



733 10th Street, NW | 10th Floor | Washington, DC 20001
P: 202.640.5858 | F: 202.640.5859 | SoundExchange.com

July 24, 2020

VIA EMAIL at regans@copyright.gov, achau@copyright.gov, and jslo@copyright.gov

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

RE: SoundExchange Summary of July 22, 2020 *Ex Parte* Meeting Regarding Docket No. 2020-5

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

On July 22, 2020, Colin Rushing, Luis Bonilla, and Brad Prendergast from SoundExchange, Inc. (“SoundExchange”) participated in an *ex parte* meeting with representatives of the Copyright Office, Alliance for Recorded Music (including the Recording Industry Association of America, American Association of Independent Music, Universal Music Group, Sony Music, and Warner Music Group), the Mechanical Licensing Collective (“MLC”), and the Digital Licensee Coordinator (“DLC”) concerning the above referenced matter. A complete list of attendees is attached to this letter. This letter summarizes SoundExchange’s contributions to the meeting.

The meeting focused on the reporting of sound recording and musical work metadata by digital music providers (“DMPs”) to the MLC. The specific regulatory issue at stake in this meeting concerned whether DMPs should be required to include “unaltered” metadata in the reports of use they send to the MLC. SoundExchange was invited to join the meeting because of its experience in managing, normalizing and deconflicting sound recording metadata.

Within that context, SoundExchange explained that its repertoire data is sourced directly from rights owners, that it receives continual updates from the rights owners, and that its ISRC data covers about 90% of the U.S. market by value of SoundExchange royalty collections. SoundExchange also explained that it maintains two very different data repositories. The first one stores all the distinct spellings, metadata combinations and representations of sound recordings as reported by DMPs in their reports of use. The second data repository is its U.S. authoritative ISRC database, which includes all the sound recording metadata as submitted by rights owners. Both data sets are joined by a proprietary matching algorithm. SoundExchange’s matching algorithm relies on common sound recording metadata elements, including ISRC.

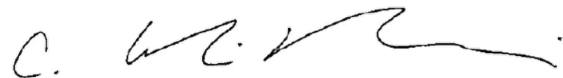
This was not always the case. When SoundExchange began operating, it used usage data from the services to identify both what the services played and to populate its database for

purposes of making distributions. Usage data from Section 114 statutory licensees is inevitably incomplete because Section 114 statutory licensees do not need to have licenses with the sound recording rights owners and therefore do not always have relationships with the rights owners to receive complete metadata. Paying out based on usage data is inherently imperfect. It increases costs, increases unpaid balances and propagates inefficiencies downstream when rights owners are required to match the payment statements that they receive to their own internal data. Within the last decade, SoundExchange transitioned to its current system, using usage data to determine what the services played, and then matching that usage data to authoritative repertoire data for purposes of distributions. Paying out based on repertoire data allows for increased automation, lowers costs, increases payments, lowers unpaid balances, increases customer satisfaction, simplifies workflows and allows for a more efficient ecosystem.

There are times, however, when a service reports tracks in its usage log that do not match to information in SoundExchange's database. In those cases, SoundExchange explained that it must rely on the service's usage data to make payments, until such a time when a rights owner submits the missing sound recordings to its repertoire database. In all cases, SoundExchange does not rely on services' usage data to populate its repertoire database; its repertoire database is sourced completely from rights owners. SoundExchange explained that a statutory blanket license like those under Sections 114 and 115 requires a system that can handle both authoritative repertoire data and unmatched usage data.

We appreciate the opportunity to meet with the Copyright Office on this matter. If we can be of any further assistance, please feel free to contact us.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Rushing", with a long horizontal flourish extending to the right.

Colin Rushing
Chief Legal Officer
SoundExchange, Inc.

Attachment: List of meeting attendees

**MMA ex parte meeting
participant list – 7/22/2020**

U.S. Copyright Office

Regan Smith
Anna Chauvet
Jason Sloan
John Riley

Terry Hart
Cassandra Sciortino
Megan Efthimiadis

MLC

Danielle Aguirre
Kris Ahrend
Alisa Coleman
Bart Herbison

Abel Sayago
Benjamin Semel
Richard Thompson
Ellen Truly

DLC

Sy Damle
Peter Durning
Kevin Goldberg
Alan Jennings
Garrett Levin

Dan Mackta
Jen Rosen
Lisa Selden
Daniel Susla
Alex Winck

Alliance for Recorded Music (ARM)

Susan Chertkof, RIAA
Ken Doroshow, RIAA
David Hughes, RIAA
Josh Hurvitz, AI2M

Sony Music
Andrea Finkelstein
Jay Gress
Lisette Morton
Colleen O'Connell

Universal Music Group

Kim Beauchamp
Tony DeNeri
Aaron Harrison
Chris Horton
Amy Isbell
Tegan Kossowicz

Warner Music Group
Mark Baker
Brigette Boyle
Annie Brinn
Rick Marshall
Elsa Vivero

SoundExchange

Luis Bonilla

Brad Prendergast

Colin Rushing