

Congress Stares Down YouTube, HDNet

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Members of Congress on Thursday tangled with leading video providers over how to preserve the open architecture of the Internet while improving its quality and protecting intellectual property rights.

Representatives from YouTube, Sling Media, HDNet and others appeared before a House Energy and Commerce telecom subcommittee to discuss the future of video entertainment. Providers and lawmakers have grappled with a variety of issues that could change the way consumers access online video content, including net neutrality, copyright concerns and bandwidth issues.

Inadequate bandwidth is the main reason that online video content is largely complimentary to television programming and will not threaten the livelihood of TV in the near future, according to Mark Cuban, founder of HDNet, a television station that broadcasts solely in high definition.

"In our current bandwidth constrained environment, the concept of Internet video replacing TV is laughable," Cuban said. "Replacing high-definition TV - with online content - isn't even on the radar. There is certainly a market for video content on PCs, but it's a complimentary market, not a primary market."

Telecom companies need to work up to a 1 Gbyte/s switch to the home, Cuban said. When asked how such an endeavor might be financed, Cuban pointed to market forces. Such a radical improvement in bandwidth would make online endeavors even more attractive, attract

investment and essentially pay for itself, he said.

Cuban urged members to view access to bandwidth as a utility. But Rep. Gene Green, a Texas Democrat, pointed out that "a utility needs to be regulated" and said that Congress tried to eliminate regulation in the industry with the 1996 Telecommunications Act.

"The real problem is the actual capacity of the lines to your home," Cuban responded. "It's hard to say" if Congress needs to intervene on that point, he said, but "if we don't go much further than where we are, we won't be able to compete in a global environment."

"I think the future of video will depend ... on how we resolve" the issue of net neutrality, said Rep. Anna Eshoo, a California Democrat.

"Consumers must be able to access that content in the manner in which they choose."

The term "net neutrality" refers to the idea that every Web site on the Internet, whether it be a major company's portal or a homemade storefront, has the same right to speed and access. Chief executives of some major Internet service providers, however, have voiced support for a system that would allow them to provide quicker download times or site access for those willing to pay for it.

Net neutrality problems "goes away completely if bandwidth constraint goes away," Cuban said.

Chad Hurley, chief executive and co-founder of YouTube, and Blake Krikorian, chairman and CEO of Sling Media, were skeptical and said the success of their businesses is contingent upon the open architecture of the Internet.

"Because of the open Internet ... we were able to develop a service that

could compete with - much larger - competitors in the market," Hurley said.

If Sling, which ports television programming to computers and other mobile devices, had to gain approval from providers like AT&T before it started, "we would've just been kicked in the pants out the door," Krikorian said.

YouTube's Hurley denied that his company was working to improve the quality of its video in order to compete with TV offerings.

"We're offering a different experience than the TV," Hurley said. "We're offering real quality short clips that can be viewed by everyone. It's far from full-length, high quality TV programming."

YouTube directs viewers to TV programming more than it does steal them away, Hurley said. "CBS publicly stated that [YouTube has] helped increase their ratings by 5 percent" via posted clips of select shows, he said.

Members of Congress did not appear convinced of this happy marriage between YouTube and major media providers and grilled Hurley on possible intellectual property violations.

YouTube provides "tools to our users" to alert the company to any copyright snafus, but "visually, you can't tell who owns the rights" to a certain video, Hurley said.

"That's probably true" in some instances, but "clearly, if someone puts a clip of a movie or a show from Fox," that is a copyright violation, said Rep. Mike Ferguson, a New Jersey Republican.

YouTube works with "thousands of partners" with the rights to certain

material who have given permission for the site to post their material, Hurley replied. In all other instances, YouTube relies and copyright owners to flag it as a violation, he said.

Ferguson was dubious and said that he could search on YouTube at that very moment and find thousands of clips posted by users who clearly do not own the rights to the material. "Why don't you take that stuff down?" he asked.

Hurley pointed to the Digital Millennium Copyright Act (DMCA), which is supposed to provide intellectual property protection for online material. YouTube "goes above and beyond the baseline requirements for DMCA," Hurley said, but said that the DMCA is "a cooperation between players."

YouTube and its new owner Google do not "have the right to hide behind the DMCA," Cuban said. "It's a misapplication of the DMCA."

Cuban was an executive producer on movies like "Good Night and Good Luck" and he said he has people "continuously monitor" sites like YouTube for unauthorized clips. "For smaller movies, we spend more time monitoring [Web sites] than we spent on the movies."

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