Music Biz "Still" Trying to Kill Web Radio

If you're a fan of new music and easily offended by corporate thuggishness, you may not want to read my colleague Peter Whoriskey's story from Saturday's paper about the possible demise of the Pandora Web-radio service.

This is only the latest chapter in a sad saga that's been dragging on for most of this decade: how a largely unaccountable regulatory body and a trade group dominated by representatives of major record labels have tried to inflict a punitive system of royalty payments on Web-radio broadcasters.

The unfairness and irrationality of this idea seemed obvious when I first devoted a column to it, back in 2002. More than six years later, nothing seems to have changed.

In case you've tuned out of this story, here's a quick recap:

1. The royalty payments at stake are supposed to compensate performers (and their record labels) for the use of their music, much as songwriters have long received a small royalty payment for the use of their work.

2. But unlike royalties paid to songwriters, these "performance royalties" don't apply to FM or AM -- whether analog or digital HD Radio broadcasts -- but do cover satellite, cable and Internet broadcasts.

3. Cable and satellite broadcasts pay a simple percentage of their revenues.

4. The proposals cooked up by the Copyright Royalty Board -- a panel of judges appointed by the Librarian of Congress to settle certain intellectual-property disputes -- and backed by SoundExchange, the theoretically nonpartisan group charged with collecting these royalties, would impose a per-song, per-listener fee that many Webcasters say would put them out of business. (See, for example, musician and Webcaster David Byrne's analysis.)

5. Maybe this is all one big coincidence, but in terms of political clout and lobbying efforts, FM and AM broadcasters vastly outweigh satellite-and cable-based music outlets, who in turn easily outrank Webcasters.

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As I wrote a year ago, when the CRB reaffirmed this foolish idea, choking off Web radio by imposing discriminatory and disproportionate fees is just about the last thing the music industry needs. Webcasters like Pandora are far more effective at exposing listeners to new music.
than the playlist-choked wasteland of commercial FM and AM -- so of course we should tax them to extinction, ensuring record labels and musicians a one-time profit, followed by years of much poorer exposure for new musicians.

Seriously, who comes up with this kind of strategy? It's one thing for the CRB to lose its collective mind, it's another for businesspeople who ought to know the market to start sawing their own feet off. It's not as if they'd even make much money in the process: The Web radio industry just isn't that rich.

The people at SoundExchange do not help their cause when they continue to spout melodramatic hyperbole like this line, from Whoriskey's story:

"Our artists and copyright owners deserve to be fairly compensated for the blood and sweat that forms the core product of these businesses," said Mike Huppe, general counsel for SoundExchange.

"Blood"? Give me a break. You represent musicians, not the Marine Corps.

I'm past tired of seeing this story refuse to die. There's only so many times you can see such obvious, blatant abuse of power before you want to find the people responsible, grab them by the lapels, and ask: "What's wrong with you? Why do you hate America?"

There is, however, one simple and fair way out of this: Congress and should finally pass the Internet Radio Equality Act, which would vacate the CRB ruling and apply the same per-revenue scheme to cable, satellite and Internet broadcasters alike.

By Rob Pegoraro | August 18, 2008; 10:49 AM ET | Category: Gripes, Music

Previous: Two iPhone 3G Gripes: Inert Internet Access and a Buggy Browser

Comments

Sigh, more falsehoods about this issue. Why should the Washington Post build up a straw man only to knock it down, it doesn't make this column factual.

1. Bills requesting Performance Royalties for terrestrial radio are being written and lobbied right now. No one is suggesting that these performance royalties will only affect internet radio in perpetuity.

2. SoundExchange and Pandora and lobbyists fighting for Performance Royalties (such as Nancy Sinatra and the Sinatra Estate) often work together and the Washington Post covered this in an article a few weeks ago.

3. If web broadcasters are so upset about these fees then they should simply avoid playing music and go to a different format, such as news or sports, where they control the content they create. They are relying on an existing pool of cheap content (music) and they want to keep it cheap. Why can't Pandora simply remove someone else's music from its business model?

To suggest that musicians have never been killed over their music is so foolish as to make Rob a laughingstock. I can name a dozen examples from John Lennon to Tupac to obscure stories like Lyon Wong. How can anyone not be aware that musicians give up their lives for their careers? That doesn't even take into account people for whom their careers and our enjoyment of their music, drives them off the deep-end like a Van Gogh- I count among that crowd the Judy Garlands and the Kurt Cobains. They could not both perform and be alive.

The only obvious abuse of power is Rob, the mouthpiece of the consumer electronics industry, trying to crush innocent musicians so that the music
device manufacturers like Apple's IPod have cheap material for their expensive electronics.

The story "refuses to die" because you're completely in the wrong legally and morally and are so wrong that you're an embarassment to journalism in the process.

Fix the inaccuracies I identified and explain your relationship to the consumer electronics industry. I smell an ethics violation. Oh, Ombudsman! Ombudsman! Something smells rotten in Rob's cubicle!

Posted by: DCer | August 18, 2008 1:15 PM

Wow, we don't usually engage in flaming around here. I love Pandora, they have given me an opportunity to discover new artists...and I have purchased the music. I think it's like the old days (fossil here) where I could listen to an album in a record store before I bought it.

Posted by: Tina in Falls Church | August 18, 2008 1:26 PM

"Bills requesting Performance Royalties for terrestrial radio are being written and lobbied right now"

Heh - the Music Industry wants to change all radio to Talk Radio? I hereby nominate the Music Industry for the Darwin Awards...

Posted by: Bob | August 18, 2008 1:41 PM

Barriers to entry for many businesses have been broken down. What was once an expensive manufacturing and distribution business with few players has become a commodity. The sooner that the music industry realizes that, the sooner it can start to deliver content in the form it's customers want.

Google recently launched a music search engine in China. But don't let the lack of content fool you-- China has a potential customer base equal to the US and EU combined.

When you stop to think about that, you have to ask: what is this primarily US/EU dominated industry going to look like in 20 years? Will there still be lawsuits flying around?

Posted by: Anonymous | August 18, 2008 1:46 PM

I use Pandora all the time, and I really love it. It pulls together playlists the same way any AM/FM radio does, they just have the ability to pull from a huge library due to beauty of the internet.

Oh, and DCer, just FYI, but Pandora and internet radio sites in general don't allow you to download anything. You've severely maimed your argument if you think that this column is about people whining that they can't steal music anymore.

Quite honestly, there's no qualitative difference between internet radio and AM/FM radio, just the medium that is used to transmit it. The music industry seems to simply have a phobia. Maybe one day they'll realize that people don't but music just because of the pretty album art. We want to know what we're buying.

I'm pretty sure something like Pandora will find it's way back into the sunlight if they manage to kill it, though. You can't pull "weeds" forever.

Posted by: Bryan | August 18, 2008 1:47 PM
streaming audio is only one source to get free music. The people that use this method will simply move to the next maybe better system. Notice there's Limewire and other peer to peer software that can increase your personal library. And if I listen to music on my pc then I can download (with the correct software) more "free" music instead of trying to cash in on an unfair system. simply make it fair for all.

Posted by: not sure | August 18, 2008 1:48 PM

if I create content, and a broadcaster (regardless of medium) decides to air it, then I should be paid. That's the simplicity of it.

The content itself should have no bearing.

On the side note about music, it is alarming to me (as a musician, by the way) that the general public is very un-critical towards music. The general public is incapable of analyzing music in even a simple way, say, in analogy to discussing the plot, theme, setting camera work, acting, etc of a movie or novel. Can you talk about Kurt Cobain, for example, without invoking weak terms such as "cool" or "authentic" or "zeitgeist"?

Could you imagine reviewing a movie without using formal, specific terminology and analytical concepts (simple ones, like there, plot, movement, structure)?

While it is difficult for me to take junk music seriously, it is still only fair that the creators be paid.

Posted by: Brumbrum | August 18, 2008 1:49 PM

Bottom line is, services like pandora and other internet radio provide a tremendously diverse and often well targeted range of content, that provides users exposure to exactly what they are most likely to buy.

The user benefits from this, and artists benefit from this as users who learn about their music from related artists or content stations purchase additional music based on what they've heard on internet radio.

It seems like there is a fanatical devotion of segments of the industry to force users to buy music without being able to hear it first (would you buy a car without test driving?), hearing only what music "the industry" thinks they should hear via tightly controled and endlessly overplayed FM Radio. The model is hopelessly out of date, but rather than compete, they'd rather litigate/legislate the playing field to smash competitive distribution/exposure models.

Posted by: bottom line | August 18, 2008 1:49 PM

"they could not both perform and be alive"
"trying to crush innocent musicians"

Don't they also kill puppies? Get real DCer.

This is about squashing the competition. AM and FM broadcasters can see the future coming and they know they're not going to be a part of it. Pandora has built a better mousetrap, period.

It used to be in America that ingenuity was rewarded, and obsolete business paradigms were abandoned. Evidently no more.

Other than the untimely death of a truly innovative idea, the only real impact of this will be Europe and Asia leap-frogging the United States in an industry we used to lead in.

For shame!
As a complete industry outsider but a music lover - I think Pandora is simply terrific and I thought the music industry thought so too. Not only do I hear music and musicians I might never have bought but they lead me to a place to buy them as well. Just a stupid music buyer's thoughts...

May you all be turned to vinyl.

Posted by: Bill In NH | August 18, 2008 1:55 PM

DCwire, ignoring all the other inaccuracies and falsehoods in your posting, the basic fact is this: a fair royalty system is one that doesn't require a broadcaster to have substantial margins, because otherwise the royalty system itself shapes the nature of what kinds of broadcasting can be done. There are dozens of webcasters who have tiny revenues and even tinier margins. Even if there are some large, rich corporations making huge sums from webcasting (and there is no evidence of this to date), how can a fair royalty system be one that kicks the first group out of business and allows only the second to survive? A percentage of revenue system would satisfy everyone, and might not be the the final suicide move of the music industry that the current CRPB strategy appears to be. There isn't a single piece of music that I've bought in the last 3 years that I didn't hear via my computer. 50-75% of it was via small, independent low revenue webcasters (the rest came from browsing on emusic.com). If you plan for the music industry is to discard the hundreds of dollars that I and people like me spend because of this exposure, then you just keep cheerleading for the current policy. If you succeed, you will have made the lives of small, hard working musicians massively harder, and ended the presence of independent, non-corporate web radio in the US.

Posted by: Paul Davis | August 18, 2008 1:57 PM

The more they increase their grip, the more star systems will slip through their fingers.

Posted by: Anonymous | August 18, 2008 1:58 PM

I have used internet radio, listened to music unavailable over the am or fm airwaves, and then purchased the music I liked, simply put, this is a good business for all involved

Posted by: bv | August 18, 2008 2:00 PM

... proving once again that the biggest driver of piracy is the music industry itself.

Posted by: Hoq | August 18, 2008 2:00 PM

I'm betting DCer is a lobbyist for the recording industry. Why else is he/she defending the status quo so viciously?

Services like Pandora are good for music because they expose consumers to product they might not otherwise discover, and then make it easy to purchase (you know, pay money for? Not steal or download off a virus-laden PTP system) that product. All without the major record labels having to spend a dime in advertising.

Telling a service like Pandora to switch to a different format like talk or sports is like telling a lobbyist not to take Congressmen to dinner at The
Palm: completely at odds with their core business model. So DCer, how, realistically, does Pandora stay in business if Performance Royalties are instituted?

Posted by: BxNY | August 18, 2008 2:01 PM

@BrumBrum: nobody is arguing whether musicians should get paid (although they seemed to do well enough from 50 years of radio that didn't ever pay them). The question is how much should they be paid? If you make the fee fixed (e.g. 0.01 cents per listen), then you automatically lock out certain kinds of webcasting that cannot generate that revenue. Is that a good thing for you as a musician? Contrast that with a scheme in which if the webcaster earns 0.001 cents per listen, you (the musician) gets, say, 10% of that? Which do you prefer - no income, because the webcasters have moved overseas or vanished, or a smaller but reliable, local and growing revenue from a network of webcasters and listeners who love your music?

Posted by: Paul Davis | August 18, 2008 2:03 PM

Without the consumer electronics industry there would only be live performances. I strongly doubt the music industry wants to go back to the bardic age...but who knows...maybe they really are that nuts.

Whenever I read about this stuff I recall how Chuck Jones described the coyote in the roadrunner cartoons as having the mindset of a zealot...which is to double your effort after you've long forgotten what your original goal was. The music industry seems to have forgotten, ironically, that it's about making money, not their 1950s business model. Listening to new music should be easy. It should be a pleasant, effortless experience, and buying the music you hear should be a no-brainer kind of thing. High prices, DRM, obnoxious advertising and limited listener choice work against all of that and people just turn away. I stopped buying music for over 15 years ago partly because of the high price of CDs, but mostly because I didn't want to listen through a torrent of obnoxious radio ads while waiting for some morsel of music that I actually liked. So I heard very little new music. What I didn't hear, I obviously didn't buy either.

Services like Pandora have brought me back into the market. The music industry should be paying them, not the other way around. Pandora is everything I described above...it's simple, easy to use, I can tailor the music to my specific tastes, and they make it...much too easy...to buy music I hear that I like. I've bought more music from places like Amazon and iTunes in the past year than the previous ten. But Amazon and iTunes don't introduce me to new music. Pandora, and the satellite radio I subscribe to, do, and have. And I've heard lots of new music on Pandora that I would never have heard otherwise, because Pandora lets me tailor the music to my tastes. That means I listen more. Is this really all that hard to grasp: When people enjoy what they're hearing, they listen more. When it's easy and painless to buy, they buy more. Is this rocket science?

You can make a few people really angry with your business thuggishness and that might not be a problem. But annoy people, give them a reason to think before they buy, and you may not even know how much business you're loosing, because you're only hearing from the angry ones. Blame piracy all you like, if you'd rather do that then really look at the lousy listener experience you've created. I am 54 years old and I have a collection of bought music that goes back decades that I can listen to, contentedly, for the rest of my life without hearing one more note of new music.

You need to realize you're selling entertainment. Never mind making people angry about DRM or Royalty Payments. Yes...only a small percentage of people even bother paying attention to those things. Never mind them. You
are in the entertainment business and you are annoying your customers. It doesn't have to be a lot. The more unpleasant their experience is, the more you make them think twice before they buy, the less they will buy. It really is that simple.

Posted by: Bruce Garrett | August 18, 2008 2:03 PM

Interesting to see the music industry continue to miss the point.

For many listeners like myself, the internet is our only source of music, for the simple reason that it is the only place that even plays the music I want to hear. It never was played on AM/FM, nor satellite. Honestly I doubt it ever will, we're niche markets.

Yet we buy a good deal of music, nearly every listener I know has bought 10 to 20 albums either through CDs or downloads in the last year. None of these sales would have happened without a radio station to hear it on, since no one in their right mind is going to go out buying music without hearing it first.

They also miss the point in failing to understand the shift in technology. If you shut down our access to legit radio stations, we'll go to pirate stations and listening circles. You shut it down in one country, it will continue through a listener in another country. The horse has already left the barn folks. Meanwhile the industry builds ill will against the very people buying the music, lessening not increasing the odds we'll continue paying for it.

Posted by: as | August 18, 2008 2:05 PM

Very simple. Don't play any music associated with the RIAA. There's plenty of "podsafe" music out there, and it's GREAT. I listen to it and BUY IT, and *will not* buy buggy whips from the traditional record publishers anymore.

The web IS becoming more influential, and the only reason the RIAA is becoming so cloyingly desperate is that they know it. Well, let them sit alone in the poorhouse as they contemplate the fact that they put themselves there by being a bunch of corporate thugs. I have zero sympathy.

The only people preying on the "innocent musicians" are the publishers, who remove from them the rights to their OWN WORK, so that they cannot post them in alternate channels. The idea that the RIAA are working on behalf of the musicians is an egregious and deliberate lie by the industry. If you don't tour, you don't make money from them. And you don't have to take my word for it... Courtney Love will tell you the same thing:

http://archive.salon.com/tech/feature/2000/06/14/love/print.html

Visit the link, read what a "successful" professional musician has to say about the subject, and you can tell for yourself whether Rob or "DCer" is an industry mouthpiece. For further indication, look at his point 3 above... "avoid playing music", as if the RIAA represented EVERYONE who produces music. This is an out and out lie, DCer... shame on you! And shame on you for thinking the public is so stupid that they wouldn't notice!

As for you, Rob... you go, boy! Thanks for a timely, honest, and ACCURATE article.

Posted by: DangerMouse | August 18, 2008 2:07 PM

What I don't get is how many times an artist has to be paid for his creation? When I create a new garden (I'm a Landscaper) I get paid once. I don't get paid every time somebody watch that garden.

Posted by: Landscaper | August 18, 2008 2:08 PM
Give me Pandora over "Singles-only" FM radio mono-cultures any day. I have bought more albums of more diverse musical types since I started listening to Pandora than I have since my teens & 20s. Based on radio play lists I had started to think that musical innovation was dying. I was glad to find that I was wrong. It was just the recording industry continuing to underwhelm listeners with the over promotion of dumbed-down middle-of-the-road schlock.

Record Industry take note, kill the responsible means of music promotion provided by internet radio & you will in turn promote the real theft of music where we no longer need to go BUY the album or song if we like it that much.

Posted by: koshkavirginia | August 18, 2008 2:11 PM

I am continually confused by the myopic practices of the recording industry. Instead of collaboration with one of the few marketing channels that you can fully trace and get feedback from for almost no charge, you would prefer a few more pennies in your purse. Your group appears to be unconcerned with the quality or opinion of the masses. Killing a technology before it even matures, impressive, I can only imagine what would have happened if CD recorders had come out at the same time CD’s debuted. Take a look around dinos the world pays for good products and sadly for you it does not require your channels of promotion, sales or distribution these days, make a positive decision for your pocket book and stop being so miserly when dealing with these emerging frontiers. NiN, Prince and Radiohead have figured it out how about you help your artists figure it out too?

Posted by: Perplexed | August 18, 2008 2:13 PM

DCer is spouting the music industry Talking points. All just lobbyist Crap. Why is it that web radio has to pay twice as much as cable and satellite?

Posted by: POd | August 18, 2008 2:15 PM

Ok, I listen to pandora all the time. It has exposed me to many artists and I have in turn bought the music on Itunes. If these stupid executives realize that they are turning off people that are interested in the music they control, maybe they’d think twice. The actions by them are bad for both parties. If they ban Pandora, I won't buy their music....so I won't get the music I want, and they won't get any money...time to download limewire again...good job, greedy executives. Maybe if you focused on cranking out good artists instead of this pop-filled era of "rihanna" and "chris brown", Id also be more inclined to buy it. But no.

Posted by: pandora | August 18, 2008 2:16 PM

Effffff the music industry.

Posted by: Johannes | August 18, 2008 2:18 PM

I am relatively new to Pandora, but I love it immensely. While I do not buy or download music illegally, Pandora has got me to listen to music in a way that no other medium has. Our ever so competitive record companies should be happy with the current revenue that they receive from Pandora when people like me simply listen to it, something they will lose completely if they cease it from being profitable.

Posted by: New Pandora User | August 18, 2008 2:18 PM
Oh yeah, and DCer is blatantly some person hired by the industry to post major label friendly comments online.

**Posted by: New Pandora User | August 18, 2008 2:19 PM**

DCer has already been appropriately savaged by other posters here, but I can't resist this bit:

"I can name a dozen examples from John Lennon to Tupac to obscure stories like Lyon Wong. How can anyone not be aware that musicians give up their lives for their careers?"

Call me when someone puts up a wall with the names of 58,000 musicians killed in the line of duty.

**Posted by: PeriSoft | August 18, 2008 2:21 PM**

Sigh. Old businessmen spouting old ideas. As others have said here, the mafiosa type tactics of the recording industry talking heads threaten to push America back to the olden days, except once the genie is out of the bottle, all the lawsuits in the world wont put him back.

Here's an idea, why dont we all stop buying from artists on labels and go with independents only? Ive been doing that for years and the best music comes from independent artists.

**Posted by: angelor | August 18, 2008 2:25 PM**

Radio is great cultural force..... to uplift musically. But the tight repetitive playlists of terrestrial radio is a dumbing down force. Isn't it amazing that there's no room for meaningful deep cuts.... Only room for the vapid plastic pop and comercial ditties....Folks...We LOST, and the Multi-National Corporations have won...The "Public's" Airwaves do little for "The Public".... unless you are a "Public" Corporation. The Race to Bottom c/o GE et all.

**Posted by: Facism 101 | August 18, 2008 2:28 PM**

DCer is most likely not one person. Their posting was too timely, too well written and too well structured to have been the Ad Hoc creation of an offended reader.

I noticed no misspellings, no grammatical errors (but over the top hyperbole!)

This is the creation of an industry PR unit, a practice I've been seeing in other comment-available opinion pieces. The Post, LA-Times and NYTs seem to be plagued by this more than any other.

**Posted by: Neal Jettpace | August 18, 2008 2:30 PM**

The recording industry is ridiculous. It is doubtful that they understand economics, and unlikely that they care about the end user (or their recording artists for that matter). All that matters to them and the legion of lawyers representing them in the end is the bottom line.

To argue otherwise whilst smearing a respected journalist is both infantile and short-sighted. Clearly the industry insider trying to refute this column could have used other methods than ad hominem, you know, like logic?

Alas, I fear that part of the problem may be their collective inability to reason, hence the abomination that the RIAA is today.

And don't even get me started on hounding your own customers; just for that I would download music illegally just to spite you and send a check to the
band a la Radiohead.

Posted by: Anonymous | August 18, 2008 2:34 PM

SoundExchange and the RIAA will never be able to choke off web broadcasting by imposing excessive royalties. All this will accomplish will be to drive web broadcasters offshore, where they will be out of reach of the CRB and the jurisdiction of US courts. Following this course, they'll never get a penny.

You'd think half a loaf would be better than none.

Posted by: LoginIncorrect | August 18, 2008 2:36 PM

I'm a big fan of Pandora and I can always find a new band to listen to. I discovered it a few years ago and it has caused me to buy more music than I ever had before. It's a great way to discover new bands that don't get played on mainstream radio, but should.

Posted by: Emily | August 18, 2008 2:37 PM

Hey DCer...which recording company do you work...or do you work directly for SoundExchange? A thinly veiled attempt to sway public opinion. Here's the thing...it didn't work. One of the ways many people hear new artists they've never heard before is through these online Web Radio sites. I know that is the case for me personally. I hear something I like, and I'll buy it...take this venue away by being stupid about your business model, and lose customers. It really is time for the recording industry to get a clue. The musicians and listening public are the big losers if these sites disappear. And in the end, so does the music industry. Is Lose-Lose what you're after? It certainly looks that way to the consumer!

Posted by: Anonymous | August 18, 2008 2:41 PM

Well done, PeriSoft. DCer is obviously some RIAA hack trying to trot out the old"it's for the artists" BS. Well, I can say, as an artist, I am completely opposed to this crap.

Anyone with a brain can see this effort for what it is... a desperate power grab by a big media machine that faces the possibility of greatly diminished relevance in the new digital age. These days, artists can record a CD in their bedroom, publish it themselves and end up attracting a decent following, all based on the spread of technology. The fact that they make no money at all on this is what drives them nuts. Thus, they do whatever it takes to maintain their status as the only game in town.

Completely un-American and wrong!

Posted by: TheNaomiStar | August 18, 2008 2:41 PM

the music industry would have us believe that music wouldn't exist without copyright. reality is just the opposite: the greatest music ever written had little or no copyright protection. think mozart, liszt, gershwin, pink floyd, etc.

draconic copyright laws were pushed by the industry because there is no other way to recoup their absurd investments in the likes of b. spears, j. lo, etc. etc.

copyright today is serving just the mega corporations and the politicians they buy. is not fostering genius but pushing mediocrity.

and fcc is for the riaa what fda is for the pharmaceutical industry: they're
happily in bed together

Posted by: saxman | August 18, 2008 2:43 PM

Looks to me like a case of the Law of Intended Consequences: If a reasonably intelligent person takes an action that has predictable consequences (such as driving Internet broadcasting out of business due to differential rate structures) then it is reasonable to infer that that was what was intended.

I look above and see lots of comments about how Pandora has let people discover new music from new sources and how they have spent their music budget on that new music. The authors write as though this is a Good Thing. Patently, since their entertainment budgets are generally fixed, that means less money for the Big Five publishers. Why, then, should the Big Five consider internet radio to be a Good Thing?

Remember the Law of Intended Consequences.

Posted by: D. C. Sessions | August 18, 2008 2:46 PM

Funny isn't it how artists and their labels used to WANT their music played on the radio. They used to GIVE away records for FREE to radio stations, hoping they would play them.

Now they try to sue them out of business for playing their records. What the hell man?

Posted by: nospam | August 18, 2008 2:49 PM

DCer is simply a Troll, looking to set someone off by making stupid statements.
This kind of idiot gets off by letting the air out of someone's tires, then watching the poor soul react.
Ignore him. He isn't worth the electrons used to publish his post.

Posted by: Bubba | August 18, 2008 2:51 PM

DCer is clearly a K-STREETer. A music industry lobbyist if I ever smelled one. The corporate thugs of music/radio duopoly have corrupted their own industry through payola (still alive and thriving today folks) and other dishonest means. They're seeing their control of music slide and are resorting to desperate and disreputable means to maintain their control. Ask ANY musician what they think of these corporate music/radio thugs and they'll likely tell you the exact same thing.

Hey, DC K-STREETer. Why doesn't musician David Byrne feel the way you do? He's a musician giving his "sweat and blood," but for some reason, he disagrees with the corporate music/radio position. Musicians know that the corporate music/radio thugs aren't looking after the interests of musicians at all.

That DC K-STREETer would use the names of Lennon and Garland to justify his laughably ridiculous, absurd, and offensive position shows how his interests lie solely with the profits of the corporate music/radio thugs, and not with the musicians themselves.

Posted by: iLarynx | August 18, 2008 2:51 PM

The only time I've bought any CD's in the last 10 years is when I heard something on Pandora I liked. If it wasn't for Pandora, I would probably have
just downloaded it illegally. So go ahead and shoot yourselves in the foot.

Posted by: ReallyNow | August 18, 2008 2:57 PM

"3. If web broadcasters are so upset about these fees then they should simply avoid playing music and go to a different format, such as news or sports, where they control the content they create. They are relying on an existing pool of cheap content (music) and they want to keep it cheap. Why can't Pandora simply remove someone else's music from its business model?

To suggest that musicians have never been killed over their music is so foolish as to make Rob a laughingstock. I can name a dozen examples from John Lennon to Tupac to obscure stories like Lyon Wong. How can anyone not be aware that musicians give up their lives for their careers? That doesn't even take into account people for whom their careers and our enjoyment of their music, drives them off the deep-end like a Van Gogh- I count among that crowd the Judy Garlands and the Kurt Cobains. They could not both perform and be alive."

I smell a tool, I mean lobbyist

Posted by: eron | August 18, 2008 2:57 PM

The more I hear about this issue, the more frustrated I become. I don't understand the crusade of groups like the RIAA against internet radio and peer to peer programs. I recognize that they are completely different issues, but they affect the industry in a similar fashion. Album sales have been in a slump for the better part of two decades, yet when Napster first appeared album sales saw a marginal boost for the first time in years. Illegal downloading and free internet radio both benefit the music industry. They allow people to stretch out and find new music without dropping $20 for a CD. If I find a new artist and download 5 of their albums, which then convinces me to actually buy the album and maybe see them on tour, isn't that better than never having heard of them and not being willing to bear the financial burden of trying out an album legally. For those who are more conscious of copyright laws, sites like Pandora give you a chance to discover the music without violating copyrights, without feeling like you've wronged the artist. The fact is that the majority of people downloading songs so-called "popular" music, aren't music fans. They listen to today's pop, rap, and hip-hop for the "bumpin'beats" and the catchiness, and, of course, the coolness factor. These people don't play an instrument, they can't read music, they'll never go to a concert, not that their beloved "artists" would ever tour, and they are certainly never going to buy an album. What do they need an album for? For people obsessed with the top 40, songs only a year old are considered "old skool" (generally they are spelling-challenged) and, thus, no longer listenable. No point in investing in an album that will be obsolete in less than a year. The key to saving the music industry is treating the artists fairly (many pirates rationalize their actions with the claim that the artist receives so little from album royalties that they won't miss one less album purchase), killing MTV, and demanding actual talent before an artist is signed. Who do you think the industry makes more money off of: the Rolling Stones or 50 cent? The obvious answer is the Stones. Acts with real talent and musical ability are less likely to burn out in a few years and more likely to make decent money touring. If the public was taught by "cool" radio stations to value music quality rather than the "awesomeness of teh beatz" maybe artists who would be successful in the long-term would also be popular. Look how effectively MTV slaughtered music by popularizing boy bands and gangster rappers. Surely they could do the same for decent music.

Posted by: DB | August 18, 2008 3:01 PM
Pandora is evil and should be shut down! In the last year, since I started listening to Pandora, I have spent 10 times more money buying new music than ever before. I've practically doubled my music collection.

I think this "fight" between the music labels and internet radio is a charade designed to trick people like me into thinking that they are getting a "good deal" when they listen to Pandora. Then they suck you in and make you spend more money buying music than any sane person would.

If they shut it down, I will go back to my previous habit of buying music only very rarely. That's okay, because my current collection should last years thanks to Pandora!

Posted by: OPF | August 18, 2008 3:05 PM

As a long-time user of Pandora, the idea of not having it to create the soundtrack to my life is very sad indeed. I have lost count of the number of artists I've been introduced to and whose CDs I then bought. Say, “Thank you Pandora.” Thank you Pandora.

I’m old enough to have listened to AM radio then FM, and LPs before CDs. Pandora is brilliant… innovative and clever. I set it and forget it. No Pandora? Nothing to set and forget. Just huge black holes of no sound.

I used to go to concerts all the time. Not any more. I’m hard-pressed to justify a $125 ticket – and that’s before the $20+ in fees and the parking and the gas. I am going to a concert tomorrow (multiple bands for nowhere near $125). The venue offers "premium parking" for $50. They also charged more than $20 in fees over and above the face value of the ticket.

I’m not sure I’ll ever understand why the music industry and all its executives and technicians and artists want to self-destruct, but they sure seem to. No matter. If I have to, I can go back to my Sony six disk changer. I think I’m on my seventh or eighth one (love that shuffle button!). I actually have two unopened ones just waiting for the day when the music industry kills all alternative methods of listening to music and reaches into my computer and sucks out all the music and MusicMatch and Windows Media Player and RealPlayer and everything else.

Stupid is as stupid does. Thank you Mr. Gump

Posted by: Chryle | August 18, 2008 3:09 PM

The existing and proposed legislation is so restrictive that even to play music for which you own the copyright or have the express consent to play, you still have to jump through crazy loops of fire, and in some cases leave a non-refundable deposit.

As an independent artist not seeking a career in the music business, but rather just an interested and grateful audience, I'm really disappointed by our lawmakers letting the mafiaa make the rules.

Posted by: Andy | August 18, 2008 3:10 PM

I cannot help but think back to the 'South Park' episode with Lars Ulrich espousing his justification for suing downloaders of music...over his Gold Plated Pool Side Shark Aquarium Bar.

In 20 years the record industry, as it has been, will have ceased to exist and it is currently expediting its own demise. Pandora's business model has no problem paying the fees others pay...it should merely be based on the same scale.

This is a perfect example of what should be left to a free market to
decide...with no government or quasi-government (Lib of Congress) involvement. Limited government is the only way to insure progress and therefore not standing in the way of it.

Posted by: hedge | August 18, 2008 3:11 PM

Ok,

What are we missing here? How about the fact that artists *rarely* see a dime from record deals. That is unless they get to the level of U2 or The Rolling Stones. Most small artists will never see a dime from ANY of these or any other fees. Having been in the business MANY years, I can say from personal experience and talking to many many small bands that the only way they make money is through touring. Until a record goes gold, there's very little money going to the artist. Even then, not much makes it out of the labels.

That tells me these calls for royalties for any source is purely the record companies floundering to find a new business model. Neither the artist nor the customer needs a label now. The Labels see the end of their existence and they're bound and determined to make as much MONEY as they can before their world ends. AT THE EXPENSE OF BOTH YOU AND THEIR ARTISTS.

Remember: The *bands* MAKE NO MONEY from these "fees". Buy direct from the band website. There's a much better chance they'll get the proceeds.

Posted by: ArtistAdvocate | August 18, 2008 3:17 PM

I'm a professional musician and recording artist and I want to respond to his Marine Corps comment:

To choose to devote your life to music, to express your soul in the hopes of bringing a little happiness into others' lives, is not just a noble wish. It is a real sacrifice. Instruments, studio time, and touring cost real money. Not to mention the toll it takes on you and your family.

Being a musician is not an easy life. There are many of us who decide that doing it for money isn't right for us. But there are many who feel that they must earn their living from it, if only to have the time to develop their craft and realize their musical ideas, the fruits of which we all enjoy so much.

These people have the right to decide whether their work is given away for free or not. Maybe Pandora is good for exposure. Maybe it hurts artists and labels. But it should be up to the artist to decide whether and how his music is distributed.

Rob, I am aware that its not the marine corps. I suffer in my own way for what I do, just as everybody else does. I see from this article the standard to which you hold your own work, and what your idea of a useful member of society is. Frankly your article seems poorly-researched, sarcastic and hastily written.

Posted by: levelhead | August 18, 2008 3:18 PM

I would just like to point out that you DCer are a whack job. John Lennon was killed by a whacko, not FOR his music, perhaps because of it, but he certainly did not die FOR his music. Tupac, was a thug plain and simple and he wasn't killed for, or because of his music he was killed because he was a gang banger thug. Kurt Cobain was an emotionally disturbed individual with a serious drug habit, again he didn't die for or because of his music he died because he was a manic depressive and just couldn't face one more day or life. Talk about getting your facts straight perhaps you need to investigate...
your own facts a little further.

Posted by: greenfriend | August 18, 2008 3:20 PM

I'm sick of Lobbyists and corporations trying to control our country with money that was undeserved and laws that they bribed our public officials to put in place. These vultures only know how to take and want to limit the creativity of music by feeding us manufactured crap that can never stand the test of time.

One thing is clear. Because creativity transcends all media, internet radio will always find a way to be free.

Posted by: Navid | August 18, 2008 3:20 PM

Such a disappointment. Myself, like so many others, make countless album purchases after discovering new songs / artists on internet radio. Without it, I'd still be listening to the same old classic rock that I've owned since my high school and college days. It's time these idiots advance into the 21st century.

Posted by: Dave | August 18, 2008 3:22 PM

I love Pandora and have over 30 stations with each exposing me to something new several times each hour. I love Pandora enough to pay $36 a year for their subscription service. How many of you lovers of Pandora have paid them to help them remain in business? As sad as it is, this is capitalism and it is ALWAYS about the bottom line. Any business that is more interested in making friends rather than making money will not stay in business for very long. And, I hate to say it, but the record companies are not interested in fans of real music. They are interested in the money that the MTV teens pour into wastes of musical space like TI, Jonas Brothers, Linkin Park and other "musicians"/"artists" that make me sick.

If Pandora is forced to shut down I will definitely miss the service, but it's a cruel world folks...

Posted by: RealityBites | August 18, 2008 3:22 PM

As a former web stream operator I despise what the CRB, RIAA and Clownexchange (oops, SoundExchange) are trying to do to web radio. It was their excessive royalties that caused me to close my station and my dreams away with it. With actions that border on violations of the RICO law statutes why hasn't the government awakened to this travesty? It's simple - somebody's getting their palm greased to look the other way - it's got to be the only reason this is allowed to go on! Mark my words, once they kill web radio they will go after terrestrial radio in much the same fashion. And these jarheads can't figure out why people aren't buying music new anymore? I only buy used CDs and records (yep, vinyl has no copy protection, baby). These folks better wake up and smell the coffee before radio tells the music industry to stuff it!

Posted by: Bill | August 18, 2008 3:22 PM

"What I don't get is how many times an artist has to be paid for his creation?
When I create a new garden (I'm a Landscaper) I get paid once. I don't get paid every time somebody watch that garden." ~ Landscaper
Are you saying that an artist should receive the same compensation if his CD sells 50 copies or 5,000,000 copies? The fact is, the value of a piece of work can't be determined before you see how well it sells. A royalty system takes that into account.

You're comparing apples to oranges here. There's a big difference between a one-off, like a landscape design, and music that gets sold to millions of people. If you created a landscape design and 5,000 other landscapers made exact copies, wouldn't you feel that you deserved more than what you made for creating the original?

Paying the artist once would leave the artist poor and make millions for the publishers, since publishers wouldn't pay much for an unproven work.

 Posted by: Buzzby | August 18, 2008 3:24 PM

Why haven't some of the major artists joined together to put together their own record company, publisher, etc. so they don't have to work with those morons anymore? It's a huge money business, and they have the resources to set up a competing alternative for themselves and other artists.

 Posted by: Mark | August 18, 2008 3:25 PM

@Paul - 1) I believe that pricing should be freely set by the seller. This ultimately allows for musicians, record companies, and broadcasters to specialize in their own price points.

@All 2) I agree that big record companies and their marquee artists are running themselves into the ground for the many reason listed here.

3) What costs does the price of music represent? Big record companies won't dare tell us. Demand a line-by-line expense sheet for a recent album production. If you saw one, you'd laugh, or become sick, or both. And then, you'd pirate their CDs with glee, because you'd realize that the bulk of their expenses are a joke. This wouldn't apply to smaller artists or record companies. But, it would definitely apply to the majors, e.g. Sony Music, people like Prince, et cetera.

 Posted by: brumbrum | August 18, 2008 3:32 PM

To the music industry I say this: I started listening to Pandora about a month ago and I have to say that it has singlehandedly resurrected an interest in music that I haven't had since college. When I graduated in 1983, I had about 600 albums in my collection. But after years of listening to FM radio, with its repetitive, pre-programed song lists, my interest in music dropped to near zero. For example, I haven't bought a CD in over 10 years. But with Pandora, that will change, because I'm constantly getting exposed to new artists and new types of music. Pandora gives you info on the bands and their songs, and also a link to purchase the CDs online. I would think the music industry would be embracing this, instead of trying to block it.

Their continued behavior is the reason their industry is in such shambles. They are trying to cling onto the business model of the long past, rather than being on the forefront of technology of the future to distribute music.

 Posted by: HatchetHank | August 18, 2008 3:35 PM

I stopped buying CDs 10 years ago when I finally realized I was paying too much for mostly crap. I started buying them again since I started listening to Pandora because it helped me find new artists that I had never even heard of before that I really like. I prefer it heavily to AM/FM, where I only hear the same artists over and over again, during the only 70% of time there aren't
Pandora has a brilliant algorithm for finding music a listener might like. I would say that that algorithm is currently the music industry's best tool for attracting new listeners and targeting the distribution of new content to those who are most likely to buy it.

So in my opinion, by attacking Pandora the music industry is killing it's future for the sake of a short-term strategy on their bottom line. If internet radio dies, I will probably go back to listening the music I already own and hearing about new music from friends. However, for at least the past 5 years, my friends' suggestions have come from just 2 sources: Pandora and YouTube.

Like so many others, I love Pandora and dread seeing it go, but I too have several hundred CDs that can carry me till the next, more intelligent and enlightened iteration of the recording industry comes along.

IMO, we should be supporting independant artists and let the record producers reap the benefits of what they contribute to the actual end product: nothing.

Lately, I have only purchased music that is offered to me directly from the artists themselves be it direct download or the purchase of a CD at a live venue.

Record producers have long been parasites in the music industry...IMO.

Great thread, people! My thanks in particular to "DCer" for kicking things off with so much... style.

In the hope of keeping the discussion somewhat focused, let's accept--as I do--that some sort of performance royalty is justifiable for broadcasters. (That includes FM and AM; I urge exactly that at the end of the 2002 column.)

But why should Webcasters be subject to a different royalty scheme than satellite or cable outlets when all these companies provide the same basic service? Can DCer, or anybody else, make a case for that?

- RP

Give up the drama, if it's too hard on your family and they are that important to you A) they will understand or B) quit and do something else.

I'm sick of hearing "artists" cry about how this is there "life" and they "give up so much" for their "art".
Bull, you do it because you hope one day you can be on MTV cribs. If you "did it for the art" you wouldn't even care.

Boo-hoo, you aren't getting paid enough? Get a different job, or don't suck. It's not art, it's disposable entertainment and nothing more.

Posted by: Dave | August 18, 2008 3:59 PM

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Talk about getting your facts straight perhaps you need to investigate your own facts a little further.

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What you posted was basically factually incorrect and I am basically factually correct. FAIL.

Posted by: DCer | August 18, 2008 4:01 PM

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Rob, I am aware that its not the marine corps. I suffer in my own way for what I do, just as everybody else does. I see from this article the standard to which you hold your own work, and what your idea of a useful member of society is. Frankly your article seems poorly-researched, sarcastic and hastily written.

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STANDS UP AND CHEERS. Musicians 1, Rob and the creeps, ZERO.

Posted by: DCer | August 18, 2008 4:03 PM

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the basic fact is this: a fair royalty system is one that doesn't require a broadcaster to have substantial margins, because otherwise the royalty system itself shapes the nature of what kinds of broadcasting can be done.

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That is truly one of the most bizarre business plans I've ever heard of.

Why is it "fair" that Pandora have low operating margins?

If you want to run a factory in the US you deal with organized labor. If you want to have a business that makes money off of musicians then you deal with organized musicians. Pandora doesn't like the deal they're being offered.

I ask again, why can't Pandora populate all its radio stations with songs that Pandora creates and owns themselves? If they did that, they would eliminate the middleman of dealing with the musicians' demands. Pandora's smartest move would be to only broadcast their own music and not anyone else's. Think about that.

Posted by: DCer | August 18, 2008 4:09 PM

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Can anyone explain why, when Tim Westergren spoke in DC a few years back he was there with representatives of SoundExchange like John Simpson? They are very much friendly rivals and whenever I see Tim in DC he's with someone from SoundExchange. How strange, if what people write is true, that these bloodthirsty competitors are seen together so much. Maybe what people are writing just isn't true?

Posted by: DCer | August 18, 2008 4:13 PM

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I'm betting DCer is a lobbyist for the recording industry. Why else is he/she defending the status quo so viciously?

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No, I'm a former musician who knows exactly what it feels like to struggle
to do it full-time and not make it. I saw one friends' income drop by 80% after Napster and then saw the corporate big business types in the dotcom world become billionaires. My friends who stayed in their bands be unable to buy a house at age 35 because a band making $200k one year still had to split that amongst 5 people. Pandora should eliminate other people's music from their business model and see how long they last.

Posted by: DCer | August 18, 2008 4:19 PM

The eclectic-format LP community radio station in Chapel Hill-Carrboro, NC at which I'm a DJ streams its signal (primarily for the local audience that the broadcast doesn't reach). We play a lot of local/state/regional music, much of which has almost no other broadcast outlet. The original CRB proposal was absurdly costly even for us and would have forced us to quit streaming, though the policy was ultimately revised to accommodate the insignificant gnats who never posed a threat to profits anyway. But the fact that the CRB would have had no compunction about driving us off the web makes it clear where they're really coming from, and its certainly not in support of the many talented and hardworking musicians around the state who appreciate what we do and tell us so every day....

Posted by: Triangle Slim | August 18, 2008 4:26 PM

I think Joe Fleischer, the (former) CEO of IceCast said it best (in the late 90s) on Internet Radio: "As long as you're not trying to deliver music to consumers, you should be fine"

Posted by: Jon | August 18, 2008 4:29 PM

Maybe bands should just avoid record companies and the recording industry and go direct to the consumer. I'm all for that model. Let each artist negotiate their own royalty rates in an effort to get airplay - isn't that what free enterprise is?

Posted by: Hotski | August 18, 2008 4:33 PM

But why should Webcasters be subject to a different royalty scheme than satellite or cable outlets when all these companies provide the same basic service? Can DCer, or anybody else, make a case for that?

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You apology is weak Rob, very weak and a little cowardly. you love consumer electronics multinationals and hate independent musicians, we get it.

I've read your column for years, I know you love electronics manufacturers.

My case for it is as follows:

The internet is completely different than terrestrial radio because of peer to peer on the network. What makes the internet special to us also makes the internet different from all previous entertainment streams. All streaming radio is hackable so the music can be saved and shared amongst millions of people. While uncommon, this does happen with advance copies of records, etc. People are capable of taping music off of terrestrial radio, but they were incapable of mass redistribution of that music in a way that cost the musicians and record companies almost all their money.

Quite simply, the easy duplication of music starting in 1999 with Napster meant instant sales deaths for most artists' back catalog works. A friend of mine literally gave away hundreds of CDs because he ran, I'm guesstimating, 10,000 copies, sold 5000 copies right away, but after file trading started he
was selling something like 500 copies a year. It was cheaper for him to give away the cds than pay for storage locker fees! I worked at his merchandise booth at the black cat in DC and kids would come up and tell me they downloaded the tracks and when I asked if they bought the cd they went into a spiel about how they weren't going to buy a cd if the music wasn't on creative commons. Why would someone come right up to my face and insult the artist that they paid to go see like that? The guy was making like $2 out of the $12 ticket price as the opener. There is no money in ticket sales and no money in mp3 sales and now no money in cd sales.

I digress.

Rob is aware that the newspaper industry is similarly looking to get money from google and other content repurposers who have basically taken away the ability for traditional companies to make money by taking and reusing their content. I ask Rob what he thinks about the newspaper industry's identical stance? Would he have a job if the WaPo couldn't sell ads because another company showed the article's text with their own ads around it? We know Rob would not have a job because he is a content provider.

@Posted by: Hotski | August 18, 2008 4:33 PM

Many are now doing this. Primarily touring bands to my experience. They control their destiny through their doors and publishing and distributing their own music.

Hopefully putting the labels out of business, but not soon enough.

Let each artist negotiate their own royalty rates in an effort to get airplay - isn't that what free enterprise is?

No, that's called "union busting."

DCer: Maybe Pandora can create a new element after it masters the process of cold fusion. Why stop at asking Pandora to create its own music despite it being an Internet radio station and not a band?

Nice DCer, when you have no point, attack the author. Throw garbage against the wall. Whatever sliver of a point you had is lost in the trollish nature of your post.

D. C. Sessions:

My mistake! I should have researched this better. I disagree about people's music budgets being fixed -- mine has drastically increased since listening to Pandora, and I am not the only one. That said, I went back and analyzed the last 20 music purchases inspired by Pandora, and sure enough:

Although my total budget has increased drastically (almost ten-fold), the total percentage of that budget going to major labels is sharply down (from about
80% to about %20)! If my budget had been fixed, I would have given a lot less to major labels. In my case, they still made more money, but not as spectacularly as I had thought...

Posted by: OPF | August 18, 2008 4:46 PM

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Too busy to comment on this story, I'm renewing my love for music with Pandora and My Iphone.

Just Listen... that's what it is all about.

Posted by: Stalyn | August 18, 2008 4:55 PM

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If I were a strawberry farmer who supplied a restaurant owner with all the strawberries he needed on credit, and he proceeded to feed them to his clients without charging them anything then came back to tell me he couldn't pay for the strawberries but needed some more, the only thing I could suggest to him is to file for bankruptcy. That is precisely the message that "Music Biz" is sending to the Web radio industry; that is, either come up with a business model that can be monetized or get out of music business.

Pandora, in spite of its popularity among millions of users, refuses to introduce commercials in its music streams for fear of antagonizing and losing its listeners; then it runs to the Congress crying and protesting that it cannot survive under the CRB rate. Seriously, is that really CRB's problem? It seems to me that it is Pandora's and its listeners' problem. If Pandora's listeners are finding the service indispensable then they have to allow the service to be profitable either by listening to in-stream commercials or paying monthly subscription fees. If neither is feasible then the business shouldn't be feasible

Posted by: George S. | August 18, 2008 4:55 PM

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I agree that artists should be paid for their work. I don't know of anyone who wants to shaft the musicians, in this question.

Independent radio DJs (like me) find good music and expose our listeners to it, with the hope that they will like it, and maybe buy it or go to concerts or in some way support the artist so they will continue to make good music.

The new fees will amount to more than 100% of revenue for some webcasters, and they will shut down.

Who benefits there? Not the musicians, so let's stop pretending. The labels won't even benefit much, since you can't milk a dead cow. The beneficiaries are Clear Channel and other big players in the NAB.

We need a solution that will pay musicians without shafting the stations.

Posted by: Tony | August 18, 2008 5:06 PM

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the first comment on this story is ridiculous.

he suggests that musicians do give up blood and their lives for their careers like john lennon and tupac. please. those people CHOOSE to "give up" their lives and their privacy to become successful/famous. that is what they dreamed and hoped for. AND they chose to be controversial and the risk that it entails. same as a politician. they knew and they chose to pursue it anyway. difference being, politicians aren't paid nearly as much while the chance of assassination and suicide is MUCH higher. same with military men but, they do not get to cancel tours because of laryngitis nor take year long
hiatus due to exhaustion.

not to say that musicians do not work hard, but please, give me a break. school teachers work longer, harder, thankless hours without nearly the pay and no one to praise them and build up their egos for doing so. teachers don't get blowjobs from anonymous strangers for doing their jobs.

as you can see, you conjure up no empathy from this regular jane.

he says the internet and hardware companies want to pay cheap prices. hardly. they want to pay the same as fm/am radio. it is completely true that the record companies are fighting innovation and the future of technology. YEARS AND YEARS of work by countless people have gone into the making of what he may call a simple, overpriced ipod. it took 30 years to make such a device and damn near rocket scientists to do it. how long does it take to make an album? maybe a couple of months. how many musicians does it take to screw in a light bulb? how many years at M.I.T. does it take to learn a dance routine? Almost none of the major artists today could win "american idol". ****I**** too could sing a few bars then have timbaland overproduce my song to sound good.

it doesn't take anything to be a music "artist" these days but we're made to believe that they're owed?

Record companies are hindering innovation by flooding our music stations with crap!! THAT'S why the record sales are done. Why would I pay for an album when I can hear that same stupid song 30 times a day along with the other 5 in circulation that equally suck?

currently, i have to WORK to find good music because it is not presented to me in a diverse manner like the days of old.

the music industry, traditionally, robbed multi platinum artists of money, i.e. tlc, nsync, etc etc, but NOW *they're* crying "foul" because they're losing money under the guise of being concerned for their artists? please.

prince said it best in an interview about 7 years ago. the interviewer asked how he felt about his "abysmal" sales of "rave unto the joy fantastic" because it only sold 500,000 copies. his response was that he made more money than the multi platinum destiny's child because he produced and distributed the album himself. how do you like them apples?

but prince is actually talented so he can do this while quasi artists like jlo get by on the backs of talented producers. before the crazy record industry, mainly real "talent" got through. Now, you've got some commercial flavor and a gimmick, you get in.. with no talent at all.

the internet has provided the means for artists to distribute their own albums and cut out the middleman. i predict that eventually the record companies will fail because it will no longer be a lucrative business. im hoping this means that only truly talented artists will survive while the quasi music artists, the fakers, will fall because no one will be there to artificially enhance their tone def voices.

but who am i kidding? protools, music hardware, and surgery are becoming more and more affordable. pretty soon, any idiot will be able to make a professional sounding cd at home. And that will be the fall of the middle man-the music industry.

"If you want to run a factory in the US you deal with organized labor. If you want to have a business that makes money off of musicians then you deal with organized musicians."

But Pandora isn't having to deal with organized musicians. They're being strangled by the distributors of music. The middlemen. For decades they've
had a nice little monopoly on the avenues of distribution, and that's what this fight is all about at root. Not Royalties, but maintaining that monopoly.

"I ask again, why can't Pandora populate all its radio stations with songs that Pandora creates and owns themselves?"

It may eventually come to that...not a service like Pandora creating its own music so much as doing an end run around the Industry, and contracting with the artists themselves, or actual organizations of artists, as opposed to cartels of performance rights owners. The technology is evolving to allow artists to own the means to distribute their own work all over the globe. They won't need millions in capital for CD factories and broadcast stations. This is the heart of it. More then piracy, the big music companies don't want to loose their lock on distribution. That's why they need to kill this thing.

But...they can't. Any more then the Church could prevent people from translating the bible into the languages spoken by the people sitting in the pews after the invention of the printing press. It was going to happen. So is this. The only question is how much damage to the artists are the record labels willing to do before they remember that they're in the business to make money.

It's really very simple. If I don't hear your music, I won't be buying your music. So make it easy for me to listen. Make it easy for me to buy. Make it so easy I won't stop to think do I really need this. I already have tons of bought music I can listen to whenever I want.

You need to remember you're in the entertainment business and stop annoying your customers. Make them smile. Make them want to buy. Because they don't have to buy. Food they have to buy. Clothing they have to buy. A roof over their heads they have to buy. They don't need what you're selling. It's a discretionary purchase. They probably have bills they could pay with that money (have you seen the cost of gasoline lately? Wow...just...wow...). They probably have a dozen or more other things they could do with that money.

Don't keep reminding them of that. Don't keep making them annoyed and then complain that your profits keep going down.

Posted by: Bruce Garrett | August 18, 2008 5:11 PM

no one will regulate the internet much like no one could regulate my cassette tape dubber to prohibit me from copying my friend's tapes- and now, cd's.

the recording industry is waging a futile battle against technology. either they learn to adapt or they die. bottom line.

no one is dissuaded by the anti-piracy commercials, much like the anit-drug commercials.

forget what one thinks is right or wrong. this is reality. to the record industry: face it or die, sink or swim.

spend countless hours lobbying congress and countless dollars on lawyers but the bottom line is that you're only delaying the inevitable and in the meantime, your customers will get they want from chinese websites.

do you think i'll care if you sue me? isn't this country great that you can obtain my ip address and sue me? cool. this country also lets me file bankruptcy. up yours.

Posted by: birdy | August 18, 2008 5:19 PM

George S, if you were a strawberry farmer, each strawberry you sell would have a real, hard cost associated with it: it costs you X cents to produce that strawberry.
It doesn't cost the artist anything when a song is played on the radio (or web radio), but it does cost the station.

Not to say that the music doesn't have value, and that the artists shouldn't be compensated -- but the analogy is off.

Posted by: Anonymous | August 18, 2008 5:23 PM

"If I were a strawberry farmer who supplied a restaurant owner with all the strawberries he needed on credit..."

Pandora isn't giving away the music, any more then a store that puts your farmer's strawberries in the window is giving them away.

In fact, Pandora makes it easy for people listening to buy by putting up links to iTunes and Amazon under the titles of the songs they're playing. I can't tell you how many times I've tried to get the name of a song from a radio station and couldn't because nobody would answer the phone and the DJ never said who it was but just went right into the next song.

A Chinese friend of mine told me a folk story some years ago, about a very old and esteemed judge who heard a case brought against a poor tenant by his landlord.

The landlord also ran a fancy restaurant downstairs from the room the tenant rented. The tenant apparently could smell the food coming up from one of the vents. So he would take his little bowl of thin soup and eat it while sitting beside the vent. The restaurant owner demanded payment.

The judge asked the tenant if it was true that he was enjoying the smell of the landlord's food as he ate his own. The tenant said that it was. The judge asked the tenant how much money he had. The tenant said he only had a few coins in his little pouch. The judge told him to give the pouch to the restaurant owner.

The restaurant owner was pleased. The judge told the restaurant owner to hold the pouch up to his ear and shake it. The restaurant owner did that and the judge told him to give it back to the tenant.

Then the judge said, "The price of smelling the food, is hearing the coins jingle."

Posted by: Bruce Garrett | August 18, 2008 5:26 PM

Just as a general observation, it's usually a bad idea to make allegations about somebody's character that can be disproven with a few minutes of Web searching through public records.

For example, it would be unwise to say that I'm in the tank for electronics manufacturers when my column archive will show how often I complain about being exasperated by their products. It would also be silly to claim that I hate independent musicians when a little extra research will establish that for four years, I wrote concert reviews for the Post's Style section in my nonexistent spare time, and that many of these pieces had good things to say about indie-rock acts playing rooms like the 9:30 Club, the Black Cat, Iota and the Bayou (R.I.P.).

I'm just sayin'...

- RP

Posted by: Rob Pegoraro | August 18, 2008 5:29 PM

Rob, you responded with such grace. You are a pro.
"I ask Rob what he thinks about the newspaper industry's identical stance? Would he have a job if the WaPo couldn't sell ads because another company showed the article's text with their own ads around it?"

But Google isn't doing that. I have a custom Google News page I pull up several times a day. All it gives me are the headlines and a few lines of the article text so I can see if I want to read it. It isn't the whole article. If I want the whole article I have to click on the link and then I get sent to the website of the newspaper whose article it is. Complete with all their ads. If anything, Google is sending eyeballs to the Newspaper's web sites.

In fact, it was via Google News that I came across Rob's article here. Since I'm obviously posting comments here, I'm seeing the Post's Ads too. Which I wouldn't have, were it not for Google News.

Of course...Google News is also sending me to a lot of small town newspapers and little independent weeklies. Maybe that's what the big newspaper chains don't like about it.

Pandora is doing something similar, and from the stories I'm reading it was founded by musicians, and a lot of independent musicians seem to love it, since it's giving their music exposure that the corporate music business never seemed to want to. Via Pandora, if I create a channel of music from the music genome of a big name band, I get a bunch of similar music from other groups I'd never heard of before, because the music Industry decided they weren't worth promoting. But for Pandora, I would never have heard of them.

Pandora and web radio in general is benefiting those artists immensely. I stopped listening to broadcast radio long ago, in part because I got tired of always hearing the same stale lowest common denominator music. Now I'm hearing music I like from artists I would never have heard from otherwise. Why don't you want those artists to have a chance at success too?

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DCer, I'm not sure that I can even remember the last time I saw such a collection of irrelevancies posing as an intelligent response to a column. Let's take your issues one at a time.

1. "Bills requesting Performance Royalties for terrestrial radio are being written and lobbied right now. No one is suggesting that these performance royalties will only affect internet radio in perpetuity."

For web radio, the issue isn't about what other media may pay someday. The issue is simply whether the royalty rates are reasonable based on what other media are paying now, and whether the royalty rates for Internet radio are sustainable.

2. "SoundExchange and Pandora and lobbyists fighting for Performance Royalties (such as Nancy Sinatra and the Sinatra Estate) often work together and the Washington Post covered this in an article a few weeks ago."

It's good to see that organizations of varying positions can find common ground. Unfortunately, just like your previous argument, this has no relevancy to the issue of whether the current royalty structure for 'net radio is fair and reasonable.

3. "If web broadcasters are so upset about these fees then they should simply avoid playing music and go to a different format, such as news or sports, where they control the content they create. They are relying on an existing pool of cheap content (music) and they want to keep it cheap. Why can't Pandora simply remove someone else's music from its business model?"

It isn't just web broadcasters who have an interest in their content, it's all of us who listen to online radio to hear something new and different; music you
can't get on most traditional stations. Oh, and once again, you can't seem to come to grips with the core issues of fairness and reason in setting royalty rates for web broadcasters.

Posted by: slgrieb | August 18, 2008 6:28 PM

@ George S, right after DCer, I think you have the least understanding of the issues involved here of any poster I've read.

"If I were a strawberry farmer who supplied a restaurant owner with all the strawberries he needed on credit, and he proceeded to feed them to his clients without charging them anything then came back to tell me he couldn't pay for the strawberries but needed some more, the only thing I could suggest to him is to file for bankruptcy. That is precisely the message that "Music Biz" is sending to the Web radio industry; that is, either come up with a business model that can be monetized or get out of music business."

I can only assume, George S., that you don't know how the radio business operates. Traditional radio stations don't pay any royalties to the music companies (or artists). In fact, they don't even pay for the songs they play. Promotional copies are supplied free by the record labels to advertise their artists. Not one penny of the revenue radio stations collect from all their advertising revenue goes to either the record label or the artist.

In other words, Radio gets the free use of products in return for promoting (i.e. playing) those products, and gets to keep any revenue over operating costs they generate from ad sales. That's just about as far from the "strawberry farmer/restaurant" model you assume as it is possible to get.

"Pandora, in spite of its popularity among millions of users, refuses to introduce commercials in its music streams for fear of antagonizing and losing its listeners; then it runs to the Congress crying and protesting that it cannot survive under the CRB rate. Seriously, is that really CRB's problem? It seems to me that it is Pandora's and its listeners' problem. If Pandora's listeners are finding the service indispensable then they have to allow the service to be profitable either by listening to in-stream commercials or paying monthly subscription fees. If neither is feasible then the business shouldn't be feasible."

Once again, the issue isn't about Internet Broadcaster's business models being the CRB's "problem" or whether Pandora should sell in line ads. The question is, "Why should Internet Radio have a completely different royalty structure than any other broadcasters?" Please, George, just give me a single logical reason why Internet radio should be subject to a royalty structure so much higher than that of any other medium.

 Posted by: slgrieb | August 18, 2008 7:21 PM

Hey DCer the reason there is no money in CD sales is because the CD is as dead as vinyl, and has been ever since hard drives could store more than 20GB. People want digital copies and the market price is $0.99 / song. If you want your old $20 / CD come up with 20 songs that are worthwhile.

Commercial radio sucks and has for the last 20 some odd years. There are a handful of decent independent broadcast stations around but web radio is the only place to reliably hear good new music. Generally speaking if I like it I'll buy it, but listening to all the "poor starving artists" whine about how they "can't make a buck", while they drive the only promotional system for decent music out of business, makes me never want to pay for music again. So please again explain why web radio should pay excessive royalties while commercial radio pays none. And fear of piracy is about as viable and answer as John Lennon being shot for his music.

Lastly if you can't support yourself solely with your music, maybe you're just
not that good.

Posted by: Norm | August 18, 2008 8:31 PM

DCer has provided a lot of free online entertainment today. Sort of like Pandora. Thank you. ;)

Posted by: Dave Zatz | August 18, 2008 8:44 PM

the entertainment industry are no longer the top of the food chain wen people are getting alot of joy on content thats "born" from the minds of the "common" folk. all industreys need to adapt or fall...its sad that the music industry sees this and instead of adapting they say, "its over, we might as well empty out the titanic before it sinks"

Posted by: Aggerrus | August 18, 2008 11:27 PM

Pandora is great. I have bought more music in the last four years than I have in the previous two decades because it's introduced me to artists that I could never find on my own. FM radio is useless. It's simply amazing how the corporate music industry has successfully lobotomized itself with the rusty spoon now descending to the jugular.

Posted by: mentat | August 19, 2008 12:54 AM

Rob -- this reminds me the comments after your eBay columns. Wow. I sure hate the unfounded personal attacks on you. Strong feelings have been unleashed, that is for sure. Hang in there -- you do a great job!

Posted by: rj | August 19, 2008 6:36 AM

When this page opened for me to read this story, an ad immediately blocked the first couple of paragraphs. Does the Washington Post and the advertiser - I am not even sure who it was because I immediately left the page and only came back to make this comment - think that this is an effective way to promote a product - to put an ad over the content? It makes no sense.

Posted by: rrsj | August 19, 2008 6:36 AM

SoundExchange seems to be duplicating the strategy that made the rest of the music industry so successful throughout the past decade: if technology exists that can revolutionize your industry, ban the technology. If these guys ran the computer industry, I'd be typing this on a VIC-20.

Posted by: jimmyhaha | August 19, 2008 6:54 AM

I used to blow $100 a week on music & videos. After the RIAA started going after single moms like bulldogs after meat, I stopped buying music almost entirely. We're talking less than $100 a year on new music to be clear. That for years now.

I am not making that number up, I really did used to spend $5-6,000.00 a year on music and other media, but mostly music.

I don't download music illegally, and I have no interest in any of Apple's products, so I don't do itunes either. If I want to see what a band is doing, I go to their website. If they don't have music I can buy directly from them without funding the RIAA, then I don't buy their music.
Tower Records went out of business because of people like me, and there is more to come. The music industry is still too stupid to figure out just how badly they have made us angry.

I have no interest in using any sort of FaceSpace MyBook service to be spied on by corporations that are of the same anti-ethical breed as the "major labels" who take the heat for the RIAA's nasty behavior.

The more the RIAA's and the SoundExchanges keep their predatory behavior up, the more listening to music becomes about not listening to their supporters, and not buying their products. I hope it is clear that they make me sick. I'll never buy another Metallica song as long as I live for instance, (Good job stepping in front of the truck Lars, good job there).

I realize that my $5k is peanuts in the industry, but I'm not alone. There are a lot of us out here doing the same thing. Most everyone I know buys less music because of the music industry. Granted your average Itunes idiot doesn't care about this issue much, they're happy with selling out as long as it's fronted by a company marketing an anti-establishment lifestyle to them. Suckers.

I work to find music that isn't DRM-ed, & that doesn't give the labels a cut, without stealing it too, and it's a painful process. But they don't deserve my money either, and don't give me much choice in the matter.

Posted by: Nym | August 19, 2008 6:58 AM

What Pandora etc., should be doing is developing their own new artist and circumvent the record companies. Internet radio companies need to form their own association to promote the new medium. Fact is that the record distribution system that exists today is archaic. People who want CD's can simply download them from the net (for a fee) and burn an album.

The Record industry is dying and they refuse to do what it takes to save themselves. Almost like a junkie.

At this point they are going to get what they deserve, if they cannot read the writing on the wall they deserve to go the way of US Steel.

Posted by: rcc_2000 | August 19, 2008 7:06 AM

Interesting that DCer hides his sorry ideas behind the union label. His comparison is certainly apt in a way, for a union is simply a government mandated and protected monopoly on labor. Unions are as sustainable as the record industry is. They will only survive through political control. If they are forced to compete economically, they fail. And that is just what is going to happen to the thugs in the record industry.

Posted by: Robert17 | August 19, 2008 7:07 AM

The CRB's money-grab caused the streaming station I worked for to cease broadcasting altogether. The station was a run as a hobby, and the owner paid the royalties he was required to, so we as DJs could play whatever we liked. Each DJ had specialty shows that focused on a genre of music. I had two: Classic Rock and Film & TV soundtracks. Much of the classic rock was new to the audience that was listening, likewise with the soundtracks which were surprisingly popular. I got comments every week of "Whoa... who did that song, that was cool!" It was a joy for me to be able to share the music I loved with people who might have never heard it before.

Now, because of corporate greed, that is all gone. The revelation of music new to those listening, regardless of when it was made, is over for me, and I miss it!
Also, because of the obscenely stringent and overly-complicated reporting measures the CRB ruling has mandated that anyone streaming submit, a terrestrial radio station that I'm associated with is also debating whether or not to continue streaming. They also have just recently gone HD, and have a second broadcast that they also desire to stream, and must stream at this point if it is to have any real listener base, due to the slow diffusion of HD radio receivers. This is an educational, non-commercial station, and is looking at a 200% increase in fees as well as tens of thousands of dollars in man-hours to try to cobble together the information that SE wants reported every three months. There is no simple way to put said information together – to get it in the format SE demands, it must be manually entered from two different sources. In contrast, BMI requires the same information be reported once a year, and in a much simpler format: a hand-written log the DJs fill out as they do their shows.

This move by SE seems designed to cripple the non-RIAA music industry by forcing offline anyone but the largest companies, who are the mouthpieces of the RIAA studios, and who can afford to pay the new royalty scheme (and a “scheme” is what it is). I too have listened to music for years, from 8-tracks and LPs to cassettes, to CDs, to digital music, but I rarely listen to broadcast radio anymore due to their clique-ish selection and constant interruption. There are now stations that never play two songs in a row without inserting some sort of stylish little station identifier between them. The concept of the "song block" is dying out, although given the quality of the music being played I’m not sure that matters so much.

One issue that hasn't been addressed yet is an earlier example of the RIAA's greed: CD prices. Traditionally, when a media is new, it is expensive, owing to manufacturing costs. But then, when the process becomes more streamlined and more readily available, prices drop and the consumer benefits.

This has never happened with CDs. The music industry has maintained the price at around $20 an album since the inception of CDs, and as such the consumer has never benefited from the growing ease of production. The RIAA studios have chosen to keep those profits for themselves. And now that people have been given cost-effective alternatives, the studios clutching at straws.

Unfortunately, this latest straw is killing the best hope we music fans have for diversity. I fully support the Internet Radio Equality Act. If that passes, my old station might be able to go back online, and I might be able to go back to DJing and exposing listeners to the music I love.

Here's hoping.

Posted by: The Professor | August 19, 2008 8:06 AM

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