

Before the
UNITED STATES COPYRIGHT ROYALTY JUDGES
Washington, D.C.

In re

Determination of Royalty Rates and Terms for
Making and Distributing Phonorecords
(Phonorecords IV)

Docket No. 21-CRB-0001-PR
(2023-2027)¹

NOTICE OF SETTLEMENT IN PRINCIPLE

Pursuant to the Copyright Royalty Judges' ("CRJs") Notice of Participants, Commencement of Voluntary Negotiation Period, and Case Scheduling Order at 2 n.2 (Feb. 9, 2021), the National Music Publishers' Association, Inc. ("NMPA") and the Nashville Songwriters Association International ("NSAI") (NMPA and NSAI, together, the "Copyright Owners"), on the one hand, and Sony Music Entertainment ("SME"), UMG Recordings, Inc. ("UMG"), and Warner Music Group Corp. ("WMG") (SME, UMG, and WMG, together, the "Joint Record Company Participants"), on the other hand, hereby notify the CRJs that they have reached an agreement in principle relating to settlement of royalty rates and terms under Section 115 of the Copyright Act for physical phonorecords, permanent digital downloads, ringtones, and music bundles presently addressed in 37 C.F.R. Part 385 Subpart B (the "Subpart B Configurations") and related definitions and late fees for Subpart B Configurations presently addressed in Subpart A (the "Settlement"). NMPA, UMG, WMG and SME have also reached an agreement in principle concerning a separate memorandum of understanding addressing certain related issues.

¹ By using this caption, SME, UMG, and WMG (defined above) are not waiving any rights or expressing any agreement concerning the date any rates and terms adopted by the CRJs (defined above) in any rate proceeding are to be in effect.

NMPA is a trade association representing the U.S. music publishing and songwriting industry. Musical works owned or controlled by NMPA members account for the vast majority of the market for musical work licensing in the U.S. NSAI is a trade organization serving songwriters of all genres of music, including songwriters who directly publish and license their own music.

SME, UMG, and WMG own or operate three of the largest recorded music businesses in the U.S. Each year those businesses create, manufacture and/or distribute a large volume of sound recordings pursuant to mechanical licenses and make substantial royalty payments tied to Section 115 of the Copyright Act. Collectively, products they produce or distribute represent the vast majority of the U.S. sound recording market.

NMPA, NSAI, SME, UMG, and WMG (together, the “Participants”) all filed petitions to participate in the above-captioned proceeding (the “Proceeding”).

Once they reach a definitive agreement concerning the Settlement, the Participants expect to propose to the CRJs that the royalty rates and terms presently set forth in 37 C.F.R. Part 385 Subpart B, and the related definitions and late fees for Subpart B Configurations presently addressed in Subpart A, should be continued for the rate period at issue in the Proceeding.

Prior to the May 18, 2021 deadline set by the CRJs for Parties’ Notice Regarding Settlement, the Participants expect to file a motion to adopt the Settlement (the “Motion”), in which they will provide greater detail concerning the Settlement. In connection with that Motion, it is expected that the Joint Record Company Participants will withdraw from the Proceeding except as to prosecution of the Settlement, or if the Settlement is not adopted, any other matters respecting the adoption of royalty rates and terms for Subpart B Configurations made and distributed by them or under their authority.

March 2, 2021

Respectfully submitted,

**National Music Publishers' Association, Inc. and the
Nashville Songwriters Association International**

/s/ Benjamin K. Semel

Donald S. Zakarin (N.Y. Bar No. 1545383)
Frank P. Scibilia (N.Y. Bar No. 2762466)
Benjamin K. Semel (N.Y. Bar No. 2963445)
Joshua Weigensberg (N.Y. Bar No. 4894929)
Lauren B. Cooperman (N.Y. Bar No. 5252887)
PRYOR CASHMAN LLP
7 Times Square
New York, New York 10036-6569
Telephone: (212) 421-4100
Facsimile: (212) 326-0806
dzakarin@pryorcashman.com
fscibilia@pryorcashman.com
bsemel@pryorcashman.com
jweigensberg@pryorcashman.com
lcooperman@pryorcashman.com

*Counsel for the National Music Publishers'
Association, Inc. and the Nashville Songwriters
Association International*

[SIGNATURES CONTINUE ON NEXT PAGE]

**Sony Music Entertainment, UMG Recordings, Inc.,
and Warner Music Group Corp.**



Susan Chertkof
Kenneth Doroshow
Jared Freedman
RECORDING INDUSTRY ASSOCIATION OF
AMERICA, INC.
1000 F Street NW, Floor 2
Washington, D.C. 20004
Telephone: (202) 857-9682
schertkof@riaa.com
kdoroshow@riaa.com
jfreedman@riaa.com

*Counsel for Sony Music Entertainment, UMG
Recordings, Inc., and Warner Music Group Corp.*

Proof of Delivery

I hereby certify that on Tuesday, March 02, 2021, I provided a true and correct copy of the Notice of Settlement to the following:

Pandora Media, LLC, represented by Benjamin E. Marks, served via ESERVICE at benjamin.marks@weil.com

Zisk, Brian, represented by Brian Zisk, served via ESERVICE at brianzisk@gmail.com

Amazon.com Services LLC, represented by Joshua D Branson, served via ESERVICE at jbranson@kellogghansen.com

Powell, David, represented by David Powell, served via ESERVICE at davidpowell008@yahoo.com

Apple Inc., represented by Mary C Mazzello, served via ESERVICE at mary.mazzello@kirkland.com

Johnson, George, represented by George D Johnson, served via ESERVICE at george@georgejohnson.com

Spotify USA Inc., represented by Joseph Wetzel, served via ESERVICE at joe.wetzel@lw.com

SoundCloud Operations Inc., represented by Todd Larson, served via ESERVICE at todd.larson@weil.com

Google LLC, represented by Gary R Greenstein, served via ESERVICE at ggreenstein@wsgr.com

Signed: /s/ Benjamin K Semel