

Sat Radio Recording Moves Ahead By John Gartner

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A handful of new and soon-to-be-released devices enable music listeners to automatically record tracks from satellite radio broadcasts onto hard drives or portable music players such as the iPod. While the recording industry has publicly decried such activities for terrestrial radio, analysts say it has a financial reason for remaining silent about satellite radio recording.

Satellite radio broadcasters [XM Satellite Radio](#) and [Sirius Satellite Radio](#) each deliver more than 100 channels of music, sports and news in high-quality digital audio streams to home, portable and automobile receivers.

Last June, the Recording Industry Association of America sent a [letter](#) to the Federal Communications Commission describing the ability to record songs from digital broadcasts as the "perfect storm" facing the music industry.

But within weeks, electronics manufacturer [Delphi](#) and Time Trax Technologies released the first products for recording digital tracks from satellite radio, without a note of discord from the RIAA.

[Time Trax](#) will increase the number of radio-recording devices this month at the [Consumer Electronics Show](#), and CEO Elliot Frutkin expects the recording industry will turn a deaf ear. "I am not immediately concerned about the RIAA challenging Time Trax," said Frutkin.

Frutkin said Time Trax will unveil a docking station that enables PC users to schedule the recording of broadcasts and to save tracks, including the artist and title information, directly to Apple Computer's iPod. (A Macintosh version is not currently in development). The company will also unveil two devices for recording from Sirius broadcasts that will parallel products the company delivered for XM listeners late last year, according to Frutkin.

To discourage recorded songs from being posted on peer-to-peer networks, the company's TimeTrax software application embeds the serial number of the receiver into the track information, making it easy to trace the source, Frutkin said. "We are not being cowboys telling people to do whatever they want to do" with the tracks they record, Frutkin said.

Frutkin said version 4.0 of the TimeTrax software, which will be available at the end of January, will enable listeners to scan satellite radio channels and record only songs by specific artists. Users will be able to type in "Bruce Springsteen," see the channels that would most likely play him, and then monitor the stations to record him, according to Frutkin.

"The (TimeTrax) software itself is nothing that we endorse," said XM Satellite Radio spokesman Chance Patterson. TimeTrax software was introduced in August 2004, and enabled listeners who purchased an XM Radio adapter for PCs to record music onto hard drives. (XM stopped selling the product shortly thereafter.) In December, XM partner Delphi began selling the XM MyFi, a handheld radio that can store up to five hours of music, and the SkyFi2, which enables listeners to pause or rewind up to 30 minutes of a radio broadcast.

The RIAA fears that the selective recording of high-quality digital broadcasts from terrestrial radio would be ruinous for the recording industry and online music services. When asked to clarify if RIAA's comments to the FCC regarding protecting content included satellite radio broadcasts, spokesman Jonathan Lamy replied by e-mail that the statements applied to digital broadcasts, not satellite.

The RIAA is lobbying the FCC, which is expected to require that radio stations transition from analog to higher-quality digital broadcasting within the next few years, to mandate that broadcasts use technology to prevent content copying, similar to its [ruling](#) (.pdf) for digital television.

According to Sean Butson, media analyst with financial services company [Legg Mason](#), the RIAA has financial motivations for selectively targeting traditional radio. "When songs get played on satellite radio, recording artists get paid more money than when they get played on terrestrial radio," Butson said. He said satellite radio stations pay 7 percent of revenues to recording artists and copyright holders, whereas radio broadcasters pay less than 1 percent.

Satellite radio listeners pay a monthly subscription fee of between \$10 and \$13, while terrestrial radio would remain free and supported by advertising.

Butson said artists who are not on the top of the pop charts like working with satellite radio providers because they make more money and get more airplay. For example, crooner Tony Bennett's CD sales spiked after he started to be featured on XM Satellite Radio, according to Butson.

The satellite radio universe is much smaller than the potential audience for free digital radio, so the RIAA may be focusing its resources on the biggest fish, according to Gigi Sohn, president of [Public Knowledge](#), a group that advocates openness in digital information distribution.

Sohn said the RIAA's request for an audio broadcast flag that would prevent copying could die if her organization is successful in its lawsuit to remove a similar

control from digital television. "I have lost enough cases to know that our case against the broadcast flag is quite strong," she said.

Sohn said it is unlikely that satellite broadcasters would be required to add a broadcast flag because millions of receivers have already been sold. XM surpassed 3 million subscribers in 2004 and Sirius topped 1 million, according to the companies.

The future of devices used to record digital audio broadcasts could be greatly influenced by the *MGM v. Grokster* case that the Supreme Court will hear this year. The lawsuit seeks to hold product manufacturers liable if their products are used to infringe copyrights.

"If the entertainment industry wins broad liability (in the Grokster case), you will see a chill in technology development unknown to this country in the last 25 years," Sohn said.



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