Organizations representing the music publishers and songwriters, major record labels, digital music services and cellular phone companies today announced an agreement setting mechanical royalty rates and standards that supports a slate of new cutting-edge business models to help consumers access and enjoy music (PDF of agreement attached).

The Recording Industry Association of America (RIAA), National Music Publishers' Association (NMPA) and Digital Media Association (DiMA) are filing an industry-wide agreement that fully resolves the Copyright Royalty Board (CRB) Rate Proceeding under Section 115 of the Copyright Act.

The settlement provides for the development of new digital music services and business models offering music to consumers by creating new rates and terms under Section 115 for five new categories, which include:
Mixed service bundles (for example, a locker service, limited interactive service, downloads or ringtones combined with a non-music product such as a mobile phone, consumer electronics device or Internet service)
Paid locker services (subscription-based locker providing on-demand streaming and downloads)
Purchased content lockers (a free locker functionally provided to a purchaser of a permanent digital download, ringtone or CD where the music provider and locker have an agreement)
"Limited offerings" (subscription-based service offering limited genres of music or specialized playlists)
Music bundles (bundling music products such as CDs, ringtones and permanent digital downloads)
The 25-page proposed agreement will be submitted to the CRB today by the various parties resolves the pending mechanical royalty rate proceedings without litigation. The agreement covers 2013-2017 and must be formally be approved by the CRB. It establishes a royalty rate category for these new business models and rolls forward, with limited changes, all existing rates and terms for CDs and downloads.