



ALERTS

Preparing For New Mechanical Licensing Collective To Protect Artists' Work Product

November 12, 2020

Highlights

Under the Music Modernization Act, a new private entity – the Mechanical Licensing Collective (MLC) – will begin issuing licenses and handling royalties in January 2021

The MLC created preparation guidelines under its Play Your Part initiative

The MLC's Data Quality Initiative (DQI) highlights data issues, allows participants to address discrepancies, and allows the MLC to more accurately distribute royalties

The [Mechanical Licensing Collective \(MLC\)](#), a new entity created under the Music Modernization Act, will begin granting blanket mechanical licenses – which is necessary to reproduce an artist's work product – to Digital Service Providers (DSPs), such as retail stores and streaming providers, on Jan. 1, 2021. The MLC will collect mechanical royalties, distribute those royalties, and locate rights holders with undistributed royalties.

To streamline royalty collection and distribution, the MLC has created preparation guidelines for copyright holders through its [Play Your Part](#)

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[initiative](#). Here are the highlights.

Register with Harry Fox Agency (HFA)

If a company is a member of the HFA, it can opt-into auto-populating its MLC account with the works from its HFA account.

Prepare Your Data

The MLC has launched two programs to assist copyright holders with data management in anticipation of the Jan. 1, 2021 license availability date:

- Data Quality Initiative (DQI) – for music publishers, administrators, self-administered songwriters and foreign collective management organizations (CMOs)
- Music Data Organization Form – for self-administered songwriters, composers, and lyricists

Even with opting-in through HFA, music publishers, administrators and CMOs should join the DQI to ensure data consistency. The DQI provides participants with reports that highlight discrepancies between the MLC's data and the participant's data so participants can easily address those discrepancies. The MLC will provide each participant with file specifications to compare the MLC's data to the company's data.

Understand the MLC Benefits

- The MLC processes assist copyright holders in comparing performance and mechanical royalty income to more effectively track payments of both.
- Other benefits include not needing to check each work's registration manually, automatically generating comparison reports to check data at any time, and editable report criteria to limit and expand comparison reports.

To obtain more information, please contact the Barnes & Thornburg attorney with whom you work, or Jason Karlov at 310-284-3838 or jason.karlov@btlaw.com, or Lauren Hancock at 202-408-6911 or lauren.hancock@btlaw.com. Law clerk Nick Rivera contributed to this alert.

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