



considerable programming assets to the table. As the big media companies look to stake out turf on the wild, wild Web, there is a growing sense of excitement and trepidation about

**A new generation of hardware hackers is taking the lid off consumer electronics products and souping them up with new features.**

this new influx of cash and exposure.

“Traditional distributors and TV networks are coming to us with non-exclusive deals. This is new stuff,” said Jay Adelson, CEO of Revision3, an online video site that produces a number of Web-only shows, including *Diggnation*, one of the most popular podcasts available on iTunes. Advertisers understand the value of niche programming and the targeted audience it brings, Adelson said, noting that this is one of the unique advantages of the Web over TV. Likewise, video Web sites can deliver precise viewer counts to advertisers, who are more willing to take chances on offbeat programs, as long as they reel in viewers. Case in point, *Diggnation* has about 250,000 viewers a week and big-league sponsors such as Microsoft and Sony are paying up to \$10,000 per episode.

Of course, many people are con-

cerned about the influence of big corporations on the free-flowing Web, where they may become gatekeepers that squeeze out independent artists and Web sites and put tougher

restrictions on the use of copyrighted content. Another looming problem is that, with all of the videos

that are streaming from servers far and wide, bandwidth congestion could become a major issue, slowing traffic on the Web to a crawl.

### Digital Music's Song Remains the Same

Struggling with the same old questions about evaporating CD sales, missed online business opportuni-



ties, and the digital rights management (DRM) snafu, major labels are still in a wait-and-see mode as Apple goes to the bank with its successful iTunes-iPod one-two punch.

David Ring, a VP of Business Affairs at Universal Music Group, said that the labels will continue to experiment

with new types of DRMs that are more flexible, but don't give up the farm.

“Jobs has proven that DRMs can work brilliantly. You don't hear any hue and cry from users, and nobody has run up against the (copying) limits ... Interoperability is the problem, not DRM,” he said, challenging Apple to license its FairPlay DRM technology so other portable audio devices are able to play protected iTunes tracks.

Chris Castle, a lawyer who has held senior positions at major record companies, argued that the industry has to take more chances, and finding a way to monetize even 10 percent of the music shared on peer-to-peer networks could be a windfall for the industry. He also said that DRM-free music is a good bet. “Do you want

to take a chance with open MP3s via Amazon, or sit back and let iTunes gain an ever increasing share?” he asked.

Heeding this advice, EMI recently announced that it will offer high-quality, DRM-free tracks for a slightly higher price at the iTunes store.

Finally, in the pithily titled panel “Why Does Today's Music Sound Like Shit?” a group of audio mastering engineers discussed the over-the-top, maxed-

out sound of today's recordings, and what led to this sad state of affairs.

“The average recording, as it arrives to us, sounds worse than ever,” said Bob Ludwig, who has mastered countless Gold & Platinum records. “Instead of using pro recording studios, they're using garages and amateur mixers.” The transition from analog to digital compressors in recording studios is another big factor, the panelists agreed, because engineers tend to crank up the levels during recording and mixing to please A&R reps. The result: monotone sound with less subtlety and dynamics.



What's the future of video on the web? **Tell us.**

Last but not least were the obligatory jabs at MP3, poster boy for bad-sounding music. “MP3 is good for promiscuous distribution, but it's bad at everything else,” said Sandy Perlman, a legendary music producer and currently a visiting scholar at McGill University in Montreal. “The consumer doesn't know how good sound can be,” he argued. “The attitude is ‘If I can have all this music, I don't care how it sounds.’ It's a decisive revolution of falling sonic expectations.” **TPV**