

UNITED STATES COPYRIGHT ROYALTY JUDGES
The Library of Congress

In the Matter of:

DETERMINATION OF ROYALTY RATES
AND TERMS FOR MAKING AND
DISTRIBUTING PHONORECORDS
(*Phonorecords IV*)

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

CHURCH MUSIC PUBLISHERS ASSOCIATION COMMENTS
IN SUPPORT OF PROPOSED REGULATIONS FOR SUBPARTS A, C AND D

The Church Music Publishers Association of the United States (“CMPA”) submits the following comments urging adoption of the Copyright Royalty Judges’ proposed regulations setting rates and terms for Subparts A, C, and D, as filed in the Federal Register on November 7, 2022. The proposed regulations seek to implement a recently negotiated settlement between Digital Service Providers (“DSP”) and various musical composition creators and owners including, but not limited to the NMPA and NSAI (“Copyright Owners”), regarding the mechanical royalty rates for interactive streaming and digital downloads used on the DSP’s platforms.

Although this proposed settlement does not reflect what we believe the full fair value should be for the use of Copyright Owners’ works on the DSP’s platforms, we do strongly believe that the increase in the ‘headline percentage rate’ from 15.1% of revenue in 2023 to 15.35% of revenue in 2027 is important at this point in time. With the added increases to the Total Cost of Content equations and the various Bundled and Standalone Portable subscriptions,

we believe that the combined changes to these rates are reasonable to all of the various parties. Further, in light of the fact that the Interested Parties were able to negotiate this settlement, without having to bear additional significant legal expenses, leads us to believe that Copyright Owners, including the songwriters whom we represent, and the DSPs might enjoy a more collaborative opportunity to build a stronger streaming economy in the years ahead. Thus, the CMPA is pleased with, and would gladly agree to and accept this settlement in its totality, if such is adopted by the CRB Judges.

The CMPA is an organization of U.S. publishers of Christian music which has a strong spiritual dimension who come together to share mutual areas of concern regarding copyright information, education, administration, and protection, and to facilitate public and industry awareness in these areas. Our membership of 51 companies, spread across 21 states, owns and administers song copyrights that include hymns, gospel songs, contemporary Christian, urban, praise & worship, liturgical, choral, southern gospel, hip-hop, children's, classical and songs embraced by every Christian denomination across America. Between the copyright holdings of our members, plus those held by general market music publishers who are members of the NMPA (National Music Publishers' Association), we control over 95% of the Christian faith songs created and commercially published in the United States.

Considering also that there is still an outstanding final decision to be made on Subpart B of the *Phonorecords IV* hearing, we hope that the CRB Judges will affirm the settlement pertaining to such between the RIAA, NMPA, and NSAI proposed earlier this year in June, 2022. In closing, the CMPA is hopeful that a settlement of all of the outstanding issues on *Phonorecords IV* can be resolved in the immediate weeks ahead, and that a final determination can be rendered by the CRB by the beginning of 2023.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Don Cason". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Don Cason, President/CEO

Church Music Publishers Association Action Fund