



January 23, 2018

The Honorable Orrin Hatch
United States Senate
104 Hart Senate Office Building
Washington, DC 20510

The Honorable Doug Collins
United States House of Representatives
1504 Longworth House Office Building
Washington, DC 20515

The Honorable Richard Durbin
United States Senate
711 Hart Senate Office Building
Washington, DC 20510

The Honorable Hakeem Jeffries
United States House of Representatives
1607 Longworth House Office Building
Washington, DC 20515

Dear Senator Hatch, Representative Collins, Senator Durbin, and Representative Jeffries,

Internet Association commends you for the introduction of the Music Modernization Act (H.R. 4706, S. 2334). Key reforms to Section 115 of the Copyright Act will create a new, more efficient system of licensing musical compositions, benefiting creators and innovators alike.

The more than 40 members of Internet Association include the most innovative and forward-thinking companies in the world, including many internet platforms and services that depend on clear, reliable rules for licensing music. Such rules enable innovation and economic success.

Success of traditional rights holders and contemporary internet models are intertwined. By fueling innovation, we can promote growth for diverse forms of creative expression. Music streaming has led to back-to-back years of growth for the music industry and is now the leading model of music consumption in the US.

Section 115, which governs mechanical licensing, was not built for the digital age. It requires services to obtain mechanical rights on a song-by-song basis. Musical works may have multiple cowriters, split across tens of thousands of music publishers, and there is not always a clear and transparent system of ownership records. This system creates barriers for entry for innovative distribution channels, prevents lawful consumer access to musical works, and thwarts proper compensation to songwriters and artists.

A blanket licensing system with collective administration, created under the MMA, will increase legal customer access, choice, and consumption of the music they love, while providing a more transparent compensation system for rights holders. It would reduce barriers to entry for new entrants and empower existing services to expand their catalogs. In turn, growth in innovation channels will ultimately result in greater opportunities for compensation to the publishers and songwriters who own musical compositions.

We support these key reforms to Section 115 mechanical licensing. The MMA, however, also contains additional,



more problematic provisions that would amend Section 114 of the statute governing music licensing, including changes to the types of evidence judges may evaluate when setting licensing rates. These provisions are inconsistent with the MMA's goal of modernizing and streamlining music licensing and we would like to work with you to improve these prior to passage.

We look forward to working with you on efforts to achieve consensus and pass the Music Modernization Act.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael Beckerman', with a long horizontal flourish extending to the right.

Michael Beckerman
President and CEO