

Jazz Radio Network Newsletter – May 2016

Extremely important news on the future of Internet Radio (webcasting) and the potential affects on Jazz Radio Network.

Usually our newsletters are about our jazz streams and some of the new music we've added. But this letter is of a more urgent matter.

I want to share with you a quick update on the overall health and survival of not only our four jazz streams but also of Internet Radio as an industry.

Internet radio and terrestrial radio pay royalties not only to the song writers through ASCAP, BMI and SESAC, but, in recent years, the US Congress passed a law that we must also pay royalties for the actual recorded performance of the music. These performance fees are paid to an independent organization, SoundExchange, authorized by the Copyright Royalty Board. These fees are then distributed to the rights holders of the recordings.

There's nothing wrong with paying royalties, and certainly it is a reasonable concept since terrestrial broadcasters and Internet broadcasters can potentially earn money from playing the music.

The issue is not the royalties, rather it is the amount and how it's calculated. You can read the details in this article in Rainnews, the major webcaster publication:

<http://rainnews.com/crb-ruling-goes-to-federal-register-appeal-window-opens-for-disputing-webcast-rates/>

If Jazz Radio Network had to pay the new royalty rates introduced this year, it would cost thousands of dollars per year, even with no revenue. Otherwise, the fee is based not only on how much income we have (which is zero) but also on how many listeners we have. Paying a fee based on listener amount eliminates thousands of small webcasters from being able to operate on zero income. Thousands of stations have gone off the air since January 2016.

Fortunately (at least for now), Jazz Radio Network uses a service called Radionomy to stream our music, so they are obligated to pay our royalties and streaming costs in exchange for advertising time. The controversy about how rates are determined is now threatening the very existence of Internet radio (specifically, small webcasters like us).

We've been broadcasting for close to ten years and, since joining Radionomy in 2014, we still only break even on the hard costs through our arrangement, even though our audience has grown several hundred percent in the last year.

Now, because of the new royalty rates and the legal issues which Radionomy and others are facing, some of our listeners can no longer listen to us using services like TuneIN, Sonos, Roku and potentially other sources. The music industry has put pressure on these services, threatening legal action, unless they stop carrying Radionomy stations because Radionomy

has not agreed to pay the new royalty rates. (Radionomy is based in Belgium and is part of Vivendi, a huge music entertainment conglomerate in Europe.) You can read more about Radionomy here: <http://www.radionomygroup.com/en>

Being too small to afford legal representation, Jazz Radio Network and our parent organization, Media Arts Institute, LLC, simply must roll with the tide on this issue.

The good news in all of this, so far... is that we are still on the air. And, we are hoping that our streaming service, Radionomy, will protect their interests and ours by finding an agreeable solution. They have a large invested and so do we, so it makes sense for them to resolve this.

So here's the bottom line. If you turn on your favorite service today, like iTunes, TuneIN, Windows Media Player, Apple TV or some other source where you hear our jazz, you may not find us today, tomorrow or next week... at least in the USA and possibly Canada. Our mobile apps have been locked out of the USA and Canada as of this week... at least for now until this is resolved.

Now, if you love our music, no matter which channel you listen to... until further notice **you can always listen at Jazz Radio Network.com**, and directly on each channel's page. The audio players are designed to play on your smart phone, tablet and your computer. We are also in the process of redesigning our website so it is more mobile friendly. That way, a mobile app won't be absolutely necessary in order to listen.

We feel badly that we did not have an early warning notice that our jazz channels might not be available on your favorite player (like TuneIN). Had we known, we would have contacted you and put announcements on the air so you could find us elsewhere or switch to another source like our website.

Finally, if you feel so inclined and want to support efforts to help webcasting survive, we would encourage you to visit <http://www.radiodiversity.org/> and sign up. They are not asking for money, only your attention to this issue with up-to-date information. Their Frequently Asked Questions page is also informative as to the issues facing small webcasters.

If you have questions or comments, please get in touch using our Contact page on our website at <http://www.jazzradionetwork.com/contact/>

It is our sincere desire and hope to see this issue resolved so that we can continue to bring you *the most listenable jazz in the world.*

Rich Germaine, President - Jazz Radio Network

If you wish further reading, here's another good article that explains the issue in detail: <http://www.radioworld.com/article/crb-ruling-is-%E2%80%9Ccrushingly-bad-news%E2%80%9D-for-microcasters/277856>