

**Before the  
United States Copyright Office  
Library of Congress**

In the Matter of:

Unclaimed Royalties Study: Notice of Inquiry

Docket No. 2019-6

**COMMENTS OF SOUNDEXCHANGE, INC.<sup>1</sup>**

SoundExchange, Inc. (“SoundExchange”) is pleased to provide these Comments in response to the Copyright Office’s notice of inquiry (“NOI”) concerning unclaimed royalties arising from the new blanket mechanical license created by the Hatch-Goodlatte Music Modernization Act (“MMA”). 85 Fed. Reg. 33,735 (June 2, 2020). As the Copyright Office knows, SoundExchange has nearly 20 years’ experience administering the statutory licenses in Sections 114 and 112 of the Copyright Act for the public performance of sound recordings via digital audio transmissions and the corresponding reproductions of those recordings to facilitate the transmissions. Over that time, SoundExchange has developed policies and processes for minimizing the incidence of unclaimed royalties, and its experiences may be useful as the Copyright Office conducts its inquiry.

In these Comments, SoundExchange discusses some core strategies for reducing the incidence of unclaimed royalties within the context of administering a blanket statutory license, and then responds to certain of the Office’s specific questions in the NOI with reference to those core strategies.

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<sup>1</sup> These Comments are submitted on behalf of SoundExchange by C. Colin Rushing, its Chief Legal Officer.

## **I. Core strategies**

Through its experience, SoundExchange has identified and embraced certain core strategies for administering a blanket license that have had the direct effect of minimizing the incidence of unclaimed royalties. First, a collective must act with a total commitment to transparency and accountability. Second, to the extent possible, a collective must build systems and practices around standard unique identifiers, which are the best way to manage the huge volume of usage and repertoire data that a collective receives in the digital age. Third, in building its systems and practices, a collective should rigorously distinguish between repertoire data and usage reporting data, and base the repertoire database on data from authoritative sources, typically rights owners. Fourth, it is essential for a collective administering a statutory license to prioritize education and outreach to those who will receive royalties under the blanket license because the collective represents all payees, not just those who have the sophistication or knowledge to register with the collective in the first place. While no system will ever be perfect, a collective that embraces and implements these core strategies will be best positioned to minimize unclaimed royalties. We address each in more detail below.

### **A. Commit to transparency and accountability**

As a collective, it is critical for SoundExchange to commit to transparency and accountability. We must be responsive to our stakeholders – the people we pay, who have entrusted us to collect a critical component of their income. As a baseline, a collective must be governed by those it pays. As a next level, a collective must provide tools to stakeholders that give them transparency into how their royalties are collected and distributed, and a means for providing feedback on the metadata associated with their works.

SoundExchange has adopted a policy and practice of continuous improvement. Most recently, SoundExchange has rolled out new features in SoundExchange Direct, our online account management portal that allows recording artists and rights owners to navigate their digital performance rights and royalties. SoundExchange Direct allows users to manage multiple SoundExchange accounts and add guest users, update account information including contact and payment or banking information, view payment history and revenue data by top recordings and top services and, most relevant here, upload and manage their repertoire data.

Within SoundExchange Direct, the My Catalog features, the first of which rolled out in 2017, allow our payees to see the tracks for which they are receiving royalties, make claims on other recordings, and submit their catalog information. Within the Associated Recordings feature, payees can see what they are getting paid on and at what percent, providing transparency to users about which recordings are currently associated to their account and what their shares are on those recordings. The Search & Claim feature, which debuted in 2019, allows our payees to claim any other recording in our system that is not already associated to their account. The Search & Claim feature shows the title, artist, International Standard Recording Code (“ISRC”) and the SoundExchange internal ID for each track in our database of repertoire metadata sourced from rights owners as well as our database of tracks reported to us by digital music services. Within Search & Claim, payees can make claims on tracks and assert the percentage of the royalties they wish to claim. If the claim causes an overlapping claim, our Overlaps & Dispute tool notifies rights owners when other parties make competing ownership claims, enabling them to maintain or relinquish claims using a dashboard in SoundExchange Direct. Also within My Catalog, rights owners who do not use the DDEX messaging feeds can submit their catalog information in either individual or bulk formats. If they provide ISRCs for new releases, we can

later match usage data from digital music services to those tracks based on the ISRCs, right from the start. These features allow our constituents to give us real-time feedback and to improve the cycle of data.

In furtherance of transparency, SoundExchange publicizes lists of artists and right owners for whom we are holding unclaimed royalties. The names that appear on these lists are frequently due to partial registrations, when some but not all performers in a musical group have registered and claimed their royalties, or when there are very large groups such as symphonies and orchestras. These lists are available on our website: <https://www.soundexchange.com/artist-copyright-owner/does-soundexchange-have-royalties-for-you/>. Though these lists have generated some negative publicity for SoundExchange at times,<sup>2</sup> we believe the searchable lists provide another valuable opportunity for the public to participate in the feedback loop that helps to reduce the amount of unclaimed royalties.<sup>3</sup>

Another element of accountability is to distribute what we can when we can. For example, when fewer than all of the performers in a musical group claim royalties for their recordings, we will still distribute their artist royalties to them without waiting for all performers to register and claim, provided the claims do not exceed 100% of the royalties. Although we

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<sup>2</sup> The lists have included the names of some famous artists and rights owners who are very easily findable. The problem is that even if we have been in contact with an artist or rights owner and have urged them to register with SoundExchange, we cannot pay artists and right owners until they provide us their tax and payment information. People who do not understand this conundrum sometimes have assumed erroneously that we are not able to locate artists and rights owners that we have actually been in contact with.

<sup>3</sup> A collective also must keep in mind that it does not serve its stakeholders to reduce its unpaid royalty balance by paying the wrong people. Advertising that money is available to a long list of people invites the occasional false claim. As a result, it is important for a collective to strike the right balance between making it easy for stakeholders to be paid and preventing fraudulent claims. SoundExchange employs robust procedures to confirm that claimants are who they purport to be and are entitled to the royalties they claim.

might prefer to distribute only after we have confirmed that all of the performers in the group have made claims that total precisely 100%, our bias is in favor getting payments out as quickly as possible to as many payees as reasonably possible. If other performers of the group subsequently register and claim royalties that put the total claims at more than 100%, we will facilitate resolution of the overclaim among the performers. Once the performers resolve their overclaim, we will process any necessary retroactive adjustments and distribute the group's royalties accordingly.

**B. Build systems and practices around standard unique identifiers**

In SoundExchange's experience, ISRCs are invaluable for disambiguating recordings. There are tens of millions of recordings in commercial use, including many instances where similarly-named artists have recorded similarly-named songs. Artist and track names are not always sufficient to identify with precision which recordings a service actually used. By contrast, ISRCs are designed for precise identification of recordings. Thus, their use facilitates the matching of raw usage data to known recording repertoire, helping royalties flow from digital music providers ("DMPs") to payees and reducing the degree to which royalties cannot be associated to recordings. Although the history of the ISRC system is not perfect, the music industry, including SoundExchange, has invested significant time and energy to cleaning up the problems of the past. The benefits far outweigh the challenges, and ISRCs are what the recording industry uses in commerce throughout the digital ecosystem. Furthermore, standard unique identifiers such as ISRCs are strengthened when all participants in the ecosystem use and rely on them consistently.

To facilitate the use of ISRCs in commerce, we provide several ISRC tools to DMPs. First, ISRC Search, at <http://isrc.soundexchange.com>, is a free option for statutory licensees and

others to search for (and download) ISRCs from our repertoire database. Our repertoire database ingests ISRCs from authoritative sources, typically rights owners, and only ingests ISRCs that are non-duplicative of other ISRCs and are validly composed. We also offer an application programming interface (“API”) that allows statutory licensees to develop integrated access to our ISRC Search site. Second, SoundExchange offers statutory licensees a matching service, whereby a service can upload a file containing all tracks in its catalog through our licensee-facing portal, Licensee Direct. We match those tracks to ISRCs provided by rights owners and return an annotated version of the file to the service so it can update its entire catalog with those ISRCs. Finally, services logging into SoundExchange Licensee Direct may access versions of their submitted usage logs that we have augmented (where possible) with ISRCs, populated from our repertoire database. We encourage services to regularly download these augmented files, in order to populate their own databases with ISRCs and other important metadata so that their future submissions will have more complete information, improving the efficiency of the entire royalty distribution process. Our work to assemble comprehensive, accurate data about sound recordings has prompted the Recording Industry Association of America to designate SoundExchange as the authoritative source for ISRC data in the United States.<sup>4</sup>

While the MLC is responsible for administering a license for musical works, its licensees are DMPs that transmit commercially released sound recordings – virtually all of which are identified in commerce by an ISRC. Indeed, unlike the noninteractive services that pay and report to SoundExchange, the DMPs that are eligible to use the new blanket mechanical license and have direct deals with sound recording rights owners (or authorized distributors) receive data

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<sup>4</sup> See, e.g., “RIAA Says SoundExchange Is Authoritative Source for ISRC Data in the U.S.,” Billboard.com (July 22, 2020), available at <https://www.billboard.com/articles/business/9422520/riaa-soundexchange-isrc-data-source>.

feeds directly from those entities. DMPs that follow standard industry best practices will make sure that the ISRCs in those data feeds are validly composed (meaning that each ISRC includes a proper country code, registrant code, release year digits, and a further five digits) and are not duplicative of ISRCs already in their systems.<sup>5</sup> If any of the ISRCs are duplicative or invalidly composed, the DMPs that follow standard industry best practices reject those ISRCs and return them to the submitter for correction and resubmission. Once a DMP receives a non-duplicative and validly-composed ISRC, it should use that ISRC whenever it reports to rights owners, distributors or collectives. This cycle reinforces the reliability of the ISRCs, and is driven by a mutual economic incentive to make sure the ISRCs work in commerce. For instances when a DMP identifies an error in an ISRC and reports it back to the submitting party, that party can correct the error and propagate the updated information to third parties, including SoundExchange. Using ISRCs as a core identifier is the best way to quickly and accurately identify which sound recording was reported by a service – and from those recordings, identify which musical works the service used.

**C. Distinguish between repertoire and usage data,  
and rely on repertoire data from authoritative sources**

**1. Sound recordings**

When SoundExchange began operating nearly 20 years ago, it relied on usage data from services to perform two separate functions: to identify the tracks the services played and to determine who to pay for those performances. While that usage data was essential for the first function, it was not suitable for the second. Usage data from services relying on the Section 114

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<sup>5</sup> There are cases where duplicate ISRCs are acceptable, such as when the same track appears on multiple albums (such as an original release and a subsequent soundtrack album) but properly retains the same ISRC. On the other hand, the DMPs should screen out incorrect duplicates, where the same code is associated with more than one different recording.

statutory license is inevitably incomplete. Because it is not necessary for Section 114 statutory licensees to have relationships with sound recording rights owners, they do not always have a process in place to receive complete and accurate metadata. This reflects in their reporting to SoundExchange. For SoundExchange, distributing royalties based on their usage data presents quite a few challenges. It increases costs (because we expend resources determining whether the usage data identifies the correct people to pay), increases unpaid balances (because incomplete data leads to incomplete distributions), and burdens rights owners downstream when they must match metadata from their royalty statements to their own internal data.

With those challenges in mind, SoundExchange began years ago a fundamental re-engineering of its distribution process to bifurcate how it uses data. We built a database of high-quality repertoire information wholly separate from the usage data reported by licensees. Under our current processes, we continue to use usage data to determine the tracks the services played (as we must), but whenever we can, we then match that usage data to authoritative repertoire data so that we can distribute royalties more efficiently and more accurately. The two data repositories we maintain perform two very different roles. Our usage data repository stores what the DMPs include in their reports of use to us: all the distinct spellings (and misspellings), abbreviations, alternative titles, metadata combinations and representations of sound recordings that the DMPs use. The second data repository is our U.S. authoritative ISRC database, which consists of sound recording metadata as submitted by rights owners. SoundExchange joins the usage and repertoire data sets using a proprietary matching algorithm, which relies on common sound recording metadata elements, including ISRC, and employs a variety of matching techniques. Matching usage data to authoritative repertoire data and then distributing royalties based on the 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.

In this system, it is critical that repertoire data come from authoritative sources, which will typically be the rights owners themselves. SoundExchange's repertoire data is sourced directly from rights owners, from which it receives continual updates. Relying on the DDEX ERN messaging feeds, our repertoire database receives metadata in real time, directly from rights owners, who have an economic incentive to ensure their data is accurate, complete, and timely. When SoundExchange detects multiple ISRCs provided by different submitters, or when multiple rights owners claim the same ISRC, SoundExchange alerts the claiming parties of the overlap and provides them the transparency and tools to resolve those overlaps in our portal, or by working with our Rights Management team.

## **2. Music Data Exchange (MDX)**

Through our Music Data Exchange ("MDX"), SoundExchange also works to source musical works repertoire data directly from musical works rights owners and match that information to the relevant sound recordings. Developed in close cooperation with a working group formed by music publishers and record companies, MDX is a platform that both publishers and record companies can use to more accurately declare and record metadata and rights information about musical works. Moreover, MDX incorporates automated data feeds using the DDEX MWN ("Musical Works Notification") protocol, a first for the publishing industry that vastly improves efficiency. With DDEX implemented, publishers with internal copyright systems can interface directly with MDX on the back-end. (Publishers who have not implemented DDEX can also use MDX through the MDX user interface, and we are developing a tool to improve integration of MDX with Common Works Registration ("CWR") files.) MDX

is a first-of-its-kind tool that provides timely and authoritative linking of works to recordings, with the linkings made by the rights owners. Right now, MDX focuses on new releases; in the next phase, we plan to populate it with information about existing repertoire. Two years since launch, MDX is processing thousands of new release requests per month with all major label and publisher companies using the application. MDX also incorporates rules developed by the working group for handling underclaims and overclaims so that those works are payable. Establishing this portal has resulted in a more efficient, timely and accurate data exchange process, minimizing unidentified participants and shares, thereby reducing the “pending, unmatched and unpaid” royalties otherwise payable to copyright owners.

MDX and our authoritative ISRC database are examples of tools that SoundExchange has offered to the entire industry to empower rights owners and creators to provide exact information about music rights, identify and ideally resolve disputes, and in general provide a transparent and effective way to build and populate a reliable set of rights and repertoire information. In our experience, tools like these are essential to reducing the amount of royalties that go unclaimed.

#### **D. Prioritize education and outreach**

Portals and internal policies are not enough, of course. We have learned over time that continued, persistent education and outreach is also critical to developing trust and a healthy working relationship with rights owners and creators. When SoundExchange was first established, we learned that even among music industry professionals, many do not fully understand the difference between various types of works and rights, or that different rights are often handled by different organizations. We still hear from artists who believe they do not need to register for SoundExchange royalties because they have already signed up with ASCAP or BMI, even though those organizations handle entirely different works. Even those who have

worked in the industry for a long time may have difficulty navigating the myriad of collection societies, trade groups, and private companies that handle various types of licenses and income streams. Our resources had to be dedicated to building trust and introducing the statutory license to stakeholders. And we have achieved exactly that with our experienced and well-connected group of Industry Relations professionals that have been long established in the company. The lasting relationships with agents, managers, labels and other stakeholders have been key to our success in ensuring that SoundExchange remains a long-time partner for artists and rights owners over the long haul.

Our personalized outreach plays a substantial role in establishing, cultivating and maintaining relationships within the community. Form letters often fail where a personalized message on social media or meeting in person succeed. Often, people attending educational webinars are often already aware of the basics of their rights; the hardest group to reach are those who don't know what they don't know, and in many cases don't have teams of industry professionals to help shepherd their business needs. The fact is, the music business is incredibly complicated, music rights are often divided, and the array of rights and intermediaries can trip up even the most sophisticated music business professionals; it is downright baffling and incomprehensible to someone new to the industry. We have also learned that it is important to reach an artist early in her career; the earlier in a career we can introduce an artist to SoundExchange, the better it is, both for the artist's royalty stream and for SoundExchange's ability to distribute royalties that may otherwise go unclaimed.

We have also learned that we face two other challenges that might not be obvious, but that will probably apply to the MLC as well. First, people in the internet age have been well-trained to be wary of scams. To many, an offer of statutory royalties sounds too good to be true,

and when we ask for banking information to make direct deposits of money we have for them, they are frequently suspicious. Second, artists (who are often songwriters) are busy professionals, and at least before the coronavirus pandemic, are often on the road. That makes it difficult to get ahold of them and difficult to get their attention so that they make the investment of time to complete the necessary paperwork. The hard part of distributing statutory royalties is often not finding payees, but convincing them they should register to claim their royalties and making registration transparent and sufficiently streamlined that it is consistent with a touring artists' schedule and access to resources.

As a consequence, hands on, direct outreach is enormously important. SoundExchange's dedicated team conducts such outreach regularly, both online and in person, including at industry events like SXSW – events where we register artists and labels on the spot. We create the opportunity to reach artists and rights owners where they are, to ensure trusted and comfortable communication with them about their rights and royalties. For example, at SXSW, we survey the entire roster of bands on the conference performance schedule. If they are not registered for SoundExchange, we list their name on public banners around Austin and invite them to visit our team onsite to register. Over the last decade, we have had tremendous success with this practice, as evidenced by the decreasing number of names on those lists year over year. Our regular and repeated attendance at industry events establishes SoundExchange as an industry foundation that can be present, reliable and trusted.

Leveraging peer relationships is also very effective. When an artist endorses SoundExchange, their contacts and colleagues are more likely to believe that message. In some cases, introductions from professionals like artist managers can be the key to convincing someone to register with SoundExchange. Working with other trusted organizations has proven

effective as well. For example, A2IM, local Grammy chapters, and a host of other organizations and groups have assisted SoundExchange with reaching artists and labels of all sizes and levels of success. The dedicated staff at SoundExchange have worked hard since our founding to establish trust within the community and to reach as many artists and rights owners as possible.

## **II. Discussion of Certain Questions in the Notice of Inquiry**

**Question 1: Best practices:** Please describe best practices that the MLC may employ in matching musical works to sound recordings and otherwise identifying and locating musical work copyright owners associated with works embodied in sound recordings pursuant to administering the blanket license. As applicable, please identify specific technological or manual approaches, as well as considerations relevant to the MLC's prioritization of resources.

This question encompasses a wide range of practices the MLC can do. Broadly speaking, SoundExchange believes the MLC should pursue the strategies described above. It is not necessary to repeat everything above here, but we highlight a few points.

Taking matching first, the MLC will be well served by relying on standard unique identifiers as the foundation for matching usage data to known sound recordings and sound recordings to known musical works. Although the ISRC and ISWC systems are not perfect, they are what the music industry uses in commerce. Furthermore, these systems are strengthened when relied on consistently. The ideal for linking musical works to sound recordings is reliance upon unique identifiers for number-based look-up and joining, which is more accurate, less error-prone, and less resource-intensive than text-based matching. Ideally, this process would begin with the rights owners establishing concrete relationships between ISWCs and ISRCs in advance of recordings appearing on usage reports. However, we understand that ISWCs often are not assigned to new musical works until well after recordings of those works have been commercialized. At a minimum, the MLC can embrace the use of ISRCs as the core initial identifier in usage reports, since ISRCs are assigned to essentially all commercial recordings

before release. There is an opportunity for the MLC and reporting DMPs to make the commitment to use ISRCs going forward. If this is done now, it will pay dividends for generations to come.

MDX will also help facilitate the linking between sound recordings and musical works. Whenever a recording is released, a record label can send MDX the sound recording metadata along with whatever information the label already has about the underlying musical work, including any songwriters and publishers. MDX routes the recording and work information to the music publishers so they can make claims on the musical work. The sound recording also is posted to a general search area once the recording is released for publishers to make claims on works. MDX continuously aggregates the publishing data and messages it back to the labels. Any split issues (i.e., overclaims) are calculated and presented to the interested parties in real time. Through this process, authenticated links between sound recordings and musical works are made available to those who subscribe to MDX.

The MLC will also be well-served by distinguishing between repertoire and usage. In its usage report, a DMP must provide enough data to affirmatively identify the sound recording, which the collective can then use to identify the underlying musical work. Usage records must be matched to repertoire data, which the collective will use to determine the correct link between the recording played and the corresponding musical work, which in turn will determine who to pay. Repertoire data should be sourced directly from rights owners wherever possible. In the absence of a complete repertoire record, usage data may still be valuable for distributing royalties, but as usage data is not authoritative, it should generally not be included in the public-facing database or, if it is included, must be identified as non-authoritative using a clear and conspicuous disclaimer.

To ensure the MLC can make accurate matches from usage data to repertoire records, DMPs should provide a robust selection of available data, including both unique identifiers such as ISRCs and multiple fields that can confirm an ISRC match or permit matching in the case of a missing or erroneous ISRC. In our experience though, manual processes must still augment automated matching. Well-trained dedicated staff are needed to research, particularly where automated matching yields multiple match candidates. The more data that is provided by the DMP, the fewer resources are needed to research these potential match cases and the more likely a correct match will be made. As an example, classical music recordings that are reported without an ISRC present challenges for research.<sup>6</sup> It is helpful to have as much data as possible from the DMP to identify the recording, and later the work. Absent an ISRC, fields such as conductor, ensemble, soloist, catalog number, album and label are all helpful in identifying classical music. (Of course, if the MLC has – and uses – the ISRC it will be much simpler to identify the relevant recording and therefore the relevant arrangement.) However, whenever the “artist” field is populated with the conductor, ensemble name, soloist, or (incorrectly) the composer’s name, we often must rely on other information to affirmatively identify the recording.

As for identifying and locating musical work copyright owners, education and outreach are likely to be essential, both for prompting musical work copyright owners to identify themselves and their repertoire and for convincing musical work copyright owners, particularly self-published songwriters, that they should accept payments from the MLC. There will presumably be many cases where the MLC is able to conduct internet research to identify

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<sup>6</sup> While many classical musical works are in the public domain, newer works and certain arrangements are still protected.

songwriters or copyright owners based on information reported by DMPs, and the internet and social media have made it much easier than it used to be to locate and contact people who have been identified. However, we suspect that there will be many cases involving less prominent repertoire where the MLC will not be able to obtain good-quality data from DMPs and will not be able to find authorship and ownership information from public sources cost-effectively, if at all. It may be that royalties accrued for those works can only be distributed if the rights owners come forward to identify their works as a result of the MLC's education and outreach efforts.

**Question 6: Facilitating claiming via database:** How can the MLC facilitate claiming of accrued royalties through its public database? If there are specific fields, search capabilities, or tools that would be beneficial, or not, to the MLC's core project, please identify them.

As we have discussed above, a collective can best serve its constituents by providing tools to stakeholders that give them transparency into how their royalties are collected and a means for providing feedback on the metadata for their works. Portals that allow payees to see and confirm their works and associated royalty claims will be a critical means for allowing them to give real-time feedback on the cycle of data. When payees need to update their repertoire information with the collective, portals should allow payees to provide updates in the format that serves them best.

Also critical will be API access to the MLC's musical works database (the "MLC Database"), because it will be a way for the public to participate in that feedback loop. For the feedback loop to be effective, it must be accurate. Timeliness is one aspect of accuracy that is possible only with real-time access to the musical works database via an API. As we said in our comments in Docket No. 2020-8, anyone who uses data from the MLC Database that is not obtained in real time risks using outdated data, given that the MLC Database will be updated constantly. To be able to rely on the data in the MLC Database to make licensing and payment



decisions, it is critical that the industry have access to the most current data. For certain members of the public and other casual users, it may be sufficient to submit one-off, manual queries through a web interface. However, many commercial users will need to access a volume of data from the MLC Database that cannot reasonably be satisfied with one-off manual queries, even if the MLC Database provides functionality such as the ability to export a bulk of data. Doing so, and then separately importing the data extracted from the MLC Database into another system for analysis and use, is inconsistent with the goal of real-time access, both because that process is cumbersome and because it will encourage users to maintain their own local copies of the data in the MLC Database, which will quickly grow stale. For users needing access to more than isolated bits of data from the MLC Database on a sporadic basis, the way to access such data in real time is through a robust API. Furthermore, as we have said previously in our comments, providing API access will ensure that everyone in the marketplace has access to the database on equal terms.

It is also critical that the MLC have standardized tools in place to process Letters of Direction (“LODs”) when catalogs are bought and sold or when writers sign new agreements with publishers. This will ensure that rights are maintained and up-to-date. There are standardized messaging formats such as the DDEX MWN LOD message, which is being implemented in MDX, and which should be adopted to support this workflow.

**Question 9: MLC’s education and outreach:** Please identify education and outreach practices that the MLC should consider adopting in encouraging copyright owners to claim royalties.

Outreach, especially for a newly formed organization such as the MLC, will be an exercise not only in educating stakeholders, but also in building trust. Our approach to education and outreach has evolved over time. As we have learned, many people will naturally be skeptical

if an unknown party contacts them with the promise of money. To build that trust, we have learned to go where the payees are – both geographically and to the persons, institutions and organizations that have already earned their trust. We rely on business managers, the local chapters of the Recording Academy, A2IM, regional music offices, and many other organizations that represent and work with rights owners both large and small and recordings artists both established and breaking in. Genre specific organizations like the Folk Alliance, the International Bluegrass Association, the Americana Music Association and the Blues Foundation can also be effective messengers. And there is no better messenger than word-of-mouth from one recording artist to another. Those peer relationships have proved invaluable time and again.

To broaden its reach, it will likely make sense for the MLC to undertake marketing campaigns to educate the industry about what it does. Our marketing efforts include advertising on music sites and music industry publications, social media outreach, and placing news articles concerning unclaimed funds. In addition, once in-person events again occur, it will be productive to attend events where songwriters and publishers can be found to educate, build relationships and register them one-on-one. In addition to our own events, we attend dozens of conferences and music festivals each year. At SXSW, our team has hosted an artist lounge that allows us to make personal contact with hundreds of emerging artists over the course of a few days.

Language barriers will present another obstacle. For example, employing representatives who can speak Spanish is critical in our efforts to reach Latin artists. Building relationships with foreign rights owners and organizations will also be important. International trade organizations are often receptive to working with staff from American collectives to help educate their constituents about licensing in the United States.

### **III. Conclusion**

SoundExchange appreciates the opportunity to provide these Comments and hopes that its perspective is helpful to the Office as it drafts regulations concerning unclaimed royalties. We would also be happy to give the Copyright Office demonstrations of SoundExchange's tools, including MDX, if the Copyright Office would find them helpful.

Respectfully submitted,

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