What the Music Modernization Act Means for You

With the Music Modernization Act becoming law, you might wonder how the historic legislation affects you.

The answer depends on whether you’re a recording artist, rights owner, songwriter, publisher or producer/engineer. We’ve put together a handy chart below to help answer questions about the new law’s impact.
In some cases – as with legacy artists who recorded music before 1972 – changes in the law won’t affect distributions until the new year begins. SoundExchange President and CEO Michael Huppe also spoke directly to our community of more than 170,000 music creators in this video about how important it is to stay engaged.

Huppe also had an op-ed appear this week in Variety that addresses how the music industry can use its momentum to fix other important issues.
SoundExchange Distributions Reach $607.9 Million This Year

Royalty distributions keep climbing, and we are seeing significant growth for music creators. When the third quarter ended on September 30, SoundExchange saw just how significant that growth was compared to last year.

SoundExchange distributed $607.9 million in royalties in the first nine months of 2018. That’s a 24 percent increase compared to the first nine months of 2017. In the third quarter alone (July 1 through September 30), SoundExchange distributed $209.3 million in digital sound recording performance royalties, a 37 percent increase over the same period last year.

“Our work on behalf of music creators is the most important thing we do,” SoundExchange President and CEO Michael Huppe said. “Getting royalties into their hands quickly, efficient and at the lowest administrative rate possible is among our highest priorities.”

Read more in the latest issue of our Digital Radio Report by clicking the image below.
CMRRA Reaches Licensing Deal with Amazon Music

Canada’s leading reproduction rights collective welcomed Amazon Music and the September 27 launch of its premium music streaming service, Amazon Music Unlimited, to the country. The Canadian Musical Reproduction Rights Agency Ltd. (CMRRA) reached a licensing agreement with Amazon Music to ensure that its music publisher and rightsholder clients, which together represent more than 80,000 music catalogues, will receive royalties for the use of their works on the service.

“We’re very happy to have come to a negotiated agreement with Amazon Music and to see them enter Canada with Amazon Music Unlimited. Amazon Music and its entry will benefit both Canadian consumers and the rightsholders that we serve by offering a new point of sale and a new source of revenue for music publishers and their songwriters,” CMRRA President Caroline Rioux said.

The launch of Amazon Music Unlimited for Canada brings customers a catalogue of millions of songs and thousands of playlists and personalized stations, combined with the magic of voice controls powered by Alexa. Terms of the deal are not being disclosed, but the rates apply to the reproduction of songs on Amazon Music Unlimited, which will now be available throughout Canada for the first time.

To learn more about Amazon Music Unlimited visit amazon.ca/music/unlimited.

“CMRRA is constantly working with our licensees to create solutions to make it easier for services to come to Canada and to provide for compensation for our valued music publisher clients,” CMRRA Vice President, Legal and Business Affairs, Veronica Syrtash said.

CMRRA has taken the lead in national rate-setting efforts before the Copyright Board of Canada, as well as directly through negotiations with licensees.
“CMRRA has established itself as a vital resource for music publishers to manage their mechanical royalties in Canada,” said Neville Quinlan, chairman of SXWorks’ Canadian Publishers Committee and managing director of peermusic Canada. “This licensing agreement underscores CMRRA’s commitment to advocating for music publishers and self-published songwriters.”

CMRRA also collects publishing royalties from dozens of other digital companies, such as Apple, Google and Spotify.

CMRRA Distributes 2017 Satellite Radio Royalties Ahead of Schedule

Speaking of CMRRA, the company announced on October 8 that it distributed 2017 satellite radio royalties to its music publisher clients – nine months earlier than ever before.

“The old way simply wasn’t ideal,” CMRRA President Caroline Rioux said. “We were bogged down by a cumbersome process that involved acquiring log data from a third party, which delayed the process more than we liked.”

CMRRA has leveraged its relationship with SoundExchange to process satellite radio logs more efficiently. Now, SoundExchange compiles the logs that show sound recording use and adds in missing information such as International Standard Recording Code (ISRC) data. This new process allows CMRRA to pass this important sound recording information on to its clients in the statements they receive.

The new approach is a direct result of CMRRA and SoundExchange joining forces. SoundExchange purchased CMRRA in May 2017. While SoundExchange has helped dramatically accelerate the distribution of royalties to the appropriate music publisher client, it has also helped CMRRA cut costs.

“This is just the start,” Rioux said. “Our ability to speed up royalty distributions is an example of the efficiency that we are seeing out of the SoundExchange and CMRRA partnership. This is an exciting step in our history, and it’s just the first example of many positive changes to come that will benefit our music publisher clients.”
SoundExchange Presents Gospel Artist of the Year Award at GMA’s 49th Annual Dove Awards

On October 16, SoundExchange President and CEO Michael Huppe joined gospel music recording artist Jonathan McReynolds on stage at the Gospel Music Association’s 49th Annual Dove Awards in Nashville. Huppe and McReynolds presented the Gospel Artist of the Year Award to Tasha Cobbs Leonard (Motown Gospel).

“The gospel and contemporary Christian community is very important to SoundExchange, and we are always proud to attend the GMA Dove Awards,” Huppe said. “Having the opportunity to present an award to the wonderful Tasha Cobbs Leonard made an unforgettable evening even more special. We can’t wait until next year.”

SoundExchange made a video for the Dove Awards about our work on behalf of the gospel and contemporary Christian music community, and it was shown to attendees during the awards ceremony. You can view that video by clicking the image below.

The 49th Annual Dove Awards will be re-broadcast on Trinity Broadcasting Network.
SoundExchange Board Member Receives T.J. Martell Foundation Award

SoundExchange Board member and Universal Music Group General Counsel and Executive Vice President, Business and Legal Affairs, Jeffrey Harleston was honored October 15 at the T.J. Martell Foundation 43rd New York Honors Gala.

Harleston received the organization’s Lifetime Music Award.

“It was an honor to be recognized by an organization that I’ve long respected and that has meant so much to so many,” Harleston said. “I appreciate the support of everyone who came out to the event or donated to the T.J. Martell Foundation so they can continue the fight against cancer.”

The T.J. Martell Foundation is a national non-profit charity that provides funds for innovative cancer research, and the Honors Gala is the foundation’s primary fundraiser of the year, supporting its mission of funding innovative medical research and treatments focused on finding a cure for cancer.

The T.J. Martell Foundation also honored Myriad Restaurant Group founder Drew Nieporent.

Since its formation 43 years ago, the T.J. Martell Foundation has raised more than $280 million for cancer research.

SoundExchange Appoints Chief Corporate Development Officer

On September 19, SoundExchange announced the appointment of Richard Conlon as chief corporate development officer, a shift in positions that reflects the company’s commitment to expand its services to the music industry. Conlon previously served as chief external affairs officer.

“Richard’s leadership in the music industry makes him the ideal person to help drive our strategy to grow SoundExchange into a diversified portfolio of companies and services for the entire industry,” said SoundExchange President and CEO Michael Huppe. SoundExchange plays a critical role in the business of music,
distributing royalties to many creator groups, advocating for fair pay across all platforms and developing solutions that support accuracy and transparency in royalty payments for the entire industry. SoundExchange subsidiaries SXWorks and the Canadian Musical Reproduction Rights Agency Ltd. (CMRRA) provide administration and licensing services to music publishers. Conlon is a member of the board of directors of SXWorks.

“SoundExchange is helping re-order the business of music by creating solutions that facilitate royalty distributions to music creators, setting standards and service levels that the industry can rely upon,” said Conlon. “SoundExchange is committed to innovation and growth delivered at the speed of digital.”

In his new role at SoundExchange, Conlon will lead the company’s expansion efforts into additional lines of services for labels, artists, music publishers and licensees. His team will leverage and build on SoundExchange’s core capabilities, business processes and technical assets, and will help coordinate services across the growing family of SoundExchange companies, including SXWorks and CMRRA.

Colin Rushing Named Among Music Industry’s Top Lawyers

On October 19, Billboard named SoundExchange Senior Vice President and General Counsel Colin Rushing one of the music industry’s top lawyers.

Rushing and his staff were instrumental in efforts by SoundExchange to successfully increase satellite radio rates through the SDARS III hearings that concluded last December. As a result of that litigation, royalty rates paid by SiriusXM increased 41 percent. That increase will remain in effect through 2027.

SoundExchange Board member and Universal Music Group General Counsel and Vice President, Business and Legal Affairs Jeffrey Harleston headed the Billboard list of top industry lawyers.