

What do DSP's need to do next?

Send Notices to The MLC

All DSPs except those that fall below the cutoff must submit a notice to The MLC. Services that fall below the cutoff are those that: (1) make fewer than 5,000 unique sound recordings available to U.S. consumers each month and (2) generate less than \$50,000 in revenue each month (and less than \$500,000 in revenue in any 12-month period) from U.S. covered activities.

DSPs that wish to obtain the Blanket License must file a Notice of License with The MLC. DSPs that wish to forego the Blanket License must file a Notice of Non-blanket Activity with The MLC. Both of these notices must be submitted using the forms specified by The MLC. These forms are available to fill in online on The MLC's website. Their contents are set by U.S. federal regulations and include basic details about the DSP and its consumer offerings.

DSPs operating under the blanket that wish to maintain voluntary licenses going forward must send The MLC information concerning direct licenses at least 30 days prior to the first usage period for which those licenses apply if they want to ensure The MLC has time to carve-out that activity. For DSPs operating under any compulsory mechanical licenses for the period prior to January 1, 2021, a Notice of License must be submitted by February 15, 2021. For other DSPs, a Notice of License must be submitted before engaging in covered activities. All Notices of Non-blanket Activity must be submitted by February 15, 2021.

Send Assessment Payments to The MLC

All DSPs must remit their annual minimum fee payment for 2021, along with their Certified Minimum Fee Disclosure, on or before February 15, 2021.

After receiving the Certified Minimum Fee Disclosures, The MLC will calculate funding allocations and send out quarterly invoices to eligible DSPs for payment of allocated shares of The MLC's funding, beginning with the second quarter of 2021.

****NOTE: The obligation for DSPs to pay shares of The MLC's funding is mandatory under U.S. law; it is not optional.** Failure to make assessment payments in full and on time constitutes a default under the Blanket License, which could lead to termination of the Blanket License, liability for copyright infringement for covered activities and preclusion from obtaining a Blanket License in the future.

Send Usage Reporting to The MLC

DSPs must begin providing monthly usage reports to The MLC starting with January 2021 usage. Each monthly usage reporting file is due to The MLC no later than 45 days after the end of each calendar month. These reports must contain all the data specified in the applicable regulations issued by The U.S. Copyright Office, in one of the following two formats:

- DDEX DSRF: Preferable for DSPs that operate services outside the U.S., as many ex-U.S. CMOs already require use of this format.

- SURF (Simple Usage Reporting Format): Designed for smaller DSPs that do not have the capability or means to produce DSRFs, and DSPs that do not operate outside the U.S.

More information related to these formats can be found on The MLC's website.