The Audio Home Recording Act of 1992 created new royalty funds to be shared by writers, publishers, recording artists and record companies. Royalties are paid by manufacturers and importers of digital audio recording equipment and recording media (e.g., blank tapes or discs).

The royalties are then divided into two funds. One-third of the total paid is allocated to the Musical Works Fund. (The other two-thirds is allocated to the Sound Recordings Fund, to be shared by recording artists and record companies.) The Musical Works Fund is then subdivided 50-50 into a Writers Subfund and a Publisher Subfund. Royalties are allocated to claimants within each Subfund based on broadcast performances or phono-record sales.

Royalties are allocated among the interested parties in each Subfund as they agree or, in the absence of agreement, as the Copyright Royalty Judges decide.

ASCAP will act on behalf of those members who specifically designate ASCAP to represent them in digital audio royalty matters under the Act. ASCAP's services on behalf of those members include negotiations with other individual and joint claimants to Musical Works Fund royalties to reach voluntary agreement for the fair and equitable distribution of royalty payments. In the absence of such voluntary agreements, ASCAP will represent those members in distribution proceedings before the Copyright Royalty Board, and seek the maximum award of royalties to which those members are entitled. ASCAP will then distribute to those members the digital audio royalty payments collected.

ASCAP has a long and very successful track record in representing our members before the Copyright Royalty Board and its predecessor entities, in the collection and distribution of royalties paid by users pursuant to the cable, satellite home carrier, jukebox and noncommercial broadcast compulsory licenses. ASCAP is positioned, by virtue of our experience and the records we maintain in the ordinary course of business, to provide these valuable, additional services with respect to digital audio royalty payments to our membership.

ASCAP is able to render these services at minimal cost, primarily by using data we process in our routine survey of radio feature performances. We may also rely on retail sales data electronically gathered by a computerized information management network. We will also include in the amount to be distributed all interest earned while sums are in the process of distribution, in keeping with ASCAP's normal practice.

Claims to each year's royalties must be filed in January or February of the next year. Thus, for example, claims to this year's royalties must be filed between January 1 and February 28 of next year. ASCAP files these claims on behalf of those that authorize ASCAP to represent them.

You need not have ASCAP represent you in digital audio royalty distribution proceedings - you may appear individually, or have another entity represent you. HOWEVER, IF YOU WANT ASCAP TO REPRESENT YOU, YOU MUST CHECK "YES" BELOW. IF YOU CHECK "YES," YOU MAY TERMINATE THIS RIGHT GRANTED TO ASCAP AS OF JANUARY 1 OF ANY YEAR GIVING NOTICE BY CERTIFIED MAIL TO ASCAP TO BE RECEIVED NO LATER THAN SEPTEMBER 30 OF THE PRECEDING YEAR.

IF YOU DO NOT DESIGNATE ASCAP TO REPRESENT YOU IN THIS MATTER AND YOU DO NOT FILE A TIMELY CLAIM ON YOUR OWN BEHALF OR MAKE ARRANGEMENTS TO BE REPRESENTED BY SOME OTHER ORGANIZATION, THERE IS NO POSSIBILITY THAT YOU WILL RECEIVE ANY PAYMENT OF DIGITAL AUDIO WRITER OR PUBLISHER ROYALTIES. DO NOT MISS THE OPPORTUNITY FOR ADDITIONAL ROYALTIES BECAUSE YOU FAILED TO TAKE ACTION WHEN IT MATTERED.

If you have any questions, please contact our Global Services Team at 1-800-952-7227.