

The beginning of another year brings renewed obligations for broadcasters who are operating a *non-interactive* webcast (as opposed to interactive downloads or podcasts). *If you are a broadcaster engaged in noncommercial educational commercial webcasting of one or more streams, your first filing of the new year – primarily consisting of a Minimum Fee Statement of Account with payment of \$ 500 per channel -- is due on **January 31, 2014**. But your obligations continue throughout the year with Statements of Account and Playlist Reports of Use required on a monthly basis.*

Note that this message is being sent to you because you are a *noncommercial entity* under the webcasting statutory license whose operations are substantially staffed by students, i.e., a noncommercial educational webcaster. The commercial/noncommercial distinction is determined **not** by your FCC license but by whether the webcasting entity is exempt from taxation under Section 501 of the Internal Revenue Code. We have determined that you are a tax-exempt entity and, therefore, are a non-commercial webcaster. If believe you are a **commercial** webcaster because your organization is not exempt from taxation under Section 501, please ask for our separate guide outlining the obligations for commercial webcasters in 2014. If your operations are *not* substantially staffed by students or you are not even affiliated with an accredited educational institution, please ask for our separate guide outlining the obligations for noncommercial webcasters in 2014.

With that out of the way, we'll turn to the details regarding the payment of royalties and filing of Playlist Reports of Use for all of 2014.

As opposed to general noncommercial webcasters, there are really no decisions to be made by noncommercial educational webcasters (only a possible confirmation as to whether you qualify as a noncommercial educational microcaster). You simply need to review the requirements for each category below. We've tried to make this as simple as possible, but also offer the additional benefit of, where applicable, offering a direct link to every form currently available on the SoundExchange website (note: some of the forms will not be available until early January, so we will be providing an updated version of this document at that time at no charge to you).

Please read the rest of this document closely. While many of you might be focused primarily on the royalty rates, that is only part of the equation. In fact, for most of you, the Playlist Report of Use requirement is much more impactful, since you might only be paying an annual minimum fee of \$ 500 per channel by January 31 and nothing more. You might be able to receive an exemption from the onerous Playlist Report of Use requirement if you elect into that status on your Minimum Fee Statement of Account Form (there is no longer a separate election form). However, you will still have to file the above-referenced Monthly Statements of Account even if you do not exceed the aggregate tuning hour maximum and pay royalties in any given month.

Obviously, then, what you file will be determined by which service category you fall into. If you have any questions regarding that service category, you need only ask us.

Your obligations are:

Election: You no longer have to file a separate Notice of Election form to claim the Microcaster status and accompanying Playlist Report of Use Exemption. If you wish to avoid filing Playlist Reports of Use, you must file a \$ 100 proxy fee with the 2014 Minimum Fee Statement of Account Noncommercial Educational Webcaster form linked below, selecting “Reporting Waiver” and entering \$ 100 on the form (if you cannot take advantage of this reporting waiver, you probably want to select “Sample Based Reporting”). Remember to file your forms and make the election in a timely fashion because you cannot later go back and claim the reporting waiver.

Annual Minimum Statement of Account Form and Fee File an annual minimum fee of \$500 per channel **by January 31, 2014 or within 45 days of commencing webcasting** using the 2014 Minimum Fee Statement of Account Noncommercial Educational Webcaster form found [here](#). A separate form must be filed for each channel or station.

Monthly Statement of Account Form and Fee: File any fees incurred for exceeding the 159,140 aggregate tuning hour maximum with the 2014 Noncommercial Educational Webcaster Excess Monthly Liability Statement of Account found [here](#). You must file this form even if no fees have been incurred, marking “zero” for the amount to be paid. A separate form must be filed for each channel or station and is **due within 45 days of the end of the month to which it pertains**.

Playlist Reports of Use: Playlist Reports of Use must be filed on a quarterly basis using the template report for filing (in Excel format) be found [here](#), unless you:

Exceeded 159,140 aggregate tuning hours in a given month during 2014 or 2014, in which case you file on a monthly basis (select “Census Reporting”).

Did not exceed 55,000 aggregate tuning hours in any given month in 2014 and do not expect to in the year 2014 in which case you can file the proper Notice of Election form and pay \$ 100 for the right to be exempted from this requirement altogether, but you must remember to select “Reporting Waiver”.

Again, these forms apply to stations that **are** noncommercial educational webcasters because their operations are substantially staffed by students. If you are **not** a noncommercial educational webcaster, please review our guidelines for noncommercial webcasters (we can send them to you).

Remember that your Minimum Fee Statement of Account Forms and payments (with elections, if applicable) are due by **January 31, 2014**. We will send you another reminder, with updated links in mid-January. You can only electronically file these forms if there is no payment required (by Emailing a .PDF of the form in question to royaltyadministration@soundexchange.com) and there is a penalty for late payment (as well as the loss of the reporting waiver), so we suggest you get started now. Please do not hesitate to contact a Fletcher, Heald & Hildreth, P.L.C. attorney if you have any questions.