



Arbitrators Side With Radio and Reject SESAC Effort to More than Double SESAC License Fees

For Immediate Release

Nashville, TN, November 1, 2024. The Radio Music License Committee (RMLC) has won a ruling rejecting SESAC's effort to more than double the fees paid by RMLC-Represented Stations for the license period January 1, 2023 through December 31, 2026.

As set forth below, the arbitrators' decision represents a significant victory for the radio industry. Highlights of the decision include:

- ***SESAC's blanket fee for the 2023-26 license period should be set at 0.2824%*** of the same net revenue base as had prevailed under the prior RMLC-SESAC license. This represents a modest increase in the percentage rate from the prior SESAC rate of 0.2557% that had been in place since 2016; ***in so holding, the arbitration panel rejected SESAC's efforts to more-than double the rate and substantially expand the license revenue base as well.***
- The long-form license terms are still being worked out, but it is expected that the non-music format stations will continue to pay fees at the same 77.5% discount as against the otherwise applicable blanket fee.
- It is also expected that the long-form SESAC license will continue to be structured as a unitary license that includes coverage for over-the-air, HD multicasting and simulcast streaming of station programming.
- ***The arbitrators' decision is retroactive to January 1, 2023;*** RMLC-Represented Stations that have paid SESAC interim license fees at 2022 rates will receive a modest true-up adjustment in order to bring rates into conformity with the now-final rates.

In the arbitration proceeding, SESAC had sought to justify its efforts to multiply the RMLC stations' rate (and substantially expand the license revenue base) by relying upon licenses secured by other licensors of music rights, both in and outside of the broadcast radio space; and RMLC is gratified with the result (notwithstanding its efforts to avoid any increase in rates at all).

Asked for comment, the RMLC's Chairman, Ed Atsinger, said: "Despite the fact that no increase was warranted, the arbitration decision reported here constitutes a significant victory for RMLC-represented radio stations given SESAC's demands, and comes at a challenging economic time for the industry. The RMLC intends to continue to defend and protect the interests of its members at a time when all of the performing right organizations are seeking to aggressively increase their fees."

The arbitration was the result of longstanding antitrust litigation instigated by the RMLC against SESAC in 2012. The matter was settled in 2015 on the basis that SESAC would agree, should the parties in the future be unable to reach agreement on license terms, to have its license fees determined by binding rate adjudication for the next 20 years. This is the second arbitration that the parties have participated in since the litigation settlement in 2015.

The RMLC was represented in the arbitration proceeding by lead counsel Kenneth Steinthal and his team at the firm of King & Spalding. The firm also represents the RMLC in ongoing litigations with BMI and ASCAP.

About the RMLC

The RMLC is a non-profit corporation that represents the commercial radio industry with respect to music licensing matters involving performing right organizations such as ASCAP, BMI and SESAC. For additional information, visit <http://www.radiomlc.org>.

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