



## Music channels set to launch on mobile phones

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**Stingray Digital** has built its business on the cluster of Galaxie music stations found in the upper reaches of the cable dial. But now the Montreal-based company wants to bring its commercial-free channels out of the stratosphere, and in to the palm of your hand.

On Tuesday, Stingray will launch a subscription-based streaming music service for mobile phones. Customers will access its 45 audio-only TV channels through an app on the iPhone, iPad, iPod Touch, and all Android-based mobile devices. Users can also skip songs and download tracks they like through Apple Inc.'s iTunes store.

But the launch is more than just radio for your phone – it represents the first time a number of music labels have worked together to simplify an agreement for digital music rights in this country. In Canada, digital music services are regulated by the Copyright Board, which sets the rates paid to music labels for the privilege of playing their songs. Because that approval and rate-setting process can take up to a year or two, companies such as the highly popular U.S. Internet radio service Pandora have been hesitant to launch here, said Graham Henderson, president of Music Canada, a trade association representing the major labels here, including Sony Music Canada, Universal Music Canada, Warner Music Canada and EMI Music Canada.

Stingray approached Music Canada earlier this year with a simple question: How can we do this more quickly? After months of discussions, the company has agreed on rates – the industry standard is about a fifth of a cent per play – with Music Canada and with two other groups representing the smaller independent labels.

“If you look at the reasons people – like Pandora – have given for not launching in Canada, one of the principal reasons has been unease with the regulatory process, and a fear that they could be

charged too much for the content they wanted to offer,” Mr. Henderson said. “... If we’re lucky, we may have broken a logjam here and we may see the introduction of a number of new services into the country, which will only stimulate the market for music in Canada.”

Galaxie Mobile will charge \$4.99 per month for its service, with discounts available for longer terms. The company is planning to launch on more devices, such as BlackBerry smart phones, in the near future, and to add more interactive features to the app, such as allowing users to build their own playlists.

Stingray is also negotiating with wireless providers to launch the service through their networks. The company already has relationships with many of the providers through their TV services. Galaxie already has an Internet music service which is offered through the cable and satellite providers’ online on-demand websites, such as Rogers On Demand Online and Vidéotron Ltée’s Illico Web.

“The main advantage we have in Canada is that so many people listen to us on TV,” Stingray president Eric Boyko said. “We have a great customer base already in Canada.”

The mobile service is also launching on Tuesday in the U.S.

With piracy an increasing reality for music companies in the digital world, the record labels are showing greater co-operation to help legal, paid music services get off the ground, Mr. Boyko said.

Music Canada’s Mr. Henderson said “It’s absolutely essential. It’s the holy grail.”

“We’ve got to get a variety of legal services in the marketplace that people are aware of and comfortable with, that will wean them off of doing the wrong thing, which is taking music without compensating artists.”