

October 21, 2020

Regan Smith
General Counsel and Associate Register of Copyrights
Library of Congress
101 Independence Avenue SE
Washington, DC 20559-6003

Via email: regans@copyright.gov

RE: Summary of conversation of October 19, 2020, regarding notice of proposed rulemaking for Music Modernization Act transition period transfer and reporting of royalties to the Mechanical Licensing Collective, Docket No. 2020-12

Dear Ms. Smith:

On October 19, 2020, Eric Mackay, EVP, Global Digital Strategy at Warner Chappell Music (WCM) and Mark Baker, VP, Public Policy & Government Affairs at Warner Music Group (WGM) spoke with you and Jason Sloan of your team to discuss our views regarding the transfer of unclaimed royalties to the Mechanical Licensing Collective (MLC) as part of the implementation of the Music Modernization Act (MMA).

As discussed, the MMA is clear that all unclaimed mechanical royalties owed by digital service platforms (DSPs) from the date of enactment of the MMA must be transferred to the MLC. The issue arises with respect to determining the most appropriate way to handle the transfer and distribution of unclaimed royalties that accrued before the date of enactment of the MMA, particularly in light pre-existing liquidation agreements that some publishers may have entered into with DSPs.

We confirmed that WCM was party to a pre-existing liquidation agreement with certain DSPs and that WCM has received payment of unclaimed mechanical royalties pre-dating the enactment of the MMA in accordance with the terms of those agreements. Neither WCM nor WGM has received any payments of unclaimed royalties under those agreements nor have we entered into any liquidation agreements with DSPs since the enactment date of the MMA. Subsequent to our discussion, we confirmed with our finance team that, as is always our business practice, we shared those unclaimed royalties with songwriters signed to WCM in what we believe was a fair and equitable manner.

For those DSPs with which we have already settled claims for the distribution of royalties owed before the enactment of the MMA, we consider these claims closed. Accordingly, we have no strong views on the approach that the US Copyright Office should take, and ultimately, we will abide by whatever rule that your office determines to be the best way forward following your consultation with relevant stakeholders. We hope that the Copyright Office will seek a simple, straightforward and pragmatic approach that is fair and equitable to all stakeholders and respects the agreements that were concluded before the enactment of the MMA.

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I hope that our discussion was helpful to you. If you have any additional questions, please feel free to contact me by phone at +1-917-319-0624 or email at mark.baker@wmg.com.

Best wishes,

A handwritten signature in blue ink, appearing to read "Mark T. Baker", with a long, sweeping horizontal line extending to the right.

Mark T. Baker
Vice President, Public Policy & Government Affairs