



MUSIC. INNOVATION. CONSUMERS.

February 11, 2021

The Honorable Nancy Pelosi
Speaker of the House of Representatives
Room 1236 Longworth House Office Building
Washington, DC 20515-0512

The Honorable Charles E. Schumer
Senate Majority Leader
Room 322 Hart Senate Office Building
Washington, DC 20510-3203

The Honorable Kevin McCarthy
House Minority Leader
Room 2468 Rayburn House Office Building
Washington, DC 20515-0523

The Honorable Mitch McConnell
Senate Minority Leader
Room 317 Russell Senate Office Building
Washington, DC 20510-1702

Dear Speaker Pelosi, Leader McCarthy, Leader Schumer, and Leader McConnell:

Congratulations on your continued service in the House and Senate leadership. We are writing to introduce the MIC Coalition and share with you the many ways our members contribute to the economy in your respective districts and states and deliver music to your constituents, as well as to consumers throughout the nation.

The Music. Innovation. Consumers., or “MIC,” Coalition represents millions of restaurants, bars, hotels, wineries, local radio and television broadcasters, digital music services, retailers, live event venues and other businesses that license rights for the public performance of music. We represent businesses large and small that rely on a rational, transparent and functioning music licensing system so that we can play music for our customers while also ensuring that music creators are paid appropriately for their work.

The MIC Coalition’s top priority is maintaining a functional music marketplace for the benefit of all stakeholders, and especially American consumers, who benefit from using and listening to music through a variety of technology platforms and venues. This is not achievable without having an efficient, equitable and transparent music licensing system in place. Fundamental to this are two antitrust consent decrees that the U.S. Department of Justice has entered into with the American Society of Composers, Authors, and Publishers (ASCAP) and Broadcast Music, Inc. (BMI), which together control the rights to more than 90 percent of all music.

The current process of ensuring that businesses are legally able to play music, and that those who own the rights to the music or recordings being played are fairly compensated, is extremely complex and difficult to navigate. Because of this onerous process, business owners often struggle to figure out how to correctly license music, leaving them vulnerable to lawsuits or financial penalties.

The ASCAP and BMI consent decrees play a critical role in ensuring that music can be licensed in a fair and legal manner. When Congress passed the Music Modernization Act just three years ago, it did so with the understanding that these decrees and the licensing certainty they provide would remain in place. Millions of businesses and tens of thousands of songwriters rely upon the competitive protections and market efficiencies guaranteed through these decrees.

Indeed, the Justice Department's Antitrust Division in each of the prior two administrations conducted their own, thorough reviews of competition in music licensing, specifically focusing on these decrees, and concluded that it is in the public interest to leave the existing decrees in place. In choosing to preserve the licensing certainty and market efficiencies offered by these decrees, both the Obama and Trump administrations recognized the importance of these decrees to licensees and to the broader music industry.

With those reviews concluded, we can continue the important work of looking ahead to how to further improve transparency and strengthen the system. Since the consent decrees were first established in 1941 to address the anticompetitive impacts of collective licensing by ASCAP and BMI, unprecedented innovation and growth have developed in music delivery modes and technologies. Consumers have more choices than ever before, and prior to the pandemic, songwriters were collecting record-high revenues. The pandemic has hit everyone hard, including music licensees. Certainty in the marketplace is crucial, especially when businesses across the nation are facing so many challenges.

As you focus on jobs and economic recovery and growth, we welcome the opportunity to virtually meet with you and your staff to discuss music licensing policies and the MIC Coalition's continued efforts to preserve and improve our music licensing system for the benefit of your constituents and music fans across the country.

Please feel free to contact the MIC Coalition's co-chair, Elizabeth Frazee, at elizabeth@tlstrategies.com or Greg Barnes, at greg@tlstrategies.com if we can be of assistance. Thank you for your commitment to public service, and we look forward to working with you in the future.

Respectfully,

The MIC Coalition

American Beverage Licensees
American Hotel & Lodging Association
Brewers Association
Computer & Communications Industry Association
Consumer Technology Association
Digital Media Association
International Association of Exhibitions and Events
International Association of Venue Managers
Meeting Planners International
National Association of Broadcasters
National Restaurant Association
National Religious Broadcasters Music License Committee
National Retail Federation
Radio Music License Committee
Society of Independent Show Organizers
Television Music License Committee
WineAmerica

cc: Members of the U.S. House of Representatives
Members of the U.S. Senate