**COMMENT #2: INTERNET RADIO ROYALTIES/ DRM**

I had fairly recently discovered this form of radio; internet radio. Up until a few months ago, I didn’t know there was internet radio providers that allowed you to listen to music through wireless internet access or that there was a royalty payment system involved with such companies. I had discovered this internet radio when I was playing with the Wi-Fi features on my PSP. It allows you to download very small radio player applications that let you tune in to different internet radio frequencies- free of charge. It seems a bit foolish to me to pay for an internet radio subscription when there are plenty of other places to go and listen in for free. Yes, there will be more ads and broadcasted commercials, but that’s pretty much the same as listening to your standard AM/FM radio, wouldn’t you agree? Learning of the fact that normal radio stations don’t have to pay royalties for the music they play makes it that much worse. ‘Net stations shouldn’t have to pay per play, so to speak, just because their service utilizes a digital format over the internet instead of over the air ways. They play the same songs as regular radio but have to pay “performance royalty rates” which I find ridiculous.

It seems like it always boils down to profit and/ or revenue. The corporate executives found a way to make more money by negotiating with musicians and record labels on how digital copies of their music is managed. SoundExchhange is the prime example; they collect and distribute digital performance royalties for the specific recording of a song performance. In order to increase profit they plan to raise the percentage of revenue per song played. It’s just wrong that the royalty fees could possibly exceed the revenue for some of the smaller internet radio businesses. You don’t hear anything like this about AM/FM radio. They tend to get music they broadcast directly from the artists and record labels. Why should it be any different on the internet? The whole point of radio is to provide a broader listening audience so the artist and/or label can gain more fans and sell more records in the long run. The good news is some of the smaller ‘net radio stations get the picture and are negotiating directly with the artists and/or label just like normal radio stations do.