

Sirius XM passing \$2 royalty fees to subscribers

September 30 2009, By DEBORAH YAO , AP Business Writer

(AP) -- Listeners of Sirius XM Radio Inc. are getting \$2 fees added to their monthly satellite radio bills, in what's effectively a price increase for consumers.

Sirius XM, whose talk show celebrities include Howard Stern, is passing along performance royalty fees paid to singers, musicians and recording companies.

In approving the deal, the [Federal Communications Commission](#) barred the combined company from raising prices for three years. That means Sirius could only collect the royalty fees through a separate surcharge, which the FCC allowed the company to start charging after a year, or July 29, 2009.

New York-based Sirius began charging customers in August. The company said it started notifying them of the charge by e-mail and postal mail in mid-June.

But tech blogger and commentator Lauren Weinstein found out last weekend that he got dinged for the \$2 fee when he looked at his credit card bill. He said he didn't get any notification from Sirius about the charge beforehand.

While Weinstein said he understands that Sirius is passing along a cost it had to pay, "money is money to the customer at the other end ... A couple of bucks here, a couple of bucks there, it all adds up to something

real."

Sirius spokesman Patrick Reilly said customers sometimes miss e-mail messages or overlook letters sent to them.

The fees go back to the late 1990s, when the recording industry won the right to collect royalties for performers as their songs play over satellite, Internet and cable radio. Currently, there is a fight to make broadcast radio stations pay the same fee.

Sirius said customers with lifetime subscriptions, or who subscribe to news, sports and talk radio packages with little music, will not have to pay the fee. Those with annual or multiyear contracts will pay the fee upon renewal of their subscriptions.

Subscribers of the base \$12.95 a month package will see \$1.98 a month added to their bills. Those who subscribe to a second radio service will see an additional 97-cent fee.

Sirius Satellite Radio Inc. bought XM in July 2008 in an all-stock deal worth \$2.76 billion, combining the nation's only two [satellite radio](#) operators that now serve 18.4 million subscribers.

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