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Another Dime in the [Digital] Jukebox: What the Music Modernization Act Means for Artists in the Age of Streaming

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Another Dime in the [Digital] Jukebox: What the Music Modernization Act Means for Artists in the Age of Streaming

By: Blake Creekmur, Notes Editor Vol. 110



"Listening to music will never be the same again."^[1] This was the declaration of Steve Jobs during the introduction of the Apple iPod.^[2] At the time, a portable MP3 music player with the capacity to hold over 1,000 songs was unheard of.^[3]

Twenty years later, the way we consume music has changed dramatically. Streaming services like Apple Music and Spotify have become the predominant method of enjoying music, offering millions of songs for users to enjoy.^[4] As of June, 2021, Spotify claimed to have as many as 365 million monthly subscribers.^[5] Streaming services continue to boom, now accounting for nearly eighty percent of the music industry's revenue.^[6]

The rapid growth of streaming services has raised a number of concerns in the music industry.^[7] Most of these concerns are centered on licensing, as publishers and artists alike want to ensure that they collect proper royalties for their work.^[8] In an attempt to address these concerns, Congress passed the Music Modernization Act in 2018.^[9]

The Music Modernization Act provided a substantial update to existing copyright law in order to create more equitable practices between streaming services and members of the music industry.^[10] Congress' most significant action in this regard was the creation of a "blanket licensing system."^[11] Now, streaming platforms like Spotify will pay a yearly fee in exchange for distribution and

reproduction rights to a catalog that includes millions of copyrighted songs.^[12] Music publishers will then receive the fees paid by the streaming platforms and distribute them accordingly.^[13] The change eliminates an earlier practice that required each individual song to be licensed separately.^[14] A process that created a number of problems for smaller artists and song writers attempting to collect royalties.^[15]

Who is responsible for the administration of the blanket license? The Mechanical Licensing Collective (MCL). Created under the Music Modernization Act, the MCL became the primary service for managing all aspects of the new blanket license.^[16] The collective itself is made up of representatives from around the music industry and will be funded by music streaming services.^[17] The MCL is responsible for the granting licenses, collecting fees, and distributing

royalties to artists.[18] Royalties will be distributed from the MCL at no extra cost.[19] It will also serve other functions, such as locating the rightful owners of unclaimed royalties.[20] While the legislation was signed into law in 2018, the MCL and blanket license was officially launched in January of 2021 due to a notice and comment period.[21]

The Music Modernization Act has been hailed as, “the most significant legislation in a generation that will help make sure songwriters get paid for their work.”[22] As disputes continue to arise between artists and streaming platforms, this legislation will become increasingly important. The effects of this legislation are yet to be seen, but I am hopeful that the creation of the MCL will allow those in the music industry to more easily navigate collecting royalties in the age of digital streaming. Music is an essential part of our culture and it is important that we continue to support and protect those who create the music we enjoy on a daily basis.

[1] *Apple Presents iPod*, Apple (Oct. 23, 2001), <https://www.apple.com/newsroom/2001/10/23Apple-Presents-iPod/>.

[2] *Id.*

[3] *Id.*

[4] *Company Info*, Spotify (Aug. 10, 2020) <https://newsroom.spotify.com/company-info/>.

[5] *Id.*

[6] Noah Yoo, *Streaming Made Up 80% of Music Industry Revenue in 2019, RIAA Says*, Pitchfork (Feb. 25, 2020), <https://pitchfork.com/news/streaming-made-up-80-of-music-industry-revenue-in-2019-riaa-says/>.

[7] Jordan Bromley, *The Music Modernization Act: A Songwriter’s Guide to What Matters Next*, Billboard (Mar. 12, 2019), <https://www.billboard.com/articles/business/8502195/music-modernization-act-songwriters-guide-what-matters-next>.

[8] *Id.*

[9] Kevin J. Hickey, Cong. Rsch. Serv., LSB10181, *The Music Modernization Act: Extending Copyright Protection to pre-1972 Sound Recordings* (2018).

[10] U.S. Copyright Off., *The Music Modernization Act*, <https://www.copyright.gov/music-modernization/>.

[11] U.S. Copyright Off., *What you need to know about: The Orrin G. Hatch – Bob Goodlatte Music Modernization Act*, <https://www.copyright.gov/music-modernization/mma-title-1-overview.pdf>.

[12] Jordan Bromley, *The Music Modernization Act: A Songwriter’s Guide to What Matters Next*, Billboard (Mar. 12, 2019), <https://www.billboard.com/articles/business/8502195/music-modernization-act-songwriters-guide-what-matters-next>.

[13] Mechanical Licensing Collective, *How it Works* (2021), <https://www.themlc.com/how-it-works>.

[14] U.S. Copyright Off., *What you need to know about: The Orrin G. Hatch – Bob Goodlatte Music Modernization Act*, <https://www.copyright.gov/music-modernization/mma-title-1-overview.pdf>.

[15] *Mechanical Licensing Collective Officially Launches*, Recording Academy (Dec. 29, 2020, 10:55 AM), <https://www.grammy.com/advocacy/news/mechanical-licensing-collective-officially-launches>.

[16] U.S. Copyright Off., *The Music Modernization Act: Title I*, <https://www.copyright.gov/music-modernization/115/>.

[17] *Id.*

[18] U.S. Copyright Off., *What you need to know about: The Orrin G. Hatch – Bob Goodlatte Music Modernization Act*, <https://www.copyright.gov/music-modernization/mma-title-1-overview.pdf>.

[19] *Mechanical Licensing Collective Officially Launches*, Recording Academy (Dec. 29, 2020, 10:55 AM), <https://www.grammy.com/advocacy/news/mechanical-licensing-collective-officially-launches>.

[20] U.S. Copyright Off., *What you need to know about: The Orrin G. Hatch – Bob Goodlatte Music Modernization Act*, <https://www.copyright.gov/music-modernization/mma-title-1-overview.pdf>.

[21] *Id.*

[22] Nate Rau, *Sen. Alexander: Music Modernization Act is on the Brink of Passing Senate*, *The Tennessean* (Sept. 17, 2018, 5:44 PM), <https://www.tennessean.com/story/money/2018/09/17/music-modernization-act-senate-lamar-alexander/1336964002/>.

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