

Testimony of Michael Molinar
President, Big Machine Music
Before the House Judiciary Committee, Subcommittee on
Courts, Intellectual Property, and the Internet
“Five Years Later – The Music Modernization Act”
June 27, 2023

Good morning, Chairman Issa, Ranking Member Johnson, and members of the Subcommittee. My name is Mike Molinar, and I am the President of Big Machine Music, a leading independent music publisher based here in Nashville. I am also a current and founding board member of The Mechanical Licensing Collective (The MLC) designated by the U.S. Copyright Office nearly four years ago.

I am honored to appear before you today to provide my perspective as an independent music publisher on the Music Modernization Act (MMA). As a music publisher, I am responsible for representing songwriters, the authors of musical works, and helping to develop their careers, exploit their songs, and then collect and pay them royalties when those songs are used.

But I began my musical journey as a trained musician, music lover and liner note junky. It was during my college internship twenty-seven years ago just down the street, where I first discovered what a job in music publishing entailed. I was immediately hooked at the idea of working with the musical magicians who write the soundtrack of our lives and whose hits are the bedrock of the entire music industry. That fall, I began my first job in publishing as a catalog manager and worked my way up to a creative publishing executive, eventually starting my own independent publishing companies.

For the past eleven years, I have been proud to serve as the head of Big Machine Music, which I launched at the request of music industry titan, Scott Borchetta. Thanks to Mr. Borchetta, our dedicated staff, and most importantly, a roster of songwriter partners that are among the very best in the world, Big Machine Music has not only stayed afloat, it has thrived and prospered. We are on the cusp of celebrating our 50th #1 song in eleven years and with a catalog of thousands of released songs.

While #1 parties can be fun, they certainly don't pay the bills of "America's smallest small business" to quote Nashville songwriter, Lee Thomas Miller. So, while developing songwriters and generating opportunities for their songs is a big part of the equation, ensuring that our songwriters receive royalties when their songs are used and reporting to our writers on a timely and accurate basis remains our core function.

And that is where the MMA and the Mechanical Licensing Collective that it created come into play. Musical work rights are complicated and many of our rights are regulated by the government. In particular, the right to license and collect royalties when someone copies and distributes a song, which is governed by a statutory license under Section 115 of the Copyright Act.

Prior to the passage of the MMA, the collection of Section 115 royalties at times felt like an easter egg hunt in a carnival funhouse maze of mirrors. The process required sending paper licenses, called NOIs, for every licensed composition. This worked when ten songs were licensed for a record or CD, but it became impossible to administer once ten million songs or more were licensed by digital music providers such as Spotify. Attempting to collect royalties meant registering with multiple third-party vendors which each reported in their own manner. There was no transparency, so the system was ripe for abuse and unlicensed uses of our works were frequent. There was no guarantee of our song data being correct, of timely payment of royalties, and virtually no recourse unless we were willing to bring a costly legal action. For a fledgling independent company, the administrative burden was stressful for us and harmed the financial welfare of our writers.

Thanks to Congress's leadership and unanimous support, our industry was provided with historic changes in the MMA, including necessary reform to the way our rights are licensed, administered and paid through the creation of The MLC. In exchange for a blanket license for all works played on their music platforms, digital music providers now fully fund a centralized, transparent, and rightsholder-run collective that allows music publishers and songwriters assurance that they are receiving compensation for uses of their songs.

As a publisher, I am here to tell you today that The MLC you helped us to create is working and working well. Despite an aggressive timeline set by the statute and through a global pandemic, The MLC was developed from scratch, stood up and launched on time. Since April 2021, rightsholders have received monthly payments of our mechanical royalties, and these payments have been on-time every month. With a fully public database, we have critical transparency into our own song ownership data, song uses and income sources for the first time. Through a centralized claiming portal, we can claim and match our works, giving us the control we need and an engaged customer service available to guide us through the process. Finally, the ability of The MLC to audit to ensure proper payments and to bring legal action to enforce rights benefits all publishers, but especially independent publishers such as Big Machine Music.

Make no mistake, there is effort necessary from each publisher and administrator to make The MLC and its new blanket license work. It is why The MLC promotes the slogan of "Play Your Part." Through the onboarding of our own song data with The MLC, we have maintained the fidelity of our ownership information, made corrections where necessary, and discovered discrepancies. In short, it has made our data better and more reliable – which means better payments to our songwriters. I can attest that Big Machine Music has seen an increase in royalty collection due to the direct efforts of The MLC.

As a founding board member, I am here to tell you that being a small part of building The MLC is one of greatest privileges of my career. It is rare to have an opportunity to start an entity of this magnitude from scratch and get it right – which is a responsibility felt by everyone involved.

The MLC's board is diverse in every way – a mix of songwriters, independent and major publishers, representing all genres of music and from across the United States. It is a working board, particularly so in the days prior to the hiring of MLC staff. The contributions from all board members have been robust and respectful, in line with the statute passed by Congress and with recognition of the importance of the success of the MLC for the entire ecosystem of our industry.

Thank you again for passing the MMA five years ago, and for your attention to it today. As an independent publisher, I truly appreciate Congress working with us to improve how our industry operates, so we can support the creators who write the songs we all love. I greatly appreciate the opportunity you've provided me to speak today.

Appendix A

Background on Mike Molinar

With over 25 years of professional, music industry experience, Mike Molinar is a songwriter advocate, popular music tastemaker and seasoned voice in American copyright. He currently serves as the President of Big Machine Music (BMM), an independent, full-service music publishing company where he has lead operations since launching in 2012. He oversees all aspects of BMM which has ranked Top 10 in both *Billboard's* Year-End Hot 100 Publishing Corporations (2017-2021) and Top Country Publishing Corporations year-end list (2015-2022).

Under Molinar, BMM has scored nearly 50 No. hits and over a dozen additional Top 20 singles on the Country Airplay Charts, as well as multiple hits on Top 40 and Hot AC charts. The BMM catalog includes songs recorded by superstars across genres such as Ariana Grande, Kelly Clarkson, Steven Tyler, Tim McGraw, Maren Morris, Dan + Shay, Blake Shelton, Christina Aguilera, and hundreds more.

Molinar currently sits on the Boards of the National Music Publishers Association (NMPA), the trade association representing American music publishers and The Mechanical Licensing Collective (The MLC). He also serves on the boards for Music Health Alliance, the Association of Independent Music Publishers Nashville, and the Country Music Hall of Fame Education Council.

He is an alum of Leadership Music (2015) and was named a Rider Scholar while attending Westminster Choir College in Princeton, N.J. He graduated from Middle Tennessee State University in 1998 where he was named a Distinguished Alumni in 2013 and inducted into the College of Media and Entertainment's Wall of Fame. He was also chosen to be a member of the 2021 cohort of the Harvard Young American Leaders Program. He is a member of the Country Music Association, Academy of Country Music, CCMA and The Recording Academy.

Molinar's industry experience dates to 1997 as a Songplugger with Starstruck Writer's Group where he pitched the catalogs of Nashville Songwriters Hall of Fame inductee Mark D. Sanders and BMI Writer of the Century David Malloy, among others. As Creative Director at Cal IV Entertainment, he managed 2007 Billboard/ASCAP Country Songwriter of the Year Dave Berg, as well as Jim Collins and Odie Blackmon, to career heights. Molinar later opened his own boutique publishing and artist development companies, including Effusion Entertainment.

Background on Big Machine Music

A division of HYBE America, Big Machine Music (BMM) is a full-service independent music publisher with a dynamic catalog of over 14,000 songs, nearly 50 No. 1's and dozens of hits from the Top 40, AC, Country and Rock charts.

Founded in 2011 as a sister company under the Big Machine Label Group umbrella, BMM is headquartered in Nashville, Tennessee with an office in Santa Monica, California.

BMM songs and songwriters have earned coveted awards including CMA Awards *Song of the Year* (2X), ACM Awards *Song of the Year* (2X) and BMI Pop and Country *Song of the Year* as well as numerous GRAMMY® Awards nominations for *Song of the Year* and *Best Country Song*. BMM was named AIMP Nashville's *Publisher of the Year* in 2020 and ranked on Billboard's Year End Top Ten Hot 100 Publisher Corp for five consecutive years and Billboard's Hot Country Songs every year since 2017.

Hit songs in the Big Machine Music catalog include the RIAA DIAMOND-certified "Beautiful Crazy" (Luke Combs), 9X PLATINUM "In Case You Didn't Know" (Brett Young), 6X PLATINUM "Speechless" (Dan +Shay) and "Heartless" (Diplo feat. Morgan Wallen), 5X PLATINUM "10,000 Hours" (Dan + Shay feat. Justin Bieber), 4X PLATINUM "The Bones" (Maren Morris) and 3X PLATINIUM "abcdefu" (GAYLE), among many others.

BMM's current roster includes *Billboard's 2022 Songwriter of the Year* Laura Veltz, Brett Young, Ryan Hurd, Jessie Jo Dillon, Matt Dragstrem, Geoff Warburton, Eric Paslay, Justin Moore, Maddie & Tae, Sara Davis, Dalton Mauldin, Matt Roy, Ayrton Jones, Callista Clark, Tyler Rich, Laci Kaye Booth, Daniel Ross, Mike Eli, Anna Vaus, and Troy Cartwright. Catalog writers include Luke Combs, Brandy Clark, Jonathan Singleton, and Josh Thompson.

Superstar artists across genres such as Combs, Bad Bunny, Ariana Grande, Diplo, Monsta X, Thomas Rhett, Kelly Clarkson, Blake Shelton, Reba McEntire, Idina Menzel, GAYLE, Demi Lovato, Seventeen and hundreds more have recorded BMM tracks.

For film, BMM songs have been featured in major motion pictures with Lovato's "Still Alive" for *Scream 6* and Menzel's "Dream Girl" for the Amazon adaptation of *Cinderella*, with the latter making the Oscar's short list in 2022.

BMM tracks have also served as theme songs for major brand campaigns such as General Mills' Outnumber Hunger, Crown Royal's Your Hero's Name Here, the 2016 U.S. Women's Olympic Gymnastics team and the National Association for Music Education's Music In Our Schools Month.