THE NEW BREED OF COLLEGE (& HIGH SCHOOL) INTERNET RADIO

SURVIVING THE DINOSAUR

A Guide To Creating A Fun, Productive Student-Run Internet Radio Station

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Backbone Networks Corporation developed this guide as a brief look at the role of “College Radio”, specifically student-run Internet stations in colleges, universities and high schools in the United States. We will examine how they will not only survive the collapse of commercial, terrestrial radio, but can flourish in this now totally digital medium.

Introduction

Our purpose in distributing this paper is to help schools, including colleges, universities and high schools, develop productive, fun, and professional sounding student-run Internet radio stations for the benefit of students, alumni and the schools themselves. This is important, because around our nation we are seeing fiscal cutbacks in many areas, not the least of which is student radio.

Schools are selling off their expensive terrestrial radio stations, and it’s not clear to most people why this is happening and how schools can recover from this move. This paper will address how schools can not only recover from such a sale, but actually benefit from it.

Student Radio — Education’s First Social Network

From the beginning, college radio has been about building “community” in, around and between schools and their students. Each station creates a following based on its on-air talent, events, music genre and general programming, resulting in a type of social community among listeners and radio staff. While today social networks have expanded, the role and importance of student radio is no less than it ever was. However, facing severe budget constraints, but aided by digital “integrated media” technology, the model of the radio station is changing. This new model finds Internet radio challenging legacy terrestrial radio, and with it adding to the reach of the station, the benefit to the schools and the community of its students.

Old School Radio vs. Radio Reborn

When we think of radio, we naturally envision over-the-air (terrestrial) waves that propagate on different frequencies to the radio receiver in our cars, kitchens and bathrooms. Most music stations today are frequency modulated (FM) for high fidelity, while most amplitude modulated (AM) stations are news and talk. Both require a studio of some sort, a transmitter and tower, plus a studio-transmitter link between them. The higher the power (watts) and the taller the tower (meters), the farther the station can reach.

It’s not easy, simple or cheap to set up your own traditional high power terrestrial radio station. Your station’s frequency (in MHz or kHz) must be approved by the government (allocating “spectrum” for your station), which is a lengthy and expensive process. Equipment is expensive to acquire, install and maintain, and it’s prone to all sorts of atmospheric and environmental interference, damage and dangers.

Alternatively, for a school to purchase a going terrestrial station can cost millions of dollars, and the school still bears the annual operational and maintenance costs. Unlike Internet radio, terrestrial stations are subject to FCC rules, exposing schools to significant fines for non-compliance. [Horrible examples abound.]

This is why we are seeing over-the-air radio stations for sale all around the country. A school can cut operational costs while simultaneously enjoying a windfall of millions of dollars. With the advent of Internet radio, this doesn’t necessarily mean the death of the school’s student radio program. It can be the re-birth.
You’re Not Alone

All traditional media are facing financial crises. As we know, newspapers are suffering due to diminishing print subscriptions and ad sales, as are magazines. Commercial radio stations around the nation are consolidating and centralizing and have had to resort to homogenizing their programming, which gets played on automated local stations, with little or no local content to draw a loyal audience base.

Consequently, “big radio” is suffering, in the same way our “big four” TV networks are losing share to hundreds of specialized channels on cable, satellite and the Internet. Stations are too expensive to run, too expensive to sell and clearly headed in the wrong direction. Add to that the overbearing presence of the FCC, the impending music royalties from the recording industry and congress, and diminishing ad revenues, and you can see the writing on the wall for owning a big terrestrial radio station.

How are big commercial stations hoping to cope? By “simulcasting” their stations on the Internet. One might ask, since each station contains essentially the same vanilla programming, is there anything to distinguish one station from another? If they are mostly “top 40” rock or country, there’s probably very little to attract a listener — or sponsor.

The Future of Big Commercial Radio Technology & Yours

A Radio World research article, by industry expert Josh Gordon, digests a Wheatstone-sponsored study of the future Revenue Generating Radio Technologies. This excellent report tells us that the important trends for existing stand-alone and group-owned radio stations over the next 3 years are:

1. Streaming, as audiences move to the Internet
2. Networking between/among stations
3. More automation and computer assist

We will look at these three issues in the context of College Radio to help you avoid the pitfalls that plague commercial radio and help you aim your school’s station in the right direction.

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Which one (1) of the following do you believe has the best chance of making money for your station?

- Streaming our signal over the Internet (38.3%)
- Website interacts with listeners (19.2%)
- Streaming multiple channels (12.7%)
- Social media to win listeners (10.0%)
- Promoting station with mobile phone App (6.5%)
- Broadcast more than one HD channel (4.8%)
- Creating podcasts (3.8%)
- Broadcast in HD Radio (3.1%)
- Website creates musical discovery (1.0%)
- Website that delivers video (0.9%)

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from Revenue Generating Radio Technologies
A progress report
Independent market research from Alethea Research
Sponsored by Wheatstone Corporation
What Is Internet Radio?

In considering the alternatives for college radio delivery, we want to distinguish what constitutes Internet radio. First, let’s see what it is not.

In true streaming radio, your program content is not downloaded to a listener’s computer, as it would be in a Podcast or mp3 download. Rather, the music digitally rides in bits and bytes of binary information to the listener, and it immediately disappears. It is temporary, transitory, ephemeral -- fleeting and never heard again, unless surreptitiously recorded by the listener.

Similarly, it is not a personal music service that sends out a customized stream of music, like the very popular Pandora service.

No, college radio is real radio, and real radio has the power of mixing music, news, commentary and any other audio content that’s compelling to the user. Real radio is push, not pull. You, the DJ or program director, decide what the listener will hear as long as he/she is tuned in (or “connected”) to your station.

With Internet radio, you also determine what the listener will see when the audio is streaming. It might be text annotation, such as a song’s title, artist, album, copyright, and any other information that the government might require. It might be album cover art, or lyrics, or even interactive buttons for the listener to click and buy the song or visit the artist’s website.

Benefits of an Internet station

A viable college music station has to be more than an endless loop of music. First, an excellent radio club is all about training, helping you get the presentation and communication skills that will help you and your fellow students throughout your lives. And it also can help you develop that portfolio of skills that might get you that media job when you graduate.

But on a broader level, this is your opportunity to get your audience involved and engaged. When you broadcast on radio, you can inform your student body about events, provide a positive view of your school to your community, and keep your alumni in touch with their alma mater no matter where they now live.

Your station also has the power to help your school in ways that never existed just one generation ago. Your station can help recruit new students to enroll or take that new class, drum up support for your school’s cultural and athletic programs, or remind alumni to donate to your school’s endowment fund. There are a myriad of benefits an Internet radio station can bring to a college or high school. A good radio station will give you the power, and with that power are obligations.
How do people listen to Internet radio?

In order to tune in to, or connect to, your Internet station, listeners must have some type of computer, whether it’s a desktop, a laptop or a mobile device. It might even be a web-connected radio receiver.

Desktops and laptops typically run Windows® or Mac OS® operating software, and most formats of Internet radio are compatible with either operating system. Each format has its pros and cons. Today, the dominant format of streaming radio is Shoutcast compatible. It has reasonably good audio quality, and a big advantage is the automatic listing of stations in the most popular Internet radio “tuners”, such as TuneIn (mobile and desktop), DAR.fm and iTunes (College Radio Section).

Two other streaming formats, Flash and Windows Media, have been popular in the past, but with the advent of portable devices, including smart phones and tablet computers, where battery life is paramount, newer standards are taking their place since these older technologies are a bit more demanding of limited system resources.

Among these new streaming formats is HTTP Live, supported by Apple, which promises increased fidelity, stability and native audio play in HTML5 version browsers without add-in apps.

In selecting a streaming system or service, you should look for the ability to have an upgrade path to the best and most current formats. For instance, since Safari® on the iPhone and iPad today stream HTTP Live, while Safari® on desktops and laptops isn’t compliant yet, you might choose a service that detects which browsers are connecting, and serves the proper format to each.

Clearly, the mobile device market is overtaking the computer market in virtually every respect, and it is vital to keep this in mind as you plan your Internet station. Remember that “mobile” includes the automobile, where new 3G/4G appliances will replace today’s terrestrial and satellite programming with Internet stations, including yours. Your station should be on your own or relevant players, such as the College Radio Tuner app, above, and listed on all of the popular directories or “Tuners”, such as Apple’s iTunes’ Radio, DAR.fm and TuneIn, will help your target audience discover your station, driving listener traffic up dramatically. Get listed.
How to thrive while the big boys wane

Radio has entered an exciting stage, the merging of virtually all digital media. The good news is that with all its media resources, your school is poised to be part of that transformation. The new paradigm is a combination of radio, newspapers and television, all presented together in digital form on mobile devices -- for instance, web-based newspapers with embedded radio and TV players.

The old radio model was a comfortable mix of talk and music. Recent radio has become talk/news on AM, pure music on FM. But today with the Internet, this mix is not sustainable.

It’s said that commercial (Top 40) radio is dying because everyone already has all the old and popular music on their iPods. Plus, increasingly, listeners can sit back and have a music service like Pandora stream a personalized playlist to them.

Services like Pandora are wonderful, but they’re not radio. They do, however, pose an enormous threat to homogenized radio stations that rely solely on playing music, especially the same old repetitious music.

To find new music, people (especially students) are turning to alternative sources, and that means college radio (high school radio, too). But even college radio stations are threatened by Pandora and its clones as long as stations behave like faceless jukeboxes.

Consequently, all of these alternative sources nibble away at the audience base of the big stations, fragmenting the market into hundreds or thousands of candidate stations – some Internet, some satellite or TV music, some LPFM. Thus, each station, having fewer “earballs” each day, progressively loses ad revenues based on listenership.

Market fragmentation is a reality, and it will only become more pronounced. Why? Because the Internet just lowered the “barriers to entry” on starting up a station. Your school, for instance, can start a professional-sounding station for a few thousand dollars in equipment, and less than $3,500 a year in streaming plus royalty costs. Compare that to the millions it takes to buy and run a big, old terrestrial radio station.

Note: For just the cost of a terrestrial radio construction permit, your school can run an Internet radio station for 50 to 100 years.

While commercial radio collapses and public radio is forced to operate with fewer of your tax dollars, it’s imperative to build your local and/or loyal fan base, since that’s what distinguishes your station from all the others. And you can’t just do that with a music loop. Sure, music is an important element, but so is talk. Discussing the hot, local band; discussing school events or controversial issues; introducing diversity of opinion; and creating the human connection to your listeners.

According to radio industry expert Valerie Geller, President of Geller Media International:

Your listeners want to be informed and entertained and have fun. They want new knowledge. If they are alone in a room or alone in a car, maybe they just do not want to feel alone. Listeners are hungry to feel connected in a somewhat isolated world.

A listener wants a connection or to “feel at home” with the person on air...to feel they “know” the person on air.

Author: Beyond Powerful Radio- A Communicator’s Guide to the Internet Age for Broadcast, Podcast, Internet & Radio (Focal Press 2011)

Rise Above the Music Services, Add Value

Be journalistic, be of service and be interesting. Engage with your listeners, be part of their lives, open up your phone lines and take calls, create excitement.

Factor the element of talk into your station; live when you can, voice tracking when you want to play automated at night and during weekends and vacation. Anyone can put up a playlist full of music and play it out. It takes your talent to make it entertaining.

Note: Ensure that when you play automated content, your streaming system or service has the ability to break into live (and back) without dropping your listeners’ connections.
Elements of Streaming Stations, and how they are Configured

Most streaming Internet radio stations consist of three basic elements: Studio, Storage and Streaming. Each element is a counterpart of traditional radio and is essential for producing a quality broadcast.

**Studio**

If you run a real radio station, you will, at a minimum, have a studio for your live broadcasts. It might be spacious or squeezed into a closet, but it is a vital element. Like any other radio studio, you will need microphones and a mixing board, as well as playout devices, such as a turntable for vinyl and a CD player, plus provisions for an iPod or other digital devices, and a multi-line studio telephone system. You will also need a computer to access the Internet. We happen to be biased in favor of Apple Macintosh, because of its stability, ease of use, and its friendliness to multimedia.

**Storage**

You can’t be talking live all the time. You will need to store prerecorded content. This is stored on your “Server”, which may be on campus or somewhere in “the Cloud” on the Internet. Your server will hold your music as well as all sorts of clips for IDs, PSAs, ads, announcements, and even archives of past shows. This prerecorded content will reside as part of the station where everyone has access to it, at any time from anywhere. Then, during your show, you can break to a “commercial” using your automation system, which is probably located on your studio computer. At night, on weekends and during vacation, all you need to do is run autogenerated playlists or archived “best of” programs using your automation system.

**Streaming**

Another function of the Server is to be your “transmitter” to the Internet. The server allows each listener to “connect” to your station, and when that happens, your server logs the connect and disconnect times, telling you when and how long each listener was connected, and from where (City, State, Country) that listener was connected. From this information and your play logs, you now have very important information as to what song, spot or news item was listened to, from where and for how long.

*Backbone Radio stations are cloud-based, with all storage, automation and streaming listener connections made in the cloud. Your studio is self-contained in a Macintosh computer, so all you need is "a Mac and a mic".*

*Cloud-based stations enable easy live remotes from anywhere you can get an Internet connection. Add a mixer and you have an entire multichannel remote broadcast in a backpack.*
The Make/Buy/Rent Decision

Now the question looms: Should you (you, being your collective club or media department) try to build the station yourself? Or should you outsource the technical elements and focus on programming and production?

Granted, there are a lot of sharp individuals in your school, and some of them might be fully capable of cobbling together a streaming server. In fact, you can get a free copy of Apple QuickTime® Streaming Server software, or similar, streaming software that can be configured by your Computer Science Department or IT Department, if they are motivated and responsive. (Example of DIY instructions) There are also a number of cheap DJ assist software products you can configure for simple playlists when you are live or if you want to keep your desktop computer running around the clock. Remember, what you buy or build this year has to be maintained and supported by future students who may not be so capable or motivated. Also, factor in the capital cost of a server, its support costs and the ongoing operational cost of a lot of bandwidth.

With the possibility of hundreds of simultaneous listeners, your server should be located where there is plenty of bandwidth available. If you locate the server on campus, you will probably run into IT issues, especially if your station becomes successful. Your campus network probably isn’t built for heavy loads (e.g., >20Mbps) of sustained outbound streaming. If it is, your administration will be reluctant to give it all to your student radio station. It’s cheaper and easier to have your server hosted in the cloud where more bandwidth is available.

There is also the reliability factor to consider. If your server is on campus, whether it’s on your studio computer or in another building, your station is only as reliable as that particular building’s Internet connection. Having a server in the cloud, on the other hand, means that when your live broadcast is interrupted due to campus issues, your remote server kicks into automated mode and plays your autogenerated playlists for your listeners. Rule number 1: No dead air.

Comparing Two College Radio Hosting Alternatives

In most cases you will find that it makes the most sense for your station to be hosted by a company or group that specializes in Internet radio streaming; one that provides you easy-to-use software for your automation and/or on-air talent. Here we compare two candidates for this purpose: Live365.com vs. IBS Student Radio Network by Backbone.

**Assumptions:**
- Monthly Listener Hours : 15,000
- Streaming rates: 56 to 64kbps or 128kbps, optional
- Program/Music Storage: 250Hrs (5GB or 10GB)
- IBS-SRN pricing includes 25% Non-Commercial, Educational (NCE) discount

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<th>Monthly</th>
<th>IBS-SRN</th>
<th>Annual</th>
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<th>Live365</th>
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There’s a fourth “S”...Software for Automation, Scheduling and Logging/Reporting

Your station may be one of the lucky ones that already has a nice, expensive radio automation system. If so, you have the basis for easy, powerful station control. Most automation systems are pretty much the same in that they all have a similar look and feel, they play songs in sequence, they allow for a professional flow between live and recorded content, and they have a graphical user interface that allows you to drag ‘n drop clips in order to rearrange your show on the fly, if necessary. The features that distinguish one automation software system from another – features that will be important for your Internet station -- are the ones that integrate functions that are specific to web streaming.

Program scheduling, for instance, can be tedious, taking hours and hours of human intervention, selecting music and programs that will play automated in the future days or weeks. Someone or something must tell the automation software what to play. If not a person, then you can purchase an outside service or software that can create music schedules for you, such as RCS Selector, the largest such provider. Alternatively, you can opt for software that automatically generates playlists as part of the integrated Internet automation software (e.g., Backbone Radio), eliminating the extra cost and steps of using a separate software or service. Look for other features, like Backbone’s audible prompts and keyboard shortcuts for visually impaired students. Inclusion is vital to a radio club’s spirit and to your school’s mission.

Your software also must keep track of how many people listened to each song your station played, including song metadata, such as artist, song title and album, and give you statistics on listener location and connection times for each “performance”, as defined by the RIAA’s SoundExchange royalty collections organization.

Note: Even if your school qualifies for the SoundExchange’s (highly challenged by IBS, see http://tinyurl.com/9drsvngg) $500/$100 annual performance royalty fee (noncommercial, educational, nonreporting qualifiers), this information is still incredibly important for your station’s mental and fiscal health. It can be the basis for you to solicit club funding from your administration, to boost team spirit in your club, and to help you find some local underwriting to offset your station costs. What pizza shop wouldn’t want to contribute a sponsor’s note on your station’s website or on the air when your listener base is their prime target!

Keep zooming in to pinpoint where your listeners are. (To play with the zoom and pin-rollover features of a current map, click here.)

MAPS: Logging and reporting of listener metrics helps keep your station compliant and gives you valuable demographic data for your marketing, morale and fund raising. A Google mashup of listener data in the form of a zoomable world map yields a graphical view of how your station is doing for the last hour, day or week. Post this on your website along with your Top 40 and Last 10 songs.
Covering Remote (Mobile) Events

Sports, News, Concerts

When your station is hosted in the cloud, your mobile studio can consist mainly of your laptop, such as an Apple MacBook Pro, and you can easily pack an entire remote studio into your backpack. When you get to the event venue, such as a concert or an away basketball game at your rival’s school, you only have to set up your MacBook, attach a few microphones into your USB mixer, connect to wi-fi (or 3G/4G, using a “hot spot” device, if you can’t connect to wi-fi).

At this point, you will be talking into your microphone attached to your mixer, along with a couple of effects mics, and maybe one for another announcer, and your USB mixer plugs into your laptop. The laptop sends your signal over IP to the server, which in turn broadcasts it out to your worldwide listeners. When you want to go to “commercial”, and ID or PSA, use the automation console in your laptop, and the appropriate clip plays out from the server. When it’s over, you go back to live play-by-play from the arena.

Using this same concept, Baltimore’s Goucher College Radio equips students with MacBook Pro laptops during their semesters abroad so they can broadcast live from other countries. They simply connect via wi-fi to the Goucher server (in the cloud), and they are gaining foreign correspondent experience on college Internet radio.

You can also cover other events on campus, like your college President’s speeches, and interviews with visiting dignitaries. Make your own news and build your listener base.

Your station’s radio player can be embedded into a web page about your music and programming. Streaming images show album art and artist/album info. Give your listeners a peek of what they just heard, or missed, and show them what’s at the top of your playlists. They care, because college radio stations are usually the “tastemakers” on campus. Also, include a blog — talk to your audience. Use this page as just one element of your social media mix.
Joining a Radio Network
The term “network” gets used often in Internet radio without much respect for what a network really is. In one case, a network might be single station that broadcasts several talk programs. In another, it might be a web portal that simply lists a number of stations of a certain genre. And in yet another, it’s a collection of channels, each with a different set of content, run by the same individual or organization.

In our view a true network is a two-way (peer-to-peer) affiliation of stations that can share programming content with each other, as well as sharing a pool of syndicated content, such as music and news. When we apply this concept to college radio, it opens up the horizon to what a station can be when it has access to a wealth of fresh, new content on a daily or weekly basis.

It’s easy to understand why so many stations default back to loops of tired music: It takes substantial time and effort to find new music, review it, load it and program it. It’s even harder to create your own news magazine articles or political commentary for air play. And when you do create a segment of value, whether it’s topical news or a hot local band, you want it to get played as widely as possible. In a network environment, you merely have to post your clip or program or new music, and share it with all of your sister stations (other schools) on the network.

In the same fashion, one of your sister stations might post a Spring Break piece and share it (in a shared digital database), and you might want to review it for “correctness”, and if you like it, you play it on your station, with attribution to the creator, of course. When your listeners hear it, the creator of the news item should get a report of when you played it, how many people heard it, and from where.

**The RADIO NETWORK:** In a shared Network environment, multiple school stations share content (yellow arrows) provided by 3rd party syndicators and from one another. Programs (red arrows) indicate produced radio programs streamed live and/or automated to listeners. A network data warehouse provides metrics reporting (blue arrows) to recording artists, producers and providers, telling them how many people heard their material, over which stations, at what hour, and from where in the world. (See MAPS)
A two-way peer network also allows stations to share live streams with one another. For instance, if Station A were to announce they were doing an exclusive live interview with a controversial figure, they could instruct the software to share the live interview stream with all sister stations who wanted to insert the stream into their live webcasts. And you can similarly share your events of interest. Good, strong content, whether loaned or borrowed, will legitimize your station.

Network-Wide Remote Events

Another example is the annual nationwide IBS-Palooza music festival, which is held one weekend a year across the IBS Student Radio Network (IBS-SRN). Schools bring emerging local talent and bands to local venues, such as a club or park, to put on a free concert for students and the community. (See XTSR @ Palooza photo on cover)

Using the same “Macbook + Backbone” Remote Event capability that major concert events use, student emcees broadcast (and record) up to two full days of new music live on their IBS-SRN station for worldwide play. While each station primarily focuses on its own local talent, schools can intercept streams from other stations and play them during lull or transition periods of their own concerts. These events provide valuable international exposure for local bands while helping to solicit donations for deserving community charities.

Syndication
Content Delivery from the Cloud

Colleges, universities and high schools are fertile ground for new and emerging musical talent, serving as “taste makers” for the music industry. Since radio air play provides value for artists, it is only logical that independent music promoters want to deliver you the hottest, newest musical talent for you to play on your Internet station. While the conventional method of delivering this music to your station has been via CD, the new methods take advantage of digital delivery over the Internet (in the “cloud”), saving time, manpower, materials and postage. When your station is part of a true peer network, this music can magically show up in your music library every week, ready to preview and/or play whenever you want.

In a similar vein, your student-run station probably doesn’t have access to a vast library of news stories, especially current, topical stories. Imagine having a wide variety of clips available for you to build your news, sports or human interest programs. It’s possible with a network that can attract syndicated content.

Note: For the IBS-SRN, Pirate! Promotions has begun digitally delivering dozens of new, quality “indie” music tracks every week to member stations’ automation libraries, so no need for juggling and ripping CDs or downloading files. Songs just appear. The network will continue adding content sources to help stations build their libraries.

Finally, funding is always a hurdle when it comes to student-run radio, and Internet radio is no exception. While your individual station may not have an easy time attracting financial underwriting, a network creates the aggregate sized audience to begin to entice potential sponsors. If NPR can do it, why can’t you!
The Dreaded Royalty Quagmire

Probably the most confusing and problematic issue facing Internet radio has been the Copyright Board’s performance royalty rate or “Performance Tax”, as it’s been labeled by the National Association of Broadcasters (NAB). Imposed by congress and lobbied by the RIAA, an annual royalty is levied on all Internet radio stations, the extent of which depends on the amount of music played, the number of listeners in the USA, and the category of the station’s ownership. The authorized clearinghouse for these payments is an organization called Sound Exchange (SX).

The purpose of the royalty is to reimburse artists for the on-air use of their recordings. The reciprocal values of air play to both parties, as well as the effectiveness of the reimbursement process, is a hotly disputed topic, especially as these royalties now threaten to reach the heretofore royalty-immune business of terrestrial commercial radio.

It is the commercial Internet radio stations and groups that face the most expense and administration, since they must pay by the performance (1 song to 1 listener). In actuality, a performance could also be nonmusical, such as a track from a comedy album or other copyrighted recording, but we refer to songs.

There is a special flat rate for noncommercial educational schools, however valid (see next page). This special $500 annual rate is mentioned in the following paragraph from the SX Website rates page:

**NONCOMMERCIAL EDUCATIONAL WEBCASTERS**

Services that are “Noncommercial Educational Webcasters” (generally, student-run radio stations at accredited educational institutions which are either simulcasting an AM/FM signal or operating an internet-only radio station) have rates and terms that mirror the regulations enacted pursuant to the Webcaster Settlement Act on August 12, 2009. For 2011-2015, those services pay a minimum annual fee of $500 per station or channel. If the station or channel streams less than 159,140 aggregate tuning hours in a single month, then there is no additional royalty obligation. If the station or channel does exceed this threshold, the rates for that excess liability are:

- **2011**: $0.0017 (per performance)
- **2012**: $0.0020
- **2013**: $0.0022
- **2014**: $0.0023
- **2015**: $0.0025

Furthermore, services that stream less than 55,000 aggregate tuning hours in any given month may elect to not supply the quarterly (or, in some cases, monthly) reports of use that are required. This reporting waiver requires the timely submission of a Notice of Election and a $100 proxy fee per station or channel.
Even $500 is too much, not to mention questionable

The recent IBS legal victory ruled the Copyright Royalty Board to be unconstitutional, vacating (canceling) the $500 minimum without providing a replacement rate, so there doesn’t seem to actually be a valid minimum rate at this point in time. However, you may still want to take the easy path and move on by simply paying the vacated $500 to SoundExchange under duress as an “insurance policy”.

Even prior to this ruling, the courts have ruled that a $500 minimum is an “arbitrary and capricious” rate. On a per-listener basis, a $500 minimum royalty is vastly more expensive than what NPR stations, for instance, pay. If you do decide to sign up for the SX $500 deal and be done with it, it’s highly unlikely you will exceed the monthly aggregate tuning hour (ATH) threshold of 159,140 specified in that rate. You will likely fall within the 55,000 ATH non-reporting limit, as well, as most schools do.

So, should you opt for the $100 proxy fee or report?

The answer is that it depends. If your station has comprehensive logging and reporting features, as we discussed, then you already have the data to send SX. Save the money. If you don’t, then the $100 is cheap compared to the man-hours required to compile the data. However, consider the consequences of not reporting.

If the primary SX objective is to pay artists, and if the only data they receive is from big, commercial stations, then most of the money will be paid out to the ultra-popular artists, like Katy Perry and Taylor Swift. Your station’s favorite artists may never even register with SX if you don’t report, and that flies in the face of college radio’s spirit. So, if you really want your local bands or your new indie favorites to be compensated and recognized, report.

Should you pay it yourself or outsource payment?

One answer is that you could use a hosting service that automatically rolls royalties into your monthly bill, but that is a very expensive option, even compared to simply paying $500 once a year (see page 7). Making your own payment means that you establish a direct license between your school and SX. Outsourcing payment locks you into a perpetual contract with whoever pays your royalties for you, and it means your students (and faculty advisors) will never have the experience of establishing a license arrangement with SX.
## Partners with a Mission

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<th>Partner</th>
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<tr>
<td>Intercollegiate Broadcasting System (IBS)</td>
<td><a href="http://ibsradio.org/">http://ibsradio.org/</a></td>
<td>Intercollegiate Broadcasting System (IBS), your trusted resource for 70 years with over 1,000 IBS Member Schools. Join today.</td>
<td>As your international voice for college radio, IBS continues to lobby for the interests of members both in Washington and with the recording industry.</td>
</tr>
<tr>
<td>College Media Assn.</td>
<td><a href="http://www.collegemedia.org/">http://www.collegemedia.org/</a></td>
<td>The College Media Association is the professional association dedicated to serving the needs of collegiate student media programs and their advisers.</td>
<td>Educate and inform advisers. To help them advise and teach students about the production of collegiate broadcast media, especially Internet radio &amp; TV.</td>
</tr>
<tr>
<td>Public Radio Exchange</td>
<td><a href="http://www.prx.org/">http://www.prx.org/</a></td>
<td>Public Radio Exchange is an online marketplace and social network dedicated to reshape Public Radio on the Internet.</td>
<td>PRX and Backbone have teamed to distribute PRX’s Remix Radio streams, both on the Internet and on satellite’s XM Channel 123.</td>
</tr>
<tr>
<td>Pirate!</td>
<td><a href="http://www.piratepirate.com/">http://www.piratepirate.com/</a></td>
<td>Pirate! Promotions is a music promotion, public relations, marketing and management company who works with artists, brands, record labels across North America.</td>
<td>Pirate! and Backbone have teamed to invisibly, digitally deliver the latest and hottest new artists and music to our college and high school IBS-SRN Internet radio stations.</td>
</tr>
<tr>
<td>TuneIn</td>
<td><a href="http://www.tunein.com">http://www.tunein.com</a></td>
<td>TuneIn is a free service that lets people listen to over 70,000 streaming stations from all over the world.</td>
<td>To deliver college and high school Internet radio stations to worldwide listeners on over 150 different devices.</td>
</tr>
<tr>
<td>DAR.fm</td>
<td><a href="http://dar.fm/">http://dar.fm/</a></td>
<td>DAR.fm is a service that lets you use the Internet to record radio stations and shows so you can listen whenever you like.</td>
<td>To make the largest network of college &amp; high school radio stations (IBS-SRN) recordable for anytime listening.</td>
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