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United States Senate

COMMITTEE ON THE JUDICIARY WASHINGTON, DC 20510–6275

September 30, 2020

Ms. Shira Perlmutter Register of Copyrights U.S. Copyright Office 101 Independence Ave, SE Washington, DC 20559

Dear Register Perlmutter:

The Hatch-Goodlatte Music Modernization Act ("MMA") was intended to resolve a core deficiency in the music licensing marketplace—the ineffective and complex regime governing mechanical licensing of musical compositions. The MMA substantially overhauled that regime by creating a streamlined licensing system. The Senate Judiciary Committee has an overriding interest in ensuring that the MMA achieves its full promise.

As the MMA's legislative history makes clear, "[t] he legislation contains a key component that was necessary to bring the various parties together in an effort to reach common ground by limiting liability for digital music providers after January 1, 2018, so long as they undertake certain payment and matching obligations. Such agreement is welcomed since continued litigation generates unnecessary administrative costs, diverting royalties from artists." S. Rep. 115-339, at 14 (2018).

As you are aware, a dispute has arisen about how to address industry agreements between certain digital services and the music publishing industry that predated the MMA's enactment and required the payment of "unmatched" accrued royalties to copyright owners. Since the intent of the MMA was to provide legal certainty for past, present, and future usage, it is critical that this issue be resolved in a manner that protects copyright owner interests while ensuring that songwriters are paid their splits and services are not burdened with double payments.

If the parties are unable to address this current dispute on their own in the immediate future, I urge the Copyright Office to bring them together in order to prevent a return to the inefficient litigation that featured prominently in the prior licensing regime. Please keep the Committee informed of efforts by the Copyright Office in this matter.

Sincerely,

Lindsey O. Graham

Chairman