

Billboard

NEWS

THE INTERNATIONAL NEWSWEEKLY OF MUSIC, VIDEO, AND HOME ENTERTAINMENT

NOVEMBER 6, 1999

The Hopes & Hurdles Of The Web

U.K. Sites Aim To Become New A&R Source

BY DOMINIC PRIDE
LONDON—You know the A&R folks, but you'd better get used to talking to the C&A execs.

Content and Acquisition departments find the acts for the new clutch of talent-focused Web sites springing up here and are already playing a role in exposing new music.

Recently launched U.K. sites such as Musicinsigned.com, Peoplesound.com, and Vitaminic.com claim they are performing a first-level A&R role. At the other end of the scale, sites such as FuccaSound are carrying on the indie spirit by simply exposing music on the Net.

Yet those running the sites say they are still encountering hostility and resistance from some sectors of the mainstream music industry.

Now that Musicinsigned is claiming its first deal from its A&R-ori-

Webcasters, Labels Still Debating Licenses

A Billboard staff report.

NEW YORK—When the Digital Millennium Copyright Act (DMCA) was passed Oct. 28, 1998, it mandated that Internet broadcasters and record labels put into place a licensing system for Webcasters who want to play copyright-protected music on the Internet.

The DMCA gave online broadcasters a year to file with the U.S. Copyright Office their "official intent" to obtain a statutory license to air digi-

tal audio signals. But the Oct. 15, 1999, deadline slid by the industry, with no firm sign of concord over terms of that proposed license or its rate from Internet radio proponents or the Recording Industry Assn. of America (RIAA), which is representing most record labels in the discussions.

Also still a point of contention are

(Continued on page 91)

NEWS ANALYSIS

New Tech Requires Old Masters

Rise Of DVD, Web Makes Archive Preservation Critical

This is the final installment in a series by Bill Holland examining the problem of flawed and aging master tapes in U.S. record company vaults.

master recordings and other assets in their vaults.

To take advantage of the sonic upgrades possible with new formats, as well as the 5.1-channel option of DVD Audio, labels must be able to return to the multitrack analog source recordings. Music that already has been down-sampled into the now

(Continued on page 22)



WASHINGTON, D.C.—The growing interest in online music distribution and new digital formats such as DVD Audio are upping the ante for the record companies to save the millions of aging

INSIDE THIS WEEK'S BILLBOARD

'Bits & Mortar' Is Concept For Planned Retail Chain ... P8



Cecilia Bartoli Tackles Vivaldi On New Decca Disc ... P44

The Artist Steps Out On Arista



BY LARRY FLICK
NEW YORK—On Nov. 9, The Artist Formerly Known As Prince will do something he says he didn't anticipate ever doing again: He's releasing an album through a major label.

"Have Un2 The Joy Fantastic" will be released on The Artist's NPG Records and licensed to Arista in the U.S. and Arista/

(Continued on page 101)

Epic/550's Dion Offers Hits & More



BY CHUCK TAYLOR
NEW YORK—After 10 years of standing steadily in the global spotlight, Celine Dion is ready to let her heart go on ... vacation.

"I'm looking forward to having no schedule, no pressure, to not caring about whether it's raining or not, just visiting with family and friends, cooking at home, trying to seriously have a

(Continued on page 24)

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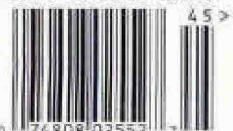
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NEW TECHNOLOGY REQUIRES OLD MASTERS

(Continued from page 1)

standard CD format of 16-bit/44.1 kilohertz cannot be improved.

"Absolutely, the analog masters are more important [than digital copies] because now I can go back and convert those to 96-bit/24 kHz," says Paul West, VP of engineering, studio and vault operations, for the Universal Music Group (UMG).

The condition of many archival recordings remains in jeopardy, however, due to the problems of decaying tapes and poor storage conditions (Billboard, June 5).

And yet Sony Music is the only major record company to have moved beyond the planning stages and built a full-blown, self-contained digital archive preservation and management system to ensure that its catalog will stay safe well into the new millennium.

Among the other majors, only Bertelsmann's BMG Entertainment has partial components in place for an eventual in-house digitization of its archive, and those elements are in production areas.

EMI, UMG, and Warner Music Group have not yet gone beyond the discussion and study phase.

However, EMI will be the next to make the move to build a digital archive, according to Jay Samit, senior VP of new media. "We expect to make an announcement by the end of the year that the company has picked vendors [for the project]," he says.

Online music delivery requires that companies first transfer their analog and digital tape masters to other digital formats—computer-friendly "file" platforms—before they can be made accessible to a new generation of online consumers.

It's an opportunity for companies to save their original source material as well as digitize it in-house for instant accessibility for new uses.

Although sales of catalog material now account for about one-third of industry income annually, according to figures from SoundScan and the Recording Industry Assn. of America, most labels have made choices to sidestep in-house archive preservation and management. They have focused instead on short-term digital distribution initiatives, partnering with outside music-download companies and initially offering consumers new releases or top-line catalog, delving into vaults only on an as-needed basis.

Many of the industry's master recordings are already in jeopardy or nearing the end of their play-

ardships have accelerated the decay. Veteran industry executives worry not just that the clock is ticking on the future playability of some of these masters but that the 11th hour is close at hand.

The amount of material in U.S. record company vaults, from turn-of-the-century wax cylinders to last month's CD releases, is staggering. The five majors, in addition to their core holdings, have acquired nearly all of the catalogs of now defunct U.S. record companies throughout the decades.

Taken together, these companies now own and are the custodians of an estimated \$3 million master recordings. There are also millions of other valuable taped performances and pre-tape materials, as well as film, video, album cover designs, photographs, and other audiovisual and printed materials. For the worldwide holdings of these companies, the numbers double.

One of the benefits of electronic distribution is that it could encourage labels to make available to consumers recordings that have been "out of print." Often these recordings have been unavailable to music lovers because of what companies argue are the prohibitive costs involved in manufacturing, distributing, and selling niche product.

Some label executives say if the majority of vault recordings were digitized and instantly available for downloading from a digital silo, then in addition to the more-popular recordings online and "in print," there would be non-mass-market recordings available in all music genres—from vintage country and pop to heritage opera performances and touchstone jazz recordings.

EMI's Samit calls this part of the "good news" of the digital distribution revolution. "The average consumer would like to buy many products that you traditionally can't support either at retail or through traditional distribution to keep advance quantities out there," he says. "Once you

get [recorded assets] into a central digital database, we can make it available in singles, albums, custom compilations, a subscription channel to your cell phone, to your car, to your Palm Pilot."

"That's the beauty," agrees UMG's West. "You'll be able to go into deep catalog without incurring high production costs to get it out to the people—you won't need to manufacture 5,000 CDs to see if they sell. Electronic media distrib-

A Management/Preservation Scorecard

U.S. record labels are at varying stages in their efforts to achieve a central digital database with asset management and archival preservation functions. Following is a rundown of the status to date.

• Sony Music is the only one of the five major-label groups to have a central digital music archive in place.

Its customized system—which is handled by a staff of 10—is based on the twin concepts of asset preservation and asset management. "It allows us to save our recordings and to quickly find, transfer, and re-purpose them for electronic media distribution and other ventures," says director of technology Malcolm Davidson.

The system was installed in early 1996 and has been online since. Approximately 40% of Sony Music's CD-era recordings are now stored in its digital silo, with an estimated 2% of remaining catalog being added every year. Also, all new releases are automatically added to the silo. The material in the digital silo is "backed up" at the close of every day.

The database consists of a Silicon Graphics computer and an EMASS data archive system developed by Raytheon (now Advanced Digital Information Corp.'s AMASS), which includes an Antimatic Media Library (AML) component.

The AML is a robotic retrieval system that offers infinitely expandable storage. It can store a variety of media, including Digital Tape Format (DTF), Advanced Intelligent Tape, and Digital Linear Tape.

The company has installed Sony-manufactured DTF subsystems that store data on large (42 gigabyte) or small (12 gigabyte) tape cartridges.

The AML was originally able to store and access 11,500 such cartridges. Originally delivered as a four-drive, five-terabyte (one terabyte equals 1 million megabytes) system, it is expandable to include hundreds of terabytes by adding more storage capacity.

One terabyte can hold about 10,000 albums, Davidson explains. Since the system—which cost just under \$1 million to set up—is expandable, it will have no problem accommodating Sony's entire archive of about 800,000 items, he adds.

The associated AMASS library software provides archival management functions, allowing the label to put together several media—an audio master, album, art, and photos—related to a specific project or other grouping.

The library software system allows masters and other storage media to be periodically checked for signs of deterioration, such as digital masters nearing a critical error rate, and to be automatically copied. It will also allow the company to transfer the entire archive to newer recording technology.

• BMG has no digital archive preservation or management system in place. There are, however, some



Sony's customized digital archive system, shown above, was installed in 1996 and currently houses about 40% of Sony's CD-era recordings.

"doesn't stop at our door—it moves to the exterior world of digital distribution technology, both to retail and consumers and to manufacturing facilities. It's what we call a whole Digital Asset Management initiative to connect the dots."

But, according to Dinsdale, the company is still "connecting the dots" of several initiatives and has not yet built a digital archive.

• EMI has no digital archive preservation or management system in place and no system choices yet, although an announcement is expected by the end of the year.

Several outside companies are digitizing some material in the EMI library for electronic media distribution re-purposing, but the efforts are not preservation-oriented.

"Given the fact that so much money is chasing digital distribution, there are many companies out there willing to risk their capital to empower us to be able to do this," says Jay Samit, EMI's senior VP of new media. Eventually, he says, "everything in our catalog will be available at any retailer anywhere in the world, so nothing goes out of print or out of stock."

And how does preservation fit in? For now, EMI (in the U.S., Capitol, Angel, Blue Note, and other acquired labels) will focus preservation efforts on the availability of its most-popular, already-digitized catalog product. Beyond that, there are no companywide proactive programs to save and transfer material.

• Universal Music Group has no digital archive preservation or management system in place and no system choices yet.

Because it is still dealing with the complicated consolidation of the formerly separate Universal/MCA and PolyGram groups, the company lags behind the other majors, both in preservation and archive management efforts.

Says Paul West, UMG's VP of engineering, studio and vault operations, "In the middle of this merger, I'd think it's premature." West says that a top priority for the company is researching "emerging digital archive and storage technologies, as well as reviewing existing archival/preservation guidelines in formulating a digital storage and archiving master plan for the future."

• Warner Music has no digital archive preservation or management system in place and no system choices yet.

Says Al McPherson, VP of technical services, "We currently have a project to evaluate the various systems that are out there. We're working toward an archive system, but we want to make sure that however it's developed, it will be compatible with all of the divisions, so that we don't build something that nobody else can access. And it has to be expandable, too," for audio, video, and other visu-

place. In this effort, it has been aided by a sister company, BMG Storage Media (a major CD manufacturer, doing business under the German brand name Sonopress).

BMG has developed segments of a flow system allowing digitization from initial mastering of new product all the way through to manufacturing and, eventually, distribution.

"When [a master] is brought in, instead of it being housed on tape, it's housed on what amounts to a digital tape silo, and that silo sits on a high-speed network that connects all the mastering and pre-mastering workstations within Sonopress," says Scott Dinsdale. He was interviewed when he was chief information and technology officer for BMG (he has

'It allows us to save our recordings and to quickly find, transfer, and re-purpose them for electronic media distribution and other ventures'

—MALCOLM DAVIDSON—

since left to join online company Firstlook.com).

"And then secondarily, that network talks to the glass mastering process," Dinsdale says. "It creates a digital environment for the internal flow of assets within a manufacturing facility. The majority of this stuff is current product; obviously, some old stuff is there when we reissue recordings."

"We also have a number of initiatives worldwide for repertoire management systems where we capture meta-data about the music itself—track information, artist information," he adds. "So we've really got a number of pieces in place."

NEW TECHNOLOGY REQUIRES OLD MASTERS

(Continued from preceding page)

faster than CD did."

"We'll be doing it in stages," says Samit about digitizing the EMI catalog. "The first stage is everything that's made it to CD. That's fairly easy to deal with. The next stage is everything from the vinyl era. Then, theoretically, you go all the way back."

Company representatives say that the goal for achieving even partial electronic media distribution is two to five years down the

'Electronic media distribution can drive us into deep catalog faster than CD did'

- PAUL WEST -

road. A completed digital archive for the preservation and management of assets will most certainly take much longer.

Transferring the hundreds of thousands of assets into a digital archive system will require years of day-by-day retrieval, inspection of the material's condition, and individual transfers of the old original-source tapes and pre-tape assets to some deterioration- and error-resistant platform within the digital archive.

Sony installed its system in 1996 and currently has about 40% of its CD-era recordings stored digitally in its library system.

Many record companies now realize that while the goal of preserving their archives and that of managing their electronic-media assets relate to each other, they are separate and distinct. There is no single outside technology company that can provide equipment for both functions.

Says one executive, "The big outside companies, IBM for example, with a lot of storage and computer savvy—one part of the picture—have no clue about the procedures, practices, and methodology of the audio side. They fall far short of what we want to do."

"Smaller players, like manufacturers of digital audio workstations and so on, who have the studio side together, don't have the massive storage digitizing side together," he adds. "There's no comprehensive package. Everybody's seeing pieces, looking for hybrids. The whole package is just not there."

ARE ASSETS STABLE NOW?

To their credit, all of the majors took a significant preservation and asset management step in the late 1980s and early 1990s by providing climate-controlled vaults to house their collections. Any catalog holdings that have been reissued on CD have also been transferred to a digital tape format.

Despite growing evidence that aging audio tapes have not proved resistant to deterioration despite storage in updated vaults, some record executives believe their

vation efforts.

Ironically, it is often the older original master material in company vaults that seems to be in better shape than the more recent recordings. But many early tapes from the '50s and '60s, while still playable, are showing signs of brittleness. Further, there are no studies that give any optimistic prediction of tape longevity. So the question is, How long can the companies afford to gamble?

One company archive executive confided that if the industry waits too long to initiate full-scale preservation efforts, "the holdings could be rancid scraps."

A good bit of catalog material is already in real trouble. It's been discovered that the analog master tapes of the most popular catalog material—millions of reels of tape recorded throughout the '70s and '80s—have taken on inordinate amounts of moisture and are in real peril.

These flawed tapes, with unstable, gooey binders, can stop a machine dead in less than a minute, and their music content will self-destruct if they are played without undergoing an eight-hour heating process commonly referred to as "baking." This procedure, however, is only a temporary fix (Billboard, June 5).

There are so many flawed tapes that even an accelerated program at a company would require years of systematic discovery, recovery, and transfer to stable digital formats. It would take 17 years for a crew of six engineers working eight-hour shifts to stabilize and transfer every one of the industry's at-risk tapes. Still, the cocooning mind-set continues.

Glenn Korman, director of preservation, BMG archives, says, "We have stabilized the environment in which these tapes are stored, so they're not going to get any worse than they are now." Korman says that at BMG, tapes only go through the heating recovery process on a one-by-one, as-needed basis.

In fact, most companies still deal with problem tapes only on an as-needed basis, despite the huge amounts of material in their vaults awaiting preservation efforts. In most cases, archivists say, this method is the only option, considering the budgets they're given.

"There's basically a preservation policy at most labels that's driven by reissue schedules," says one producer familiar with policies at several majors. "Somebody says, 'OK, time for a CD reissue by this guy or that group's album.' So they go hunt for the master; hope they can find it; pray that if they find it, it'll still play; bake it if necessary; then transfer and remaster it, release it, and go on to the next one. That approach means there are still tons and tons of tapes just sitting there."

However, some labels, notably Sony and Warner Bros., have initiated beefed-up efforts to check their archive material.

Says Malcolm Davidson, Sony Music's director of technology, "We

Protecting A Legacy

This is the final installment in a three-part series by Bill Holland examining the problem of flawed master tapes used for recorded music archives. The series to date:

• Part One, which appeared in the June 5 issue of Billboard, explored chemically flawed tapes from the 1970s and '80s.

• Part Two, which appeared in the July 17 Billboard, investigated the problems encountered with unstable and unplayable digital storage media.

• This week, Part Three explores the archival preservation and management efforts of the five major record companies as the industry moves toward digital delivery.

and evaluates the storage medium for signs of deterioration or error problems. If there's a problem, it's automatically copied and replaced [with "safety" copies].

Similarly, Al McPherson, Warner Bros. VP of technical services, says, "We have a regular practice of backing up and verifying that you can still recover the data. This is supplemented by [the fact that] when you pull a tape out of the library, you obviously find out if you have got problems. We go through [the vault] on a regular basis to make sure tapes have not sat around for years."

McPherson adds, "You know, artists and managers think just because [a master] is in the library, it's there forever. It's not there forever."

Artist/producer Todd Rundgren believes that unless companies take a more active stance on preservation, the survival chances for tapes will be low, especially for the material recorded on tapes with unstable binders.

"There's probably going to be some decisions made at some point as to which ones to go back to and which ones to basically throw away," he says. "Because eventually there just won't be anything they can recover from them."

To make matters worse for preservation efforts at labels, archivists and engineers have discovered that digital tapes from the last decade, including once industry-standards like the UMATIC 1610 and 1630 series and DATs, are now prone to breakdowns. In these cases, their music content cannot be recovered (Billboard, July 17).

THE 16-BIT/44.1 KHZ WORLD

With higher, 20-bit sampling rates already being employed on new reissues, the importance of preserving original-source analog tapes cannot be overstated. Even those that have already transferred and remastered much of their analog catalog product to the digital domain in the CD era must return to the original analog source material in order to take advantage of

can only be made using analog source material: All digital tapes from the last 16 years were recorded in a soon-to-be-obsolete sampling rate of 16-bit/44.1 kHz. Early efforts to create surround-sound versions of these recordings sound harsh and lacked warmth; the sound could not be improved.

As Michael Frondelli, head of studios at Capitol Records, explains, "We've been living in that world for a long time now—since the early '80s. Remember that we're compressing that format into 16-bit/44.1 kHz. You can only go one way [in quality] with that—you can only go down; you can't go up. In other words, the original source analog is always going to be your best source."

Also, companies are discovering that if they find that their original masters are deteriorating—or have been lost—and they have to revert to "safety" copies, old policies might come back to haunt them: Those who made both an analog and a digital safety can work from the analog to achieve updated sound. Those who made only digital safeties for their aging analog might soon be left with sonically outmoded tapes that cannot be updated.

Further, plans for new, surround-sound DVD Audio recordings (Billboard, Sept. 25) will require that companies return to original-source multitrack session tapes—if they haven't deteriorated already or been thrown away or lost.

"I don't want to simply take our analog library and not be able to capture it at the highest resolution possible," says Warner Music's McPherson. "If I have to, I want to [be able to] get it back in a domain for DVD Audio."

NO TAPES FOR DVD AUDIO?

There's another fly in the ointment for DVD Audio. Some companies may not be able to remix and remaster some recent recordings, especially those not recorded in multitrack analog. Why? There may be no multitrack session tapes to pull from the shelves.

Since the '80s, it has become standard industry practice for producers to hand in only a final 2-track digital stereo production master of new releases to companies.

With the advent of digital recording, many times instrumental bed tracks are recorded in one city, overdubs in another, and lead vocalist tracks in yet another. These individual tapes may be difficult to find or may no longer exist. That means that the companies are stuck with only the regular 2-track, mixed-down stereo versions.

IF NOT TAPE, THEN WHAT?

With many analog masters nearing the end of their shelf life or already deteriorating and the additional problem of digital tape breakdown, is there a new digital format or carrier that experts believe has greater longevity?

Most say non-tape carriers have the best chance; monitored tape-based systems capable of perform-

tion. But nearly all say it's an educated guess.

Mastering engineer Paul Stubblebine, reflecting current industry thought, says, "With the digital formats, you don't really have enough experience to know what's going to play in 50 years. We're basing a lot of our guessing on accelerated aging tests, which suggest that magneto-optical cartridges are the best for shelf life."

There are still concerns that, in

'The original source analog is always going to be your best source'

- MICHAEL FRONDELLI -

addition to grappling with the playability issue, some companies still have inventory and retrieval problems; they often overlook or can't find tracks in their archives. Says Stubblebine, "No. 1, they can't play many of these recordings because they're not accessible, and No. 2, they often don't know what they've got."

'YOU'RE NOT READY'

Joanne Feltman, senior VP of business affairs at BMG and a driving force behind efforts to preserve archives and update their computer access, says that even a few years ago, top executives simply had no idea how many improvements were needed in their company vaults.

"I went to this seminar on digital delivery," says Feltman, "and at the presentation, these executives said, 'We're ready for digital delivery.'"

"I said, 'You're not ready for digital delivery. You're not ready because I know—I've worked at the RCA archives and I've worked at Sony,'" she continues. "And if you want to get a tape from your vault, I'm telling you right now—you might want to get it, you might think you know what it is, you might think you even know the [catalog number], but when you got the tape—if you got the tape, if you could find it—you don't even know if it would play."

"And they thought that over and said, 'All right, make us a proposal.' And I did. That's how [BMG] got started" on archive and preservation reforms.

Most veterans say that even today, if a computer search does not show that a tape or particular track is in the vault, a thorough search on hands and knees will turn up the material—often in the wrong box or on the wrong shelf.

EMI's Samit, for example, admits that the deeper into the vaults companies go to find material, the less sure they are of what's really there, and it becomes a huge lost-and-found department.

He says, "Now, granted, when we go into the vault, of course we'll find things where the tape case is empty, where things have been ravaged by time and weather, but we'll also find the other stuff—the stuff