

# YouTube readying paid music service (Update)

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Google's video-sharing arm YouTube is preparing to launch a paid music service this year competing against other streaming outlets, with the added feature of video, media reports said

Google's video-sharing arm YouTube is preparing to launch a subscription music service to allow consumers to watch videos and listen to music ad-free, industry sources said Friday.

Sources familiar with the plans told AFP the service is likely to launch sometime next year.

The new plan would still allow users free access for the vast amount of music and music videos available on YouTube but would allow an option for a paid service without ads, with some extras such as the ability to store and listen to songs offline.

A source familiar with the plan said YouTube is not setting up a "pay gate" for music and would continue to allow people to stream music on any device for free if they choose.

The move however is the latest effort to monetize YouTube, which Google bought in 2006 for \$1.65 billion and which is believed to generate a modest amount of advertising revenues. YouTube recently launched a number of paid channels for television programs.

Earlier, Billboard magazine and The New York Times reported that the premium subscription designed for mobile devices would cost around \$10 a month and would compete with services such as Spotify, Rdio and Rhapsody.

The reports said the deal would allow record companies to get bigger royalty payments than they currently get from free services.

Billboard said a paid service would give YouTube more flexibility in packaging and selling music with fewer restrictions. It also said a premium service could be paired with other Google products in the future, including Google Glass.

Creating a paid service would help YouTube move away from the sharing of free music videos, which often face copyright violations. YouTube currently allows verified music publishers and other copyright

holders the ability to block infringing videos or to place an ad over the video to generate revenue.

A YouTube spokesman, contacted by AFP, declined to comment on the specific reports of the new paid service but said: "We're always working on new and better ways for people to enjoy YouTube content across all screens, and on giving partners more opportunities to reach their fans."

Billboard said the new paid service could allow YouTube the ability to stream full albums, which are not usually available because artists generally select one or two tracks from any single album to feature in a music video.

The music publication said YouTube is in the process of a larger redesign of the YouTube mobile app that would offer a cleaner interface for music and playlists.

Google in May introduced a paid music service for smartphones and tablets powered by its free Android software, called Google Play All Access, with a monthly subscription fee of \$10.

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