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[Home](#) > Court Settlement Concerning Radio Fees, ASCAP and BMI

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[1]

By Dwight Worden

On January 27, 2012, Federal Judge Denise L. Cote of the Federal District Court for the Southern District of New York approved a settlement resolving two years of litigation between the Radio Musical License Committee (RMLC) and the American Society of Composers, Authors and Publishers (ASCAP), concerning the fees payable by U.S. commercial radio to publicly perform ASCAP's 8.5 million+ musical works. Shortly thereafter a similar settlement with Broadcast Music, Inc. (BMI) was announced.

The RMLC represents a majority of U.S. radio stations (10,000+ stations), while ASCAP represents approximately 425,000 songwriters, composers, and music publisher members, and BMI represents approximately 500,000 songwriters, composers, and music publisher members, and 7.5 million musical works.

The settlements reflect a change in the calculation method for fees that radio stations pay to ASCAP and BMI, caused by a return to a revenue-based fee structure of 1.7% of revenues. The ASCAP and BMI settlements are similar, but not identical, with the ASCAP settlement having received court approval as of this writing and the BMI settlement pending court approval.

No one knows exactly what the future revenues will be, and therefore the amount of the fees is not known, but the RMLC projects a reduction in the fees radio will pay to ASCAP and BMI, while ASCAP and BMI project a possible dip in the fees in the early years, followed by increasing fees as future revenues climb. The settlement covers the seven-year period from 2010 to 2016.

RMLC Chairman Ed Christian, CEO of SAGA Communications, responded to news of the ASCAP settlement with this statement: "This is a gratifying result for the radio industry, which reflects the current realities of our industry and puts the industry back on sound footing insofar as its licensing relationships with ASCAP are concerned. We appreciate the goodwill which ASCAP has demonstrated in working with our industry to get this resolution."

John LoFromento, ASCAP CEO, commented: "The process of building this agreement was based on mutual trust and appreciation, and reflected both sides clear understanding of the challenges and opportunities we each see for the future. I want to thank the Radio Musical License Committee for its creative approach and respecting the value provided by music creators in our negotiations."

To learn more, visit?

ASCAP at http://www.ascap.com/press/2011/1205_ASCAP_RMLC.aspx [2]

RMLC at <http://www.radiomlc.org/> [3]

BMI at <http://www.bmi.com/> [4]

Tags:

[ASCAP](#) [5]

[BMI](#) [6]

[RMLC](#) [7]

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Links:

[1] <https://ibma.org/press/archives/court-settlement-concerning-radio-fees-ascap-and-bmi>

[2] http://www.ascap.com/press/2011/1205_ASCAP_RMLC.aspx

[3] <http://www.radiomlc.org/>

[4] <http://www.bmi.com/>

[5] <https://ibma.org/tags/ascap>

[6] <https://ibma.org/tags/bmi>

[7] <https://ibma.org/tags/rmlc>