

How To Conduct Business in the US Mechanical Market

Downloads and streaming make up 80% of music revenues in the US. Several major digital stores, including Apple, will soon close down their download service, making streaming the dominant form of consumption & revenue generation.

The US operates under a compulsory license, rather than a blanket license, so a licence is required per work, whereas under a blanket license, full repertoire may be exploited for a flat fee or percent of revenue. In the US, mechanical royalties are not administered by one single entity. Anyone can be a mechanical licensing agent (MLA) in the US, but typically, it is one of three companies.



Historically, some BIEM members have had reciprocal agreements in place with Harry Fox Agency. The assignment of rights and exclusive agreements have all but disappeared with digital collections. The collection and distribution of royalties is largely done by whoever the streaming platform is paying for that service.

Harry Fox Agency is contracted by Spotify and Apple Music to provide mechanical administration services. Music Reports is contracted by Tidal, Amazon Music, Deezer, and Soundcloud, among others. Audiam is not currently contracted by any service provider, but administers & collects on behalf of songwriters directly.



Recommendations & Actions

Increase collection coverage

Register your catalog with Harry Fox Agency and Music Reports at a minimum. This will ensure the highest level of coverage across digital service providers. This is a strategy recommended by Harry Fox Agency.

Ensure correct catalog registration

Make sure catalog is being provided in a format accepted by the mechanical licensing agent. This is usually CWR, however Harry Fox Agency has an Excel file template they also accept. If catalog is not provided in the correct format, it will not be tracked.

Verify who has greatest efficiency in collection

Engage Harry Fox Agency, Music Reports and Audiam in an audit project. Each of them should analyze a subset of BIEM member catalog, comparing payouts to usage reports. This will give an indication on who has the most comprehensive and efficient tracking capabilities

Check for unclaimed monies

Harry Fox Agency and Music Reports both provide search tools for unclaimed monies. Use the NOI Lookup tool by SX-Works to check for unidentified works filed to the US Copyright Office.

► <https://noi.sx-works.com/login>