

Before the
UNITED STATES COPYRIGHT ROYALTY JUDGES
Washington, D.C.

In the Matter of:

**DETERMINATION OF RATES AND
TERMS FOR DIGITAL PERFORMANCE
OF SOUND RECORDINGS AND MAKING
OF EPHEMERAL COPIES TO
FACILITATE PERFORMANCES (*WEB V*)**

**Docket No. 19-CRB-0005-WR
(2021-2025)**

**CONSENT MOTION OF THE NATIONAL RELIGIOUS BROADCASTERS
NONCOMMERCIAL MUSIC LICENSE COMMITTEE
TO SUBMIT CORRECTED RESTRICTED
AND PUBLIC VERSIONS OF ITS WRITTEN REBUTTAL STATEMENT**

The National Religious Broadcasters Noncommercial Music License Committee (“NRBNMLC”) respectfully moves for leave to submit corrected Restricted and Public versions of its Written Rebuttal Statement to make certain minor corrections and clarifications to the Written Rebuttal Testimony of Richard Steinberg (“Corrected Testimony”). Counsel for the NRBNMLC identified the proposed changes to the Corrected Testimony to counsel for all non-settling participants that filed written direct testimony in this proceeding and requested their consent to make the identified corrections.¹ All have consented.

The NRBNMLC seeks leave to submit the proposed corrections to: (a) add shading to a passage of testimony that counsel for SoundExchange, Inc. requested be designated as “Restricted”; (b) correct the list of additional documents considered by Professor Steinberg in conjunction with his testimony; (c) correct some of the cited inflation numbers in Appendix II

¹ Specifically, counsel for the NRBNMLC has conferred with counsel for, and received consent from, the following participants: SoundExchange, Inc.; American Association of Independent Music; American Federation of Musicians of the United States and Canada; Google Inc.; Jagjaguwar Inc.; the National Association of Broadcasters; Pandora Media LLC; Screen Actors Guild-American Federation of Television and Radio Artists; Sirius XM Radio Inc.; Sony Music Entertainment; UMG Recordings, Inc.; and Warner Music Group Corp.

and a related number in paragraph 14, which was off by less than \$3; and (d) make a handful of other minor corrections. As indicated by the participants' consent to this motion, the participants will not be prejudiced by the Copyright Royalty Judges' ("Judges") acceptance of these corrections. For the Judges' ease of reference, a redlined version of the Corrected Testimony showing the proposed changes is attached as Exhibit A hereto. The NRBNMLC proposes to file corrected Restricted and Public versions of its Written Rebuttal Statement to provide the Judges with its entire filing as an integrated whole and to correct the cover page of its Written Rebuttal Statement to refer to it as a "Statement" in accordance with 37 C.F.R. § 351.11. Pursuant to 37 C.F.R. § 303.3(b)(3) and § 303.4, a Word version of a proposed order will be filed in conjunction with this motion once the motion is approved for filing.

CONCLUSION

For the foregoing reasons, the NRBNMLC respectfully request that the Judges grant this motion.

/s/ Karyn K. Ablin

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*Counsel for the National Religious
Broadcasters Noncommercial Music License
Committee*

January 28, 2020

Ex. A

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**Before the
UNITED STATES COPYRIGHT ROYALTY JUDGES
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**DETERMINATION OF RATES AND
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EPHEMERAL COPIES TO
FACILITATE PERFORMANCES
(WEB V)**

**Docket No. 19-CRB-0005-WR
(2021-2025)**

**WRITTEN REBUTTAL TESTIMONY OF
RICHARD STEINBERG,**

**Professor of Economics and Philanthropic Studies
The Lilly Family School of Philanthropy
on the IUPUI campus of Indiana University**

**(On behalf of the National Religious Broadcasters
Noncommercial Music License Committee)**

January ~~19~~²⁸, 2020

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I. INTRODUCTION AND ROAD MAP

1. My name is Richard Steinberg. I previously submitted Written Direct Testimony in this proceeding, which I amended on December 11, 2019 (“Steinberg AWDT”). I offer this testimony to rebut assertions by witnesses for ~~SoundExchange’s~~ [SoundExchange](#) (SX) and affiliated parties- that commercial usage rates should apply to webcasting in excess of 159,140 aggregate tuning hours (“ATH”) per month¹ by noncommercial educational (NCE) broadcasters.² The points made in my previous testimony still apply.³ In this rebuttal, I add to the argument by showing that the fees set in the webcasting settlement agreement between SX and NPR (collective abbreviation for National Public Radio and the Corporation for Public Broadcasting) for the current 2016-2020 license term (SX-NPR Web IV Agreement, NRBNMLC Exhibit 22) appear to be [REDACTED]

¹ For example, Jonathan Bender, SoundExchange’s Chief Operating Officer, stated: “For the approximately 3% of noncommercial webcasters (at the statement of account level) with usage in excess of the 159,140 ATH threshold, we propose retaining the current arrangement whereby they pay for their excess usage at the same rate as commercial nonsubscription webcasters.” [Bender WDT Web V, pp. 16-17. Written Direct Testimony of Jonathan Bender ¶ 36 \(September 23, 2019\) \(Bender WDT\)](#). Aaron Harrison, a Senior Vice President for UMG Recordings, Inc., similarly asserted: “UMG supports the proposal to retain an aggregate tuning hours threshold, above which noncommercial webcasters must pay commercial rates.” -Written Direct Testimony of Aaron Harrison ¶ 80 (September 23, 2019).

² I understand that the Judges have used the term “noncommercial educational” to refer specifically to noncommercial webcasters that meet five conditions listed in 37 C.F.R. Part 380 Subpart C. These are webcasting channels affiliated with accredited post-secondary educational institutions whose operations are staffed substantially by students. In contrast, I use the term, usually abbreviated as NCE, to mean organizations defined by the Federal Communications Commission (FCC) in 47 USC § U.S.C. § 397(6). These are radio broadcast stations that are eligible to be licensed by the Commission as a noncommercial educational radio broadcast station and are owned and operated by a public agency or nonprofit private foundation, corporation, or association. Thus, in addition to stations meeting the ~~CRB~~ definition of the term in 37 C.F.R. § 380.21, I include nonprofit religious and public radio stations that advance an educational purpose and follow FCC requirements to be so licensed. In turn, I refer to webcasting conducted by NCE broadcasters as NCE webcasting.

³ See §§ III(C), III(D), and IV of Steinberg AWDT.

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[REDACTED]]. To make this point, I rely on a newly produced document from SX that analyzes [REDACTED] [REDACTED]].⁴

2. I also rebut assertions by SX witnesses that the minimum annual license fee should be increased to \$1,000 for the years covered by the current rate [proceedingsproceeding](#) (2021-2025). I show that the rationale for doing so has been exaggerated in SX witness calculations.

II. [SOUND EXCHANGE](#) [SOUNDEXCHANGE](#) AND THE RECORD COMPANIES ARE WILLING TO ACCEPT NONCOMMERCIAL FEES THAT ARE SIGNIFICANTLY LOWER THAN COMMERCIAL FEES.

3. As discussed in my [ADWTAWDT](#), commercial rates greatly exceed those that would be negotiated with noncommercial streamers under a willing buyer/willing seller standard.⁵ And yet SoundExchange (SX) proposes to apply commercial streaming rates to streaming by NCE webcasters that exceeds a threshold of 159,140 ATH in any month. In this section, I add to my earlier testimony, using a newly acquired analysis prepared by SX [REDACTED] [REDACTED]] (NRBNMLC Exhibit 23). I demonstrate that this analysis shows that SX has agreed, for a large group of NCE broadcasters, to a lump sum payment that would be equivalent to 2016-2020 royalty rates for webcasting [REDACTED] [REDACTED]] when the analysis was prepared.⁶ After developing this argument, I will show that the implicit

⁴ See NRBNMLC [ExExs. 22-23](#).

⁵ See §§ III(C), III(D), and IV of Steinberg AWDT.

⁶ The [REDACTED] [REDACTED]].

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[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] [11](#).

4. The document that supports this analysis is an Excel file produced by SX (NRBNMLC Exhibit 23) labeled “[REDACTED]”. The first sheet of that file is labeled “[REDACTED]”. The first two sections of this sheet are not directly relevant to my analysis, but for completeness and clarity, I summarize them here. The first section [REDACTED]
[REDACTED]. Then the sheet reports “[REDACTED]
[REDACTED]”.⁷

5. The third and fourth sections of the sheet are more pertinent to my point and [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]. The third section [REDACTED]
[REDACTED]”.⁸ The result is [REDACTED].

⁷ The calculation in this section assumes that [REDACTED]
[REDACTED].

⁸ The sheet notes that [REDACTED] [11](#).

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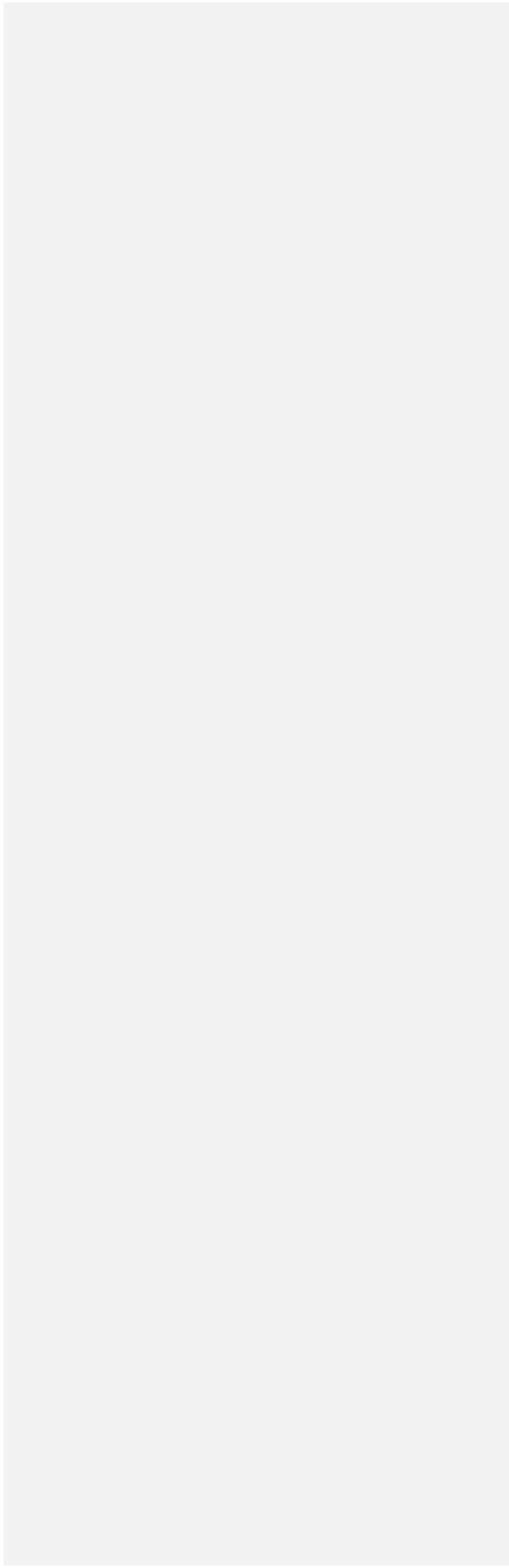
6. In addition to [REDACTED]
[REDACTED]
[REDACTED]]. It appears that [REDACTED]
[REDACTED]].⁹ The sheet
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]]. The final line of the spreadsheet [REDACTED]
[REDACTED]
[REDACTED] +11.¹¹

7. How do these [REDACTED]
[REDACTED]]? The total license fee for these years that SX ultimately agreed to accept from these

⁹ SX received census reports [REDACTED]], revealing all songs played, instead of sample play lists.
[REDACTED]
[REDACTED]]].

¹⁰ Although the last line of the sheet appears in a box labeled “[REDACTED]]. That last line is [REDACTED]
[REDACTED]]]. In support of
this conclusion, note that there is [REDACTED]
[REDACTED]

¹¹ The [REDACTED]
[REDACTED]]].



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NCE webcasters is \$2,800,000, or \$560,000 per year.¹² In other words, the fees that SX accepted in the SX-NPR Web IV Agreement are, [REDACTED]

[REDACTED]
[REDACTED] ||. In conclusion, SX accepted fees that were [REDACTED]
[REDACTED]
[REDACTED] ||.

8. The SX-NPR Web IV Agreement itself supports this reading. It states that the \$560,000 annual license payment reflects “(i) an annual minimum fee of \$500 for each Covered Entity for each year during the Term; (ii) additional usage fees for certain Covered Entities; and (iii) a discount that reflects the administrative convenience to the Collective of receiving annual lump sum payments that cover a large number of separate entities, as well as the protection from bad debt that arises from being paid in advance.”¹³ NRBNMLC Exhibit 23 provides [REDACTED] ||.

9. The most plausible explanation [to account for the administrative convenience value component](#) is that SX recognizes that [REDACTED]
[REDACTED]
[REDACTED]

¹² This [includes fee covers](#) “all Web Site Performances by Covered Entities during the Term, up to a total Music ATH of 285,132,065 per calendar year, and Ephemeral Phonorecords ...” assuming no increase in the number of covered entities. [NRBNMLC Ex. 22 at 9-10](#); 37 C.F.R. § 380.32(a) and 37 C.F.R. § 380.33.

¹³ [NRBNMLC Ex. 22 at 9](#); 37 C.F.R. ~~380(D)~~ §§ 380.32(b).

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[REDACTED] [§ 11](#) (see fn. 11). We do not know what SX believed [REDACTED], but if it believed [REDACTED] [REDACTED].

10. I was not provided with [REDACTED] [REDACTED], but the numbers in that agreement are consistent with this interpretation. The total license fee of \$560,000 per year in the SX-NPR Web IV Agreement covered up to a total music ATH of 285,132,065, which, by simple division, amounts to \$0.0020 per music ATH.¹⁴ The proposed Web V agreement has a total annual license fee of \$800,000 for a music ATH that grows each year but averages 380,000,000.¹⁵ Simple division yields a charge of \$0.0021 per music ATH. It would be better if [REDACTED] [REDACTED] [REDACTED].

II. SOUND EXCHANGE MAKES AN INSUFFICIENT CASE FOR INCREASING THE MINIMUM FEE TO \$1,000.

11. SoundExchange has proposed to double the annual minimum fee applicable to NCE and other webcasters from \$500 to \$1,000 per channel or station.¹⁶ The rationale for doing so is explained by two SX witnesses. After summarizing their arguments, I will show that their arguments do not suffice to make the case for a \$1,000 minimum fee.

¹⁴ [NRBNMLC Ex. 22 at 9-10.](#)

¹⁵ [NRBNMLC Ex. 21 at 7-8.](#)

¹⁶ Proposed Rates and Terms of SoundExchange, Inc. and Artist and Copyright Owner Participants at 2 (Sept. 23, 2019); [Written Direct Testimony of Jonathan Bender ¶ 37 \(Sept. 23, 2019\) \(Bender WDT\); Bender WDT ¶ 37.](#)

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12. Jonathan Bender, a witness for SoundExchange and its Chief Operating Officer, attempts to justify the increase based on four factors: inflation, increases in royalty rates, increases in the costs of administration, and increasing usage.¹⁷ He calculates a current dollar equivalent of a \$500 minimum for each of these factors but begins with the wrong base year in each case. For example, he looks at cumulative inflation since 1998 instead of the economically relevant expected inflation from the current year to 2021-2025. The period covered by Web IV is the relevant base, and the only cost increases relevant for the current proceedings are those projected to occur after 2020. Despite any past increases in costs, the respective parties had proposed a \$500 fee for Web IV, so such a fee is not below what a willing buyer and seller would agree to. The Judges recognized in Web IV that a proposed \$500 fee was appropriate for 2016-2020, and if so, only future inflation could make it inappropriate for 2021-2025:

“The current \$500 minimum fee for commercial webcasters has been in force for more than a dozen years, and has been voluntarily re-adopted by licensors and licensees on two occasions. It has been proposed by licensors and licensees in this proceeding. ... The Judges find the proposed minimum fee (including the \$50,000 cap) to be reasonable and supported by record evidence, and will therefore adopt it.”¹⁸

13. Two of these factors (regarding royalty rates and increasing usage) are legally irrelevant because the Judges have ruled that the minimum fee’s primary purpose is to cover administrative costs and, less importantly, to reflect the benefit of access to a blanket license. It is not designed to cover usage.¹⁹ Mr. Bender even quotes the Judges on this matter, a most

¹⁷ Bender WDT ¶ 42.

¹⁸ *Web IV Determination*, 81 Fed. Reg. at 26397. SoundExchange itself proposed \$500 as the minimum fee through [Dec. December](#) 2020 for noncommercial broadcasters represented by the NRBNMLC. See Final Rule and Order, 81 Fed. Reg. 26316, 26397 (May 2, 2016) (stating that the \$500 minimum fee “has been proposed by SoundExchange and the NRBNMLC”).

¹⁹ In the Web II determination, the Judges concluded:

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puzzling decision: “The Judges also explained that “[b]ecause this minimum fee of \$500 is meant to cover administrative costs, it does not address actual usage.”²⁰

14. Using historic data, Mr. Bender asserts that “\$500 in October 1998 was equivalent to \$782.19 in August 2019.”²¹ Money has indeed lost that much value since 1998, but that is irrelevant. Instead, I calculate the expected future dollar equivalent of \$500 for each year covered by Web V. I used a set of the most authoritative inflation forecasts available – individual forecasts by each member of the U.S. Federal Reserve Board and each Federal Reserve Bank President prepared for the December 2019 meeting of the Federal Open Market Committee for my calculations. First, I calculated the future value of \$500 using the median forecast – where half the individuals had a lower forecast and the other half a higher forecast. The result is that \$500 in 2020 is equivalent to \$552.04 in 2025. Alternatively, I calculated future value using the highest individual forecast of inflation, and the 2025 equivalent is nearly the same at ~~\$557.47~~\$554.75 (see Appendix II for more details). This perhaps justifies a small increase in the minimum fee, not an increase to \$1,000.

“We also find no basis in the record for distinguishing between Commercial Webcasters and Noncommercial Webcasters with respect to the administrative cost of administering the license. Therefore, we determine that a minimum fee of an annual non-refundable, but recoupable \$500 minimum per channel or station payable in advance is reasonable over the term of this license. Because this minimum fee of \$500 is meant to cover administrative costs, it does not address actual usage. Therefore, it would be reasonable to add at least the bare minimum suggested by the Services’ proposals as payment for usage to the \$500 minimum fee for administration. However, based on the available evidence, we find that past practice has been to treat the minimum fee as recoupable against usage charges. Therefore, we have no basis upon which to add a usage element that is not recoupable to the minimum fee for this distinctive submarket of noncommercial webcasters.”

¹⁹ 72 Fed. Reg. 24084, 24099 (May 1, 2007). Internal references omitted.

²⁰ Bender WDT ¶ 41. Internal references omitted.

²¹ Bender WDT ¶ 43.

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15. Even if Mr. Bender’s backward-looking assessment were economically relevant, 1998 is not the right starting year. True, there was a \$500 minimum fee that year, but it applied to each entity rather than each channel or station. Webcasters operating multiple channels or stations for that license term would have paid a fraction of the current minimum fee.²² The first \$500 minimum fee applicable to channels or stations became effective in 2003,²³ and that is the appropriate starting year for invoking inflation. Historical inflation would have brought \$500 in January 2003 up to \$707.78 in November 2019.²⁴
16. In addition, SoundExchange recently agreed to minimum annual fees with College Broadcasters, Inc. of \$550 (not \$1,000) in 2021, increasing in \$50 increments through 2025.²⁵ SoundExchange’s own marketplace behavior does not comport with a sudden minimum fee increase to \$1,000 in 2021 for NCE webcasters but shows that it is willing to accept fees from NCE webcasters that are far less than \$1,000.
17. Mr. Bender argues next that the minimum fee is meant to include some fraction of the royalties that would be due on the first 159,140 ATH of usage. As noted above, this is legally irrelevant and in any case looks to historical increases in usage rather than expected future increases. Finally, even if the Judges accept this argument as valid in some form despite the fact that usage royalties are not recoupable against the minimum fee, they should not follow

²² See *Web 1 Determination*, 67 Fed. Reg. 45240, 45274 (July 8, 2002) (“Each Webcaster, Commercial Broadcaster, and Non-CPB, Non-Commercial Broadcaster licensed to make eligible digital transmissions and/or ephemeral recordings ... shall pay a minimum fee of \$500 for each calendar year”).

²³ See Final Rule, 69 Fed. Reg. 5693, [6985698](#) (Feb. 6, 2004) (“Each Licensee other than a Business Establishment Service shall pay a minimum fee of \$2,500, or \$500 per channel or station (excluding archived programs, but in no event less than \$500 per Licensee), which is less, for each calendar year in which it makes eligible nonsubscription transmissions”).

²⁴ <https://data.bls.gov/cgi-bin/cpicalc.pl>.

²⁵ See NRBNMLC Ex. 20 at 7.

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Mr. Bender's calculations because increased royalty rates are at best a small fraction of what goes into the NCE minimum fee.

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18. Next, Mr. Bender argues that administrative costs have increased, and he constructs rough estimates of the current level of SX's administrative costs.²⁶ Once again, any historical increases in administrative costs have already been accepted by willing buyers and sellers without an increase in the minimum fee, and only expected future increases in administrative costs matter for these proceedings. The current level of administrative costs tells us nothing about expected future increases. His qualitative discussion of reasons for administrative cost increases does not distinguish between historical and expected future factors, and his discussion is one-sided. There are three countervailing factors that act to reduce administrative fees over time – development of computer algorithms that allow most of the analysis to be automated with very low marginal costs, economies of scale in processing data, and decreases in the costs of storing and processing information. I do not know how large these countervailing factors are and whether they suffice to reverse expectations that administrative costs will increase during the period covered by Web V. But the case for increasing the administrative cost portion of the minimum fee has not been made by SX's witnesses.

19. In any case, Mr. Bender's rough estimates are deeply flawed because he does not distinguish between administrative costs attributable to licensing and processing fees from other administrative costs associated with running any modern corporation. To calculate these costs, he divides \$55 million in total expenses in 2018 by an estimate of the number of

²⁶ Bender WDT ¶¶ 47-51.

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channels or stations paying royalties to SX (3,637 licensees times 3.4 average channels or stations per licensee), which yields a per-channel cost of \$4,448.²⁷ Mr. Bender does not cite his source for the \$55 million figure, but that number matches the number in the Summary Financial Data in the audited Consolidated Financial Statements, from the line labeled

[REDACTED]
[REDACTED] ||.”²⁸ This clearly includes things like executive compensation (regardless of the time, if any, that these executives spent on licensing matters), legal [fees/expenses](#) (including [REDACTED] [REDACTED] ||), depreciation [REDACTED] [REDACTED] ||), and many other items unrelated to licensing and fee-processing costs. More detail is provided when SoundExchange, Inc. financial data is consolidated with the financial data from subsidiaries, including [REDACTED] [REDACTED] ||, ~~although the consolidated table does not reveal with this was attributable to the parent company or the subsidiaries~~ [REDACTED] ||.²⁹ I do not have the data to comprehensively correct his estimate, and neither does Mr. Bender because, as stated above, SX does not track administrative expenses per channel or station. But the above analysis establishes that Mr. Bender’s estimate of administrative costs is grossly inflated.

20. Mr. Bender also points to the 2021 annual ASCAP and BMI fees that apply to noncommercial broadcasting of musical works that range from \$746 for “the smallest college

²⁷ [Bender WDT ¶¶ 48-50.](#)

²⁸ SoundExchange, Inc. and Subsidiaries. Consolidated Financial Statements, Years Ended December 31, 2018 and 2017. ~~We~~ (NRBNMLC Ex. 24). I refer to data from pages [36](#), [39](#), and [40](#) of this document.

²⁹ [NRBNMLC Ex. 24 at 36.](#)

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broadcasting stations” to \$1,928 for larger college broadcasters as support for SoundExchange’s \$1,000 minimum fee proposal.³⁰ This is puzzling, as he states that “the use of musical work rates to set sound recording rates has otherwise been thoroughly rejected.”³¹ In addition, these fees are flat fees covering all music usage, not minimum fees supplemented by usage-based royalties. -In addition, the fees are for broadcasting rights, not webcasting rights, where administrative costs may differ. Finally, although the college stations may deal with multiple entities to license a wide range of music, a single entity such as SoundExchange would be able to administer a license covering all works than would be multiple entities each separately administering licenses for separate portions of those works. Adding administration costs from separate elements would result in double-counting some cost elements that could be avoided if administration were handled by a single entity.

³⁰ “[T]he smallest college broadcasting stations will pay \$746 just for use of ASCAP and BMI musical works, plus more if they license musical works through SESAC and Global Music Rights. College broadcasting stations affiliated with large schools will pay \$1,928 for use of ASCAP and BMI musical works.” Bender WDT ¶ 53.

³¹ Bender WDT ¶ 53.

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APPENDIX I: ADDITIONAL WORKS CONSULTED

[37 C.F.R. § 380.3 \(2015\)](#)

[37 C.F.R. § 380.12 \(2015\)](#)

[37 C.F.R. § 380.21 \(2015\)](#)

[37 C.F.R. § 380.32 \(2015\)](#)

[37 C.F.R. § 380.33 \(2015\)](#)

[Final Rule, 69 Fed. Reg. 5693 \(Feb. 6, 2004\)](#)

[Joint Motion of SoundExchange, Inc., National Public Radio, Inc., and the Corporation for Public Broadcasting To Adopt Partial Settlement, Docket No. 2014-CRB-0001-WR \(2016-2020\) \(Feb. 23, 2015\) \(NRBNMLC Ex. 22\)](#)

[Proposed Rates and Terms of SoundExchange, Inc. and Artist and Copyright Owner Participants, Web V \(Sept. 23, 2019\)](#)

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~~Restricted:~~

[SOUNDEX_W5_000047001-47 \(2017 Form 990 of SoundExchange Inc.\)](#)

[SOUNDEX_W5_000189828_RE NPRCPB.pdf](#)

[SOUNDEX_W5_000189832 NPR1-#41443-v1-NPR Digital Services Q214 System Streaming Data.pdf](#)

[SOUNDEX_W5_000190242_RE NPRCPB.pdf \(email chain\)](#)

[SoundExchange, Inc. and Subsidiaries Consolidated Financial Statements: Years Ended December 31, 2018 and 2017 \(SOUNDEX_W5_000046912-000046954\) \(NRBNMLC Ex. 24\)](#)

SoundExchange [REDACTED] Document
(SOUNDEX_W5_NATIVE_PROD_002588)

~~Public:~~

~~[Joint Motion of SoundExchange, Inc., National Public Radio, Inc., and the Corporation for Public Broadcasting To Adopt Partial Settlement, Docket No. 2014-CRB-0001-WR \(2016-2020\) \(Feb. 23, 2015\) \(NRBNMLC Ex. 23, 2015\)](#)~~

~~[Joint Motion of SoundExchange, Inc., National Public Radio, Inc., and the Corporation for Public Broadcasting To Adopt Partial Settlement, Docket No. 19-CRB-0005-WR \(2021-2025\) \(Sept. 23, 2019\) \(Written Direct Testimony of Jonathan Bender Web V \(Sept. 23, 2019\)\)](#)~~

[Written Direct Testimony of Aaron Harrison Web V \(Sept. 23, 2019\)](#)

[Written Direct Testimony of Catherine Tucker Web V \(Sept. 23, 2019\)](#)

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<https://data.bls.gov/cgi-bin/cpicalc.pl>.

<https://www.federalreserve.gov/monetarypolicy/files/fomcproitabl20191211.pdf>

~~23, 2019)~~

~~NRBNMLC Ex. 21-SX-CPB-NPR Settlement Motion (Web V)~~

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APPENDIX II: CALCULATION OF EXPECTED FUTURE INFLATION AND THE RESULTING MINIMUM FEE

FRB inflation forecasts and the minimum fee

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year	median rate	future \$ equivalent	high range	future \$ equivalent
2020	1.90%	\$500.00	2.3010%	\$500.00
2021	2.00%	\$510.00	2.2030%	\$511.0050
2022	2.00%	\$520.20	2.20%	\$522.2475
2023	2.00%	\$530.60	2.2000%	\$533.7321
2024	2.00%	\$541.22	2.2000%	\$545.47543.87
2025	2.00%	\$552.04	2.2000%	\$557.47554.75

1) Source: <https://www.federalreserve.gov/monetarypolicy/files/fomcprojtabl20191211.pdf>

2) This table contains forecasts of the PCE (personal consumption expenditure price index) inflation rate from the fourth quarter of the previous year to the fourth quarter of the indicated year. The forecasts were made by individual members of the Federal Reserve Board and Federal Reserve Bank presidents under their individual assumptions of projected appropriate monetary policy for the Dec. 2019 meeting of the Federal Open Market Committee.

3) The median rate is the rate forecast by the person in the middle of the distribution of forecasts. The high range forecast is the highest inflation rate forecast by anyone.

Table prepared by Richard Steinberg 1/4027/2020

Proof of Delivery

I hereby certify that on Tuesday, January 28, 2020, I provided a true and correct copy of the Consent Motion of the National Religious Broadcasters Noncommercial Music License Committee To Submit Corrected Restricted and Public Versions of Its Written Rebuttal Statement to the following:

Corporation for Public Broadcasting, represented by Kenneth L Steinthal, served via Electronic Service at ksteinthal@kslaw.com

American Association of Independent Music ("A2IM"), The, represented by Steven R. Englund, served via Electronic Service at senglund@jenner.com

National Association of Broadcasters, represented by Kristine W Hanson, served via Electronic Service at kris.hanson@lw.com

Google Inc., represented by David P Mattern, served via Electronic Service at dmattern@kslaw.com

David Powell, represented by david powell, served via Electronic Service at davidpowell008@yahoo.com

UMG Recordings, Inc., represented by Steven R. Englund, served via Electronic Service at senglund@jenner.com

Warner Music Group Corp., represented by Steven R. Englund, served via Electronic Service at senglund@jenner.com

American Federation of Musicians of the United States and Canada, The, represented by Steven R. Englund, served via Electronic Service at senglund@jenner.com

Sony Music Entertainment, represented by Steven R. Englund, served via Electronic Service at senglund@jenner.com

Educational Media Foundation, represented by David Oxenford, served via Electronic Service at doxenford@wbklaw.com

Jagjaguwar Inc., represented by Steven R. Englund, served via Electronic Service at

senglund@jenner.com

iHeartMedia, Inc., represented by John Thorne, served via Electronic Service at
jthorne@kellogghansen.com

Sirius XM Radio Inc., represented by Bruce Rich, served via Electronic Service at
bruce.rich@weil.com

SAG-AFTRA, represented by Steven R. Englund, served via Electronic Service at
senglund@jenner.com

SoundExchange, Inc., represented by Steven R. Englund, served via Electronic Service at
senglund@jenner.com

College Broadcasters, Inc., represented by David D Golden, served via Electronic Service
at dgolden@constantinecannon.com

National Public Radio, Inc., represented by David P Mattern, served via Electronic Service
at dmattern@kslaw.com

Pandora Media, LLC, represented by Bruce Rich, served via Electronic Service at
bruce.rich@weil.com

Signed: /s/ Karyn K Ablin