



# BMI

## TABLE OF CONTENTS



BMI SINGER/SONGWRITER KEVIN MCKEOWN OF BLACK PISTOL FIRE LEAPS INTO THE AUDIENCE TO SLAY A GUITAR SOLO DURING THEIR SET ON THE BMI STAGE AT LOLLAPALOOZA.

03

PRESIDENT & CEO'S REPORT

---

06

ROSTER & REPERTOIRE

---

10

REVENUE & ROYALTY DISTRIBUTION

---

11

PROTECTING THE FUTURE OF MUSIC

---

13

TECHNOLOGY, DISTRIBUTION & ADMINISTRATION

---

## PRESIDENT & CEO'S REPORT

I am very excited to report that BMI has achieved the highest revenues and royalty distributions in our 76-year history for the fiscal year ending June 30, 2016. BMI generated record revenues of \$1.060 billion and distributed and administered more than \$931 million to the songwriters, composers and publishers that we represent, a 6% increase over last year. These figures represent the most reported public performance revenue and royalty distributions by any music rights organization in the world. Our unprecedented results underscore the increasing usage of the BMI repertoire, along with BMI's outstanding ability to capture new and traditional revenue streams, control costs and deliver value back to creators and copyright owners.

Throughout the year, BMI achieved several new milestones. Digital revenue built on last year's historic results and hit a new high of \$152 million, an impressive 50% increase over last year, indicating the ever-growing volume of BMI music used by streaming and audio-visual services, as well as general websites. In addition, following last year's victory in the Pandora rate court litigation, BMI executed a multi-year licensing agreement with Pandora, marking a significant step toward modernizing compensation for our affiliates in the digital space.

General Licensing also posted record results and continued to give BMI a competitive edge in the marketplace. Consistent with last year, cable and satellite-delivered media generated the largest portion of BMI's domestic revenue, highlighting the ongoing strength and growth of that market.

International revenues had a strong showing of \$276 million, despite significant economic challenges overseas resulting in lower foreign exchange rates. While down 5% year to year in U.S. dollars, BMI's international revenues would have exceeded last year's performance by \$14 million had it not been for the strengthening dollar. Further detail on this year's performance can be found in the "Revenue & Royalty Distribution" section of this report.

The unmatched creativity of the songwriters and composers that BMI represents is the foundation of the Company's historic performance. BMI writers ruled global airwaves, topped the charts and garnered the most prestigious industry awards, from Taylor Swift's numerous GRAMMY wins for Album of the Year and Best Pop Vocal Album for *1989*, to Sam Smith's (PRS) Academy Award and Golden Globe for Best Original Song for "Writing's on the Wall" from the James Bond juggernaut, *Spectre*. Adele (PRS), Lady Gaga, Carrie Underwood, Ricky Martin, Luke Bryan, and Rihanna, along with captivating acts such as Alabama Shakes, Little Big Town and Fifth Harmony, are just a few other BMI affiliates whose music made a phenomenal impact this year.



### TOTAL REVENUE & ROYALTY DISTRIBUTION



# PRESIDENT & CEO'S REPORT

BMI's composers thrilled audiences in several of the year's blockbusters, including the top grossing film in history, *Star Wars: The Force Awakens*, as well as *Batman v Superman: Dawn of Justice* and *The Hunger Games: Mockingjay- Pt. 2*, among others. On the small screen, more than 70% of this season's primetime network TV shows, as well as top streaming series such as *House of Cards* and *Orange is the New Black*, featured themes or scores written by BMI composers.

BMI's record-setting year comes at a turning point in our industry. In June of 2016, the U.S. Department of Justice (DOJ) proposed an interpretation of the PRO consent decrees requiring 100% licensing, a model that has never been the industry practice and which BMI never raised for discussion with the DOJ. Under 100% licensing

music creators would face creative and financial obstacles, music users would lose the efficiency of the PRO blanket license and the immediate access to the full repertoires; PROs would face logistical challenges in pricing, collecting and distributing royalties; and, as a result, the marketplace would experience tremendous disruption. Because of these ramifications, BMI challenged the DOJ in Federal Court to preserve the longstanding industry practice of fractional licensing and prevailed. More detail on this historic victory can be found in the "Protecting the Future of Music" section of this report.

Throughout the year, more of our affiliates' music was used across more platforms around the world than ever before. BMI processed in excess of one trillion audio performances, more than 950 billion of which were digital

performances, an increase of 45% over last year. These figures demonstrate both BMI's exceptional operational capabilities to accurately and efficiently manage big data, and confirm the marketplace direction toward digital distribution of music and media.

During the year, BMI continued to evolve our services in order to add value for our affiliates and licensees. For example, BMI implemented a new valuation system for the most-played songs on streaming services, offering, for the first time, a Streaming Hits Bonus. BMI also updated our online repertoire database to include the ability to view publisher catalogs and licensable share information.

I would like to take this opportunity to thank the BMI Board of Directors, the Senior Management team and all of our team members for their extraordinary contributions this year. BMI has served

## SENIOR MANAGEMENT



**BRUCE A. ESWORDY**  
SENIOR VICE PRESIDENT  
FINANCE & ADMINISTRATION,  
CHIEF FINANCIAL OFFICER



**PHILLIP R. GRAHAM**  
SENIOR VICE PRESIDENT  
WRITER/PUBLISHER RELATIONS



**EDDIE GULLEY**  
SENIOR VICE PRESIDENT &  
CHIEF INFORMATION OFFICER



**STUART ROSEN**  
SENIOR VICE PRESIDENT &  
GENERAL COUNSEL



**ALISON SMITH**  
SENIOR VICE PRESIDENT  
OPERATIONS, DISTRIBUTION &  
ADMINISTRATION SERVICES



**MICHAEL G. STEINBERG**  
SENIOR VICE PRESIDENT  
LICENSING



**ANN SWEENEY**  
SENIOR VICE PRESIDENT  
INTERNATIONAL & GLOBAL POLICY

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## PRESIDENT & CEO'S REPORT

music, its creators and publishers, and the businesses that use it for over three-quarters of a century. Along the way, we have successfully navigated monumental industry changes and challenges. As we embark on what is sure to be one of the most productive and dynamic periods in our history, we do so with confidence that our path forward reflects the best interests of our songwriters, composers, publishers and licensees alike.

I encourage you to read the report that follows for a detailed overview of BMI's business endeavors during the past fiscal year. We look to the future with optimism and unwavering resolve to safeguard the livelihood and creative freedom of America's music creators.

Sincerely,

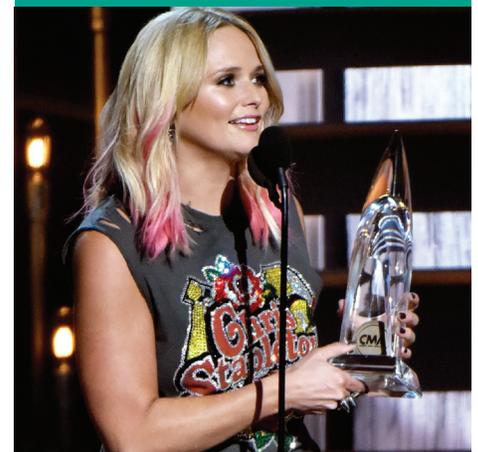
A handwritten signature in black ink, reading "Michael O'Neill". The signature is written in a cursive, flowing style with a large initial "M".

During a galvanizing year for the industry, the boundless creativity and worldwide appeal of BMI's songwriters and composers continued to surge, resulting in more of their music being used across more platforms than ever before. As digital services increasingly relied on our affiliates' work as a core component of their business, BMI continued to strive for fair compensation for its use. A standout result was securing improved royalties for our creators and copyright owners when their music is streamed on Pandora. Throughout the year, our roster of global luminaries, beloved legends and prolific hitmakers reached new pinnacles of success, reinforcing BMI as the home of the world's most dynamic creators and profitable repertoire.

BMI songwriters including Taylor Swift, Lady Gaga, Adele (PRS), Mark Ronson, Ed Sheeran (PRS), Ricky Martin, Carrie Underwood, Luke Bryan and Rihanna, along with sensational acts such as Alabama Shakes, Little Big Town and Fifth Harmony, dominated airwaves and topped the charts. Some of the most-performed songs of the year were written by Rachel Platten, Lil Wayne, Jason Derulo and Juanes, while BMI's remarkable family of composers, including John Williams, Thomas Newman, Tom Holkenborg aka Junkie XL, and Blake Neely, scored several of the year's most successful films and television series. Exciting new voices, including Ruth B, Maren Morris, Devin Dawson, Brooke Eden, Ileana Cabra, Victoria Ortiz "La Mala," Kent Jones, Designer, Grace Sewell, Wiz Kid, and composers Ludwig Goransson and Dustin O'Halloran, emerged as distinctive talents making their mark on the industry.



ED SHEERAN WINS BOTH SONG OF THE YEAR AND BEST POP SOLO PERFORMANCE AT THE 2016 GRAMMYS.



MIRANDA LAMBERT NAMED CMA FEMALE VOCALIST OF THE YEAR.



SAM SMITH (R) RECEIVES HIS FIRST OSCAR FOR BEST ORIGINAL SONG FOR "WRITING'S ON THE WALL," FROM THE BLOCKBUSTER FILM SPECTRE.

### INDUSTRY AWARDS

BMI affiliates took the lion's share of top-tier industry awards this year, from GRAMMYS and Oscars, to Emmys and CMAs, among others. Highlights included Taylor Swift earning GRAMMY gold for both Album of the Year and Best Pop Vocal Album for *1989*; and Mark Ronson winning Record of the Year for "Uptown Funk," one of the most-performed songs of 2015. Special Merit GRAMMYS went to Herbie Hancock, Jefferson Airplane, Rev Run, Linda Ronstadt, Ruth Brown and Fred Foster. At this year's Academy Awards, Sam Smith (PRS) took Best Original Song for "Writing's on the Wall" from the blockbuster film *Spectre*, and also received a Golden Globe in that same category. BMI composers earned several Emmy wins, including Dustin O'Halloran who accepted the trophy for Outstanding Original Main Title Theme Music for *Transparent*. In addition, BMI affiliates, including Luke Bryan, Miranda Lambert, Little Big Town, Liz Rose, Lori McKenna and Florida Georgia Line, took nearly 70% of the CMAs.

*Billboard* recognized multiple BMI writers at its Women in Music event, including Lady Gaga, who claimed the title of *Billboard's* Woman of the Year; Loretta Lynn, who received the Legend Award; Fifth Harmony, who were named Group of the

## ROSTER & REPERTOIRE



BMI ICONS CYNTHIA WEIL AND BARRY MANN WITH SPECIAL HONOREE TAYLOR SWIFT AT THE 2016 BMI POP AWARDS.

Year; and Brittany Howard of Alabama Shakes, who took the Powerhouse honor. Additionally, leading this year's class of inductions into the Songwriters Hall of Fame were renowned creators Nile Rodgers and Chip Taylor, with Nick Jonas taking the coveted Hal David Starlight Award and Seymour Stein receiving the Howie Richmond Hitmaker Award.

### BMI AWARDS

BMI saluted several towering talents for their incredible musical contributions at the Company's awards shows this year. Nile Rodgers, Graham Gouldman, Mac Davis, Barry Mann, Cynthia Weil, and James Newton Howard were all crowned BMI Icons; BeBe and CeCe Winans were feted at the Trailblazers of Gospel Music Honors, which was broadcast for the first time on TV One; Gloria Trevi received the BMI President's Award; composer David Newman took the Classic Contribution Award; and

Taylor Swift accepted a special award in her name for her unmatched talent and global influence, along with her work highlighting the need for music to be fairly valued in the digital age. In addition, BMI honored the legendary Graham Nash during our BMI Board of Directors dinner at the 68<sup>th</sup> Annual NAB Convention.

### FILM & TELEVISION HIGHLIGHTS

Revenue derived from cable and satellite-delivered entertainment was the largest contributor to BMI's domestic revenue for the third consecutive year, as a result of the outstanding music created by BMI's world-class composers. *Star Wars: The Force Awakens*, scored by the legendary John Williams, became the top grossing film in history, totaling over \$930 million. Of the top 10 films of the year, BMI composers scored 60%, also including *Deadpool*, *Batman v Superman: Dawn of Justice* (Tom Holkenborg aka Junkie XL), *Finding Dory* (Thomas Newman), *The*

*Hunger Games: Mockingjay-Pt. 2* (James Newton Howard) and *The Martian* (Harry Gregson-Williams). These six films alone accounted for nearly \$2.5 billion in box office grosses.

Over 70% of this season's primetime network TV shows featured themes and/or scores written by BMI composers, including *NCIS* (Brian Kirk), *Blindspot* (Blake Neely), *Empire* (Fil Eisler, Jim Beanz), *Scorpion* (Tony Morales, Brian Tyler) and *Life in Pieces* (Rob Simonsen). In addition, multiple hit cable series were enhanced by the music of BMI composers, such as *Game of Thrones* (Ramin Djawadi), *American Crime Story* (Mac Quayle) and *Fear the Walking Dead* (Atticus Ross). Furthermore, BMI composers scored critically acclaimed streaming media series *House of Cards* (Jeff Beal), *Orange is the New Black* (Gwendolyn Sanford) and *Transparent* (Dustin O'Halloran), all augmenting BMI's market share in this space.



BMI ICON JAMES NEWTON HOWARD AT THE 2016 BMI FILM/TV AWARDS.



BMI ICON NILE RODGERS AT THE 2015 BMI R&B/HIP-HOP AWARDS.

### INDUSTRY TRENDS

Building on the in-demand industry-wide trend of songwriting camps, BMI continued to bring together the best and brightest writers of diverse genres to create unique new compositions. Fearlessly collaborative, fruitful groupings were hosted by BMI throughout the year. The Retreat at Fontanel in Nashville brought together top pop and country writers, while the Los Angeles-based Write On! Song Camp, in partnership with Warner/Chappell Music, assembled writers from the Latin genre, resulting in 17 new songs. Internationally, BMI hosted its second BMI @ Abbey Road Songwriter Sessions in London, drawing writers from the Caribbean, Asia, South America, Europe and the U.S. BMI also invited songwriters from around the globe to Barbados for a song camp, in partnership with C2W Music, out of which came 18 new copyrights.

Social media remained a primary means of communication throughout the industry, with BMI's social channels deeply resonating with our creative community. Instagram followers increased by 122%, while YouTube subscribers grew by nearly 40%. Engagement, one of the best indicators of social media success, increased by 46% on Facebook and a staggering 475% on Twitter. Strikingly,

social posts pertaining to BMI's advocacy efforts performed well above average, indicating the potential involvement of our songwriters surrounding this issue.

In keeping with current trends, BMI also launched a Snapchat account and debuted an original video series, *60 Second Sessions*, to highlight BMI writers; participants have included Maren Morris, Gabriel-Kane Day-Lewis, Justine Skye and Rita Wilson. A new weekly Spotify initiative, *BMI #MusicMonday*, curated by the Writer/Publisher team, was developed to spotlight the scope and depth of the BMI repertoire.

BMI also produced several exclusive video interviews with BMI songwriters, showcasing the legendary work and massive influence of Barry Mann and Cynthia Weil; the vision and impact of Nile Rodgers; Gloria Trevi's groundbreaking influence; and the renowned husband-and-wife team Gloria and Emilio Estefan, whose Broadway musical, *On Your Feet*, relays the inspiring story of their journey to stardom through their iconic songs. Additionally, BMI celebrated John Williams' masterful score in *Star Wars: The Force Awakens* via a special interview with the luminary composer, which resulted in record page views for BMI's website.

## BMI SOCIAL MEDIA

↑  
INSTAGRAM  
122%  
GROWTH

↑  
YOUTUBE  
40%  
GROWTH

↑  
TWITTER  
475%  
ENGAGEMENT

↑  
FACEBOOK  
46%  
ENGAGEMENT

## ROSTER & REPERTOIRE



L-R  
PRESIDENT'S AWARD RECIPIENT GLORIA TREVI  
PERFORMS AT THE 2016 BMI LATIN AWARDS.

BMI ICON MAC DAVIS PERFORMS AT THE  
2015 BMI COUNTRY AWARDS.

BMI ICON GRAHAM GOULDMAN AT THE  
2015 BMI LONDON AWARDS.

### CAREER SUPPORT & OPPORTUNITIES

During the year, BMI demonstrated our ongoing commitment to nurturing our affiliates' careers from the ground up, facilitating invaluable industry connections and offering a myriad of opportunities to cultivate new collaborations and hone creative skills. From introducing bright new talent to decision makers and music fans at the Sundance Film Festival, SXSW, Bonnaroo and Lollapalooza, among other national platforms, to hosting a compelling program of events, such as How I Wrote That Song, the Lehman Engel Musical Theatre Workshop, the Jazz Composers Workshop and the Film Conducting Workshop, BMI continued to inspire, educate and advance the next generation of impactful music creators.

### INTERNATIONAL

BMI's unparalleled repertoire continued to be a lucrative export, generating impressive performances around the world. BMI powerhouses such as Lady Gaga, Taylor Swift and will.i.am created some of the most popular tracks internationally, while timeless songs by Paul Simon, Michael Jackson and John Fogerty were beloved global mainstays. Anthems such as "Let it Go" and perennial classics including "Daydream Believer" and "It's a Small World" enchanted audiences worldwide.

BMI's audio-visual revenue from international sources was bolstered by the massive contributions of BMI composers, including John Williams, Brian Tyler, James Newton Howard, and Harry Gregson-Williams on the big screen, whose captivating scores added an electrifying sonic dimension to the global viewing experience. Hit television series, including *Sportscenter*, *Mentalist* and *Person of Interest*, among others, featured music by BMI composers and remained enduring favorites of international audiences.

While our diverse roster of music makers continues to deliver the most artistically and commercially successful repertoire in the world, BMI's dedication to protecting their rights and maximizing their royalties remains stronger than ever.

**B**MI continues to set the bar, generating record-setting revenues of \$1.060 billion for the fiscal year ended June 30, 2016, and distributing and administering more than \$931 million to the songwriters, composers and publishers that BMI represents. This marks a 6% increase over last year and the Company's largest distribution ever. These figures also represent the most reported public performance revenue and royalty distributions by any music rights organization in the world.

Throughout the year, BMI continued our long-term commitment to diversifying revenue streams. This resulted in total domestic revenues of \$784 million, bolstered by banner results in our Digital and General Licensing categories. Revenue from digital sources, which exceeded \$100 million for the first time last year, totaled \$152 million, or 50%, over last year. Revenue from all Media Licensing, including radio, TV, cable, and satellite entertainment, totaled \$492 million, with cable and satellite-delivered entertainment accounting for the largest portion of BMI's domestic revenue for the third consecutive year. General Licensing reached an impressive milestone, and along with other income, hit a new high of \$140 million. BMI's international revenue came in at \$276 million, a 5% decrease compared to last year, due to an unfavorable foreign exchange rate. In local currency, we were up \$14 million, or 5%, over last year.

## DIGITAL LICENSING

Revenue from digital sources totaled \$152 million this year. Numerous new agreements were signed, notably, a multi-year license with Pandora settled years of rate court litigation and resulted in substantially increased royalty payments to BMI creators and copyright owners

**REVENUE FROM  
DIGITAL SOURCES  
TOTALED  
\$152 MILLION  
AN INCREASE  
OF MORE THAN 50%  
OVER LAST YEAR**

when their music is streamed on that service. Agreements were also signed with Spotify, Apple Music, Microsoft Video, Groove Music, MSN, Sony Playstation Video and Slacker, further strengthening BMI's presence in the digital space.

## GENERAL LICENSING

BMI's General Licensing team generated record revenues across numerous categories, notably eating and drinking establishments, among others. Overall, sales to 15,000 new businesses were added to the hundreds of thousands already in BMI's diverse portfolio. The ongoing growth of General Licensing continues to position BMI as the well-respected market leader in this category.

## INTERNATIONAL PERFORMANCE

BMI saw growth in international revenue in local currency, due to the continued high demand of BMI's music around the world. This growth was offset, however, by a decline based on foreign exchange rates against a strong U.S. dollar. To counter this trend, BMI continued to concentrate on assessing and supporting increasingly diverse global revenue

streams. This long-term strategy, paired with the perennial strength and appeal of the BMI repertoire, resulted in international revenues totaling \$276 million.

Through our continued partnership with CISAC and our active participation in FastTrack, which this year elected BMI President and CEO Michael O'Neill as Chairman of its Board, BMI continues to take a leadership role in the development of globally-accepted business standards and works identifiers. These ensure more efficient and accurate payments to our affiliates, wherever their works are performed around the world.

## TOTAL INTERNATIONAL REVENUE (MILLIONS)



**GENERAL LICENSING  
ADDED  
15 THOUSAND  
NEWLY LICENSED  
BUSINESSES  
IN FY16**

# PROTECTING THE FUTURE OF MUSIC



BMI SONGWRITERS BOB DIPIERO (CENTER) AND LEE THOMAS MILLER (RIGHT) SPEAK WITH HOUSE JUDICIARY COMMITTEE CHAIRMAN BOB GOODLATTE FOLLOWING THE CHAIRMAN'S LISTENING SESSION AT BELMONT UNIVERSITY.

**B**MI's role in protecting the future of music is now more critical than ever, as creators, copyright owners, music users and the broader music industry face complex challenges. Much of the activity during the past year focused on BMI's engagement with the U.S. Department of Justice (DOJ) in pursuit of two objectives: to update our consent decree to reflect the modern music marketplace; and to preserve the long-established industry practice of fractional licensing.

In August, the Antitrust Division of the DOJ declined to address BMI's request for consent decree reform, as well as ASCAP's similar request to update its decree. Instead, the DOJ volunteered an interpretation of the PRO decrees as requiring 100% licensing, a model that contradicts the way the industry has operated for the past 50 years. In response, BMI and ASCAP joined forces to challenge the DOJ's interpretation, BMI through litigation and ASCAP through legislative efforts. Information detailing BMI's victory in this matter can be found below.

Concurrently, on the legislative front, BMI continued to both engage the creative and business communities and secure Congressional support for our robust public policy agenda surrounding

copyright law reform. These extensive activities seek to realize full and fair value for the use of creators' and copyright owners' work in the digital environment. Greater detail on these legislative efforts is also available below.

## BMI PREVAILS OVER DOJ

Guided by the best interests of all industry stakeholders, in August BMI challenged the DOJ's interpretation of the BMI consent decree in Federal Court. In a September decision, the Court rejected the DOJ's interpretation and ruled in BMI's favor, concluding that nothing in BMI's consent decree prevents the Company from engaging in the fractional licensing of musical works. This decision, which is the current controlling interpretation of BMI's decree, aligns with the longstanding industry practice of fractional licensing in the music marketplace. In November of 2016, the DOJ filed a motion to appeal this decision, and BMI is well prepared to once again defend our position before the Court of Appeals for the Second Circuit.

**BMI** ABOUT CREATORS MUSIC USERS NEWS VIDEO ADVOCACY LOGIN Search Site or Repertoire

# BMI Members Say "No" to 100% Licensing!

Nearly 13,000 of you made your voices heard.

As you know, the U.S. DOJ is reviewing BMI and ASCAP's consent decrees and is now considering an interpretation that would change the way the PROs license music co-written by writers from different PROs. Specifically, the DOJ would abandon the long-established industry practice of dealing fractionally with split works (co-written songs) in favor of a mandatory 100% licensing model.

As a songwriter, this would greatly impact your choice of collaborators, as well as which PRO pays your royalties and the value you receive for the use of your creative work. As a publisher this would also affect you, as, like songwriters, you have carefully selected BMI as your PRO. You, too, would be subject to many of the same ramifications as your writers.

The DOJ's review of this important issue continues. At the end of its invitation for public comment on November 20, BMI delivered a letter signed by nearly 13,000 of our affiliates opposing the practice of 100% licensing. To see all of the public comments submitted to the DOJ, [click here](#).

**The Facts About Fractional vs. 100% Licensing**

Today, and historically, BMI and ASCAP, and the licensees who use your music, have operated under a model where each PRO collects for and pays out for only the shares of musical works each represents in its respective repertoire; this practice is known as fractional licensing. It allows a co-owner to license only their own share in a work and receive direct payment from their PRO for that share. To put it simply, we collect and pay

Thank You For Your Support

**BMI's submission period is now closed.**

Thank you to all who have signed. Nearly 13,000 affiliates took part and we have let the DOJ know where you stand on this important issue.

[See Songwriter Letter](#) [See Publisher Letter](#)

[Learn more about how BMI advocates for creators](#)

**BMI'S ONLINE CAMPAIGN HELPED NEARLY 13,000 BMI AFFILIATES MAKE THEIR VOICES KNOWN TO THE DOJ ON THE ISSUE OF FRACTIONAL VS 100% LICENSING.**

### LEGISLATIVE UPDATES

At the root of BMI's public policy agenda surrounding copyright reform is the industry's ongoing digital transformation. Along with a coalition of music industry partners, BMI led the charge in continuing to garner Congressional support for the Songwriter Equity Act (SEA), which gained 41 co-sponsors in the House of Representatives and six in the Senate. The SEA is designed to modify copyright law to allow BMI and ASCAP's rate court judges to examine all relevant evidence of marketplace deals before determining fair compensation for songwriters, composers and publishers. It is the only bill that was introduced by the music industry in the 114th Congress that gained both bicameral and bipartisan support.

In July of 2015, BMI spearheaded an online campaign that activated our songwriters to contact their Members of Congress and urge their support for the SEA; nearly 4,000 messages were sent by December 2016. While the bill was not passed in the 114th Congress, this initiative enabled Members of Congress to understand an issue of great importance to their constituents and to receive the unique perspectives of music creators themselves. BMI expects that this legislation, either in its current form or as a key element of a broader copyright reform legislative package, will be reintroduced in the 115th Congress. BMI will continue to re-engage with Congress and call on its affiliates again to make their voices known on this issue.

As part of BMI's efforts to bring together songwriters and legislators, Congressman Bob Goodlatte (R-VA), Chairman of the House Judiciary Committee and one of the first supporters of music copyright law reform, visited BMI's Nashville office

last July to meet with BMI writers Mac Davis, Bob DiPiero and Ashley Monroe, who shared the struggles they, and other creators, face today. In addition, BMI songwriters DiPiero and Lee Thomas Miller (also the President of Nashville Songwriters Association International) joined Chairman Goodlatte at the first stop of the House Judiciary Committee's copyright review "Listening Tour" at Belmont University in Nashville. During the roundtable discussion, DiPiero and Miller presented their challenges as songwriters in today's environment.

On Capitol Hill, BMI and some of our songwriters and composers walked the halls of Congress advocating for action on music legislation reform, including as part of the "GRAMMYS on the Hill" event, during which BMI writers Ricky Reed and Evan Bogart lent their support. Additionally, BMI engaged in thoughtful dialogue about the challenges facing songwriters and composers with U.S. Intellectual Property Chief Danny Marti, the U.S. Patent and Trademark Office and on industry panels nationwide.

On the creative front, BMI executives hosted a series of informational sessions with music creators on the legislative and governmental issues affecting their careers, as well as on BMI's efforts in seeking reform to better meet their needs in the modern music landscape.

### GLOBAL ADVOCACY

BMI's mission to protect the value of our affiliates' creative work is ongoing worldwide. BMI represents our affiliates on global policy and legislative issues through the active involvement of a broad BMI team with CISAC-sponsored committees and working groups, including the CISAC Board of Directors, Global Policy Committee and various regional and technical business committees.

Looking ahead, BMI will remain on the front lines in Washington, D.C., intensifying our efforts to protect the rights, royalties and creative freedom of our affiliates in a dynamic music rights environment.



L-R  
BMI SONGWRITER MAC DAVIS, CHAIRMAN BOB GOODLATTE AND BMI SONGWRITERS ASHLEY MONROE  
AND BOB DIPIERO WITH BMI PRESIDENT AND CEO MICHAEL O'NEILL IN BMI'S NASHVILLE OFFICE

Innovation defines both BMI's heritage and our future as the premier music rights administration organization, as we continue to make advancements to better serve the evolving needs of creators and music users. During the year, BMI made great strides in the areas of optimizing and integrating core services while introducing new capabilities and systems to align with the strategic direction of the industry.

BMI processed more than one trillion audio performances this year, with digital performances accounting for more than 950 billion of that total. Since 2012, BMI's cumulative processing of streamed music has increased by 295%, surpassing the two trillion mark for performances. These figures indicate the Company's exceptional abilities to manage the increasing volume of data in this exponentially growing sector.

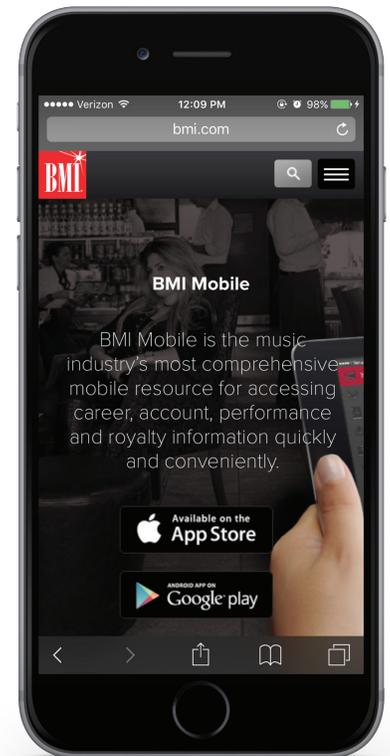
The BMI mobile app version 2.0 continues to garner success, with approximately 80,000 new users installing and using the app since its launch in 2013. Over 35% of that total were first time users during this year, with a multiple visit return rate of approximately 88%. BMI mobile users viewed two million screen sessions this year, representing a broad consumption of services, including BMI Live, Royalty Statement Viewing, Direct Deposit Management and Registered Works with BMI.

### BMI MOBILE APP

**80,000  
NEW USERS  
SINCE 2013**



**NEARLY  
30,000  
NEW USERS  
IN FY16**



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**AUDIO PERFORMANCES EXCEEDED  
ONE TRILLION THIS YEAR, WITH DIGITAL  
PERFORMANCES ACCOUNTING FOR  
MORE THAN 950 BILLION**

### OPERATIONS, DISTRIBUTION & ADMINISTRATION HIGHLIGHTS

BMI's Operations, Distribution and Administration team processed 58,000 new songwriter, composer and publisher applications this year, bringing our total number of affiliates to nearly 760,000. Additionally, the total number of musical works now licensed by BMI has reached nearly 12 million.

In response to the needs of music users and creators, BMI updated our online repertoire database to include ISWC-based search capability, as well as the ability to view publisher catalogs and shares controlled by BMI at the work level. In addition to enhanced functionality, technical upgrades greatly improved the presentation and usability of the data by applying modern responsive design, delivering a compelling repertoire search on any device.

BMI Live continues to create considerable value for our affiliates, with ongoing year-over-year growth in submissions and payments. Since inception in 2011, nearly 450,000 performances have been submitted across 100,000 venues, which has resulted in over 30,000 writers, composers and publishers being paid for their performances. Additionally, BMI's 100% paperless initiative continues to resonate, with affiliates now receiving direct deposit for more than 70% of all distributions.

### GLOBAL FOCUS

With the support of FastTrack and CISAC, BMI led the charge in furthering the development of Cis-Net for Rights Holders, an interface for publishers and creators to search and view musical work information stored in CMOs around the world through a single point of access.

As the world hones its focus on transparent, authoritative and actionable music ownership and performance data, supporting technology solutions to optimize these objectives remains one of BMI's top priorities.

IN FY16  
**58,000**  
NEW SONGWRITERS,  
COMPOSERS AND  
PUBLISHERS  
JOINED BMI

TOTAL NUMBER OF  
AFFILIATES  
NEARLY  
**760,000**

TOTAL NUMBER OF  
MUSICAL WORKS NOW  
LICENSED BY BMI  
NEARLY  
**12 MILLION**

The screenshot shows the BMI Live website interface. At the top, there is a navigation menu with links for ABOUT, CREATORS, MUSIC USERS, NEWS, VIDEO, ADVOCACY, and LOGIN. A search bar is located on the right side of the header. The main content area features a large banner with the text "Get Paid for Live Performances with BMI Live" and a prominent red "Get Started!" button. Below the banner, a "contact us" link is visible. A horizontal row of five circular icons represents the user process: a person icon for "STEP 1 Join", a lock icon for "STEP 2 Login", a musical note icon for "STEP 3 Perform", a document icon for "STEP 4 Report", and a dollar sign icon for "STEP 5 Get Paid!". At the bottom of the page, there is a "Further Questions?" link and a testimonial from Jessi Darlin / Those Darlins, which includes a small circular portrait of her and a quote: "Getting paid? Sometimes it is hard. BMI Live helps us get paid for when we play our songs live even at medium to smaller venues. Every bit helps and we're grateful that BMI has our back."

