



LIBRARY OF CONGRESS

Copyright Royalty Board

[Docket No. 20-CRB-0017-AU (Music Choice)]

Notice of Intent to Audit

AGENCY: Copyright Royalty Board, Library of Congress.

ACTION: Public notice.

SUMMARY: The Copyright Royalty Judges (Judges) announce receipt from SoundExchange, Inc., (SoundExchange) of a notice of intent to audit Music Choice to verify royalties paid by Commercial Webcasters, Preexisting Subscription Services, and Business Establishment Services in 2017, 2018, and 2019 pursuant to two statutory licenses.

FOR FURTHER INFORMATION CONTACT: Anita Blaine, Program Specialist, by telephone at (202) 707-7658 or by email at crb@loc.gov.

SUMMARY INFORMATION: The Copyright Act, title 17 of the United States Code, grants to sound recordings copyright owners the exclusive right to publicly perform sound recordings by means of certain digital audio transmissions, subject to limitations. Specifically, the right is limited by the statutory license in section 114, which allows nonexempt noninteractive digital subscription services, eligible nonsubscription services, and preexisting satellite digital audio radio services to perform publicly sound recordings by means of digital audio transmissions. 17 U.S.C. 114(f). In addition, a statutory license in section 112 allows a service to make necessary ephemeral reproductions to facilitate the digital transmission of the sound recording, including for transmissions to business establishments. 17 U.S.C. 112(e).

Licensees may operate under these licenses provided they pay the royalty fees and comply with the terms set by the Judges. The rates and terms for the section 112 and 114 licenses are set forth in 37 CFR Parts 380, 382, and 384.

As part of the terms set for these licenses, the Judges designated SoundExchange as the Collective, *i.e.*, the organization charged with collecting the royalty payments and statements of account submitted by eligible licensees and with distributing royalties to the copyright owners and performers entitled to receive them under the section 112 and 114 licenses. *See, e.g.*, 37 CFR 380.4(d).

As the Collective, SoundExchange may, only once a year, conduct an audit of a licensee for any or all of the prior three calendar years in order to verify royalty payments. SoundExchange must first file with the Judges a notice of intent to audit a licensee and deliver the notice to the licensee. *See, e.g.*, 37 CFR 380.6.

On December 18, 2020, SoundExchange filed with the Judges a notice of intent to audit Music Choice for royalties paid by Commercial Webcasters, Preexisting Subscription Services, and Business Establishment Services for the years 2017, 2018, and 2019. The Judges must publish notice in the **Federal Register** within 30 days of receipt of a notice announcing the Collective's intent to conduct an audit. *See id.* Today's notice fulfills this requirement with respect to SoundExchange's notice of intent to audit filed December 18, 2020.

Dated: January 5, 2021.

Jesse M. Feder,
Chief Copyright Royalty Judge.
[FR Doc. 2021-00182 Filed: 1/7/2021 8:45 am; Publication Date: 1/8/2021]