

A DREAM COME TRUE FOR AMERICA'S MUSIC SCENE

Music Makers Set Their Clocks for More Timely Royalty Payments



What's The MLC?

The nonprofit **Mechanical Licensing Collective (MLC)** was created by the Music Modernization Act (MMA) to pay out royalties owed and identify usage rights. It's the only organization that can collect and distribute royalties paid pursuant to new blanket licenses to rightsholders.

Membership is free to:

- Music Publishers • Administrators
- Ex-U.S. Collective Management Organizations
- Self-administered Songwriters • Composers & Lyricists

Compensation Is No Longer A Nightmare

The MLC's master database empowers music rightsholders to match and correct song rights data, securing accurate royalties and control.



80% of royalties reported to musical works registered in the database have been matched.

100% of mechanical royalties collected are distributed.

\$53M+

The total royalty pool for all usage data reported when calculated at the applicable statutory rates.

Digital "Black Box" Holds A Lot Of Green

20 DSPs have transferred **\$424M+** in unclaimed payments to the MLC

This comes mostly from:

Apple Music - **(\$163.3M)**

Spotify - **(\$152.2M)**

Amazon Music - **(\$42.7M)**

Google Play Music/YouTube - **(\$32.9M)**

Nationwide Blanket Mechanical Licenses

The MLC administers these licenses to DSPs in the U.S.

DSPs secure new licenses to cover their use of every song on their platforms, provided they pay the **mechanical royalties due** for that usage. Royalty rates for issued blanket licenses are determined by the **U.S. Copyright Royalty Board**.

Includes **digital audio** mechanical rights for uses of musical works in the U.S.:

- Interactive streams
- Limited/tethered downloads
- Permanent downloads

Does not include physical products (CDs, vinyl), video streams, downloads, or non-interactive streams (internet radio and satellite).

DSPs providing **5,000+**

unique works on any given day in a given month to U.S. consumers via interactive streaming or downloads must, by law, report usage data to the MLC.

Data Quality Initiative (DQI)

enables music publishers, administrators, and ex-U.S. collective management organizations (CMOs) to compare their musical works' data with the MLC's data and receive reports highlighting discrepancies for corrective action.

Vistex worked with the MLC as it developed and launched the DQI.



DSPs Pay MLC's operating costs

\$62M

budget funded by Amazon Music, Apple Music, SoundCloud, Spotify, YouTube, and other streaming services

ZERO

commission is taken from songwriters

\$16.4M is currently pending distribution

\$11M

related to usage yet to be matched to musical works in database

\$4.9M

in matched royalties for which claims have yet to be submitted by a rightsholder

\$500K

in matched royalties on legal hold

[WATCH VIDEO](#)

Sources: Grammy.com, IPWatchdog.com, TheMLC.com, and Variety.com

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