

The ASCAP Payment System



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How You Get Paid At ASCAP

ASCAP receives payment for public performances of songs and compositions by negotiating license fees with the users of music (radio, TV, cable, bars, clubs, restaurants, shopping malls, concert halls and promoters, web sites, airlines, orchestras, etc.) and distributing these monies to members whose works were performed.

ASCAP pays directly and fairly. ASCAP is guided by a “follow the dollar” principle in the design of its payment system. In other words, the money collected from television stations is paid out to members for performances of their works on television; the money collected from radio stations is paid out for radio performances, and so on. ASCAP tracks music use on these and other media and live venues to determine which music has been performed, and the appropriate writers and publishers to be paid.

The value of each performance is determined by several factors, among them the amount of license fees collected in a medium (television, cable, radio, etc.), the type of performance (visual vocal, background music, theme song, jingle, etc.) and the economic significance of the licensee (how much a station pays us).

There are billions of performances licensed by ASCAP each year. ASCAP is committed to paying our members for these performances fairly, accurately and efficiently. ASCAP collects and distributes more money in performance royalty income than any other organization and our payment system is by far the fairest and most objective in the U.S.

Because ASCAP is owned and governed by its members, we have a strong commitment to maximizing payments to members. In most situations, you will find that ASCAP pays more than our competitors over the life of a copyright.

As a condition of ASCAP membership, all writer and publisher members agree that, even in work-for-hire situations, the writer and not the employer will be paid the writer's share of ASCAP performing rights royalties. In addition, ASCAP's Articles of Association provide that, with only very limited exceptions unrelated to work-for-hire situations, writer's royalties “shall not be sold or otherwise disposed of.” Hence, subject only to those very limited exceptions, ASCAP will not honor an irrevocable assignment of writer's royalties but will, notwithstanding such an assignment, pay writer's royalties only and directly to the writer member-in-interest.

We hope this information will help you to understand the overall design of the ASCAP payment system and the many factors that go into calculating how much a particular performance is worth, as it explains the steps from performance to royalty check.

Registering Your Works With ASCAP

One of the first steps to getting paid is making sure your works are registered at ASCAP. After all, we can't pay you for the performance of a work if we don't know you are the writer or publisher. Once we identify a work that has been performed, we must determine the appropriate writer and publisher members to be paid. To do that, we rely on information supplied to us by our members through our **TITLE REGISTRATION SYSTEM**. In most cases, the publishing company of a work will register the title with ASCAP by supplying information with respect to title, writers, publishers and royalty shares. Writers who publish their own works must register their titles directly.

General Information					
Title: SHINE THE LIGHT ON ME					
Genre: POP			Duration: Hours: 0 Minutes: 0 Seconds: 0		
Publishers					
Name (Controlled Publishers are in bold face)	Society	Type	Own%	Territory	Collection%
CPJ MUSIC PUBLISHING	ASCAP	Original Publisher	50.00	World (*WL)	50.00
Total Publisher Ownership 50.00%					
Writers					
Name (Controlled writers are in bold face)	Society	Type	Ownership %		
ALVAREZ, SHAWN	ASCAP	Composer/Author	50.00		
Total Writer Ownership 50.00%					
Recording Information					
Artist Name SHAWN ALVAREZ					

In order to credit members for performances of their works on television and cable, ASCAP must have a **CUE SHEET** on file. Cue sheets list detailed information on all of the writers and publishers who have music in a show. Cue sheets are usually submitted to ASCAP by the producer of a film or television program.

MUSIC CUE SHEET					
Program: XYZ SHOW Episode: #016		Air Date: 5/9/97		Air Time: 8PM, EST	
TITLES OF MUSICAL COMPOSITIONS	TIMING OF MUSIC USED	TYPE OF USAGE	COMPOSERS/ LYRICISTS	PUBLISHER/ COPYRIGHT OWNER	AFFILIATION
Red Dress	1:32	B/I	Alan Smith	Rock Salad Music	ASCAP
			John Brandt		ASCAP
XYZ Theme	:54	T	Connie Raye	Madras Soul Music	ASCAP
			Jose Mustov		
			Carol Siga		
Piasta Dance	:35	B/I	Keith Mao	Magpie Bullet Songs	ASCAP
Stand Up For Me	1:23	VV	Lou West	Girlfish Publishing	ASCAP
			Paul Cava	Woem Music	ASCAP
			Diane Quon		ASCAP
			Ed Provost		ASCAP

Who Does ASCAP Collect From?

Once you've registered your works with ASCAP, they become part of the ASCAP repertory for which we collect performance royalties. We do this by negotiating with and collecting license fees from the users of music—our customers—who perform the works in our repertory.

Most customers pay ASCAP an annual **BLANKET LICENSE FEE** for the right to use any music in the ASCAP repertory. Some local radio and television stations opt for a **PER PROGRAM LICENSE**, under which they only pay ASCAP for programs containing ASCAP music not otherwise licensed. Every penny we collect, less operating expenses, is distributed to our members whose works were performed.

ASCAP Customers:

- The three major television networks: ABC, CBS and NBC
- Public television - the Public Broadcasting System (PBS) and its affiliated stations
- The majority of the 11,000 cable systems and virtually all of the cable program services
- Over 1,000 local commercial television stations, including affiliates of the Fox, Paramount (UPN), Warner Bros. (WB) Networks and PAX
- The Univision Television Network and its stations
- About 11,500 local commercial radio stations
- About 2,000 non-commercial radio broadcasters, including college radio stations and National Public Radio (NPR) stations
- Hundreds of background music services (such as MUZAK, airlines)
- About 2,300 colleges and universities
- About 5,700 concert presenters
- Over 1,000 symphony orchestras
- Over 2,000 web sites
- Tens of thousands of "general" licensees: bars, restaurants, hotels, ice and roller skating rinks, circuses, theme parks, veterans and fraternal organizations and more.



Look for the ASCAP Customer sticker! This indicates that an establishment pays an ASCAP licensing fee for the music they use.

Keeping Track of Performances

Each year, there are billions of performances of ASCAP music in the hundred thousand or more broadcast and live venues we license throughout the country. Whenever it is economically sensible, ASCAP will conduct a **CENSUS SURVEY**, or complete count, of performances in a medium. ASCAP is able to count all performances in a medium when the cost of collecting and processing accurate performance information is a low enough percentage of the revenues generated by that medium.



Where a census survey is impractical, we conduct a **SAMPLE SURVEY** designed to be a statistically accurate representation of performances in a medium. All times of the day, all days of the year, every region of the country and all types and sizes of stations are represented in the ASCAP sample surveys. The greater the fee a licensee pays us, the more often that licensee is sampled. For example, a station that pays us \$20,000 in licensee fees is sampled twice as much as a station that pays ASCAP only \$10,000.

The ASCAP Surveys

The following chart outlines the various media, including broadcast, cable, on-line, and live shows, where we conduct a complete count of performances and where we conduct a sample survey.

It is important to remember that as digital information becomes more readily available, ASCAP expands our complete count of performances and relies on samples only where it is necessary.

MEDIUM	THE CENSUS SURVEY (Complete Count of Performances)	THE SAMPLE SURVEY
Network Television	<ul style="list-style-type: none"> • ABC, NBC, CBS - all performances, including music in commercial, promotional and public service announcements. • Fox, UPN, and WB - all programs and promotional announcements • Univision and PAX - all programs 	<ul style="list-style-type: none"> • All other uses
Local TV	<ul style="list-style-type: none"> • All syndicated programs and movies • Locally produced programs for which ASCAP is paid on a per-program license basis 	<ul style="list-style-type: none"> • All other programs • Music in commercial, promotional and public service announcements
Cable TV	<ul style="list-style-type: none"> • All general entertainment cable networks, premium movie services and selected sports services. In addition, all series and movies on MTV and VH1. If you would like a complete list of surveyed cable services, please contact ASCAP's Member Services Department. 	<ul style="list-style-type: none"> • All other programs and uses on these major cable services • All uses on other licensed cable services
Cable TV – Local Cable Systems		<ul style="list-style-type: none"> • All programs and music in commercials, promotional and public service announcements.
Music Choice		<ul style="list-style-type: none"> • A sample of all channels
PBS	<ul style="list-style-type: none"> • All PBS programs, syndicated programs and films on stations with \$20,000 or more annually in license fees 	<ul style="list-style-type: none"> • All other programs and uses
Live Concerts	<ul style="list-style-type: none"> • All songs performed in the 200 top-grossing concert tours, as well as selected other major live performance venues, covering headliners and opening acts • Live symphonic and recital concerts 	<ul style="list-style-type: none"> • Performances in educational institutions
Radio		<ul style="list-style-type: none"> • All radio including commercial stations, National Public Radio, college radio stations, and satellite radio
Internet	<ul style="list-style-type: none"> • ASCAP-licensed Internet sites and Ringtone licenses that provide us with complete data on music use 	<ul style="list-style-type: none"> • Other ASCAP-licensed Internet sites
Background and Foreground Music Services	<ul style="list-style-type: none"> • The Environmental Channel and FMI satellite services of MUZAK • The On-Premise and satellite services of DMX 	
Other Media	<ul style="list-style-type: none"> • Ringling Brothers Circus • Disney On Ice • Radio City Music Hall Christmas and Easter Shows • Disney, Universal, Six Flags and Busch Gardens Theme Parks • Banco Popular • Digital Jukeboxes (e.g. Touchtunes) 	<ul style="list-style-type: none"> • Airlines
Supplemental Survey Of Library Music		<ul style="list-style-type: none"> • ASCAP, with the assistance of library music publishers, identifies and credits performances of non-feature music on radio, local television, cable networks and local cable systems which have not been identified using other techniques. Randomly selected survey tapes are edited and sent to library music publishers for identification. For further information, please contact ASCAP's Member Services Department at 1-800-95ASCAP.

The ASCAP Surveys *(continued...)*

CABLE TV SAMPLE SURVEY DATES

ASCAP conducts a sample survey of music used in commercial, promotional and public service announcements on cable TV. The sample dates and times for each cable network are available by clicking on the link below.

<http://www.ascap.com/about/payment/cablesurveys.html>

If you would like to submit performance information related to these networks for the corresponding date and time period, please contact ASCAP's Member Services at 1-800-95ASCAP. We will be pleased to provide you with further information.

General Licensees & Special Monetary Awards

Of course, it would be impractical to monitor all performances in bars, clubs, restaurants and the like. ASCAP licenses tens of thousands of music users, such as these, that do not fall into the ASCAP surveys. The monies collected from these establishments goes into a "general" licensing fund and is paid out to members on the basis of feature performances on radio and all surveyed performances on television.

ASCAPPLUS AWARDS PROGRAM FOR WRITER MEMBERS

ASCAP also compensates our writer members for substantial performance activity in media and venues that are not included in our surveys, or whose works have a unique prestige value, through our ASCAPPLUS Awards Program (formerly Special Awards).

While ASCAP funds the ASCAPPLUS Awards Program, all award determinations are made solely by distinguished members of the music community who are neither members nor employees of ASCAP.

These panelists exercise their independent judgement in determining which members shall receive awards and in what amounts. The ASCAPPLUS Awards Program is not a contest or a competition whereby any specific work or works are critically evaluated by the panels. It is the activity generated by each writer's catalog (particularly in regard to recent performances) as noted by each member on their Awards application that serves as the primary basis for the panels' determinations.

For more information and application materials: <http://www.ascap.com/ascapplus/>

ASCAP is the only performing rights organization with an awards program of this kind. These awards go a long way in encouraging many of our active writers in the early stages of their careers as well as established writers whose main activity is outside of broadcast media.

ASCAP has a similar program — the ASCAP International Awards Program — for members of affiliated foreign societies whose works contained in the ASCAP repertory are substantially performed in American venues that are not surveyed.

Identifying Performances

ASCAP relies on a combination of sources for data to identify performances on each medium. ASCAP is committed to a high standard of accuracy in identifying performances and has developed many technological innovations that have set international standards.

TELEVISION

In order to identify what musical works are performed on both broadcast and cable television, ASCAP uses cue sheets provided to us by the program producers or broadcasters combined with computer based program schedules, network or station logs, and tapes of actual broadcasts which are then analyzed by ASCAP's music experts. Cue sheets list detailed information on all of the composers, writers and publishers who have music in a show, and the type of music usage. Types of music usage include feature performances, underscoring, themes, etc. We must have a cue sheet on file in order to make payment. Among ASCAP's many technological innovations was the development of uniform cue sheet software, called ASCAP EZQ™. Most of the major studios and program producers use EZQ™, which greatly facilitates the process of preparing cue sheets and identifying performances of our members' works.

RADIO

Our radio survey uses information provided to us by the advanced digital tracking technology of Mediaguide, station logs (lists of works performed) provided to us by the radio stations, and by recorded tapes of actual broadcasts.

ASCAP radio survey covers all types of music on all types and sizes of stations in every region of the country. ASCAP conducts separate surveys of country, Latin, jazz, urban contemporary, religious, classical, ethnic, and pop music stations. The total monies collected from those genre-specific stations are paid to the writers and publishers of works with performances on those stations.

LIVE CONCERTS

For live concerts, ASCAP uses set lists provided to us by concert promoters, the performing artists and our own members. For symphony, recital and educational concerts, we rely on printed programs for performance information.

OTHER MEDIA

With respect to background music services and other media, logs and program guides listing all music used provide the necessary performance information.

Turning Performances Into Dollars

Every performance picked up in ASCAP’s survey generates a certain number of credits. Each credit is worth a certain dollar value. The number of credits for each performance depends upon several factors, among them:

- **HOW** the music is used “feature, theme, background, etc.”
- **WHERE** the music is performed “network or local television, radio, cable, etc.”
- **HOW** much the licensee pays us
- **TIME OF DAY** of the performance “with respect to television and cable”
- The general licensing allocation applied to radio and television performances

If a song earns a certain threshold of radio feature performance credits in a quarter, additional credits are then added to that song’s total credits as Radio Feature Premium payments. These payments recognize the increased value to the repertory of frequently performed songs.

Theme, underscore and feature performances in highly rated network and local TV series earn additional credits as TV Premium payments. These payments recognize the importance of these highly rated programs to the value of the repertory.

In the case of music used as underscoring in films and television programs, the length, or duration, of the work will affect the number of credits generated. In the case of live symphony and concert performances, the length, or duration, and the instrumentation will also affect the number of credits a particular performance will generate (full orchestra, chamber work, etc.)

Monies to writers and publishers are paid out in separate distributions covering the same performance periods. The dollar value of a performance credit is determined annually, taking into account the estimated total number of ASCAP credits being processed for writers or publishers and the total number of dollars available for distribution. A writer’s or publisher’s royalty check is determined by multiplying the number of credits they earned for performances of their works during a quarter by the dollar value of a credit for that quarter. For example, if a writer earned 10,000 credits for performances of her works on radio and television in a three-month period and the value of one writer credit was \$7.71, the writer’s royalty check would be \$77,100 (10,000 X \$7.71).

10,000	credits
x \$7.71	credit value
<hr/>	
\$77,100	Royalty

Royalty Calculation

Generally, royalties for a single musical work, in any surveyed medium, are the product of this calculation:

$$\begin{aligned} & \text{Use Weight} \times \text{Licensee Weight} \times \text{"Follow the Dollar" Factor} \times \text{Time of Day Weight} \times \text{General Licensing Allocation} \\ & + \text{Radio Feature Premium Credits (for radio performances only where applicable)} \\ & + \text{TV Premium Credits (for performances in highly rated series, where applicable)} \\ & = \text{CREDITS} \end{aligned}$$

USE WEIGHT

The factor, or value, attached to each type of performance, such as theme, underscoring, promotional.

X

LICENSEE WEIGHT

This factor reflects the license fee paid by a station (or group of stations) and the number of hours included in the appropriate survey. The licensee weight is also referred to as the "hook-up" weight with respect to network television, reflecting the number of stations carrying a broadcast. Other surveyed media - such as TOP 200, live concerts tours, symphonic and chamber concerts, web sites, background music services, airlines, circuses, and ice shows - are also assigned 'weights' based on license fees paid to ASCAP.

X

"FOLLOW THE DOLLAR" FACTOR

This factor ensures that the license fees that ASCAP receives from any medium are paid to writers and publishers for performances on that medium. In other words, the money received from radio is paid out for radio performances, etc

X

TIME OF DAY WEIGHT (if applicable)

On television, the value of a performance can vary depending on the time of day; for example, whether it takes place in prime time or in the middle of the night.

X

GENERAL LICENSING ALLOCATION

Fees collected from non-broadcast, non-surveyed licensees (bars, hotels, restaurants and the like) are applied to broadcast feature performances on radio and all performances on television, which serve as a proxy for distribution purposes.

+

RADIO FEATURE PREMIUM CREDITS (for radio performances only, where applicable)

Songs that earn certain threshold numbers of radio feature credits in a quarter receive additional credits in that quarter.

+

TV PREMIUM CREDITS (for TV performances only, where applicable)

Theme, underscore and feature performances in highly rated network and local TV series earn additional credits as TV Premium payments.

=

CREDITS

CREDITS X SHARE X CREDIT VALUE = \$ ROYALTY

When all of these factors are computed, we arrive at the number of total performance CREDITS. After establishing the number of credits generated by a performance, the next step is to allocate these credits among all of the writers and publishers of the work based on the SHARE each should receive. ASCAP is advised of the correct shares to be paid when members submit Title Registrations. For example, if two co-writers of a song share royalties equally, each will receive 50% of the total credits. The final step is to multiply credits by the appropriate CREDIT VALUE to arrive at the ROYALTY payment.

Performance Periods and Payment

PERFORMANCE PERIODS AND PAYMENT

For purposes of processing and paying out on performances, ASCAP divides the year into three-month periods, or performance quarters. ASCAP pays its members for U.S. performances approximately 6-7 months after the end of each three-month performance quarter.

PERFORMANCE PERIOD	PUBLISHER PAYMENT	WRITER PAYMENT
April - June 2007	December 2007	January 2008
July - September 2007	March 2008	April 2008
October - December 2007	June 2008	July 2008
January - March 2008	September 2008	October 2008
April - June 2008	December 2008	January 2009

ROYALTY THRESHOLDS

The cost associated with processing checks, bank fees, administrative charges and manual handling expenses, makes issuing checks for less than \$25.00 uneconomical. Therefore, beginning with the January 2006 distribution and continuing thereafter, if your total net earnings are below \$25.00, ASCAP will roll over the amount earned into future distributions and will not issue a check until \$25.00 is cumulatively earned. A performance statement will be issued even if the royalty amount is below \$25.00. At the end of a calendar year, if the cumulative \$25.00 threshold has not been reached, outstanding amounts will be rolled over into the following year.

METHODS OF PAYMENT

There are two methods of payments available to ASCAP writers: the "current performance" plan and the "averaged performance" plan. Most writers and all publishers are paid on the 100% current performance plan, which means they receive 100% of their royalties in the distribution for all performances in a specific performance quarter. All new writers are automatically paid on a current performance basis. The averaged performance plan averages the dollar value of a writer's performances over an extended period of years. The calculation of royalties described on this website refers to the 100% current performance plan, which applies to most writers and all publishers.

For more information on the averaged performance plan, please contact your ASCAP representative or call Member Services at 1-800-95ASCAP or inquire via email to MemberServices@ascap.com.

Collecting International Royalties

An important source of performance income for our members are royalties earned in foreign countries. ASCAP has agreements with foreign societies representing virtually every country that has laws protecting copyright. These societies are similar to ASCAP and we cooperate with them in a number of ways to ensure our members receive royalties from performances of their works in foreign territories. Through these agreements, they license the works of our members in their territories and we license the works of their members in the U.S.

ASCAP is the most effective U.S. performing right organization in collecting foreign royalties. We have the longest standing relationships with foreign societies and the deepest understanding of how they do business. When ASCAP works are performed in a foreign country, that country's performing right society collects the license fees from the local music users. The foreign society then forwards the royalties earned to ASCAP for distribution to our members whose works were performed. Each foreign society tracks performances in its own territories.

An important part of our role is to ensure that societies around the world have all the information and documentation they need about the works in ASCAP's repertory to properly identify and pay on performances. In some territories, ASCAP also monitors certain types of performances to ensure proper crediting of our members works. For example, in Austria, Finland, France, Germany, Ireland, Italy, the Netherlands, Spain, Sweden, Switzerland, and the United Kingdom, where American television programs are frequently broadcast, usually with foreign language titles, ASCAP collects its own performance information to help identify the use of ASCAP music. ASCAP is the only US society to have an International Monitoring Unit (IMU) that utilizes an innovative database technology (EZ-Maxx®) to verify the accuracy of television and cinema performance statements received from affiliated foreign societies.

Royalties earned from foreign territories vary depending on each country's use of American music, local copyright laws and the types of uses licensed, the fees collected from local music users, etc. Each foreign society pays ASCAP for use of our members' music on varying payment schedules depending on their own distribution policies.

Our revenues from foreign territories have steadily increased as the result of our efforts and the growing prominence of American music abroad. We also want our members to receive their money from abroad as quickly as possible, which is why we make four foreign distributions: in February, May, August and November. ASCAP members also have an opportunity to take advantage of a foreign tax credit as a result of enhanced year-end reporting of earnings. Since the new reporting began several years ago, this has translated into potential tax savings for members of millions of dollars in any given tax year.

ASCAP has a full-service membership office in London that provides a wealth of functions for ASCAP members who live, travel or have business abroad. ASCAP also plays a prominent role in CISAC, which is the international confederation of performing rights organizations. ASCAP's President and Chairman of the Board, Marilyn Bergman, served two terms as President of CISAC, and ASCAP's CEO, John LoFrumento, is a member of the CISAC Executive Bureau.

ASCAP's team of international professionals is committed to continuing to increase foreign revenues and providing the highest level of service to ASCAP members. In addition, as new territories enter the world economic market, ASCAP is the first to pursue relationships with them and provide technical assistance to ensure that the use of the ASCAP repertory is licensed and protected.

For More Information

Members who seek more detailed information on the payment system can refer to ASCAP's Distribution Resource Documents booklet (available on our web site in pdf format), which contains the ASCAP Weighting Rules, the Weighting Formula, and the Writers' and Publishers' Distribution Formulas.

To obtain a printed copy, call the New York Member Services Office at **1-800-95ASCAP** or email your request to **MemberServices@ascap.com**

We hope this information is helpful in understanding how you get paid at ASCAP. If you have any questions, need more information, or have specific questions relating to your own royalties, call ASCAP's Member Services Department at: **1-800-95ASCAP** or email **MemberServices@ascap.com**