

From: Jacob Westhoff <Jacob.Westhoff.217195 [REDACTED]>
Sent: Friday, August 9, 2019 5:45 PM
To: ATR-LitIII-Information (ATR) <ATR.LitIII.Information@ATR.USDOJ.gov>
Subject: ASCAP and BMI Consent Decrees Continue to Serve Small Business Owners

Dear Assistant Attorney General Makan Delrahim,

COMMENTS OF Jacob Westhoff, Tacoma Arts Live, Event Manager
Submitted in Response to the U.S. Department of Justice Antitrust Division's
June 5, 2019, Solicitation of Public Comments Regarding the Pro-Competitive Benefits
of the ASCAP and BMI Consent Decrees

I respectfully submit these comments as a Non-profit performing arts organization owner from Tacoma, Washington, that licenses music to support artists and make the customer experience enjoyable. I write today to urge the Department of Justice to preserve and protect the pro-consumer consent decrees governing the American Society of Composers, Authors and Publishers (ASCAP) and Broadcast Music, Inc. (BMI).

Together, ASCAP and BMI control nearly ninety percent of the music licensing business, and these decrees serve the public interest by providing essential protections from anti-competitive behaviors. The consent decrees, in particular, prohibit ASCAP and BMI from discriminating against similarly-situated music users; ensure reasonable royalty rates; and require that every business—no matter how large or small—can get a license upon request.

While far from perfect, ASCAP and BMI provide an efficient way for Event Manager to play music while ensuring we compensate the songwriters and copyright holders who create it. Their blanket licenses, made possible by the decrees, underpin the music licensing system. Terminating or sunseting the decrees would lead to chaos for the entire marketplace, jeopardizing the licensing system as we know it.

This disruption would lead to chaos for small businesses across the country. There has been a threat to increase our fees by a very large and seemingly arbitrary amount. Without the decrees in place, the harassment from ASCAP and BMI will only get worse. As a non-profit organization with a mission to serve our community, we are already operating on a very limited budget. Losing the consent decrees would impact our ability to put on events that are our lifeblood and reduce our ability to serve our community through performing arts. In order to keep paying artists, it is vital that these decrees are not eliminated or sunset.

Many businesses that regularly play and license music already face ongoing challenges when working with ASCAP and BMI. The outcome of terminating the consent decrees would further exacerbate these burdens.

As it stands today, business owners lack access to essential, reliable information about what each performance rights license entails and, as a result, cannot make an informed decision when seeking to license music from any one of the ever-increasing number of music licensing collectives. ASCAP and BMI have misled my business charging arbitrary amounts with no promise that I still have the right license. Given this long-standing lack of transparency and ASCAP and BMI's reliance on heavy-handed tactics and take-it-or-leave-it demands, many businesses have dropped music altogether. Without the consent decrees, many more businesses would discontinue music, resulting in fewer places across our

communities for musicians to perform and decreased songwriter compensation.

In considering the future of the ASCAP and BMI consent decrees, I would like the Justice Department to know that the consent decrees are important because In considering the ASCAP and BMI consent decrees, I would like the Department of Justice to know the ASCAP and BMI consent decrees are important to me because our non-profit works on a margin of less than 1% per year in service to our community-based mission. We cannot carry an additional burden on behalf of music licensing. Their demand is an over-reach into lines of business of which they are not reasonably associated. They have not negotiated in any manner with the non-profit community. There has been zero transparency and no case built for their demand. We vigorously object to any such increased fee basis.

Just as the Department of Justice concluded less than three years ago and after a two-year review, the ASCAP and BMI consent decrees continue to be relevant and necessary today and in the future. We ask the Department of Justice to protect our ability to play music, host new and upcoming artists, and ensure these pro-consumer decrees are protected.