

The beginning of another year brings renewed obligations for broadcasters who are operating a *non-interactive* webcast (as opposed to interactive downloads or podcasts). This is true for commercial and noncommercial webcasters alike. *So, if you are engaged in the noncommercial webcasting of one or more streams, your first filing of the new year -- primarily consisting of 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 regular basis.***

Note that this message is being sent to you because you are a *noncommercial entity* under the webcasting statutory license whose operations are **not** substantially staffed by students. 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 affiliated with an accredited educational institution and your webcasting operations are substantially staffed by students from that educational institution, please ask for our separate guide outlining the obligations for noncommercial educational 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 noncommercial educational webcasters, there multiple decisions to be made by noncommercial webcasters, including whether to elect into the available webcasting settlement agreement (we think you should) and whether you qualify as a noncommercial microcaster under that agreement (hopefully you do). You need to closely review the requirements for each category below in order to make each decision. We've tried to make this as simple as possible, but also offer the additional benefit of, where applicable, offers a direct link to every form 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:

**A. Noncommercial Webcasters Who *HAVE NOT* Elected to Participate in any major Webcaster Settlement Agreement**

There is absolutely no distinction on the noncommercial side between an entity that operates a broadcast station and one that does not.

But there is a distinction between an entity that elects to participate in the general noncommercial Webcaster Settlement Agreement and one that does not (with participation offering significantly better terms). Fortunately, you can elect that status even if you did not before (and you *must* "re-up" every year, by January 31 of that year or you lose the ability to make that election until the next year). Again, for reasons discussed in section C below, we strongly recommend that you elect the general noncommercial webcaster agreement if possible.

However, if you cannot, or decide not to, participate, your obligations are:

Annual Minimum Statement of Account Form and Fee: File an annual minimum fee of \$500 per channel **by January 31, 2014** using the 2014 Minimum Fee Statement of Account Noncommercial (CRB) 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 Webcaster Monthly Usage Statement of Account form found [here](#). You must file this form **within 45 days of the end of the month to which it pertains** even if no fees have been incurred, marking "zero" for the amount to be paid. Again, a separate form must be filed for each channel or station.

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 exceed 159,140 aggregate tuning hours in a given month during 2013 or 2014, in which case you file on monthly basis. Also note that you may be able to opt out of this requirement if you qualify as a Noncommercial Microcaster as per Section D below.

**B. Noncommercial Webcasters Who *HAVE* Elected to Participate in the Webcaster Settlement Agreement between *PUBLIC RADIO STATIONS* and SoundExchange**

As in previous years, stations that are CPB-supported, NPR members, National Federation of Community Broadcasters members; or part of American Public Media, the Public Radio Exchange or Public Radio International do *not* have to file forms with SoundExchange. Under the terms of their settlement agreement, NPR's Public Radio Interactive is making those payments. These stations will be contacted by Public Radio Interactive with regard to their obligations.

**C. Noncommercial Webcasters Who HAVE ELECTED to Participate in the Noncommercial Webcaster Settlement Agreement AND ARE NOT considered Microcasters because they have an average of at least 44,000 aggregate tuning hours per year:**

Whereas the Copyright Royalty Board eliminated any real need for a noncommercial educational webcaster to enter into a settlement agreement (by applying the rates and terms of the noncommercial educational settlement agreement across the board), there is a distinction between the CRB rates and terms and those applicable under the Webcaster Settlement Agreement for general noncommercial webcasters.

As discussed in Section A, above, you must renew this classification each year. *In fact, for most noncommercial webcasters who are **not** noncommercial educational webcasters, we strongly recommend that you elect this option.* Your obligations are:

Election: The requirement of filing a separate Notice of Election form has been eliminated. You simply make your choice to participate in this settlement agreement by (1) sending an Email to [licenseerelations@soundexchange.com](mailto:licenseerelations@soundexchange.com) electing the Noncommercial Webcaster Settlement Agreement (WSA) classification) and (2) Filing the proper Minimum Fee Statement of Account Noncommercial (WSA) form linked below.

Annual Minimum Statement of Account Form and Fee: File an annual minimum fee of \$500 per channel **by January 31, 2014** using the 2014 Minimum Fee Statement of Account Noncommercial (WSA) 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 Webcaster Monthly Usage Statement of Account (WSA) form found [here](#). You must file this form **within 45 days of the end of the month to which it pertains** even if no fees have been incurred, marking “zero” for the amount to be paid. Again, a separate form must be filed for each channel or station.

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:

Exceed 159,140 aggregate tuning hours in a given month during 2014 or 2014, in which case you file on monthly basis.

Did not exceed 44,000 aggregate tuning hours in the entire year 2014, in which case you can pay \$ 100 for the right to be exempted from this requirement altogether, as per section D below.

**D. Noncommercial Webcasters Who *HAVE* Elected to Participate in the *GENERAL NONCOMMERCIAL WEBCASTER SETTLEMENT AGREEMENT* and *ARE* considered Microcasters because they had fewer 44,000 aggregate tuning hours last year.**

These are extremely small noncommercial webcasters. As we have explained in years past, these webcasters can be exempted from the playlist reporting requirement and, by definition, will not be paying royalties because they will never exceed 159,140 aggregate tuning hours in any given month.

If you choose this category, your obligations are:

Election: The requirement of filing a separate Notice of Election form has been eliminated. You simply make your choice to participate in this settlement agreement by (1) sending an Email to [licenseerelations@soundexchange.com](mailto:licenseerelations@soundexchange.com) electing the Noncommercial Microcaster classification and (2) Filing the proper Minimum Fee Statement of Account Noncommercial Microcaster form linked below.

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

Monthly Statement of Account Form and Fee: By definition, a station in this classification will not exceed 159,140 aggregate tuning hours, so no monthly statement of account is required.

Playlist Reports of Use: Of course, the benefit of this classification is that you can opt out of filing Playlist Reports of Use. If you do not choose this option, the reports must be filed on a monthly basis; SoundExchange prefers that you adhere to the template report for filing (in Excel format) found [here](#). Each Playlist Report of Use is also due within 45 days of the end of the month to which it pertains.

Again, these forms apply to stations that are ***not*** noncommercial educational webcasters because their operations are not substantially staffed by students. If you are a noncommercial educational webcaster, please review our guidelines for those entities (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](mailto: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.