

How Music Got Free by Stephen Witt

A brilliantly written book shows that it wasn't file-sharing that brought the music industry to its knees, but an organised criminal conspiracy

Review by Steven Poole - Thursday 18 June 2015 – The Guardian

The humble MP3 is one of the most momentous inventions of modern history. By shrinking musical data to a 12th of the size of an ordinary CD, it enabled songs and albums to be distributed over the limited bandwidth of internet connections in the 1990s and 2000s. It thus made possible the culture of downloading commercial music without paying that brought the global music industry to its knees.

Yet this vehicle of mass copyright infringement would never have been invented itself without the guarantee of strong copyright protection. It took a decade of research funded by the German government for the engineers behind it to figure out the “psychoacoustic” principles according to which most of the information in recorded music is in fact inaudible to the human listener and can be thrown away. And it was those same engineers who enabled the piracy revolution by releasing for free on the web the first ever MP3-encoding software, with which the user could “rip” MP3s from CDs on to a computer.

In most histories of these developments, the users who began swapping MP3s on the internet are presented as ordinary folk: college students on Napster and then pretty much everyone on BitTorrent. This gives the story a democratic feel, with the music-loving people rising up against the venal idiocies of the corporate music world. But, as Stephen Witt shows with a kind of gonzo glee in his closely reported and brilliantly written book, it was not ordinary people who were doing most of the “ripping”. There was in fact an organised criminal conspiracy to steal music.

Defenders of downloading stuff without paying, of course, don't like the verb “to steal”. They point out that downloading an MP3 of a commercial album doesn't deprive anyone else of a copy, whereas if I steal your cigarettes then you no longer have any cigarettes. So downloaders prefer the term “sharing”, which sounds positively virtuous. (Isn't it good to share?) Yet you can't really be said to “share” what was never yours in the first place. It's not going to fly in court if the Hatton Garden robbers claim to have been simply “sharing diamonds”. As it happens, the MP3s that everyone began “sharing” were originally made available by a network of people who literally stole discs of forthcoming albums from CD pressing plants.

This book tells the story, based on extensive interviews with one such pilferer, an entrepreneurial and eccentrically likable dude called Dell Glover, who worked at a record company manufacturing plant in North Carolina. Witt draws an amusingly sympathetic portrait. (At one early crisis point, he writes of Glover: “His girlfriend was unhappy, his tattoos were stupid and he was driving himself into debt.”) With accomplices in the plant, Glover smuggled out copies of new albums, and uploaded them to a secretive group on the internet that was part of the “Scene”: a network of people trading music, commercial

software, video games and movies. Members of the Scene went by pseudonyms and used encrypted communications; they cultivated sources inside CD plants, radio stations and anywhere else that pre-release material could be found. It was an efficient and knowing conspiracy: Glover's own group leaked an amazing 20,000 albums over a decade. As Witt relates in fascinating detail, their tradecraft would have done justice to a network of terrorist operatives: top Scene cells eluded the FBI for years.

At the same time, the music industry was hardly covering itself in glory. As the US Federal Trade Commission found, the big record companies conspired over years to keep CD prices artificially high. When they were approached in 1997 by one of the MP3's inventors, who recommended they adopt a new copy-protected version of the file, he was "informed, diplomatically, that the music industry did not believe in electronic music distribution". And companies made weird business decisions that Witt outlines with a highly entertaining bafflement. (He describes Time Warner's decision to sell itself to AOL at the height of the dotcom bubble as "the stupidest transaction in the history of organised capitalism".) A music-industry lobbying group, the Recording Industry Association of America, eventually decided to start suing ordinary downloaders for obscene sums of money rather than going after the real thieves of the Scene. (They won a lot of these lawsuits, which they sadistically termed "educational", before juries began to rebel and acquit.)

Partisans of "sharing" sometimes liked to say that they were hitting back against fat-cat music executives. In fact, all they were doing was hurting musicians. The bosses continued to do very nicely, thank you. Another central character in this book is Doug Morris, who rose to become head of Universal. By 2007 CD sales had fallen by half since 2000, yet as Witt notes, Morris "was still earning almost \$15m a year" by cutting artists from the roster and concentrating on sure-fire hits. Witt's portrait, however, is nuanced: Morris is presented not only as a seasoned hit-spotter but also as a man who took rational decisions in the face of epidemic piracy. ("He didn't need a PhD in economics to know that if something was widely available for free, people were less likely to pay for it.") After being courted by Steve Jobs for ages, Morris agreed to sign Universal's catalogue up to the iTunes Music Store, and he also had the excellent idea of forcing YouTube and other websites to pay the labels a slice of the advertising they sold against music videos.

After Morris and Glover, the third main character of the book is Karlheinz Brandenburg, the mathematical genius who led the development of the MP3 itself at the Fraunhofer Institute in Erlangen, part of a government-funded research network that the author describes as "Germany's answer to Bell Labs". Witt's description of technical audio matters is exemplary in its clarity, and this story is full of surprises as well. It turns out, for example, that after inventing the MP3 itself, the Fraunhofer group also invented the first-ever portable MP3 player. But they didn't think it was worth patenting. Indeed, when they showed it at an engineering fair in 1995, an executive from the Dutch electronics giant Philips told them: "There will never be a commercial MP3 player." If you enjoy the *schadenfreude* of powerful men making predictions that now look silly, there's a lot of that kind of thing in this book. But no one is immune from Witt's enjoyably sardonic eye. Later, as the MP3 licensing fees start rolling in and Brandenburg finds himself a very wealthy man, the author comments: "He

was starting to understand the power of open, competitive markets and, like all good capitalists, did his best to avoid participating in them.”

Witt confesses in his introduction that he too was an inveterate downloader of stuff, and he correctly diagnoses the motivation as something other than a profound love for all music. “Most of this music,” he writes of his vast MP3 collection, “I never listened to.” The allure was instead that of belonging to a “subculture”, an “elite and rarefied group” with access to everything. At the end of the book, he points out that now such digital hoarding no longer really makes any sense, since everything is theoretically accessible in the cloud. “Finally I caved,” he writes, and “bought a Spotify subscription”. Of course, Spotify and other streaming services notoriously pay musicians as little as they can get away with. And so the real losers in this story are the quite important group of people who feature only at one remove: the artists who made all that deliciously collectible music in the first place.

<https://www.theguardian.com/books/2015/jun/18/how-music-got-free-stephen-witt-review>

Stephen Witt's How Music Got Free explores piracy within the music industry

By James McNair - June 25, 2015

The story of how music got free – how it could be acquired gratis by anyone with an internet connection – is an important one, but it isn't, on the face of it, the stuff of exhilarating reading. Stephen Witt's first book concerns the history of CD piracy and the development of the MP3 technology that made illegal file-sharing possible and desirable. It's also a forensically researched, technically uncompromising book that took five years to write and is largely peopled by mild mannered German scientists, computer nerds, and ordinary, if corrupt Joes.

It's remarkable, then, that the author manages to pace it like a thriller and construct it like a detective story. You might say that the alchemy of the MP3 – relaying music via the ones and zeros of binary code – is matched by the alchemy of Witt's fine prose, which turns some hazardously prosaic material into reportage gold. As the author tracks down the prime movers in file-sharing's threat to the music industry's survival, he entertains as much as he informs.

Even the book's jacket cover seems wary of losing us at hello, hence it sees Witt, a mathematics graduate turned investigative journalist, deploy some startling number-crunching. Just one man, his book shows us, is ultimately responsible for the US\$21 billion or so the music biz has lost to illegal file-sharing. This is Bernie Lydell Glover, AKA “Dell”, a blue-collar employee at Universal's CD pressing plant in Kings Mountain, North Carolina.

Initially, Dell pilfers from his employees to pirate CDs for local, small-scale gain, but he later becomes the mother of all Bluebeards; the go-to man for Rabid Neurosis (RNS), a select file-sharing cabal which began operating circa 1996 and was hidden away on the dark web.

Criminal masterminds RNS may be, but they have a strict not-for-profit ethos. Their key motivation is to be ahead of the game; to leak coveted pre-release albums before anyone else

does. A dubious kind of kudos aside, Glover's only reward is access to other RNS contraband. And with his help, RNS leaks about 20,000 albums during its 11-year reign, shooting holes in an industry that can't for the life of it find the gunman.

Witt shows that, to some extent at least, the record industry had it coming. The savings it periodically made through refinements in the CD manufacturing process were never passed on to the consumer, and for the longest time, record companies all but ignored the various technological advances that sounded the death knell for their trusted revenue streams.

Even in 1998, when the alcoholic beverage giant Seagram acquired PolyGram Records for US\$10.7 billion (Dh36.7bn), risk assessment documents on future growth took in the possibility that Bon Jovi might defect to Sony, but not other, infinitely more ominous upheavals.

"The prospectus did not mention the internet, nor the nascent consumer broadband market," writes Witt. "It did not mention the personal computer, nor recent advances in audio compression technology. It did not mention the possibility of streaming services, nor the potential for wide-spread file-sharing. And it did not mention the MP3."

Witt confesses that he himself was a teenage file-sharer. Arriving at college in 1997, he was one of millions around the world who began to access, store and transport their music in a new way. Bulky cardboard boxes rammed with CDs in cracked jewel cases were out; compact, gigabyte-rich hard drives rammed with invisible MP3s sourced for free were in. "I pirated on an industrial scale but told no one," says Witt. "It was an easy secret to keep."

The author is good on the ubiquity and seeming innocuousness of the crime, and on the casual, unthinking way it was perpetrated. "Music piracy became to the late '90s what drug experimentation was to the late '60s," he writes, "a generation-wide flouting of both social norms and the existing body of law, with little thought of consequences."

The record companies' side of the story is largely told through Witt's intermittent profile of Doug Morris, the gifted bigwig executive who, in the course of his long, influential career, co-steered Warners, Sony and others. Morris was canny enough to realise gangsta rap, not rock or pop, was the future when he heard Dr Dre's 1992 debut *The Chronic*, but his signing of Dre and other pre-eminent rappers of the era (via a co-deal with Death Row records) didn't foresee the sharp decline in CD sales that file-sharing soon wreaked. While Morris's personal fortune was safe, the industry in general began to leak like a colander.

Initially, their punitive response was heavy-handed and misdirected. With Dell and other dark web file-sharers untraceable by the FBI until 2006/2007, the music industry's 2003 anti-file-sharing initiative Project Hubcap instead targeted small-time downloaders of pirated music, some of whom – 12-year-old New York City housing project resident Brianna LaHara, for example – were unwitting, traumatised transgressors. Project Hubcap was "arbitrary and vicious", writes Witt, "a million dollar fine for shoplifting".

How Music Got Free is also a fascinating account of how the music industry finally got a handle on the digital revolution and began to stop – or at least slow – the rot. Apple built iTunes and the iPod. Albums became available as digital downloads. And Doug Morris, watching old music-videos on YouTube with his grandson, had a eureka moment and invented the music-video syndication service Vevo, an extremely lucrative way of cashing-in on about 30 years of remaindered promotional stock. For example, all those MTV-era promo videos are back out there earning money again via advertising that runs ahead of each consumer generated YouTube view.

Streaming services have since made money, too, of course. Witt's book was finished before the advent of Apple Music, the new streaming service built into iTunes that will launch next week in more than 100 countries, but in his epilogue the author explores the rise and rise of streaming, a problematic if seductive activity that has made us buy less and less music.

“In 2011, for the first time since the invention of the phonograph,” Witt writes, “Americans spent more money on live music than recorded.” He also notes that, in 2013, revenues from subscription, advertiser-supported streaming passed \$1bn for the first time, prompting Apple to buy Dr Dre and Jimmy Iovine's Beats streaming service for more than a billion dollars, and Spotify, Rhapsody, Deezer et al to ruck over rights to music by Led Zeppelin and The Beatles.

Ultimately, though, Witt's book contends that the damage is done, “that streaming may not have solved anything”, that Lady Gaga selling a million units of Born This Way in a week at 99¢ apiece is symptomatic of an industry in crisis, and that, since music got free, none of us can view hard copies of a tune – be they CDs, MP3s or whatever – with quite the same reverence.

Towards the end of his book, Witt tells of taking nine hard drives containing the 100,000 or so MP3s he'd amassed over the years to a company in Queens, New York for brutal “data destruction” via pneumatic nail gun. Like most of us, he's a streamer now, for all the practice's controversies. “Finally I caved [and] bought a Spotify subscription,” he writes.

James McNair writes for Mojo magazine and The Independent.

<http://www.thenational.ae/arts-lifestyle/the-review/book-review-stephen-witts-how-music-got-free-explores-piracy-within-the-music-industry#full>

Personal comments

Witt paints a depressing picture of a technology breakthrough which leaves no door ajar for a record industry recovery. The Internet and music piracy, he implies, are irretrievably entwined. Barring a revolution in personal and societal morality, piracy will continue and consumers will refuse to pay for recorded music.

Of course, streaming has altered the scene somewhat. Having a legitimate, free and searchable global jukebox at one's disposal - with quality guaranteed and no illegality (or viruses) attached - means that the piracy option is less attractive than it originally was. The downside for the industry is that the level of income streaming generates for recording artists is poor. Income will improve as more consumers opt for the subscription model (€10 per month for an advertisement-free service) but this offers only partial compensation for the massive hit taken by the industry thanks to the album sales collapse (whether in CD or download format).

Questions which will continue to preoccupy musicians into the future are -

- ⤴ Can album sales recover?
- ⤴ Can the consumer be motivated to buy a download/CD album when she can listen to it free on Spotify?
- ⤴ Is the contemporary single/album doomed to be a loss leader for artists – in the interests of generating tour/concert ticket sales, radio airplay income, and possible sync deals?
- ⤴ Can streaming ever compensate artists adequately?
- ⤴ Can the charts regain mainstream interest or attention?