

Milbank

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April 15, 2020

VIA ECF

Honorable Louis L. Stanton
Daniel Patrick Moynihan
United States Courthouse
500 Pearl St.
New York, NY 10007-1312

Re: *Radio Music License Comm., Inc. v. Broad. Music, Inc.*, 18 Civ. 4420 (LLS)

Dear Judge Stanton:

We write on behalf of Respondent Broadcast Music, Inc. (“BMI”) to update the Court on the status of BMI’s efforts to implement its agreement with the Radio Music License Committee, Inc. (“RMLC”) and to request that the Court unseal the Exhibits attached to the Order (*see* Dkt. No. 132) at its earliest convenience.

In accordance with the Order entered by the Court (Dkt. No. 131), BMI will today make a copy of the Order and the BMI 2017 Radio Station Blanket/Per Program License available on BMI’s website at www.bmi.com. BMI has also begun the process of providing written notice of BMI’s agreement with the RMLC to the roughly 10,000 radio stations and station groups that have agreed to be bound by the outcome of this Proceeding. A copy of that written notice is attached hereto.

MILBANK LLP

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Hon. Louis L. Stanton
Page 2

As always, we thank the Court for its assistance and we are available to answer any questions the Court may have.

Very truly yours,

/s/ Atara Miller
Atara Miller



David Levin
Senior Vice President
Licensing

April 14, 2020

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CONTACT.NAME
ACCOUNT.NAME
STREET_LINE_1__C
CITY__C, STATE__C ZIP__C

Dear General Manager:

We hope that this letter finds you, your staff, and your collective families healthy and safe in these trying times for us all. We are sure that your station's role in supporting your market is more important now than ever. On behalf of the one million songwriters BMI represents, we are proud to play a part in helping you to do so.

As you likely saw in our joint announcement in February with the Radio Music License Committee ("RMLC"), BMI and the RMLC reached an agreement on final fees for the BMI Radio Station Blanket/Per Program License Agreement (the new "BMI-17 License") which covers your radio station for the period January 1, 2017 through December 31, 2021. There is no need to sign the agreement since your station previously agreed to be bound by the terms of the new license. Outlined below are the terms of the new agreement and importantly some relief BMI is providing to your station in these difficult times.

- **FINAL RATES for 2017-2021.** For the term of the license, 2017 through 2021, stations electing to operate under a blanket license will pay 1.78% of gross revenue from radio broadcasting, less a standard deduction of 12%, if applicable (see important information regarding the availability of the deductions below). Stations will also pay 1.78% of gross revenue from new media transmissions, less a 30% deduction, if applicable, from display advertisement and sponsorship revenue from station websites and a 25% deduction, if applicable, from revenues generated from advertisements and sponsorships embedded in digital streams, including pre- and post-roll advertisements. Stations operating under a per program, or "program-period," license and that have no performances of feature BMI music will pay a fee of 0.31% of gross revenue, less the same deductions noted above. Supplemental fees for feature music performed by program-period stations will be consistent with those under the 2010 BMI Radio Station Blanket/Per Program License Agreement (the "BMI-10 License").
- **ADJUSTMENT TO INTERIM FEES.** The new BMI-17 License agreement provides that interim fees owing from 2017 to date will be adjusted to account for the differences between the interim and final rates. To give stations more time to pay their fee adjustments, BMI and the RMLC agreed to a nine-month installment payment process to begin on July 1, 2020 and end on March 1, 2021. **BMI appreciates that the strain on stations may last for some time and, as such, we will postpone the start of the installment payment process until September 1, 2020. Rest assured that station(s) will not incur any late penalties for any balance of the retroactive fee, so long as it is paid in full within the nine-month payment period, ending May 31, 2021.** We hope that this provides a helpful bit of flexibility to your station(s) during this challenging time.

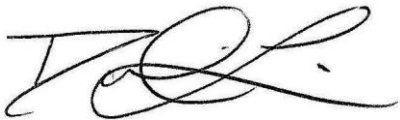
- **ANNUAL FINANCIAL REPORTS (“AFRs”).** BMI and the RMLC agreed that stations would be required to file 2019 AFRs by June 1, 2020. **However, BMI recognizes that the current widespread disruption to normal business practices might create a potential hardship on stations to meet that deadline. To that end, BMI will provide stations an additional month to meet the 2019 AFR reporting requirement. As such, stations now have until July 1, 2020 to submit their 2019 AFR.** Stations may also need to certify the accuracy of the 2017 and 2018 AFRs they previously submitted to BMI based upon certain clarifications to the definition of gross revenue in the new license. If stations require a correction to their 2017 and/or 2018 AFRs, BMI will make available a report form to account for such corrections and such corrected AFR(s) should be submitted with the 2019 AFR by no later than July 1, 2020.
- **GROSS REVENUE DEDUCTIONS UNDER THE NEW LICENSE.** The new license makes clear that gross revenue includes amounts reflecting known or accrued buy-side commission amounts or discounts. Stations that do not report such commissions or discounts for their outside sales with buy-side commissions or discounts, or otherwise report to BMI on a cash basis, may not take the deductions. New media revenue includes full station website or app revenue, subject to the deductions noted above, as applicable. These clarifications should be taken into account in the 2019 AFR as well as whether your station needs to amend its 2017 and/or 2018 AFR(s).

If you have any questions concerning the terms of the agreement, please feel free to contact us by phone or email:

Broadcast Music, Inc.
Phone: 800-925-8451
E-mail: customerrelations@bmi.com

If you would like a copy of the full BMI-17 License, or a copy of the final order of the court ending the BMI/RMLC rate court proceeding, formally approving the BMI-17 License and deeming the stations listed on the final order as bound to its terms, copies of both are available at <http://www.bmi.com/radio> for your reference. On behalf of BMI affiliated songwriters, composers and music publishers, we thank you for performing BMI music and we wish you and your team good health and safety.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Levin', with a stylized flourish at the end.

David Levin
Senior Vice President
Licensing