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# U.S. Copyright: The Music Modernization Act

The Orrin G. Hatch-Bob

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The MMA, which received unanimous bipartisan support in the House and the Senate, accomplishes three main objectives, which will primarily benefit songwriters, producers, and other artists.

First, the MMA simplifies the process by which music rights holders can be paid for their songs that are played on streaming services. The Act provides for the creation of a new music licensing organization called the Mechanical Licensing Collective (MCL). The MCL must establish and maintain a public database of all songwriters and owners of specific rights associated with different songs, in a searchable online format, free of charge.

The MCL must also sell blanket licenses to streaming services and other digital service providers, such as Spotify and Apple Music, and distribute the proceeds to songwriters, thus enabling streaming services to obtain the rights to an entire registry of music at once. Prior to the MMA, streaming services had to send a “Notice of Intention” to the U.S. Copyright Office each time that they could not locate a composition’s rights holder, which often resulted in unpaid royalties. The new approach frees the

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Copyright Office from the Notice of Intention process, and could encourage new streaming providers to enter the marketplace.

Second, Title III of the MMA includes the Allocation for Music Producers Act, which establishes a path for music producers, mixers, or sound engineers who helped to create a sound recording to receive royalties when the songs are played over satellite and online radio. Producers will receive royalties directly from SoundExchange, a rights management organization designated by Congress that is already widely used voluntarily, upon direction by the featured artist through a letter of direction. Upon acceptance of a letter of direction, a portion of the royalties an artist receives for a sound recording will instead be distributed to producers involved in the making of that sound recording. Prior to the MMA, producers and engineers were responsible for negotiating their own deals, either through an upfront fee or the back end of a master.

Third, Title II of the MMA, the CLASSICS ACT (Compensating Legacy Artists for their Songs, Services, and Important Contributions to Society Act), partially brings pre-1972 sound recordings under federal copyright and allows for payment of royalties for songs written before 1972 to both songwriters and performers. Prior to the MMA, there was no federal copyright protection or rights for sound recordings fixed before February 15, 1972. State laws provided inconsistent and uncertain protection. Under the CLASSICS Act, federal copyright remedies will be extended to owners of pre-1972 sound recordings that are used without authorization, and recording artists of these sound recordings will be paid royalties when their music is played on digital radio.

The bill was supported by many organizations in the industry including ASCAP, BMI, SAG-AFTRA, Songwriters Guild of America, RIAA, and many others. The full text of the MMA is available at: [www.congress.gov](http://www.congress.gov).