

**Prepared Statement by Senator Chuck Grassley of Iowa
Chairman, Senate Judiciary Committee
Hearing on Protecting and Promoting Music Creation for the 21st Century
May 15, 2018**

Good morning. Thank you for coming to our hearing on music policy and legislation to improve the current music licensing framework. Today, industry stakeholders and artists will testify about how to protect and promote music creation for the 21st century. We're fortunate to have three talented artists on the panel, and several more in our audience. I extend a warm welcome to everyone.

Our nation's copyright laws have helped to make the United States a tremendous force of creativity and artistry in the music world. The exclusive rights and protections that our copyright laws grant are the foundation upon which American creators and artists stand and thrive.

It's important that singers, songwriters, musicians, technical engineers, producers, and all the men and women who support the creativity and artistry behind American music, be rewarded for their efforts and incentivized to continue producing their invaluable work.

Music enriches our lives and inspires our world. Every one of us has had a special song that's touched our heart, or linked to a fond memory. The magic of music has always been and will never change. But the way people enjoy and listen to their music has evolved. Times have changed from the days when people couldn't wait to get to their local record store and purchase their favorite album. Today, many stream their favorite music using services like Amazon, Spotify, Pandora, and Apple Music. Music lovers can access their favorite songs anywhere and anytime on a variety of devices.

What's critical is that consumers are able to access their music legally, and that our laws do not thwart people's ability to legally enjoy their music and for artists to be compensated for their creativity.

While the music industry has continued to adapt to reflect technological developments and changes in consumer preferences, the licensing framework which governs the music industry has not. Instead, the law has attempted to play catch-up as the industry has changed, resulting in a patchwork of music copyright and licensing laws that have often fallen short.

The current statutory scheme applies inconsistent rules that place certain technologies at a disadvantage and result in inequitable compensation variances for music creators. Music copyright and licensing laws have been criticized for being too difficult to comply with, and for not adequately rewarding the artists and professionals who create American music.

There's been a lot of discussion on how to improve the music licensing and copyright regime to the benefit of the stakeholders involved in the creation and distribution of music. In the House of Representatives, Judiciary Committee Chairman Goodlatte held a number of hearings on copyright issues, including those affecting the music industry. We collaborated with many interested parties, copyright experts and the Copyright Office, to find a path forward on music licensing. Multiple bills were introduced in both the House and Senate. But songwriters, artists, publishers, producers and distributors, have coalesced around three bills introduced in both the House and Senate.

These bills are: 1) the Music Modernization Act, which among other things, would create a mechanical licensing collective for all digital music, so that streaming entities can find and compensate artists for their work; 2) the CLASSICS Act, which would add copyright protection for pre-1972 sound recordings; and 3) the AMP Act, which would allow for the payment of performance royalties to producers, mixers and sound engineers of sound recordings.

House Judiciary Chairman Goodlatte combined these three bills into one package, H.R. 5447, the Music Modernization Act, and was able to successfully shepherd the comprehensive bill through the House of Representatives with an overwhelming vote of 415-0.

Here in the Senate, Senator Hatch has introduced S. 2823, which contains identical text to H.R. 5447. That bill currently has 17 cosponsors, including myself. And that's where we are today.

A lot of hard work went into crafting and negotiating these three bills that were combined into the comprehensive package, after which there was more negotiation and compromise resulting in the present text of S. 2823. We've tried to reach a consensus on what will work best for the music industry. Some concerns remain. That's natural. I'm hopeful that we can resolve outstanding concerns. But I think that the 415-0 vote in the House is instructive on how much support there is for

Most importantly, the package is supported by music stakeholders on both sides, by digital service providers as well as by music creators. They've coalesced around the comprehensive bill. I'm encouraged by the momentum behind this unified package and the possibility of Congress finally passing meaningful reform in this area.

Today we'll hear from a diverse panel of witnesses, including some very talented singers and songwriters. Mr. Robinson, what a pleasure having a legend such as yourself on the panel. Mr. Roberts and Mr. Kear, we're so pleased to have you here too. And let me mention Mary Wilson of the Supremes, Dionne Warwick, Darlene Love, and Karla Redding, Otis Redding's daughter, who are in the audience and supportive of this effort. We don't often have so much artistic talent in the room, so we're really lucky to have you all here.

I look forward to hearing from our panelists about how the music licensing system works for creators and users, whether the legislation we have before us will help address problems, and whether there are issues or concerns that we should consider.

Music licensing issues are ripe for reform, and it's my sincere hope that today's discussion will start our process of moving this legislation forward here in the Senate.