

**Before the
COPYRIGHT ROYALTY JUDGES
Washington, D.C.**

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In the Matter of)	
)	
Determination of Royalty Rates And Terms For Making And Distributing Phonorecords)	Docket No. 16-CRB-0003-PR (2018-2022)
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)	

COMMENTS OF A2IM IN SUPPORT OF PROPOSED SETTLEMENT

The American Association of Independent Music (“A2IM”) submits these comments on its own behalf, and on behalf of its members, in response to the Copyright Royalty Judges’ (“Judges”) publication in the Federal Register of a proposed partial settlement that would continue the current rates and terms set forth in 37 C.F.R. Part 385, Subpart A, for the 2018-2022 period, and their solicitation of comments on that proposal from all interested parties. *See* 81 Fed. Reg. 48371 (July 25, 2016).

A2IM is a non-profit trade organization representing a diverse group of over 350 independently-owned American record labels. A2IM’s independent community includes music labels of all sizes and staffing levels across the United States, from Hawaii to Florida, representing musical genres as diverse as our membership, including Bluegrass, Blues, Children’s, Classical, Comedy, Country, Dance/electronic, Gospel, Folk, Hawaiian, Jazz, Hip-Hop, Latin, Metal, New Age, Pop, R&B, Reggae, Roots, Soca/Caribbean, Traditional American, World, and more. The A2IM organization represents independent labels’ and their artists’ interests in the marketplace, in the media, on Capitol Hill, and as part of the global music community. Historically, many of our members have obtained their mechanical licenses under Section 115 of the Copyright Act. Accordingly, A2IM and its members have a significant interest in the rates and terms that are the subject of this proceeding.

I. The Proposed Partial Settlement Is Reasonable, And Should Be Adopted By The Judges.

On June 15, 2016, several participants in this proceeding¹ filed a motion informing the Judges that they had reached a partial settlement regarding the rates and terms under Section 115 of the Copyright Act for physical downloads, permanent digital downloads, and ringtones for the 2018-2022 rate period, and seeking approval of the partial settlement. *See* 81 Fed. Reg. at 48371. The settlement proposes that the royalty rates and terms set forth in 37 C.F.R. Part 385, Subpart A, be continued for the rate period at issue in this proceeding, with one minor conforming update to correct an outdated cross-reference in section 385.4. The settlement further proposes that the agreed rates and terms should apply to “Subpart A Configurations made and distributed by or on behalf of UMG and WMG” and, in the Judges’ discretion, to other licensees. *See id.* at 48371-72 (quoting Motion at 3). In their Federal Register Notice, the Judges requested comments on whether they should adopt the proposed regulations in the partial settlement as statutory rates and terms for the mechanical license, and apply those rates and terms to all copyright owners and licensees. *See id.*, 81 Fed. Reg. at 48372.

Although A2IM is not a participant in this proceeding, A2IM’s members are directly impacted by the rates and terms proposed as a part of the partial settlement. A2IM supports the proposed partial settlement, which would continue the current rates and terms for Subpart A Configurations for the 2010-2022 time period. Maintaining the current rates and terms provides certainty for both artists and licensees. A2IM urges the Judges to approve the partial settlement and adopt the proposed rates and terms for all affected copyright owners and licensees.

¹ The participants who submitted the partial settlement were Church Music Publishers Association, Nashville Songwriters Association International, National Music Publishers Association, Harry Fox Agency, and Songwriters of North America (collectively, “Copyright Owners”) and licensees Universal Music Group (“UMG”) and Warner Music Group (“WMG”). *See* 81 Fed. Reg. at 48371.

CONCLUSION

For the foregoing reasons, A2IM urges the Judges to grant the pending motion, and adopt the proposed Subpart A rates and terms as statutory rates and terms for all affected parties.

Respectfully submitted,



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