



NRBMLC-2005

Radio Station License Agreement Q & A

Q: What is the term of the new license agreement?

A: The agreement term is 6 calendar years with a renewal option for a further 3 calendar years. The initial term commences retroactive to January 1, 2005 and ends on December 31, 2010.

Q: Who negotiated this license agreement?

A: The NRBMLC (National Religious Broadcasters Music License Committee) negotiated this license agreement with BMI on behalf of their affiliated stations.

Q: What stations are eligible to sign this license agreement?

A: Commercial radio stations (1) represented by the NRBMLC and licensed under the interim NRBMLC-1998 License Agreement as of January 1, 2005, or (2) purchased after January 1, 2005 by an owner or an affiliate of an owner (under common ownership or control) of a station already licensed under this agreement.

Q: What type(s) of broadcasting does the license agreement cover?

A: The license agreement covers your radio station's over-the-air analog signal. In addition, we have included coverage, on an experimental basis, for digital multicasting signals (up to \$50,000 in net revenue per channel) and the simultaneous streaming of the analog and/or digital multicast signals over the Internet on the station's website. Note: If your Digital Multicasting station exceeds \$50,000 in net revenue it must sign a separate Digital Multicasting Station License Agreement.

Q: What are the new license fee rates under this license agreement?

A: **Blanket Rates:**

Calendar Year	Rate to be applied to Revenue Subject To BMI Blanket Fee:	
	If Net Revenue >= \$150,000*	If Net Revenue < \$150,000*
2005	1.725%	1.553%
2006	1.735%	1.562%
2007	1.740%	1.566%
2008	1.745%	1.571%
2009	1.750%	1.575%
2010	1.750%	1.575%

- The \$150,000 Revenue Subject To Blanket Fee threshold applies to 2005 only and will be adjusted by the CPI increase each subsequent year of the license agreement term.

The 2005 minimum annual Blanket license fee is **\$500** and will be adjusted by the CPI increase each subsequent year of the license agreement term.

Per Program Rates:

The 2005 minimum annual Per Program license fee is **\$382** and will be adjusted by the CPI increase each subsequent year of the license agreement term.

Calendar Year	Base Fee Rate (to be applied to Adjusted Net Revenue)	Feature Fee Rate (to be applied to Revenue Subject To Feature Fee)
2005 – 2006	0.10%	2.25%
2007 – 2010	0.09%	2.25%



Broadcast Signal Streaming: the applicable fee rate will depend upon whether your station is licensed as Blanket or Per Program:

For Blanket-licensed stations, the same fee rate used to compute the radio station's annual license fee will be applied to Radio Station Web Site Revenue.

For Per Program-licensed stations, an effective rate derived from the radio station's annual license fee will be applied to the Radio Station Web Site Revenue. The effective rate percentage is calculated by dividing the total annual license fee by the reported Net Revenue.

The 2005 minimum annual streaming license fee is **\$283** and will be adjusted by the CPI increase each subsequent year of the license agreement term.

Digital Multicasting: Each Digital Multicasting station broadcasting content different from the Radio Station Signal with net revenue less than \$50,000 per annum will have an annual license fee of **\$250** for 2005, which is then adjusted by the CPI increase each succeeding year of the license agreement.

Q: What is the deadline for submitting a station's Annual Financial Report?

A: Annual Financial Reports for the preceding calendar year are due back to BMI by April 1 or 45 days after receiving a report request from BMI, whichever is later.

Per Program Station Questions:

Q: How has the Per Program reporting requirement changed?

A: Under the new NRBMLC-2005 license agreement, stations are required to submit quarterly music reports for one week per calendar quarter starting in 2006. Stations will be notified in writing 30 days in advance of the Quarterly Music Report period. Quarterly Music Reports are due within 30 days following the report period and required of **all** Per Program-licensed stations, regardless of music use or format. The reporting basis has changed from 30-minute programs to clock 15-minute programming periods, from which the Weighted Programming Periods Subject to Feature Fee values are derived and used to compute your station's Feature Fee on the Annual Financial Report. BMI's free online reporting application, Radio Select, will be available for the submission of Quarterly Music Reports.

Q: What happens if a station fails to submit a Quarterly Music Report to BMI within 30 days?

A: The first and second delinquent or missed reports, otherwise known as Instances, result in a written warning. All subsequent Instances result in your station being charged the Blanket License fee equivalent for each of the three months following the quarter the report was due. Instances and accompanying charges cannot be remedied by the late submission of an outstanding report. Ultimately, failing to submit multiple reports could result in being involuntarily converted to the Blanket License.

Q: Do stations have to submit Quarterly Music Reports for 2005 to replace the Monthly Music Reports previously submitted in order to complete the 2005 Per Program Annual Financial Report?

A: No, additional music use reports for 2005 are not needed. The January through June 2005 Monthly Music Reports submitted under the interim term will be utilized for the computation of the Feature Fee for your 2005 Per Program Annual Financial Report.

Q: How do I change my station's license type and when would the license switch be effective?

A: License switches become effective the 1st day of any prospective month provided the request is made in writing to BMI 30 days in advance and the station is current in all reports and payments due BMI. Submitting a completed Election to Change License Type form (Exhibit A to the license agreement) to BMI fulfills the written notice requirement. License switches are permitted up to 2 times per calendar year.

**For additional information, please contact your BMI Representative at:
licensing@bmi.com**

