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September 5, 2025

Via email

John R. Riley, Acting Deputy General Counsel
Jalyce Mangum, Assistant General Counsel
Michael Druckman, Attorney-Advisor
United States Copyright Office
Library of Congress
101 Independence Ave, SE
Washington, DC 20559-6000

Re: Summary of *ex parte* meeting regarding Docket No. 2024-1, Periodic Review of the Designations of the Mechanical Licensing Collective and Digital Licensee Coordinator

Dear Messrs. Riley and Druckman and Ms. Mangum,

This letter summarizes the August 28, 2025 meeting that occurred via Zoom videoconference between the National Music Publishers' Association ("NMPA") and representatives of the Copyright Office. NMPA thanks the Copyright Office for its time and attention in meeting with NMPA.

Attending on behalf of NMPA were Danielle Aguirre, EVP and General Counsel and Shannon Sorensen, SVP of Business and Legal Affairs. On behalf of the Copyright Office, John Riley, Jalyce Mangum and Michael Druckman attended the meeting.

The following summarizes the discussion:

NMPA reiterated its support for the redesignation of the Mechanical Licensing Collective (the "MLC") as the entity to administer the Section 115 statutory license. It is undisputed that the MLC has met the three statutory requirements for redesignation: (i) independence, (ii) endorsement by musical work copyright owners representing the majority of the licensor market, and (iii) technical capability. 17 U.S.C. 115(d)(3)(A), (B)(ii).

In addition to meeting these obligations, the MLC has gone above and beyond in its efforts to be transparent, efficient, and accountable to stakeholders. The MLC has built a best-in-class CMO in an extremely short window of time. In just five years, the MLC has distributed

over \$3 billion in royalties,¹ and has matched and distributed over \$225 million in pre-2021 historic unmatched royalties, representing over 57% of historic unmatched funds.² The MLC has also been exceedingly transparent and responsive to stakeholders and its board, on which NMPA has a representative. The MLC disseminates a wealth of detailed information on its operations for its members and industry stakeholders, consults regularly with its advisory committees, and holds regular board meetings where the board is kept fully informed on the budget and operations.

NMPA expressed its concern that certain self-interested parties are attempting to use the periodic review process to advocate for changes to the MLC's structure and operations that would interfere with the MLC's efficient functioning, would exceed the Office's regulatory authority, and are inapposite to the redesignation process. The Music Modernization Act ("MMA") does not tie redesignation to any metric or standard other than the three statutory requirements. In fact, the statute explicitly provides that if no entity fulfills each of these qualifications, the Register is required to designate "the entity that most nearly fulfills such qualifications." 17 U.S.C. 115(d)(3)(B)(iii). This cannot be interpreted to authorize conditional redesignation, as some parties have suggested.

NMPA responded to several points raised in *ex parte* letters to the Copyright Office, including by voicing its strong disagreement with the characterization in the Digital Licensee Coordinator's ("DLC") August 8, 2025 *ex parte* letter and the Artist Rights Institute's August 22, 2025 *ex parte* letter that the MLC's structure was "an experiment." The structure of the MLC was a heavily-negotiated compromise which was memorialized in significant detail in the text of the MMA, as these parties are well aware.

NMPA noted to the Office that the MMA provides many remedies for parties seeking transparency, additional information, or a path to challenge MLC actions. The Office should require parties to pursue statutory remedies provided by Congress before proceeding with rulemaking to create new, and often unnecessary regulations.³ One example raised by the NMPA was the DLC's request that the Office promulgate new regulations to allow DSPs to challenge budget expenditures. NMPA noted that the MLC has never exceeded its operating budget and has been transparent with its board regarding the disposition of funds, including expenditures for audits and enforcement efforts. The MLC also voluntarily established additional committees and transparent processes related to the MLC's budget and spending. But more importantly, it is unnecessary for the Office to intervene with additional regulations governing the MLC's budget, nor would it be appropriate under the statute. The MMA provides a clear process through the Copyright Royalty Board for DSPs to argue for the appropriate administrative assessment to cover the MLC's costs. It also gives them the ability to commence

¹ Blanket Royalties, *The Mechanical Licensing Collective, The MLC*, <https://www.themlc.com/blanket-royalties> (last visited Sep. 4, 2025).

² Historical Unmatched Royalties, *The Mechanical Licensing Collective, The MLC*, <https://www.themlc.com/historical-unmatched-royalties> (last visited Sep. 4, 2025).

³ Given the extensive and significant actions the Copyright Office has already taken to promulgate rules to effectuate the MLC's implementation and to exercise its appropriate oversight authority, NMPA does not believe it is a prudent use of the Office's resources to continually revisit clear statutory provisions, especially in light of the current administration's high priority on reducing government costs and regulatory burdens.

proceedings to adjust the assessment. 17 U.S.C. 115(d)(7)(D)(iv). It is not appropriate for the DLC to request that the Office modify the statutory process via regulation simply because the DSPs seemingly do not want to exercise their existing options under the law.

Turning to the Office's review of the designation of the DLC, NMPA reiterated the issues it raised in its Reply Comments. There is concerning overlap between the operations of the DLC, which is statutorily prohibited from engaging in lobbying activities, and DiMA, which is an advocacy organization. The *ex parte* letter from the DLC did not assuage these concerns. The letter confirms that the DLC is merely its own entity on paper. In actuality and in practice, DiMA carries out the activities of the DLC using DiMA's resources and DiMA's employees who are registered lobbyists on behalf of DiMA, and waves away the MMA's requirement that the DLC be an independent entity by vaguely saying that resources are "seconded" and expenses are allocated on a "time basis." Such semantic gymnastics would not be required if these entities were in fact distinct and separate. NMPA does not believe this kind of superficial hat-switching is sufficient for the DLC to be independent nor for it to comply with its statutory prohibition against lobbying. NMPA also noted that unlike the MLC, there is no closest-alternate-designation provision for the DLC. Under the MMA, if there is no entity that fulfills the requirements to be designated as the DLC—(i) independence, (ii) endorsement, and (iii) capacity to perform its statutory functions—the Register "may decline to designate a digital licensee coordinator." 17 U.S.C. 115(d)(5)(B)(iii). NMPA urged the Copyright Office to exercise its oversight authority to carefully assess whether the DLC satisfies the MMA's independence requirement and lobbying prohibition.

NMPA appreciates the Copyright Office's time and attention to this matter. We remain available for any follow up questions or further discussion.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Danielle M. Aguirre", with a stylized flourish at the end.

Danielle M. Aguirre
EVP & General Counsel
National Music Publishers' Assoc.