended that The MLC pursue a number of different outreach strategies to ensure it reached the maximum number of potential members. The MLC has diligently sought to act on each of the Office's recommendations.⁷

There was a general discussion of the policies, procedures, and guidelines that The MLC has identified across its various record submissions. Examples include The MLC's Catalog Transfer Policy, Conflict of Interest Policy, Ownership Dispute Policy, Statutory Termination Policy, Investment Policy Statement, and Guidelines for Adjustments, among others (*see* Initial Submission at 64-75; Reply Submission at 22; July 2025 Letter at 6-7). The MLC strives to ensure all relevant policies, procedures, and guidelines addressing its statutory duties are transparent and accountable. (*see* Initial Submission at 69).⁸

There was discussion of The MLC's Guidelines for Adjustments⁹, particularly as they relate to the circumstances under which The MLC may place royalties on hold, lift holds, and conduct corresponding adjustments. The MLC emphasized the importance of investigating anomalous activity related to royalty distributions, especially potential stream manipulation or fraud. It stressed that the ability to exercise appropriate discretion is essential to protecting the integrity of royalty distributions. There was a discussion

⁷ Specifically, the Unclaimed Royalties Study recommended: "In recognition of the music industry's broad and diverse spectrum of songwriters and copyright owners, the MLC should engage to the broadest extent reasonably practicable in conducting its education and outreach activities." (Unclaimed Royalties Study at ii).

⁸ Additional information regarding The MLC's policies, procedures, and guidelines is available on The MLC's website at: <https://www.themlc.com/policies>; <https://www.themlc.com/governance>; and <https://www.themlc.com/blanket-royalties>.

⁹ The MLC's Guidelines for Adjustments are available at: <https://www.themlc.com/blanket-royalties>.



of the criminal proceeding in the Southern District of New York concerning streaming fraud, in which the indictment references individuals actively contacting The MLC and demanding payment while The MLC was properly withholding royalties to conduct a thorough fraud investigation.¹⁰

There was discussion regarding file formats that The MLC uses to deliver information to Members. As the record materials reflect, The MLC is continually pursuing ways to enhance the Member experience and improve tools and interfaces. If The MLC was receiving feedback indicating that there were material problems with file formats among Members, The MLC would promptly address the concerns.

Regarding the bulk data feed, The MLC uses the Bulk Work And Recording Metadata (“BWARM”) format, which was developed in collaboration with DDEX. The MLC chose this standards-based format to maximize compatibility and accessibility for organizations capable of processing large-scale datasets. The MLC explained that using a proprietary format over a recognized standard would make data less accessible and pose unnecessary burdens on adoption.

In response to a specific question about why bulk data access subscription program files cannot be provided in the Excel workbook (.xlsx) format, The MLC explained that the amount of data is too large to be transmitted in the .xlsx format. In response to a specific question about why royalty statement detail is not provided in the .xlsx format, The MLC similarly explained that many statements are too large to be transmitted in that format. The MLC further explained that royalty statement data is made available in the .tsv (tab separated value) format, and Excel opens .tsv files natively. In the event that a .tsv file exceeds the limits of the Excel program, there are many other well-known data tools that can be used. The MLC’s support team is trained to assist Members unfamiliar working with these and other formats and The MLC’s Help Center already includes related step-by-step technical guidance.¹¹

The MLC also explained how it recently developed user-friendly “one sheet” Distribution Summaries in the PDF document format, which provide Members with a high-level overview of each month’s distribution, along with similar data for their previous six distributions. In addition to generating these Distribution Summaries for all new monthly royalty distributions, The MLC has created them for every previous monthly distribution dating back to The MLC’s first royalty distribution in April 2021. These Distribution Summaries were developed in response to requests and feedback from Members and have been extremely well received. (*see* July 2025 Letter at 2).

There was discussion regarding the general functions for which The MLC engages vendors. The MLC explained that it evaluates vendor performance through multiple, standard mechanisms that establish expectations for responsiveness, turnaround times, fulfillment, and consistency. The MLC also explained that the vendors that comprise its Supplemental Matching Network provide a range of matching-related services. These vendors collectively assist The MLC with matching tasks (with the specific allocation of work among them subject to adjustments to meet The MLC’s evolving matching needs) including: (a)

¹⁰ See U.S. Dep’t of Just., *North Carolina Musician Charged With Music Streaming Fraud Aided by Artificial Intelligence*, U.S. Att’y’s Off. S. Dist. of N.Y. (Nov. 15, 2023), <https://www.justice.gov/usao-sdny/pr/north-carolina-musician-charged-music-streaming-fraud-aided-artificial-intelligence>.

¹¹ See, e.g., The MLC Help Center, *How do I open my statement .TSV file in Excel or Google Sheets?* (available at: <https://help.themlc.com/en/support/how-do-i-open-my-statement-.tsv-file-in-excel>).

supplementing The MLC's core matching by applying independent work-to-recording and recording-to-work matching services; (b) validating and expanding matches between sound recordings and musical works; (c) finding additional versions of the same recordings across DSPs so all related uses are captured and tied to works already matched; (d) identifying non-musical content so it can be removed from the royalty pool. This approach aligns with The MLC's stated matching methodology (*see, e.g.*, Initial Submission at 18-24; Reply Submission at 15-21; July 2025 Letter at 3), which employs a sophisticated, multilayered process that leverages both internal systems and external partners to maximize accuracy, efficiency, and scalability. The MLC explained that HFA continues to serve as its vendor for several key functions, including processing blanket and voluntary royalty data, matching, and rights management; however, The MLC's internal technology team has fully assumed responsibility for maintaining and enhancing the Member Portal—functions that were previously supported by ConsenSys. (*see* Initial Submission at 30).

The Office inquired whether The MLC has considered implementing an investment program composed exclusively of U.S. Treasury securities. The MLC explained that, consistent with best practices among nonprofit organizations managing similar funds, and consistent with its Investment Policy Statement and Cash Management Policy Statement, it has retained expert, fee-based financial advisors to provide specialized guidance in this area. The MLC makes investment decisions after carefully considering guidance from such experts. Those experts have advised that an investment strategy composed exclusively of purchasing U.S. Treasury securities would be highly unlikely to meet the Statutory Interest Rate¹² over time.¹³ Instead, the advisors have structured an investment strategy that is designed to generate returns that meet the Statutory Interest Rate, while prudently managing risk and maintaining adequate liquidity to meet The MLC's ongoing obligations.¹⁴

There was discussion of costs associated with The MLC's investment program. The MLC explained that fees paid to its fee-based advisors are covered by assessment funds, consistent with the treatment of other administrative costs associated with maintaining The MLC's bank and investment accounts. The MLC also noted that mutual fund expense ratios are not investment fees paid by The MLC.

¹² The MLC confirmed that, pursuant to Section 115 (d)(3)(H)(ii)(I), it accrues interest on royalties for unmatched works (and shares thereof) at the Federal short-term rate prescribed in 26 U.S.C. § 1274 (d) (the "Statutory Interest Rate").

¹³ The MLC's fee-based advisors have explained that this is due to several factors, including that the target benchmark reflects current market yields while any portfolio holds securities purchased at prior yields, causing systematic underperformance during periods of rising rates; there is no guarantee that offsetting rate movements would occur during the MLC's investment horizon; short-term securities cannot be used to resolve the timing problem because they generally pay lower yields than the benchmark and so would systematically underperform; ongoing distribution obligations require liquidations even during unfavorable conditions; and fund returns are net of fund expenses and so will systematically lag the yield of any underlying bundle of treasuries.

¹⁴ As of the end of October 2025, The MLC has approximately \$153.7 million in interest income. to ensure that it can meet its statutory obligation to pay interest on unmatched royalties at the Federal short-term rate dating back to the beginning of The MLC's operations in 2021. The MLC maintains these funds pursuant to its investment policies, and they are used to distribute interest at the statutory rates whenever The MLC matches and distributes previously unmatched royalties, and it will be used to pay interest at the statutory rates in connection with eventual distributions of unclaimed accrued royalties. The MLC has not identified any excess funds beyond reasonable reserves for its statutorily mandated interest obligations in the future; as such, The MLC has not created any policies for distribution or liquidation of royalty funds beyond the distribution provisions set forth in the MMA.



Mutual fund operations, with the associated costs, are part of a fund's net asset value, with no distinct investment fee payable by fund investors. The Office asked if The MLC is foreclosed by GAAP from structuring an investment strategy where what would typically be fund internal expenses were structured as external management fees to be paid from the administrative assessment. The MLC is not aware of any such foreclosure by GAAP,¹⁵ but The MLC chose to pursue the strategy that its fee-based advisors recommended.

There was discussion of hypothetical contingency situations, and how The MLC would respond if it incurred liabilities that exceeded its assets. The MLC stressed that it has no basis to expect any such situation to occur, and reiterated comments shared with Congress in response to a Question for the Record, namely that, in the unlikely event of a shortfall situation, The MLC "would have to address the matter based upon the specific details at hand, but we do not project any shortfalls," and that "The MLC has put great effort into crafting a cash management and investment program that minimizes risk while still meeting the MMA's high demands. It is our intention and expectation that there will never be a shortfall." (Ahrend QFR Responses at 7). The MLC also notes that royalty funds in its custody are subject to statutory safeguards under the MMA, including provisions mandating separation of royalty and operational funds; directing distribution of royalties to copyright owners; requiring that accrued funds for royalties be maintained for the benefit of copyright owners; and providing limitations on liability for certain good-faith activities.¹⁶

The MLC appreciates the Office's diligence throughout this process and hopes that this submission, together with the extensive record developed through prior filings and discussions, offers additional clarity and support as the Office completes its review. The MLC is grateful for the Office's time, effort, and thoughtful inquiries, and remains available to provide any further information or assistance as needed.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick Marshall", with a stylized flourish at the end.

Rick Marshall
General Counsel

¹⁵ FASB Accounting Standards Update (ASU) 2016-14 (Topic 958) directs that not-for-profit entities report investment return net of external investment expenses.

¹⁶ See Section 115(d)(3)(D)(ix)(I)(cc); (d)(3)(G)(ii); (d)(3)(H)(ii); (d)(11)(D).