INSIGHTS

Music Modernization Act Heads to Oval Office

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The <u>Music Modernization Act</u> (MMA) is headed to the President's desk for signature following unanimous approval from the House of Representatives and the Senate. The bill, now called the "Orrin G. Hatch Music Modernization Act" (<u>H.R. 1551</u>), provides a significant update to how artists are paid for their music. The Copyright Alliance plugged the bill as "the <u>most</u> <u>significant improvement of music copyright law</u> in more than a generation, making it easier for creators across the music industry to earn a fair living through their creativity."

As **Bracewell previously reported**, the MMA combines the following three separate pieces of legislation to bring music royalties into the modern era:

- The Music Modernization Act of 2018, S. 2334, which updates licensing and royalties for music streaming services;
- The CLASSICS Act (Compensating Legacy Artists for their Songs, Service, & Important Contributions to Society Act) which opens up music royalties for pre-1972 songs; and
- The AMP Act (Allocation for Music Producers Act) which provides for royalties for music producers and engineers.

Industry supporters, including the Digital Media Association (DiMA), touted the MMA's assist to the music licensing process with DiMA CEO Chris Harrison noting that the MMA will help to speed royalty payments to music publishers and songwriters, and also provide digital streaming services with increased efficiency and greater certainty. "Much has changed in the music industry in the digital age, with online streaming driving increased revenues for creators and copyright owners alike," Harrison said in a statement. "A modern industry requires a modern solution."

The Recording Industry Association of America (RIAA) <u>thanked members of the House</u> and Senate for their non-partisan efforts to bring about the MMA. "As the <u>Turtles</u> would say," noted RIAA president Mitch Glazier, "we're grateful Congress is 'so happy together.'"

However, not all industry players were happy together on the road to finalizing the MMA, as demonstrated by <u>aggressive infighting</u> and an <u>11th hour compromise</u> to bring satellite radio behemoth, and noted MMA-hold out, SiriusXM radio on board. Prior to striking an agreement surrounding royalty rates and platform equality, SiriusXM had been an outspoken opponent of the MMA, arguing that the bill **treated the satellite radio company unfairly**

when compared to its competition.

In all, the MMA is the result of nearly 5 years of collaboration among players from all parts of the music business with the National Music Publishers' Association noting that the MMA is a "historic occasion for the music industry, copyright reform, and marks the beginning of a new era for music creators in consensus with stakeholders industry-wide."

In terms of the last signature needed to bring music royalties into the modern age, all parties involved are hopeful that the President is *in favor of the bill*.

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