

INSIDERADIO.COM

Wednesday, April 13, 2011

THE MOST TRUSTED NEWS IN RADIO

Automakers expecting more from broadcasters before further committing to HD Radio. For several years now, some broadcasters have held back on investing in HD Radio programming and enhancements to the user experience, saying the small number of receivers in the market didn't warrant the investment. But now the tables may be turning. According to Emmis SVP/chief technology officer Paul Brenner, the quantity of receivers in the market (about 3 million) and their capability are outpacing what many broadcasters have committed to the digital radio service.

"Everybody's taking their digital [investment] dollars and putting them into web and social networking and thinking that's digital for our industry," Brenner told Inside Radio at the NAB Show in Las Vegas yesterday. But broadcasters should be thinking about one-, three- and five-year capital structures to reinvest in HD radio power increases, side channel content and the user experience, he contends. "As spectrum gatekeepers, that's where we can be the most profitable," Brenner says.

Several automakers expect more from broadcasters before they will agree to install HD receivers in cars. They want radio to make the user experience more like that of satellite radio and mobile broadband platforms, Brenner says. That includes transmitting an album image; accurate artist, song and album title; song tags to enable ecommerce; genre information; and a station logo when music isn't playing. Technology that makes transmitting such metadata has been developed by iBiquity. "The broadcasters just need to do it," Brenner says. Stations also need to increase their HD power to provide adequate coverage, he says.

The FCC cleared power hikes last year but very few stations have bothered to pursue the upgrades. Brenner is president of the Broadcaster Traffic Consortium, the 16 group-organization that is building a traffic and data network with Navteq that leverages the HD Radio datacasting capabilities. It's banking on finding new uses for HD Radio data services to sell to consumers, including with other technology partners. Meanwhile, the FCC's requirement that Sirius XM Radio introduce new interoperable receivers presents an opening for the radio industry to use HD as an alternate distribution pipe to deliver traffic data services to the car. "There's an opportunity to knock out an incumbent because automakers are forced to switch to something," Brenner says. "They're asking us how we can compete in certain areas against satellite - and telematics is a great opportunity for us."

Broadcasters are already talking about an "analog sunset" date. The day when it makes sense for stations to stop transmitting an analog FM signal and broadcast only in digital may not come for years, or even decades, but discussions about it have already begun. CBS Radio CEO Dan Mason told RAIN Summit West attendees that radio needs to follow the TV industry and

implement an analog sunset "at some point." Talks are in early stages. "There have been some really good discussions lately behind closed doors with some really big industry leaders, both broadcaster associations and iBiquity, to figure out that roadmap," Emmis SVP/chief technology officer Paul Brenner tells Inside Radio. "When I meet with automakers, they ask, what's your industry's plan?" Even if Haley's Comet returns before an analog sunset arrives, Brenner says some large broadcasters are realizing that radio – as the sole remaining analog medium – needs a plan to make digital the primary distribution method. Setting an actual date isn't likely to occur until the point where every new FM radio sold is HD-capable. Brenner envisions a plan where stations in the top 100 markets switch first to digital-only transmission. After all, that's where most HD stations are concentrated. Of the 12,000 FMs in the U.S., only 2,000 are HD-capable.