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EXPANDING ACCESS THROUGH CAPTIONED RADIO

Stephen Foster

STEPHEN FOSTER: I'm very happy to be here today to talk about this very exciting project and share my excitement for everyone in this room. I want to talk about this particular project and what we are doing. After that if we have enough time, I would like to have more of an open discussion about radio. It's so brand new that the company is very interested in learning more about your opinions, and so that we can incorporate them into not only our product development, but in our content acquisition strategy, which means basically what radio programs you'll be interested in.

When we talk about radio, we're talking about radio in general. Originally, there seemed to be one common format of radio, which was called terrestrial radio. This is basically your typical AM/FM radio station that would tune into a handheld radio device or radio that you have at home, or even in your car. You have a record, 8 track, CDs, and the radio allowed you to play prerecorded music at your own discretion. But all of that is yesterday. Today, the whole world is changing rather dramatically. Now, with the recent proliferation of Internet-based technology, many new radio formats have come about. The radio industry is continually going through changes, and more and more devices are coming to the market.

We have what we call the new world radio or today, e-radio. We talk about the Apple iPod, and iTunes. The Apple iPod sold more than 200 million iPods in the last few years. It's the single most popular selling product on the market with respect to radio. The common format that came about is what they called MP3, which is a downloadable music format. On top of that, because of the Internet, there exists streaming Internet radio through Internet websites. This is basically broadcasting live radio information to a Web site where the user can listen to the radio station.

On top of that, there is pod casting. Pod casting is the ability to store the MP3 formats for radio programs, whether it's an hour or two hours of the popular programs. You can download those and play them at any time you want on your iPod as opposed to something where you actually have to tune in at a particular time, at maybe 11 o'clock for a particular program. So if you wanted to hear something at 2 o'clock in the morning, you could still get that radio program.

Of course, then we have satellite radio. Two major players in this industry are XM radio and Sirius. I'm sure you've heard how you have to switch your radio to satellite radio. Everybody seems to be going that route. Again, it's frustrating because all of this stuff is coming out and I have absolutely no way to enjoy this type of technology. So for the most part, the deaf and hard-of-hearing community unfortunately is still neglected, is still blocked from radio.

I've had the privilege of talking with quite a few groups about what we are doing. I connect with these people on a very personal level because I understand exactly what the tribulations are in terms of wanting radio access. There may be some people in this room who have listened to radio growing up, and who lost that access. Another group of people such as me, who were born profoundly deaf have no idea what is even on radio. Fortunately for me I've got a great team behind what we are doing. Dean is the Vice President of Communications, the number two guy who sat down with me and said that it was interesting to see the perspective that I brought to the table, that we have another audience out here who never had access to radio before. Since I don't have radio access, I asked him, "What kind of content are we missing?"

He said. Well, you're missing national and local emergency response notifications. You're missing all kinds of entertainment radio, talk radio programs and call-in shows. You're missing sports broadcasts." Last was a typical example of that. I was at the restaurant downstairs with some of my friends here. The whole time, the National League championship series is going on, and I'm a big Cardinals fan. I didn't even realize that the game was on, unfortunately. Also in the 45-minute drive back to my house from downtown St. Louis, I completely missed the entire broadcast of the National League championship series. So it's not a very fun experience to go through.

Of course, you've got news, live weather, live traffic, and music. We will talk about live weather and traffic. It's beneficial for a lot of the deaf and hard-of-hearing because we get stuck in traffic, too. If I heard something being said on the radio about bypassing traffic, that I can bypass traffic, I could have saved myself maybe an hour, hour and a half at that time. The bottom line is the deaf and hard-of-hearing get disenfranchised from radio, which means they don't have access to it. That's where the questions come up; who out there is solving this problem and who out there is having this problem and what are you doing about it?

Let me tell you about what the company is doing. We are basically a company dedicated to bringing new audiences into media. Let me explain what that means. When the traditional media powerhouse, so to speak, creates content, whether its media

content, radio programs, Internet based programs, whatever it is, they create these programs for what they call the “Mass audience,” which is basically everybody in the general population. But there seems to be a fatal flaw in that, because the distribution method in terms of how they distribute media content—when I say “media content,” I’m talking about programs, whether it’s a radio program or TV program.

So the media powerhouse people agree that 80 percent of the general population receives this content with no problem. That leaves the 20 percent out, which include the blind, deaf-blind, people with disabilities, and people with specific foreign language speaking preferences. What we are doing is we have found a way by utilizing rather advanced technology platforms to do basically what we call “adjusting” the content so these people can receive the content in their preferable format. For the deaf and hard-of-hearing markets, obviously that would be captioned radio.

Now, when we talk about the product and technology, you have to keep in mind that this company is still in the early stages of product development. We have come up with some ideas based on my experience with the various empowering technologies that are enabling people with disabilities. But, I’m not particularly satisfied with what I’m seeing out there on the market. It doesn’t quite meet my goals and objectives. I shared some of these goals and objectives as well with other people who have the same disability that I have.

We are talking about basically iMAT, an original product concept. It’s basically a radio receiver. A radio receiver is like the size of an iPod that you would put in your pocket or in your wallet or in your coat pocket, whatever. It has a radio receiver inside there that relies on radio frequencies from “traditional radio towers.” The beauty of this product is that you receive quality captions synchronized with audio in realtime. Now, I’m very intent on doing that because I’ve had the experience of reading transcripts on the Web site. That is not the radio experience. We want to be able to duplicate the real experience that normal hearing people have.

To access captioned radio you need equipment, and when you look at this device you may say what in the world is that? When we talk about a receiver combined with the eyepiece, it’s a glass eyepiece. The objective is to be able to project the captions six or seven feet out in front of you. Not something where you’re looking down into a monitor. The bottom line is it’s personal. Why is it personal? Well, I’m tired of going to a movie theater and asking for a rental captioning device. I would rather have my own and be able to walk into a movie theater and turn on the captions in an instant. That’s a dream for me.

It’s portable. I want to be able to go anywhere at any time and have captioning access, regardless of medium; that is television, radio, movie theater, whatnot. It’s also, real time. I’m very intent on real time captioning. Our back end system has a way of actually synchronizing the audio and the captioning to be almost exact. Not so much talking about a seven second or three second delay, we are talking about one second, which is

pretty impressive. However, *we are not a speech recognition company*. We figured out a way to cut the gap in terms of the audio and the captions that you see.

Now, the ability to have a simultaneous information stream that may be wording is complex. The basic concept is if you're hearing/watching radio, you look at the screen. You have to keep in mind it's limited to what it can show on the entire screen. But this here would allow me to read captioned information, aurally and visually.

Suppose you want to have traffic information. All of a sudden you are stuck in traffic and you say I need to find out about it. There is a button developed on the receiver that allows you to put traffic information in and it pops up simultaneously. The idea behind that concept is it will allow you to detach any traffic or weather information without having to flip through channels to get that information. It's a convenience.

The product design. Keep in mind that I'm talking about a hands free concept. It's the same with television. Television captioning for the most part requires you to look at the television in order to receive captioning. The idea behind this concept is to allow you to remain focused on the presentation in front of you, whether that is a ball game, on a radio station or on television. If you look away, you still get the captions. Consider this: I'm at a ball game. I go to the concession stand to buy a hotdog, a Coke for me and my wife. If I have to carry all that, where am I going to put my PDA? With this apparatus, you just wear it on your ear. It's similar to the Plantronics cell phone you see people using walking around the airport.

But we partnered up with one of the top 20 companies in the country and they are great about understanding the design for accessibility. I'm not going to put a product out on the market that *I think* is the best for everyone else. I'm going to allow you to tell me what is best for you. We will incorporate that with our industrial design partner. This is what you call the ergonomics of the I.T. It's a concept of how you can continue to watch radio, but be comfortable. There are a lot of design possibilities. We talk about a collapsible design, where it could be about the size of two or three inches. And it folds back out.

We have two different eyepieces. One is called the opaque version. And the other is called the transparent version. Now, the difference between the two is transparency, which allows you to put the captions out there, in front of you. The opaque version is more like a subset of your actual vision. It requires you to focus on a small monitor that looks like a 15-inch screen. I have my own personal preferences and I'm sure you do as well. These are possibilities.

Content. Now, this is a loaded question because there is so much radio content out there. You've got news, weather, traffic, and music, everything you can possibly imagine. I'll tell you a funny story.

I'll tell you a story about the mentality of several of the CEOs of radio conglomerates whom I met here in the U.S. One particular CEO was Jeff Smoryan. Jeff was the

founder of MS Communications. He is one of the most widely respected individuals in the radio community. When first talking with him, I said I would like to bring captioned radio to the deaf and hard-of-hearing. The first thing that comes to his mind, he said well, who is the deaf and hard-of-hearing? I started to explain that I'm a representative of that market. He said, "Well, we're not interested, because, you know, people with hearing loss are 65 years and older." That statement offended me, but it reveals the mentality that some CEOs have. It's persistent.

With the television stations way back in the 1980s, it was the same. They don't believe there is a market out there. It's my responsibility to communicate that there is a market, and I have finally made several breakthroughs. Statistics don't lie. Look at the number of people who have a hearing loss: 28 million. That's a rather huge number. So I've given them a marketing analysis that breaks down the number of potential radio users in the top 25 radio markets. Also, subtracting out the under 18 population, because they have marketing, and they get involved in the advertising that they have on radio stations, you have to keep in mind that the mentality that they have is focusing on the age group of 18 to 65.

Now, that is not tied to our particular deaf and hard-of-hearing or hearing loss segment. But I decided to humor him anyway. Chop off 18 to 65. Just in the top 25 markets, the top 25 metro areas of the United States, that's 14.1 million people. That's a lot of people. That's a lot of people. That convinced him. Content, what do you want? You tell me, I'll make it happen!

Service. We have to keep in mind that radio is a non-mandated market. "Non-mandated" means it's not mandated for captioning. Radio stations do not have to provide captioned radio. As we continue to develop this product, our first target audience will be early adopters. Those are people like me who will pay for the device at cost. We are not making money on the device. We are selling it as cheaply as we can make it.

It will be a monthly subscription based service. You're telling me I have to pay for captioned radio? Well, certainly. It's not a mandated market. But, it's very similar to the satellite radio model and people are buying satellite radio. People pay \$14.95, \$15.95 for a hundred plus channels. It's something that is allowing the consumer to move away from the terrestrial radio market that I talked about earlier.

When will it be available? That depends on how fast I can get responses from the individuals. Number one, we have to hold focus groups and beta testing. I talked with several small organizations, of which most were more than happy to open their doors so we could go to their facilities and conduct a beta test. The purpose of this beta test was to help us understand more about the design of the product that we want to give you. The last couple of slides, those concepts, the visual apparatus, and the radio receivers are just concepts. We have developed an early prototype based on these concepts.

Which design will be available? That depends. There are two different scenarios, two different avenues we can explore. The first avenue will be the original radio concept with the iMAT radio receiver. The iMAT radio receiver has certain advantages over the other avenues, which I'm going to get to in a minute.

iMAT uses radio time. How many of you understand what the last standing communication technology that is available during a national disaster is? It's not wireless phone. That's the first thing that goes down because everybody is calling their parents. When Hawaii had 22 earthquakes in the last 48 hours, the first thing that was down was the WiFi. What goes down after that? There are multiple layers of communication that allow the people to talk. But the last thing that is always standing is the radio tower. Look at 9/11 and Hurricane Katrina. You see people huddled up and they are listening to a radio. It's a receiver that is coming off the tower. It's a one-way communication channel.

So that goes into the pros and cons or the advantages, disadvantages of which route we want to take. The alternate route is what we call the applied and play model. It's like the PCS phone or Blackberry. We can put the application on there. The down side to that is if the wireless technology goes down, you go down with it. So we have to weigh what is really something that you want.

If we go with the original route, the iMAT radio receivers, we are talking about the top 25 metro areas in the next five years. That's similar to the rollout strategy that you see with the CapTel telephone.

However, it's very expensive because it requires a radio receiver. It requires us to talk with the radio station to put the equipment in the radio station so that captioning can be delivered over common radio frequencies.

On the other hand, the cellular wireless possibility is a national launch on "Day One". We have choices and it's up to you to decide what you want to go with.

Coverage. When we talk about coverage, there is an advantage to using radio frequencies. They've been around for 75 years. Radio frequencies actually penetrate better in terms of quality and transmission, even through the thickest of walls and movie theaters, stadiums, even in confined spaces such as basements and elevators. Wireless technology is limited by the transmission capability or the strength of the transmission to pass through the walls. Sometimes it just doesn't happen. So that's when we talk about service.

The future and the possibilities. Now, I mentioned the possibility of a plug and play into existing mobile devices, Blackberry phones and so on. But it's really interesting, a national deaf and hard-of-hearing radio channel. Can you imagine after we establish this, that the deaf people have their own channel? We are—maybe we will have Cheryl talking about deaf advocacy issues, or maybe Karen talking about captioning on the

television issue. It's just a way to get the communication out through radio stations. And it's a very effective communication tool.

Sports and entertainment venues. You know, there are other vertical market opportunities. Football, baseball, basketball, hockey, whatnot, these are possibilities. But it won't be a reality until after we focus more on radio first.

Theaters and concerts, public spaces such as airports and mobile television. Now, mobile television, I'm sure you've seen the video iPods. The screen is two inches by 3 inches. That's really small to put a bunch of captioning on there. So what this technology has is the ability to project the captioning as if it was a 50-inch screen in front of you. That's kind of neat.

So our goal, my dream for the company is having a device that allows the deaf and hard-of-hearing users to roam anywhere, any time, have access to any content that you want.

I appreciate talking about, you know, captioned radio today. Feel free to visit our Web site at www.imobileaccess.com. This is our executive team. If you have a question, feel free to e-mail me or anybody else.

Now, the question, its open discussion. I'm sure you've got a lot of questions. Anybody have questions?

AUDIENCE: I listen to you, is there a way of taking the Apple and putting it on the iPod? So you can—so you can hear it or see it?

It would be good. My problem is in church. I have that problem Sunday mornings. I hear the sermon but I don't interpret it.

STEPHEN FOSTER: Well, you know, the issues with the FCC and trying to mandate people in churches that unfortunately, I don't know exactly for sure if that's a mandated market.

But keep in mind this is not a speech recognition technology. It requires a captioning company to be involved. And that's a cost to the company. So, it's possible that we could plug this into an iPod. We could plug it into whatever. It's possible. But that depends on the surveys—not the surveys, but the focus group and beta testing that we will conduct that would allow us to understand a bit more about whether or not that is the route we want to go.

AUDIENCE: The glasses, the eyepiece with the glasses, what about people that already wear glasses?

STEPHEN FOSTER: The nice thing about the transparent eyepiece, it overlays on top of prescription glasses. Because the captioning is not in front of you, it's out there. It's

about 8 feet in front of you. It should become part of what is out in front of you. Does that answer your question?

AUDIENCE: So you would be wearing something and then you just—

STEPHEN FOSTER: You will have a very thin cord that is an eyepiece. It plugs into, you know, your typical phone, they have a jack that you can put your eyepiece in there, and then you can wear it. Okay.

Some people ask me, before I'll let you ask me a question, there are people that asked me, "well, what about people with low vision problems?" You know, that is a concern of ours. And that's why we will look at the radio receiver that we have. We want to be able to have that receiver to create the font or the display size a little more accommodating to people with low vision. Because that's probably more—they probably more than likely will not be using the visual apparatus. So we have to have the ability to have a radio receiver with a display or personal preference, plug it in and project it.

AUDIENCE: So, basically, it will be like a floating screen of captions?

STEPHEN FOSTER: Yes.

AUDIENCE: For some people it may take time for them to get used to see the floating words, probably not recommended for people who are driving and seeing it?

STEPHEN FOSTER: It's very similar. It's a good question. It's similar to the reflective display devices that you see on auto windshields. I don't know if you've driven a car that has that. They have the odometer and speedometer that show up on the window. It's the same concept. So we are talking about potentially developing accessories that I would personally not recommend you drive with this visual apparatus. I mean it's a dumb thing to do. But there are people that are going to be doing it anyway. I mean, I talk on the pager when I'm driving, I'm sure you do that. My wife is about ready to pull my hair out when I do that. But it's just habit.

But the question is, can we develop a display where you can actually take your pod, or the—your radio receiver and plug that into your dashboard, and the dashboard would display it on your windshield? That is a possibility. Yes?

AUDIENCE: The concept of using this kind of in front visual field merging technology is also, in my mind, going to take a lot of cognitive abilities. And so as I look—I may be late, but I heard your discussion about your potential market. I think you might be missing a huge market, which would be people with normal hearing in that early adopter, early and trailing baby boomers who just want more information. And having simultaneous information feeds would be great. I can be sitting in a meeting and zoning out from what my boss is saying, and getting stock quotes or whatever. So there is a huge market in that regard that I think may also get price down. It may also allow you to do a parallel local out with the satellite and that sort of thing.

STEPHEN FOSTER: Yes. I don't know what part of the presentation you came in.

AUDIENCE: Right about then is when I came in.

STEPHEN FOSTER: If you remember, the company motto is—we are going back to—oops!

We are a company dedicated to bringing new audiences to media. We have an investment Banker based in New York. We have a wager going on, because he is a New York Mets fan. I won this round. He said that he listens to the FM broadcast of what they call play by play broadcasting of the baseball game. So when he goes to the actual baseball game, he has a radio with earbuds that he plugs in. The thing that he likes about what this does is—this will allow him to read that play-by-play broadcast without drowning out the sound of the baseball game.

So, you know, he wants to be able to listen to the baseball game, the crack of the bat, or the ball in the catcher's mitt. And you're right. We could curtail the business, the content, to a businessman who may have stock quote information or whatnot. Those are possibilities.

But keep in mind that we are in the content business, not so much the business is technology driven. It's more of a nice to have. But it's how we deliver content to the user in an adjusted format.

So, yes sir?

AUDIENCE: Does the floating image also work with prescription-polarized sunglasses?

STEPHEN FOSTER: Yes.

It's a good question, because that was one of the questions that came to mind with several early investors. And we are still in the capital raising process. That tremendously affects the timelines of when that product can be launched.

So we have got a lot of interest. And right now we are going through the due diligence phase. And some of the questions that came up are particularly exactly what you're asking. One man had polarized glasses; we put it on him. Oh, it does work. So yes, that is a possibility. Yes. That works.

Any more questions? Yes?

AUDIENCE: It's a two-part question. Aren't you worried about information overload, the fact that so many things are being processed? Because I think some of the—like watching sports now, you have the captions, the score of the game is over here, and

then there are more scores at the bottom. Then they flash the graphic up showing what happens in this situation. And it's just too many things you're trying to process.

STEPHEN FOSTER: Let me answer that question. The answer to that question is that's why we have user preferences. We have a screen that is used to control how much information you put on the glasses. You know, whether you want two information or three information streams or whatnot. That is more of an application functionality. It's not so much the technology functionality, but it's the software. But it's very easy to do. Second question?

AUDIENCE: Actually, more of a comment. ESPN had college basketball last year. So what they did was they used the graphics in the same way of televising the game as they did 20 years ago. It was very slow paced, very few graphics. I actually enjoyed watching that game better, because you weren't assaulted all the time. It was a nice, relaxing pace.

STEPHEN FOSTER: That's interesting. Thank you for sharing that. It's very interesting.

AUDIENCE: Okay. I don't know much about radio. I've been deaf for 30 years. So I've got a CI. I'm trying to learn things. But what I'm trying to—what I'm trying to understand is this is for like when you're sitting down. But if you did have a portable thing for the car, even if you're a person and you had a portable device that was on you, you could keep in touch with the radio just by looking down or something? You just keep having it on, every so often just glance on, to keep in tune? It seems like it would be necessary to have something small and portable rather than having something on your eyes. And I assume that some days at airports, everything will be broadcast over the frequencies, you just carry that around. You just keep walking. But it seems like basically it's just for sitting down.

STEPHEN FOSTER: It's a possibility. Because that's when I go back to the idea of the senior citizens that will not like the idea. I know that for a fact. So we have to find the balance between—you know, there are manufacturers' requirements that come into play, you have to guarantee so many units, so many of these accessories. And we have to have inventory for that and that can get really expensive.

But to answer your question, that's why we will have a displayable screen. That's why we are exploring opportunities with cellular phone providers where it can be an all in one product where you can look at your phone or wear the eyepiece.

AUDIENCE: How is it determined what you pick up? I mean, you know, how do you know which channel or what station you're going to pick up on? It seems like you're going to have all this information coming. You know what I mean? How do you pick what you want?

STEPHEN FOSTER: Each radio station has what they call the call signal or the station signal. It's like we're KWMU, WIBX, or whatever radio stations are out there. It's a four

letter digital call signal. So we will have a menu of the various channels that you have on this device. So if you want channel 1, that is—that program, or NPR program, or Fox, CNN news program, whatever it is, you could actually have the call station signal on there.

Well, that depends, because right now we are offering only national syndicated content at the beginning. Because the captioning costs are so prohibitive on a local level that that is something we're going to get to down the road. However, once we establish that market with national syndicated content, which is what, 85 percent of the listeners listen to anyway, at some point in the day, and once we have that audience, we will start bringing it to a mix of local channels.

AUDIENCE: So who is your focus group? Who do they represent? What groups of people? Maybe I don't understand what you mean by a focus group for the beta product.

STEPHEN FOSTER: The purpose of a focus group is to allow early design changes, before we create the beta product. The beta product is something that we will allow between 100 to 250 individuals all over the country to receive captioned radio. They take it home. They tell me what they do like and what they don't like about it.

Because I don't want to put a lot of money into the development effort until I really understand the feedback that I'm getting from the focus group, that's not going to happen. So once we get—we have—we have done work with some smaller organizations, and these organizations are very representative of HLAA, A.G. Bell, NAD, whatnot, those national organizations have organizations at the local level that I've been speaking with.

AUDIENCE: When I saw you in Washington and I saw you give a 15 minute presentation, everybody was allowed 15 minutes in that room. If I remember, I would like to see if you can add to what I'm talking about. I remember you were in a room full of hearing people. You were not in a room with deaf consumers. I can remember some of the hearing people having doubts about the product, because they said well, how are you going to be able to use it when you're driving, and you have to be able to see the road. How is that going to work? Do you want to add to that?

STEPHEN FOSTER: Yes. That's a very good question. I'm glad you brought that up. What Cheryl—sorry. What Karen is referring to is simply she is referring to one of the questions asked by the investors is how can you wear an eyepiece while you're driving? Does that distract your driving abilities? Yes. It does.

And that's why I countered with the statement that radio is no longer about you being tuned to the car stereo or the home. It's becoming mobile. That's why we have the iPods. People are walking around with various mobile radio products. That's what's happening with the radio industry. So I have to take that into account. I don't want

something to be fixed to a car radio, where you can only listen to something in the car and you have to be in the car to listen to radio.

So, I would not recommend it driving. I've driven with it on. And because the cars are going by fast, with the opaque, it's not the transparent. The transparent works well, but the opaque version—that can be distracting. But for liability reasons, the company cannot recommend anybody, for the same purpose, the people with cell phones. That's why in the larger metro areas, a lot of people tend to take the subway, the train. Not so much being in the car, but, you know, just people have more preferences and choices today than what they did back then. Yes?

AUDIENCE: This is a phenomenal product.

STEPHEN FOSTER: Thank you.

AUDIENCE: But I have to know what is happening behind the Scenes. At CapTel, customer service representatives working with CapTel, sometimes it helps to explain the audio to explain what is really happening. We see it, it's wonderful. Where is all the captioning coming from? Is it coming from CART? If anybody wants it, will you have CART people? Are they going to be doing that? What is happening behind the scenes?

STEPHEN FOSTER: In a nutshell, I don't want to get too technical because this is not a technical audience. We have captioning. It will be tuned in the same way that your CapTel product works. Now, what we have is a back end system that marries the audio and the captioning is synchronized. That is key, because when you talk about the broad spectrum of the hearing loss population, some people refer audio, some people refer no audio, but we want to be able to give them both of them.

So that's what is happening behind the scenes, is radio stations, what they call the iMAT central station. The iMAT central station is where the radio programs are coming in through the radio towers. That is what we call the one-way communication.

There is an iMAT station where all of the captioners are connected to. What happens, once they caption that, it goes to us and it's synchronized. It's a three second delay between the actual broadcast that is on your radio versus what you're actually witnessing through your radio piece. Because quality is so important and the speech recognition technology are not advanced enough, we are trying to accommodate for the gap between, you know, the audio and the captioning. And I'm sure it's frustrating for a lot of people when it falls five seconds behind or whatnot.

So, we are—it's more of like the TiVo model. It's a marrying of the captioning, it's distributed through the radio tower to the radio devices, and that's how it gets displayed. Does that answer your question?

AUDIENCE: Yes.

AUDIENCE: Many stations can be heard on the Internet and I think you mentioned the Internet. Is it possible that this could be “Free” on the Internet?

STEPHEN FOSTER: Absolutely. Absolutely. The challenge that we have at the company is proving to the radio markets that there is actually an audience. And until that audience is established, that is where the product is consumer driven, which means that the consumer pays for it. Now, once you establish that audience, we are projecting possibly between 450 to 500,000 subscribers over the next five years. That represents 4.2 percent of our target segment, which is extremely small.

So, having said that, once you establish hundreds of thousands of users, it opens up the doors for the marketers to advertise their products. So there is a paradigm shift between who is actually paying for captioning. And that business model—that approaches with the radio station—is very effective.

I will honestly say that I’m not a big fan of advocacy and shoving all things down people’s throats. That’s just me. But I think that there is another way, maybe, it depends who you talk to, but some people are just so set against the fact, and they say well, yes, that may require a lawsuit. But I believe that that is possible that this market could be mandated. But until that happens, it’s probably a consumer, a business driven model.

AUDIENCE: Do you have all the instructions on what to do in case of—

AUDIENCE: Okay. We were talking about mandating this service, and where I live whenever an emergency goes into effect the instructions by our civil defense, Red Cross, and all of that, is “turn on the radio and it will give you orders of where you go and what you do.”

And that seems to me a good foundation for mandating access.

STEPHEN FOSTER: Absolutely. I think that is something that I would like to discuss with some various leaders that are advocacy leaders. And until we have a product that is more the beta version, because obviously I think based on my experience and from what I know, this is based on what I know, if you don’t have a proven product, the government is not going to do anything about it. We have to have something to show them a tangible item and say no, this will actually deliver emergency warning and notification to the users.

So that is definitely a good possibility. I would love to use that as a springboard to get to mandating captioning. Yes, sir?

AUDIENCE: There is one media provider that does TV with captions and has radio on at the same time. C-span. I listen to that or watch that all the time. So they are already doing the captions for their TV programs. I’m just hearing the audio portion when I’m in my car. But there is no reason they couldn’t be providing the captioned feed at the same time.

STEPHEN FOSTER: Absolutely. I agree with you. We are talking about some of the radio programs that are televised on ESPN, and CNBC, and those are prime examples of what you're talking about. It's easy from a technology standpoint to redirect that feed and to, you know, to the radio receiver. That's very simple to do.

AUDIENCE: When my husband and I are in the car, he likes to listen to talk radio, and I always miss out on that. So if we are talking about not being able to use it in the car because of dangerous reasons and everything, but it's just like a DVD player in the back seat, you know. I was wondering if you could, you know—I think that would be a good market for the passenger.

STEPHEN FOSTER: Absolutely. Absolutely.

What I like to try to do is after the questions—I don't know how much time we have?

STEPHEN FOSTER: Let me pull out a few questions here.

How many of you would be comfortable with a visual apparatus and how many of you would not, and why?

Feel free to blast me as much as you want. Because constructive criticism is very important. Yes, sir?

AUDIENCE: When you look at the population of people with hearing losses, about 95 percent of those people are considered to be hard of hearing. For those of us who are hard-of-hearing, we can use amplified speech. And I'm wondering what percent of the hearing-impaired population do you feel would really be in the market for a device like this. It would be primarily for people who cannot understand or discriminate speech?

STEPHEN FOSTER: I think that depends on, you know, the hearing loss spectrum. People have so many different preferences, and that's why we have to have a product have both audio and the captioning. And that's why, to me, that percentage is very difficult to engage. I can give you a breakdown of the market supplies that we have estimated. We are targeting any individual that, number one, relies on captioning for access.

Number two, for the purpose of showing the radio stations and conservatively estimating that audience, we are not using the 28 million number. We are using the number of people that are, forgive me, the non-ASL population. Why are we doing that?

Well, number one, the ASL population, for the most part, may have difficulty in affording such a device. Not only on top of that, they don't—may not have the educational opportunities that we have in the hard-of-hearing community. So that weighs into the factors or the ability of them being a perfect candidate for captioned radio. Because when you talk about talk radio, they may not be interested in that content. I don't know.

AUDIENCE: But I would say that ASL is dramatically different than English. They may not understand it.

STEPHEN FOSTER: Exactly. That's what I mean. So we have to find the common balance. And I do want to provide that radio to the ASL population. Don't get me wrong. But it's about a business where we can go after the largest number of people at the beginning of the business, so that the business can become sustainable so it can grow and then later maybe have some sign language interpreters in real-time doing signs of the radio station. I don't know.

So to go back to the question in estimating the population, we also have to take into consideration, depending on the launch strategy for the product, we are going after the top 25 radio markets. So that cuts the population in half, the hard-of-hearing population.

On top of that, for the purpose of estimating the audience on radio people, for the radio people, they say the advertisers target 18 to 65. I recommend the product for anybody of any age. But if you have half of the senior citizen population, 50 percent of those individuals retain us. So we wiped that out as well.

So you can talk about a segment of 6 million people in the top 25 radio markets that is our target segment. And out of that target segment, we are acquiring approximately 12 percent of the deaf and hard-of-hearing population that are aging, 18 to 65, that are oral deaf or late deafened, we have had a lot of marketers work it down to realistic numbers. You know, how many subscribers can we acquire? That is the best question.

AUDIENCE: The eyepiece, how can that be comfortable with the CI and hearing aids, how can that be adoptable so that is not an extra burden?

STEPHEN FOSTER: That's part of the focus groups. That's one of the questions that we will ask. Unfortunately, we won't have time. But I'll be conducting focus and beta test groups all over the country. What we would do is get that feedback, and I guarantee you that will be one of the first questions that come up.

AUDIENCE: We want to know what are the next steps that you want to do. I use the phone a lot. And now I want to use other assistive listening devices, where I can take a phone call. I don't have time to put it in. A lot of times new things come out, remember on the phone we had big chunky antennas, and now they are slicker. I think the consumers will be looking for something that is slick and simple and practical. So it's not like a burden on your implant or anything else. So this is something that you can slip on and go. And I'm interested in that. I want to be in your focus groups.

STEPHEN FOSTER: I know you do.

AUDIENCE: How does that one-piece thing stay upright, because it's not resting on your nose?

STEPHEN FOSTER: It's adjustable. You can move it to whatever is comfortable for you.

AUDIENCE: It doesn't weigh you down?

STEPHEN FOSTER: No. That depends on how we design the individual apparatus. We have five or six different ergonomic designs right now and they all feel different. One feels much more uncomfortable than others to me. But I'd be interested to find out in the focus groups whether or not, you know, which one is really making the most sense.

The last question.

AUDIENCE: I'm an audiologist. One of the potential problems I see immediately with the quasi simultaneous audio and video on a visual feed is that the original signal coming from the commercial radio station to your sender is of a relatively poor quality, particularly for a person with a hearing loss. If you then do something to that and rebroadcast that, hopefully you won't add additional distortion. But it would be in your best interest and certainly in your interest to do consulting with an audiologist—I happen to be available—who can help you work that out. Because I think it's critical to have a way to mix that at the point of the user. So that if the distortion is distracting, they can pull the audio out and you can do a better job based on predicting hearing loss profiles, where you may or may not want to offer the simultaneous video and audio feeds.

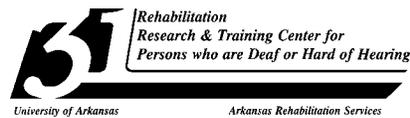
STEPHEN FOSTER: There are some other listening devices, CI, behind the ear hearing aids, and they all function in their own funny sort of way. So we have to try to incorporate how we can get the audio or the quality of the audio to be broadcast or work synergistically with the hearing assistive devices. That is something that is very important.

I was just talking about—I don't remember the name, but he was just setting up this equipment here, and he was talking about FM systems. And I never used an FM system. I know something about it. But there are certain frequencies that they use. I think it's 216 that allows them to get clarity sound. And that is something that we want to incorporate in the product. So yes, feel free to talk with me afterwards.

Well, thank you so much for the opportunity to talk about this exciting product. If you have question, e-mail me. I have a business card. I'd be more than happy to chat with you further. Thank you very much.

Biographical

Stephen Foster, CEO/Co-Founder is a successful entrepreneur. His vision led to him creating iMAT, a company dedicated to expanding the reach of traditional media to niche needs, using innovative technologies and distribution methods. He has been involved with several technology start-ups in which he has applied his business and technical know-how.



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