

Questions for the Record from Chairman Darrell Issa for the Mr. Kris Ahrend
“Five Years Later – The Music Modernization Act”, June 27, 2023

1. With respect to the “black box” royalties the MLC has accumulated to date, please provide the following information:
 - The total amount of such royalties currently in the custody of the MLC, the total amount of such royalties that has been distributed based on specific songwriter matches, and the total amount of such royalties that has been distributed based on relative market shares.
 - The total amount of those royalties that has been successfully matched with one or more specific songwriters, and the total amount of those successfully matched royalties that have been claimed.
 - The total amount of those royalties that are being held due to the Phonorecords III case.
2. With regard to the MLC’s investment policy:
 - Have any funds actually been invested yet by the MLC pursuant to its investment policy? If so, how much and what was the source of those funds (e.g., unmatched and unclaimed royalties, matched but unclaimed royalties, matched and claimed royalties that have not yet been distributed, assessment funds, etc.)?
 - Did the MLC Board of Directors vote on the investment policy, and if so, what was the result of the vote?
 - You testified that advisors recommended that certain aspects of the MLC’s investment program be kept confidential. What specific aspects did the advisors recommend be kept confidential, and what aspects were not recommended to be confidential?
 - How has the MLC informed its Board, its members, and the public about the non-confidential aspects of the investment policy?
 - If the MLC invested royalty funds under its investment policy, and those investments resulted in net losses, how would the MLC address the resulting shortfall in royalty funds according to its investment policy?
3. Some have reported that the MLC’s database includes errors. What is the MLC doing to detect errors or discrepancies in its database, and what has the MLC discovered in terms of the extent of erroneous data in its database?
 - What measures is the MLC taking to remedy reported discrepancies in its database?

- How does the MLC plan to improve its database and ensure that it contains accurate records?
 - What percentage of matches found using the MLC's database has included erroneous data, to the best of the MLC's knowledge?
 - What data vendors has the MLC used thus far to create its database, and what percentage of its data came from each vendor? How were those vendors chosen, and what other options were rejected?
4. The MMA mandates that the MLC Board of Directors consist of ten publisher representatives and four songwriters as voting members. In what ways has the composition of the Board presented challenges to the MLC's mandate to remain a neutral administrator?
- How were MLC Board members chosen, and were there any candidates from publishers that are not also represented on the Board of the NMPA?
 - Are there any differences between voting and non-voting members of the MLC Board of Directors with respect to access to information, and if so, does the MLC have plans to mitigate that information gap?
5. What prompted the MLC to support a proposal providing that even after a songwriter exercises termination rights, payment of royalties could continue to go to the relevant publisher after its rights are terminated by the songwriter?
- What process did the MLC use to reach its position? Was there a Board vote, and if so, what were the results of the vote?
 - What has the MLC done now that the Copyright Office issued its proposed rule contradicting the MLC's proposal, and what are the MLC's plans with respect to getting involved with the Copyright Office's process for issuing a final rule?