

Global Repertoire Database Working Group

Recommendations for:

***“The Way Forward For the
Development of a Global
Repertoire Database”***

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1 Executive Summary

There is currently no database or data-resource that provides access to authoritative comprehensive multi-territory information about the ownership or control of the global repertoire of musical works and that is openly available to songwriters, publishers, musical work Collective Rights Management (“CRMs”) organisations and users (these groups are collectively referred to in this document as “stakeholders”). There are of course numerous databases of varying quality held by musical works CRMs around the world and whilst these provide some ownership or control information for some of the global repertoire, the data, even on a national level, is not always maintained at an optimum level nor always openly accessible to the stakeholders.

This is largely because historically all musical work CRMs, have operated and administered the rights in musical works predominantly on a single territory basis and the users of these rights were themselves predominantly operating within a single territorial boundary. Ownership or control of musical works does often vary from territory to territory but in the context of supporting the administration of national licensing solutions it was not necessary for the national databases to take into account or represent rights ownership information in other territories.

There is a broad recognition across the stakeholder community of the urgent need to ensure that the global repertoire of musical works and rights is efficiently administered in the context of emerging multi-territory licensing solutions for the new online services, including those that have just started to emerge. Authoritative, multi territory, transparent, openly accessible, comprehensive rights ownership data is key to enabling these multi-territory licensing solutions to function effectively and efficiently. This is true whether such solutions offer an aggregated “worldwide repertoire” licence or a limited repertoire licence. Such a resource would maximise stakeholder trust in licensing solutions, deliver administrative efficiency through standardisation and interoperability and provide for a level of accuracy, comprehensiveness and automation fit for the 21st Century.

At the initiative of EU Commissioner Neelie Kroes a group of stakeholders was brought together as the Global Repertoire Database Working Group (“GRD WG”) to look at how a GRD for musical works (hereafter “the GRD”) might be created and deployed. This recommendations document marks the end of the first key phase of that work. The document explains the findings of the GRD WG and makes several specific recommendations as to how the concept of a GRD for musical works can be moved forward in the context of wider stakeholder commitment and involvement.

To provide context to this activity, in the European Commission communication dated 26th August 2010 entitled “A Digital Agenda for

Europe”, one of the key areas of activity is “interoperability and standards”. In this the EC is looking for improvements in standards setting, promotion of the use of standards and enhancing interoperability through coordination. The GRD WG regards its work on the GRD as fitting squarely within those goals as far as the digital music market is concerned, which can in turn help deliver positive outcomes in relation to other EC digital agenda objectives.

Furthermore, Francis Gurry, the director general, of the World Intellectual Property Organisation (WIPO) in his speech at the WIPO Copyright Forum in Beijing held in November 2010 said “A global repertoire database is an idea whose time has come. It is an essential piece of global infrastructure for the digital economy and society. It is time to work on the expression of the idea”.

As a result of a rigorous process which included issuing a Request For Information, a subsequent Request for Proposal, receiving proposals from several potential suppliers of the GRD solution and detailed analysis of those proposals (see Section 4), the GRD WG now proposes a set of recommendations which are set out in detail in this paper and which can be summarised as follows:

- (i) The GRD recommends that the GRD provides access to authoritative comprehensive multi-territory information about the ownership or control of the global repertoire of musical works and that is openly available to songwriters, publishers, musical work Collective Rights Management (“CRMs”) organisations and users;
- (ii) The GRD WG recommends a combination of the International Copyright Enterprise (“ICE”) as solution provider and Deloitte as project manager to build the GRD;
- (iii) The GRD WG recommends that Deloitte is commissioned to work with ICE to carry out a Scoping and Stakeholder Consultation Study (“the Study”), the objectives of which will be to take the rigorous steps necessary to ensure that the solution is fit for purpose. The Study should produce a detailed business and technical blueprint for the GRD including:
 - (a) Defining the complete technical functionality requirements and design;
 - (b) Data communication, data cleansing and data quality rules;
 - (c) The planning of internal processes and human resource requirements;
 - (d) Determination of funding and governance models;
 - (e) Development of full stakeholder commitment to the GRD; and
 - (f) A project plan for moving forward.
- (iv) The GRD WG recommends that the Study be conducted with the active participation of the GRD WG but on the basis that the composition of the WG is expanded and altered to provide for broader stakeholder representation to oversee the Study and liaise with their constituents as appropriate. The GRD WG is immediately extending invitations to CISAC and ICMP to join the GRD WG;

- (v) The GRD WG recommends that the governance of the GRD must ensure that it represents the interests of the stakeholders and that it assures transparent, non-discriminatory and open access to the GRD; and
- (vi) The GRD WG anticipates that with the appropriate commitment of stakeholders the Study should be completed by autumn 2011 and any further technical development necessary should be capable of being concluded within a timeframe that will allow for data population of the GRD to commence in 12 to 15 months.

The principle reasons for the choice of ICE as solution provider are:

- (i) The GRD WG believes that the GRD should where possible build on existing technology, experience and investments to minimise risk, cost and delay. ICE has already developed a multi-territory rights ownership database solution;
- (ii) It has always been a key concept for the GRD WG that the GRD should strive to deliver a consolidated, comprehensive and authoritative “source of truth”. ICE offers a centralised rather than distributed solution and the GRD WG considers this to be a more effective and efficient way to deliver a consolidated and authoritative GRD; and
- (iii) There is an urgent need for the GRD to be delivered. Whilst some development to the ICE technology would be needed to deliver a complete GRD functionality it is anticipated that these should be deliverable within approximately 12 months.

The principal reasons for the choice of Deloitte as project manager are:

- (i) The GRD WG believes that professional “independent” project management will assist in ensuring that stakeholder consultation is rigorous and that the governance and funding model for the GRD is finalised on an objective basis that maximises broad stakeholder confidence and commitment;
- (ii) The GRD WG further believes such project management will ensure that a project of this magnitude will be delivered on time and on budget. Deloitte has first hand experience of the management of complex content data in the context of rights management;
- (iii) The GRD WG identified at an early stage that the GRD would require rigorous processes to be in place to deal with the necessary data de-duplication and cleansing. Deloitte have a very clear understanding of the complexity of the data management issues and first hand experience of designing solutions to merging complex rights ownership data of varying quality, in varying formats and from various sources; and
- (iv) The GRD WG was impressed with the work that Deloitte has already undertaken with PPL, which has direct parallels with the GRD envisaged by the GRD WG. The GRD WG understands that the PPL project is on budget and on schedule. The PPL database is also

potentially a candidate for a sound recordings database to which the GRD may in the future be linked. Deloitte will be able to call on subject matter advice and potentially more involvement from PPL in developing the broader GRD concept (see Section 7).

In addition, it was clear that both ICE and Deloitte understood and shared the GRD WG's vision for the GRD. The reasons for the remaining recommendations are described more fully in the remainder of this document.

2 Acknowledgement

The GRD WG would like to thank all those companies that have provided input to the process that culminates in the publication of this recommendation document. Without the effort and commitment that those organisations have invested in drafting responses and providing presentations to the GRD WG it would not have been possible to get to this important milestone.

3 Business benefits of a GRD

The concept of a GRD is now gaining greater traction across various stakeholder groups of the music industry because it is increasingly recognised that there are significant benefits to be had for all stakeholders. For rights holders and CRMs it will provide significant improvements in efficiency and reductions in costs particular in the areas of data reconciliation and subsequent usage matching. For licensees, access to authoritative data about musical works will ensure that appropriate licences can be obtained with more transparent rights clearance processes, which will enable simpler reconciliation of royalty invoices and eliminate multiple charging where rights are licensed on a repertoire specific basis. Authoritative and comprehensive data will also maximise matching and improve the accuracy of distributions to rightsholders whether rights are licensed on a “worldwide repertoire” or specific repertoire basis.

For all music industry stakeholder groups there will be general reductions in costs and improvements in efficiency associated with the people and processes involved in works registration, resolution of data conflicts, matching of usage information and the management of the resulting financial transactions. All of these benefits in turn inevitably lead to increased revenue to all stakeholder groups regardless of where they sit in the supply chain.

There is therefore a clear need for an authoritative, centralised and consolidated repository of information about musical works and their ownership, control or administration contributed to directly by rights owners

which forms an aggregate picture that can be relied upon by all stakeholders. Such an approach not only requires changes in the technical architecture across the music industry but also a philosophical change embracing new processes that reduce administrative costs for all stakeholders.

Such a repository of musical work ownership information needs to be overlaid with authoritative information about which organisation (whether a music publisher, a musical work CRM or other institution) is in a position to grant the requisite licences for the exploitation of the musical works by rights share, by right type, by use type, by territory and by exploitation date. The same information will also be available to enable individual stakeholders to carry out various forms of their own transaction processing without having also to deal with conflicting ownership and authority to licence information from different territories. The improvement in business-to-business communication around both national and territorial licensing and exploitation of musical works that the GRD would bring will provide significant benefits to all creators and consumers.

4 Background and process

On 17th September 2008 European Union Commissioner Neelie Kroes held the first of a number of Roundtable meetings with industry stakeholders focusing on the legal and administrative barriers to the online distribution of music¹. One of the outcomes from the Roundtable meetings was agreement on the need for a common framework for consolidating and maintaining accurate information regarding musical works, their ownership and authority to license. Such a framework is required to provide a single, comprehensive and authoritative source of data on which parties can rely to ensure the correct rights have been granted and that royalty payments are accurately claimed and directed to the correct recipients.

As an action from the work of the Roundtable a Global Repertoire Database Working Group was set up by Commissioner Kroes, which comprised of representatives of all the members of the roundtable discussions². The membership of the Working Group is as follows:

- Amazon
- EMI Music Publishing
- iTunes
- Nokia
- PRS for Music
- SACEM
- STIM
- Universal Music Publishing

¹ http://ec.europa.eu/competition/sectors/media/online_commerce.html

² http://ec.europa.eu/competition/sectors/media/joint_statement_2.pdf

The statement announcing the formation of the GRD WG contained a number of key points but three warrant re-statement as further context for this document. The GRD WG was tasked with:

- (i) Developing “*a common framework for rights ownership information*”;
- (ii) Agreeing “*its requirements and [to] consider launching a request for proposal (“RFP”)*”; and
- (iii) Proposing “*a Roadmap, with a short-term timeframe for meetings and concrete deliverables*”.

The GRD WG started meeting in late 2009 initially focusing on determining how best *a common framework for rights ownership information* could be achieved. The conclusion of these discussions was that a central repository of authoritative information is needed, the high-level requirements of which are set out in the Request for Information (see Section 4.1) and the Request for Proposals (see Section 4.2).

Some of the data elements that would provide the information set out above are static, in the sense that they don’t change; for example the title of a work or its composer. However, a significant amount of other information identified above is constantly changing. Such data elements are therefore highly time sensitive. None of the existing databases around the world, to the knowledge of the GRD WG, provides the functionality required of a GRD, which has been shown to be a fundamental tool for administration of digital services.

The GRD must therefore be able to capture all changes of data over time and retain a complete historical record of that data that can be accessed in an automated manner. There will need to be a process of data population that is carefully managed over an appropriate period of time before that scope can be realised. This process must also relate to the global repertoire. So, although the GRD WG was borne out of initiatives originating from the European Commission the successful deployment of the GRD must have global functionality.

This description of the GRD has been the centre of focus for the GRD WG although it is also the kernel of a wider vision that is described later in this document. Having reached this conclusion the GRD WG devised a process to pave the way for the establishment of this tool.

4.1 Request for information

The GRD WG developed a Request for Information (“RfI”) that was published on 22nd April 2010 and circulated to in excess of eighty organisations with an interest or expertise in the project, including numerous membership organisations able to circulate the RfI further. The RfI is located at <http://globalrepertoiredatabase.com/rfi.html>. The types of organisations to whom the RfI was circulated included:

- Music industry trade and standards organisations;
- Existing music industry technology service providers;
- Consultancy firms;
- Digital supply chain aggregators;
- Music publishers and musical work CRMs;
- Record labels and sound recording and performer CRMs;
- Technology suppliers; and
- National and regional governmental organisations and NGOs.

Companies in receipt of the RfI were invited to respond by 14th May 2010. The GRD WG received in excess of thirty responses to the RfI the contents of which covered the full range of issues relating to the creation of the GRD. All the submissions can be downloaded for review at <http://globalrepertoiredatabase.com/rfir/>. The GRD WG spent some considerable time reviewing and analysing the responses to the RfI and requested that some of the respondents present their services on an informal basis to further improve the understanding of the GRD WG members.

4.2 Request for proposals

The GRD WG then developed a Request for Proposals (“RfP”), intended to solicit proposals from companies that wished to provide services for the establishment of the GRD. The RfP was published on 30th July 2010 and potential respondents were required to provide submissions by 15th October 2010. The RfP was forwarded directly to those companies that the GRD WG considered, following the RfI process, would be in a position to provide an effective response to the RfP. It was also circulated more generally to all the companies that responded to the RfI. A press release was circulated on 10th August in order to draw additional attention to the RfP. The RfP can be downloaded at <http://globalrepertoiredatabase.com/rfp.html>.

The GRD WG received fourteen submissions in response to the RfP. The nature and content of these submissions varied considerably. Most described how each service offering would be able to provide, whether in full or in part, the necessary functionality to meet the GRD requirements. Certain of them focused on specific issues relating to the GRD including governance, project management and regional repertoire data supply. The companies that did provide submissions are as follows:

- Accenture;
- arvato-mobile;
- Deloitte;
- FastTrack;
- Harry Fox Agency;
- International Copyright Enterprise;
- Music Reports Inc.;
- MyWerx;
- Neustar;
- One House;

- RoyaltyShare;
- The World is a Mix;
- Virtual Track Software; and
- Xoomworks.

4.3 Evaluation process

On receipt of the responses to the RfP, the GRD WG entered into an evaluation process that was concluded on 29th November 2010. In the RfP some issues relating to the evaluation process were identified and the mechanism that the GRD WG would adopt to manage them described (see Section 6.2 of the RfP at <http://globalrepertoiredatabase.com/rfp.html>).

After considerable deliberation it was agreed that the GRD WG would receive presentations from seven companies, which were:

- Accenture;
- Deloitte;
- FastTrack;
- International Copyright Enterprise;
- Neustar;
- RoyaltyShare; and
- Virtual Track Software.

Readers of this document should note that whilst SACEM were involved in making these choices, attending the presentations and agreeing with the high-level recommendations in this document, their representative was withdrawn from the finalisation of the content of this document.

5 The way forward

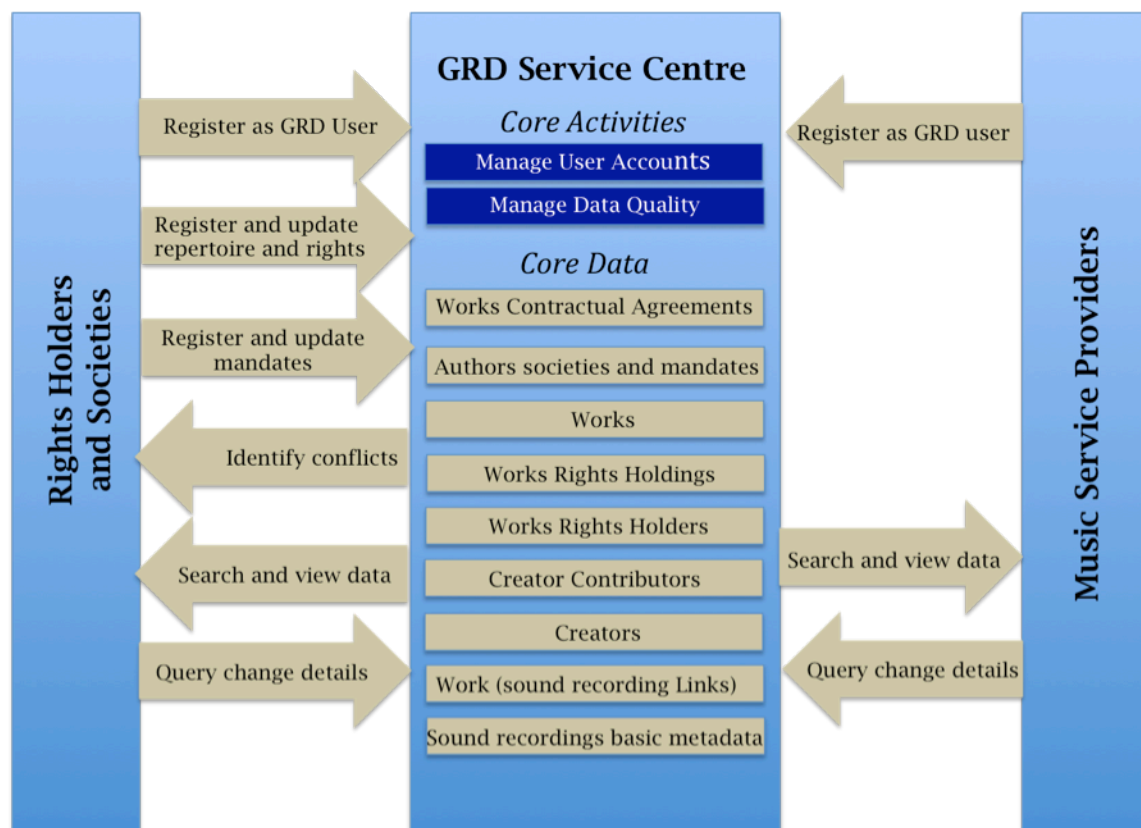
As a result of this extensive activity carried out over several months, the GRD WG has spent considerable time refining its collective view of what the GRD should look like and how it's successful implementation might be achieved. These discussions have been lengthy and have ranged widely from the purely technical, through process mapping and financial models to the governance structure of the GRD that would best enable widespread cooperation moving forward. This section of the document sets out the conclusions that the GRD WG has arrived at on some of these issues and how momentum can be continued involving the wider music industry as a result of this work.

The focus of the GRD WG has been on the deployment of the GRD and this section focuses entirely on that. However, the GRD WG also recommends that the GRD should be seen as one of the building blocks to a wider vision (see Section 7) where information about all media types is held and, more critically, the links between them. This is because all media industries are facing a significantly greater challenge in carrying out transaction processing

in relation to their content and rights than was the case in the analogue physical world. Whilst each media industry may have some unique features, by and large, the transaction processing challenges are the same across all media types. Therefore, the concept of the GRD that is seen as critical to the improvement of its transaction processing in the music industry could be equally applied to all other media types.

5.1 GRD for musical works

The GRD WG makes no claim to be in a position to influence the delivery of the necessary infrastructure or the supply of data required, in anything other than the GRD. This fact is a consequence of the make-up of the members of the group, which is limited to musical work rights owners, musical work CRMs and digital music service providers. Therefore this document only focuses on that segment whilst attempting to develop an infrastructure that is sufficiently flexible and extensible to manage or connect to data relating to other media types, should they be developed and should opportunities arise to “combine” them. The conceptual framework for the GRD environment would take the following form:



5.2 Sources of data

To become the authoritative source of data, the GRD will rely on other sources of data. In order that data is authoritative it must be obtained as near to the point of origination as is realistically possible. This generally means, in respect of musical works, that the sources will be the rights owners (which includes music publishers, writers (where unpublished) and musical work CRMs). Critical also will be the links that exist between musical works and the various sound recordings upon which they appear. Generally speaking, these data links should be provided by music publishers and musical work CRMs (to the extent that they are known and can be relied upon).

However, the GRD WG acknowledges that the most authoritative source of data on sound recordings is the maker of the sound recording or the organisation that is making available the release upon which the sound recordings appear. The GRD WG is well aware that there are advanced database developments relating to the creation of a “GRD for sound recordings” and these cannot simply be ignored. It would therefore be inefficient for the GRD to re-create what already exists because the GRD concept is about reducing, not increasing, duplication. Therefore the possibility of linking the GRD up with a similar development for sound recordings is something that will be looked at as part of the Study (see Section 5.5).

The existing workflows and processes that support the current network of largely territorially based musical works databases may not automatically support the conceptual framework of the GRD. This is because the processes and “rules” created to support that model are by their very nature agreed locally or, on rare occasions regionally. Similarly there will be multiple sources of data supplying information to the GRD, which in many instances will be about the same data. Data conflicts (as opposed to genuine ownership disputes) will therefore be inevitable.

Central to the successful launch of the GRD will be the development of the technical infrastructure necessary to enable the delivery of extensive amounts of works data and the definition of business rules to support musical works data management. This may or may not need re-alignment of existing interface specifications in which case a schedule of aligned development will be required to seek to ensure all suppliers are technically compliant with the interface to the GRD. Similarly, there will need to be agreement to the business rules and the development of a technical infrastructure supported by agreed people processes to manage the resolution of data conflicts. One of the reasons for the choice of ICE is that it already undertakes work of this nature. As part of this process some work will need to be undertaken to ascertain the nature of the quality of data held by various sources and assess the scale of data that each will supply. From this, some prioritisation can be undertaken regarding the order in which the GRD seeks to populate its database.

The subsequent cleansing of the data will begin following agreement to the GRD “data policy” as to, amongst other things, which attributes are mandatory and which unique identifiers are to be used. Whilst some of this may appear to be obvious there still needs to be a process for agreeing a common “standard” on these types of issues. From this can be developed principles relating to how the data is to be cleansed that will probably be determined by “hierarchies of authority”. So for example the rights owner of a musical work for one specific territory that has obtained those rights from the worldwide copyright owner, will not be considered as authoritative about the ownership of the work in another territory as the worldwide copyright owner.

What this high level description of an operational framework implies, and what the GRD WG believes very firmly, is that all relevant authoritative sources of metadata need to be involved in populating the GRD. Such sources of data will also need to commit to some levels of standardisation of processes around the submission of such data, its reconciliation (as opposed to disputes) and access that is granted to it. Such standardisation may also extend to a voluntary proactive dispute resolution service. A service of this nature has been introduced by PPL as an alternative to a full legal process through the courts, although that option still exists. This is a concept that can be explored during the Study.

One group of authoritative sources of data that has already made such a commitment to providing their data to the GRD, subject to successful conclusion of the Study, are the four major music publishers. The GRD WG therefore calls on other authoritative sources of data to make similar commitments.

5.3 Governance and finance

All submissions that the GRD WG received to the RfI and to the RfP highlighted the need for an effective governance structure with a strong financial model to support both it, and the operation of the GRD itself. This is needed to encourage industry commitment and cooperation as well as to ensure that the necessary business rules around the GRD’s processes are put in place and that they can be enforced to ensure its successful operation.

The GRD WG recommends that the governance of the GRD is representative of the stakeholders. To be fit for purpose the governance of the GRD has to be inclusive not exclusive. It must provide for non-discriminatory and equal opportunity for the participating of representatives of both rights owners CRMs as well as service providers. However, the GRD WG feels that beyond these principles it is too early to come to firm detailed conclusions as to the nature of the governance of the GRD beyond this, because the Study has still to be carried out. Therefore gaining consensus on a governance structure will form a key part of the next phase of work. This will involve extensive consultation across all stakeholder groups.

Although the development of the GRD will essentially provide B2B benefits, the GRD WG recognises that there is also a “public interest” element in its successful deployment. Rights holders, CRMs and music service providers continue to look for ways to enable the marketplace through efficient and transparent cross-border licensing solutions. However, in developing the GRD there is a need to make sure that the way it is deployed meets public interest and public policy requirements. Obviously given the impetus behind the GRD WG being formed, the GRD WG will be in close contact with the European Commission concerning implementation of its recommendations. Similarly with WIPO, who have strongly endorsed the concept of a Global Repertoire Database for all creative communities, so that soundings can be taken as to how such public policy interests can be best met. Agreement to how this might best be managed will be an early milestone from the Study.

With regard to the development of a long-term financial model for the GRD, this needs to be put in the context of the current levels of expenditure on operational infrastructure across the industry versus the potential benefits that can accrue to all stakeholders in the supply chain with the successful introduction of the GRD.

The worldwide royalties per annum associated with rights in copyright musical works amounts to about £5bn³. Of this at least £500m - £750m is spent on supporting the operational infrastructure to manage that flow of royalties, principally through 10% - 15% commissions charged by societies. To that has to be added the considerable expense that rights holders and licensees incur in processing royalties in the areas of database management, royalty distribution and dispute resolution all of which could be significantly reduced with the GRD in place. In this context a one-off investment of £10m - £20m represents, at a maximum, 4% of current expenditure per annum by societies and rights holders, and would be even lower if licensee costs were to be factored in. The GRD WG is of the view that as an absolute bare minimum the deployment of the GRD would provide costs savings and improvements in efficiency that would far exceed that. The GRD WG recommends that the CRM community through whom many of the current administrative costs are spent on behalf of the rightsholders should work together to maximise the efficiency of their current and future spending and to contribute appropriate resources towards developing the shared resource of the musical work GRD and standardising data exchange processes in order to realise the ultimate efficiencies that will benefit them and all stakeholders.

However, this is not the only funding model that might be deployed so a key part of the Study will be to consider all potential funding models. Any funding model will need to consider both the initial development stage and ongoing operational funding requirements. There are two principal funding models to consider. The first is industry funding and the second third party commercial funding and in both cases consideration needs to be given to whether this is provided as equity investment or debt financing.

³ All figures source: Deloitte

Considerable stakeholder consultation will be needed to come to the most appropriate solution of the GRD in the long-term.

5.4 Recommended solution

It was quite clear from all the responses that while there may be good technological solutions, the scale of the GRD and the issues with which it would have to grapple are significant. These include issues such as data supply, data policy, industry support and financing and governance as well as the precise technical requirements as to how the whole industry could interface with the GRD and these still required a great deal of examination. As a consequence the GRD WG recommends a solution, which at least in its early stages, involves a combination of two of the respondents to the RFP.

5.4.1 SOLUTION PROVIDER

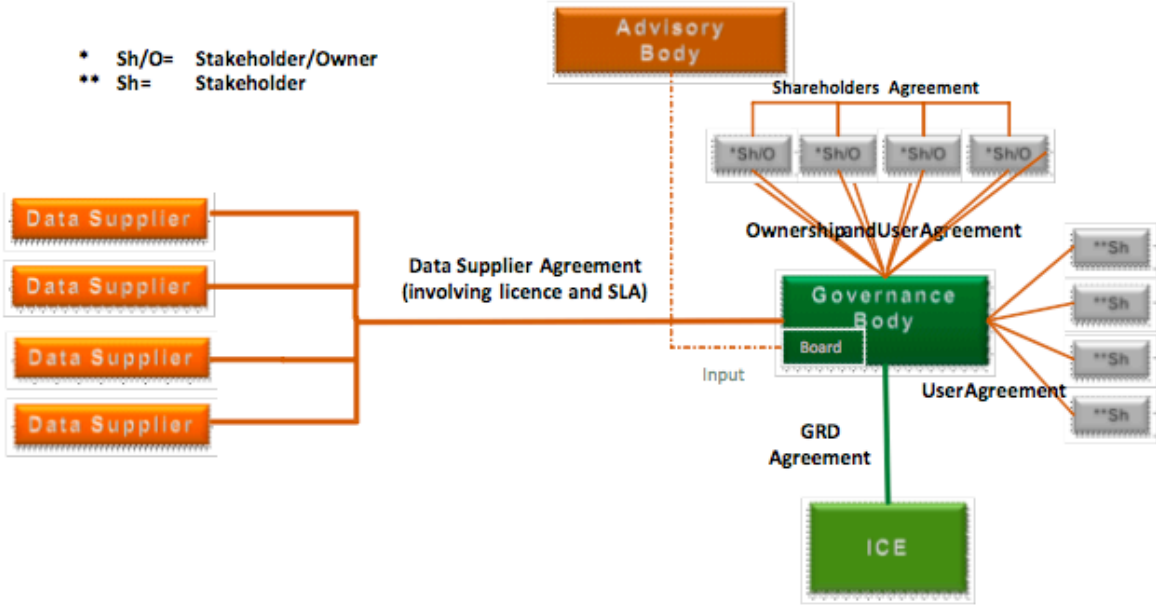
The GRD WG is recommending the International Copyright Enterprise (ICE) as its solution provider. ICE is a joint venture between PRS for Music and STIM that was designed in response to many of the issues, goals and aspirations of the music industry described by the GRD WG in the introduction to the RfI and the subsequent RfP. The key business driver and primary motivation for PRS for Music and STIM to establish ICE was the recognition that the administration of rights in the European online market requires greater consolidation of systems, operations and the need for an authoritative source of information relating to authors and publishers rights.

The ICE copyright database combines musical work ownership information from more than one CRM. Combining music ownership information removes duplication and inefficiency from multiple copyright registrations and maintaining a single consolidated reference set enable ICE to apply international standard identifiers in a more beneficial way. The technology underpinning the ICE operation is designed to provide tailored services to multiple rights holders. ICE provides the facility for its shareholders' members to register and update works and publishing agreement information. It's API and interfacing capability to process industry standard data forms have already been demonstrated. The agreements module adopts a hierarchical approach to its design and structure that enables ICE to support and link both European wide and global publishing agreements.

However, ICE will need to build additional functionality to its current solution. These are the registration hub and a layer of functionality that provides "mandate" information (meaning details of the parties with authority to license). The registration hub already exists as part of the service that ICE offers to its shareholders. However, this will need to be extended in order to be scalable to meet the needs of the GRD and therefore some additional functionality will need to be developed. This will include international agreements registration, on-line, read-only access to the database and counter-claims self-administration tools. This will not only support the receipt of data from rights owners but also the functionality to

“disperse” the consolidated view of the data to organisations that will require it such as national CRMs. The mandate layer has also been provisionally scoped and it is anticipated that it will be delivered within 9 - 12 months.

It is important to stress, that in this scenario ICE, as a company remains distinct from the GRD. The GRD will become a stand-alone entity the exact governance and financing of which is still to be decided (see Section 5.5) which will be finalised as part of the Study. The GRD will require a service contract with ICE for supplying the database and associated services. The GRD will be responsible for coordinating relationships with data suppliers and the wider industry to agree such issues as data supply mechanisms, data access policies and data cleansing procedures. If all the data management issues are to be successfully implemented ICE will have to be involved in the procedure for agreeing these simply because it is expected to manage them. Therefore a conceptual framework for the GRD and its relationship with industry stakeholders might look like the diagram below.



This approach will not prevent ICE from developing other services on behalf of its existing shareholders. Similarly, should the GRD at some point in the future feel that ICE is no longer in a position to provide the service it requires, the service provided by ICE will be separable from the GRD. The contract between the GRD and ICE will need to have detailed clauses determining how such a separation should take place and its affect on the use of the accumulated data. Whilst this is not a trivial task some precedents exist with regard to existing databases in the music industry the experience of which can be drawn upon.

5.4.2 PROJECT MANAGEMENT PROVIDER

The GRD WG has chosen Deloitte as its project management supplier. Deloitte has one of the largest media consulting practices globally. Coupled with its audit, tax, and corporate finance services this makes it a leader in serving companies across key segments of the industry. It has a large concentration of people with real media industry knowledge. Over the years

Deloitte has partnered with rights holders, societies, music service providers, industry/regulatory bodies and also artists. Deloitte also has experience in managing multiple stakeholder projects. One such involved 7 societies with regard to cross-border payment mechanisms. The detailed nature of this project management engagement is still in the process of being finalised (but see Section 5.5).

5.5 Next steps

Following publication of this document the GRD WG will embark on a series of meetings with key stakeholder representative organisations. It is hoped that such representative organisations will disseminate any additional information communicated during these meetings to their respective memberships to assist the GRD WG in beginning the process of building industry consensus for the proposed solution. The GRD WG will also work with its solution providers in the planning of a “Scoping and Stakeholder Consultation Study” (“the Study”). The availability of the necessary finance for the development of the roadmap is also under discussion amongst the GRD WG, its solutions providers and other parties. Such finance is likely to be obtained in some way from existing musical work royalty flows but at this time exact agreement has not yet been reached. It is anticipated that the cost of the Study will be in a range between £1m and £1.5m.

The benefits of undertaking such a Study are considerable. These include the need for all stakeholder groups to grasp the concept of the GRD and commit to its development. In addition, whilst ICE already provides much of the functionality required the Study will enable the development of a tangible and realisable design that stakeholders feel can be implemented. This requires a lot of consultation without which the end result will not succeed.

The Study will be undertaken by ICE and Deloitte (with Deloitte under contract to ICE) and with active participation by the GRD WG, in order to ensure continuity. It is possible that not all of the companies currently represented on the GRD WG will continue. However, as part of the process of developing stakeholder commitment the existing members of the GRD WG invite CISAC and ICMP to join the group. This development not only ensures a broader stakeholder involvement but will also enable more widespread communication to ensure greater involvement in the development of data policies and reaching a conclusion on finance and governance. A significant part of the Study will involve Deloitte in the coordination of the wider stakeholder community to arrive at the data management policies and to conclude an acceptable governance and finance model for the GRD in the long term.

The objectives of the Study, which is targeted to start within the first quarter of 2011, will be to provide a detailed business case and technical blue print. This will require work in the following areas:

- (i) A brief period of technical knowledge gathering and due diligence for Deloitte on ICE;
- (ii) The defining of any additional technical functionality requirements and design;
- (iii) The creation of all the rules relating to data communication, data cleansing and data quality and an appraisal of whether existing “GRD-type” projects can form part of the solution to the GRD;
- (iv) The preparation of plans for the internal processes of the GRD and the level of human resource needed to manage those processes;
- (v) The determination of funding and governance models that have the consensus of the wider stakeholder community which will take the form of the refinement and enhancement of the business case;
- (vi) Through the consultation on funding and governance develop full stakeholder commitment to the GRD; and
- (vii) A project plan for moving forward.

As part of the development of stakeholder commitment to this proposed way forward, the GRD WG will shortly be announcing arrangements for a consultation meeting to take place at Midem in January 2011.

6 Building industry consensus

The GRD WG recognises that none of these plans can move forward effectively without a reasonable level of industry consensus, general cooperation and commitment to its critical elements. By the time the business and technical blueprints have been concluded, they must represent a collective view, which is as broad as possible while ensuring the successful realisation of this business critical project. At that point there must be widespread agreement to the overall vision and to a set of guiding principles. Stakeholders at this point will need to be clear as to the role and responsibilities they have, however peripheral, in assisting in the successful deployment of the GRD whilst actual involvement will always be voluntary. Whilst the GRD WG recognises the fundamental need to build consensus around its ideas, there is also a need for quick and decisive action and commitment to the overall process.

The companies represented on the GRD WG have already shown extensive commitment to the vision of the GRD. In addition the four major music publishers have also stated publicly that it is their firm intention, subject to successful conclusion of the Study, to provide the data on their repertoire to the GRD. Other rights holders have made similar commitments.

The GRD WG welcomes statements of commitment to its ideas and plans from any organisations that have an interest in improving the operational infrastructure in the digital music supply chain. Such commitments can be made by e-mailing info@globalrepertoiredatabase.com. Equally, the GRD WG would be interested to receive comments that stakeholders may have on the

content of this document as it seeks to ensure that its ideas and plans meet the general expectations of the broader stakeholder community.

7 A broader vision

It is the view of the GRD WG that whilst their work has been focused on a GRD which will contain information on their musical work ownership and authority to license and links to sound recordings, the database functionality required to enable this ought to be able to accommodate similar information about other media types. Therefore, whilst there may be elements of more complex media types that are not immediately catered for the GRD must be constructed in such a way that it is sufficiently flexible and extensible to manage other media types and the links between them in the longer term.

The GRD WG is aware of a separate development of the GRD for sound recordings and products by PPL. It is to be hoped that these two will form the basis of a musical rights presentation window in the future. Equally, there may be similar developments taking place in other media type domains. For example, through its work for TV broadcasters, SoundMouse has an extensive database of audio-visual works that might be used as part of a broader GRD.

The benefits that would accrue to all media type rights owners and administrators and their digital partners, particularly given the increasingly linked relationships between different media types, would be significant. Not only would it provide improved efficiency in the management of the rights in digital media it would lead to significant reductions in costs, principally through the elimination of duplication, for everyone involved in the digital media supply chain.

Such concepts are entirely in keeping with initiatives across all media industries towards extensive standardisation. There is extensive work being carried out with regard to unique identification of media using existing standards or adapting them for the digital age. Similarly many media industries are working to standardise the communication of data between business partners, the most notable of which is Digital Data Exchange (“DDEX”) in music and EDItEUR for text publications. Therefore, each media industry needs to develop its standards solutions mindful of the need to be able to interact with other media types. This applies as much to multiple GRDs as to any other area of standardisation. So a GRD for musical works and sound recording might look conceptually like the diagram below. Extending it further would simply involve adding different media rights owners and their societies on the left of the diagram⁴.

⁴ Source Deloitte.

Global Repertoire Database Working Group
 The Way Forward for a GRD

