

**PHILIPPE DAUMAN  
PRESIDENT & CEO, VIACOM  
FOURTH ANNUAL ANTI-COUNTERFEITING AND PIRACY SUMMIT  
U.S. CHAMBER OF COMMERCE  
WASHINGTON, DC  
TUESDAY, OCTOBER 2, 2007  
9:05 A.M.**

**THANK YOU, CAROL, FOR THAT KIND INTRODUCTION AND THANK YOU TO CAROLINE JOINER FOR TAKING THE HELM OF THE CHAMBER'S GLOBAL ANTI-COUNTERFEITING AND PIRACY INITIATIVE.**

**VIACOM HAS LONG BEEN A VIGOROUS SUPPORTER OF THE CHAMBER OF COMMERCE'S EFFORTS TO STEM ALL MANNER OF INTELLECTUAL PROPERTY INFRINGEMENT BOTH HERE AND AROUND THE WORLD. YOU HAVE DONE ADMIRABLE WORK ACROSS ALL SECTORS OF OUR ECONOMY, AND THE AMERICAN BUSINESS COMMUNITY IS DEEPLY GRATEFUL.**

**WE AT VIACOM HAVE A PARTICULAR INTEREST IN PROTECTING INTELLECTUAL PROPERTY. LIKE OTHERS IN THE MEDIA BUSINESS, OUR PRIMARY PRODUCT IS INTELLECTUAL PROPERTY -- SPECIFICALLY MOTION PICTURES, VIDEO PROGRAMMING AND POWERFUL CONSUMER BRANDS AND CHARACTERS – AND WE ARE AMONG THE MOST HIGHLY DEPENDENT ON THE CONTINUING GLOBAL PROTECTIONS FOR COPYRIGHT AND TRADEMARK AND VIGOROUS ACTION AGAINST PIRACY.**

**THE PROTECTION OF INTELLECTUAL PROPERTY IS NOT JUST RELEVANT TO THOSE OF US IN THE MEDIA AND ENTERTAINMENT BUSINESSES. OUR CAUSE IS THE CAUSE OF ALL AMERICAN BUSINESS FOR VERY RELEVANT ECONOMIC REASONS:**

- **FIRST, BECAUSE THE MEDIA AND ENTERTAINMENT BUSINESS IS TODAY ONE OF THE PRINCIPAL DRIVERS OF THE AMERICAN ECONOMY AND, IN PARTICULAR, IS THE COUNTRY'S LARGEST NET EXPORTER; AND**

- **SECOND, BECAUSE INTELLECTUAL PROPERTY IN DIGITAL FORM IS ESPECIALLY SUSCEPTIBLE TO PIRACY ON A GLOBAL SCALE . . . THE COST TO THE AMERICAN ECONOMY OF ENTERTAINMENT COPYRIGHT INFRINGEMENT IS IMMENSE.**

**THE CHALLENGES FOR OUR INDUSTRY ARE SIGNIFICANT, BUT HARDLY UNIQUE. IN A GLOBAL, DIGITAL MARKETPLACE, CREATIVE WORKS, FORMULATIONS AND DESIGNS – ALL MANNER OF INTELLECTUAL PROPERTY IN EVERY INDUSTRY IMAGINABLE, FROM COMPUTER SOFTWARE TO DESIGNER WOMEN’S WEAR –CAN POTENTIALLY BE ACCESSED AND REPRODUCED AT THE CLICK OF A MOUSE. THE ENTERTAINMENT INDUSTRY MAY BE AT THE BOW, BUT WE ARE ALL IN THE SAME BOAT.**

**AS YOU MAY HAVE HEARD, VIACOM HAS BEEN RELUCTANTLY DRAWN INTO A SOMEWHAT HIGH-PROFILE CASE OF INTELLECTUAL PROPERTY PIRACY RIGHT HERE AT HOME. IN MARCH OF THIS YEAR, VIACOM FILED SUIT AGAINST YOUTUBE AND ITS HUGELY SUCCESSFUL CORPORATE PARENT GOOGLE FOR MASSIVE COPYRIGHT INFRINGEMENT OF OUR ENTERTAINMENT CONTENT. WE ARE JUST THE MOST VISIBLE OF MANY COPYRIGHT OWNERS SUING GOOGLE, IRONIC GIVEN GOOGLE’S OWN RELIANCE ON ITS SOFTWARE INTELLECTUAL PROPERTY – GO FIGURE. IN ANY EVENT, OURS PROMISES TO BE A LANDMARK CASE THAT WILL HELP CLARIFY THE RIGHTS AND RESPONSIBILITIES OF ALL MEDIA AND TECHNOLOGY PLAYERS IN THIS DIGITAL AGE.**

**EVEN THOUGH THE CASE IS IN ITS EARLY STAGES, WE HAVE FOUND THAT – WITH FEW EXCEPTIONS – THE MEDIA AND TECHNOLOGY COMMUNITIES HAVE BEEN RECEPTIVE TO THE COMMON SENSE ISSUES WE’RE RAISING, AND THE QUESTION HAS CHANGED FROM WHETHER TO PROTECT COPYRIGHTED WORKS ONLINE TO HOW TO BEST PROTECT COPYRIGHT ONLINE. VIRTUALLY ALL MAJOR COMPANIES, AND MANY OTHERS, ARE WORKING TOGETHER TOWARD AN EMERGING CONSENSUS. AND FOR THAT WE ARE GRATIFIED.**

**OUR RESOLVE IN PURSUING THIS COURSE OF ACTION IS ROOTED IN THE CLEAR-EYED KNOWLEDGE THAT AMERICAN BUSINESS – INDEED GLOBAL BUSINESS – IS FACING UNPRECEDENTED CHALLENGES IN THE DIGITAL AGE. . .**

**... AND UNLESS WE FACE THEM SQUARELY AND EFFECTIVELY, WE ARE GOING TO WITNESS DESTRUCTION OF SIGNIFICANT ECONOMIC VALUE IN THE NEXT SEVERAL YEARS... AND, AS A RESULT, SIGNIFICANTLY REDUCED INVESTMENT. THIS IS A**

GROWING, LARGE-SCALE ECONOMIC ISSUE AND THE WORST OF THE PAIN WILL BE BORNE BY SMALLER PLAYERS.

THE GOOD NEWS IS THAT THERE ARE LEGAL AND REGULATORY REMEDIES AS WELL AS *EXISTING* TECHNOLOGICAL SOLUTIONS, CONTINUALLY BEING PERFECTED, TO IDENTIFY AND PROTECT COPYRIGHTED WORKS, SUCH AS THROUGH FILTERING, WATERMARK DETECTION AND OTHER DIGITAL RIGHTS MANAGEMENT TOOLS, AND TO DO SO IN A WAY THAT PROVIDES CONSUMERS WITH EASY ACCESS TO THE CONTENT THEY LOVE.

IF CONTENT COMPANIES CAN COLLABORATIVELY PARTNER WITH DISTRIBUTION CHANNELS ACROSS ALL PLATFORMS TO IMPLEMENT THESE SAFEGUARDS, WE WILL USHER IN A PERIOD OF UNPRECEDENTED CREATIVE OUTPUT ACROSS THE GLOBE.

LET ME AMPLIFY SOME OF THESE POINTS.

FIRST, LET'S DISCUSS WHAT'S AT STAKE:

ACCORDING TO THE **COPYRIGHT ALLIANCE**, THE COPYRIGHT INDUSTRIES -- ESSENTIALLY MEDIA AND SOFTWARE -- EMPLOYED **11** MILLION U.S. WORKERS AND ACCOUNTED FOR OVER **11** PERCENT OF THE U.S. GDP IN 2005.

BUT THAT POSITION IS UNDER SIEGE.

PIRACY REPORTEDLY COSTS THE **US ECONOMY \$20 BILLION** DOLLARS A YEAR, AND THAT FIGURE CONTINUES TO MOUNT AS INFRINGING TECHNOLOGIES AND BAD ACTORS EXPLOIT PERCEIVED OR ACTUAL FLAWS IN THE REGULATIONS INTENDED TO ENSURE COPYRIGHT PROTECTION WORLDWIDE.

LAST YEAR, THE AVERAGE **U.S.** STUDIO FILM COST **\$66** MILLION DOLLARS TO PRODUCE AND ANOTHER **\$35** MILLION DOLLARS TO ADVERTISE AND MARKET. THAT'S MORE THAN **\$100** MILLION DOLLARS IN INVESTED CAPITAL...

... AND ONLY ONE IN FOUR OF THOSE FILMS WILL RECOUP ITS ORIGINAL INVESTMENT... THROUGH THE VARIOUS WINDOWS SUCH AS BOX OFFICE, HOME VIDEO, FREE AND PAY TELEVISION AND INTERNET. IT'S A TOUGH BUSINESS.

**SO, YOU CAN IMAGINE JUST HOW DEVASTATING IT IS TO LEARN THAT PIRATED DVDs OF YOUR NEW BLOCKBUSTER RELEASE HAVE HIT THE STREETS OF MALAYSIA BEFORE THE FILM HAS OPENED IN MIAMI.**

**OR THAT A SWEDISH ORGANIZATION CALLED “PIRATE BAY” HAS MADE THE FILM AVAILABLE ONLINE BEFORE IT’S EVER SHOWN ON THE BIG SCREEN.**

**THE UNAUTHORIZED AVAILABILITY OF DOWNLOADED COPIES OF MAJOR MOTION PICTURES WITHIN A DAY OR TWO OF THEATRICAL RELEASE, PUTS TREMENDOUS PRESSURE ON OUR PRINCIPAL SOURCE OF REVENUE – HOME VIDEO. IN FACT, PEER TO PEER TRAFFIC, STILL TOO OFTEN ASSOCIATED WITH PIRACY, IS, BY SOME ACCOUNTS 50 TO 90 PERCENT OF ALL TRAFFIC ON THE INTERNET.**

**TELEVISION SHOWS, PARTICULARLY SHORT-FORM PROGRAMS PRODUCED FOR YOUNGER-SKEWING CHANNELS SUCH AS OUR OWN MTV, NICKELODEON, AND COMEDY CENTRAL, APPEAL STRONGLY TO THE ONLINE DEMOGRAPHIC, AND ARE HIGHLY PIRATED.**

**JON STEWART’S “THE DAILY SHOW” ... “THE COLBERT REPORT” ... “SOUTH PARK” ... “SPONGEBOB SQUAREPANTS” ... EVEN SUCH CLASSIC PROGRAMS AS “BEAVIS AND BUTTHEAD” ...**

**... THESE ARE ALL TOP DRAMS ON THE INTERNET. THEY ARE IMMEDIATELY ENGAGING, EASILY CLIPPED AND HIGHLY “SNACKABLE”. THEY ARE BUILT FOR BROADBAND AND WILDLY POPULAR.**

**AND THERE THEY SHOULD HAPPILY DWELL. I LOVE TO SEE THESE VIACOM CHARACTERS AND PROGRAMS INHABIT EVERY NOOK AND CRANNY OF THE INTERNET... BUT WE NEED TO BE SURE THAT THE ARTISTS AND PRODUCERS RESPONSIBLE FOR CREATING THIS CONTENT ARE FAIRLY COMPENSATED.**

**THE FACT REMAINS THAT PEOPLE WANT TO SEE WHAT THE BEST IN THE WORLD – JON STEWART, STEPHEN COLBERT, STEVEN SPIELBERG AND SO MANY OTHER TALENTED ARTISTS CAN DO. WE SUPPORT FAIR USE, BUT MOST OF THE TIME, WHEN WE FIND OUR CONTENT ONLINE ON UNLICENSED SITES, IT IS MOSTLY IN UNMODIFIED AND UNINTERRUPTED FORM. AND SOMEONE, SOMEWHERE, IS SELLING ADS OR SOFTWARE**

**OR OTHERWISE GETTING PAID FOR FREE-RIDING ON THE TALENT, CREATIVITY, AND CAPITAL OF OUR ARTISTS AND OUR COMPANIES.**

**THERE IS A VOCAL CADRE OF ACADEMICS, AND ACTIVISTS WHO ARGUE THAT COPYRIGHT LOCKS UP IDEAS AND CULTURE THAT SHOULD BELONG TO THE PUBLIC.**

**THE FACT IS THAT COPYRIGHT ACTUALLY UNLOCKS NEW IDEAS AND INCENTS THE CREATION OF NEW WORKS.**

**SO CRITICAL IS COPYRIGHT THAT IT WAS EXPRESSLY PROTECTED IN THE U.S. CONSTITUTION, WHICH EXPLICITLY CALLS ON CONGRESS TO GIVE AUTHORS AND INVENTORS EXCLUSIVE RIGHTS “TO PROMOTE THE PROGRESS OF SCIENCE AND USEFUL ARTS.”**

**INDEED, THE FOUNDERS BELIEVED THAT COPYRIGHT AND PRIVATE OWNERSHIP OF COPYRIGHTED WORKS WERE ESSENTIAL TO DEMOCRACY AND SELF-GOVERNMENT, BECAUSE IT WAS NEWSPAPERS AND BOOKS, AND LATER RADIO AND TELEVISION AND MOTION PICTURES, THAT PROVIDED THE PUBLIC WITH INFORMATION, EDUCATION AND SHARED VALUES. WITHOUT LEGAL PROTECTION, WHERE IS THE INCENTIVE TO CREATE AND TO ENCOURAGE CREATIVE RISK AND RISK CAPITAL?**

**WHY WOULD YOU SPEND COUNTLESS HOURS WRITING A SCREENPLAY... OR PROGRAMMING A VIDEO GAME... OR RECORDING A SONG...**

**... IF THAT TOIL PRODUCED NO RETURN?**

**MOVIEMAKERS, COMPUTER PROGRAMMERS, SONGWRITERS, AUTHORS, AND JOURNALISTS SPEND COUNTLESS MILLIONS OF HOURS EXPRESSING IDEAS AND CREATING CONTENT...**

**... IN THE HOPES THAT FILM STUDIOS, SOFTWARE COMPANIES, RECORD LABELS, PUBLISHERS AND TELEVISION COMPANIES WILL THEN BRING THEM TO LIFE, AND DISTRIBUTE AND MARKET THEM TO THE GLOBAL PUBLIC.**

**THESE COMPANIES, IN TURN, EXPECT THAT GLOBAL CONSUMERS WILL PAY A FAIR PRICE, EITHER DIRECTLY OR INDIRECTLY (THROUGH ADVERTISING, FOR EXAMPLE) TO ENJOY THAT FILM OR GAME OR SOFTWARE OR SONG OR BOOK.**

**OUR ROLE AND OBLIGATION AS MEDIA COMPANIES IS TO PROVIDE CONSUMERS WHAT THEY WANT – AND THEY WANT TELEVISION SHOWS AND MOVIES AND GAMES THAT ARE ENGAGING AND FUN AND INTERESTING AND NEW. COPYRIGHT DOESN'T SHACKLE CONSUMERS, IT EMPOWERS THEM.**

**WE ARE NOT OLD MEDIA HOLDOUTS RESISTING CHANGE. AT VIACOM, WE ARE OUT IN FRONT OF THE INDUSTRY IN MAKING CONTENT AVAILABLE TO OUR DIGITALLY SOPHISTICATED AUDIENCES IN NEW AND ENTERTAINING WAYS, ON AIR, ON LINE, ON MOBILE, IN HD, IN 3-D, EVEN IN VIRTUAL WORLDS.**

**VIACOM PROVIDES MORE VIDEO PROGRAMMING TO MOBILE PHONES THAN ANY OTHER COMPANY IN THE WORLD.**

**WE HAVE NEARLY 300 AUTHORIZED WEB SITES WHERE MILLIONS OF FANS VISIT AND INTERACT WITH OUR CONTENT. OUR INTERNET PORTFOLIO ENTERTAINS MORE VISITORS PER MONTH THAN ANY ENTERTAINMENT COMPANY IN THE WORLD.**

**VIACOM HAS JUST ANNOUNCED THE LAUNCH OF FLUX – A NEW SOCIAL MEDIA EXPERIENCE THAT EMPOWERS OUR AUDIENCES TO CONNECT TO ALL OF THEIR FAVORITE CONTENT AND COMMUNITIES ACROSS THE WEB IN AN OPEN, DISAGGREGATED ENVIRONMENT.**

**PUBLISHERS IN THE FLUX NETWORK CAN ADD SOCIAL FEATURES TO THEIR SITES, ALLOWING USERS TO COLLECT THEIR FAVORITE CONTENT FROM AROUND THE WEB – REMIXING IT, REPROGRAMMING IT, INTERACTING WITH IT, AND SHARING IT WITH THEIR FRIENDS. THIS CREATES A HIGHLY ENGAGING EXPERIENCE, ALLOWING USERS TO FORM IMMERSIVE COMMUNITIES AROUND INDIVIDUAL INTERESTS.**

**FOR US, FLUX REPRESENTS A STEP FORWARD IN OUR VISION, MOVING BEYOND CRAFTING SINGULAR EXPERIENCES CONNECTED TO INDIVIDUAL BRANDS, AND CREATING A COHESIVE EXPERIENCE ACROSS ALL OF OUR BRANDS.**

**WE HAVE ALSO LICENSED OUR CONTENT TO A HOST OF NEW MEDIA DISTRIBUTION CHANNELS, AND WILL CONTINUE TO DO SO. AN EXAMPLE IS A NEW COMPANY WE HAVE INVESTED IN CALLED JOOST, WHICH ALLOWS CONSUMERS TO WATCH FREE, FULL SCREEN, HIGH-QUALITY TV ON THE INTERNET... ANYWHERE, ANYTIME.**

**NOT ONLY HAS TECHNOLOGY HELPED US, BUT IT HAS SPAWNED AN ENTIRE ECOSYSTEM – FROM MANUFACTURERS OF HIGH DEFINITION TELEVISION SETS TO MOBILE SERVICES AND DEVICES TO INTERNET SERVICE PROVIDERS TO INTERNET MOVIE DOWNLOAD SERVICES. THESE INDUSTRIES AND MANY MORE DEPEND, AS OUR MANY LAW-ABIDING TECHNOLOGY AND DISTRIBUTION PARTNERS THROUGHOUT THE HISTORY OF OUR INDUSTRY HAVE DEPENDED, ON GREAT CONTENT BEING AVAILABLE FOR CONSUMERS.**

**THE RIGHT COURSE OF ACTION, AND THE ONLY VIABLE COURSE OF ACTION, IS FOR CONTENT AND DISTRIBUTION COMPANIES TO JOIN TOGETHER AND IMPLEMENT NEW SOLUTIONS TO PROTECT OUR MARKETS AND THE LONG TERM HEALTH OF OUR INDUSTRIES BY FIGHTING AGAINST PIRACY AND UNAUTHORIZED USES.**

**IT WOULD BE EASY IF WE HAD THE TOOLS TO IDENTIFY AND ROOT OUT ALL THE UNAUTHORIZED USES OF OUR CONTENT. IT IS OBVIOUSLY IMPOSSIBLE TO CHECK EVERY COMPUTER OR LOOK OVER THE SHOULDER OF EVERY USER TO SEE WHETHER THEY HAVE A LICENSE – AND WE DON'T WANT TO. SO SOLUTIONS TURN ON ENLISTING THE AGGREGATORS – ISPS, DEVICE MANUFACTURERS, HOSTING COMPANIES AND SITE OPERATORS –IN HELPING WITH THE FIGHT. WE DON'T ASK FOR PERFECTION. BUT WE DO ASK THAT COMPANIES THAT BECOME AWARE OF PIRACY USING THEIR FACILITIES, DO SOMETHING ABOUT IT.**

**SEVERAL CABLE ISPs HAVE BEGUN WORKING COOPERATIVELY WITH US ON COMBATING PIRACY BY SENDING NOTICES TO CUSTOMERS WHO ARE PIRATING COPYRIGHTED WORKS. THIS IS AN IMPORTANT FIRST STEP.**

**WE BELIEVE THAT GOVERNMENT SHOULD LET FREE MARKET PRINCIPLES WORK AND AVOID POLICIES THAT PROHIBIT ISPs FROM MANAGING THEIR NETWORKS. COMBATING PIRACY AND MAXIMIZING NETWORK EFFICIENCY ARE COMPLEMENTARY OBJECTIVES, BOTH OF WHICH SERVE THE PUBLIC GOOD.**

**THE GOOD NEWS IS THIS: WE'RE IN A BETTER PLACE THAN WE WERE LAST YEAR. MANY, MANY BRIGHT MINDS ACROSS THE MEDIA, CONSUMER ELECTRONICS, AND REGULATORY ARENAS HAVE COLLECTIVELY DEVOTED HUNDREDS OF THOUSANDS OF HOURS TO DEVISING SOLUTIONS TO THESE THORNY ISSUES.**

**A CONSENSUS IS DEVELOPING IN SUPPORT OF COPYRIGHT AND THE FUNDAMENTAL RIGHTS IT PROTECTS...AND THE NEED TO BE ACTIVE ABOUT IT EVEN AS WE IN THE MEDIA INDUSTRY EMBRACE ALL OF THE NEW FUNCTIONALITY MADE POSSIBLE BY DIGITAL FORMS OF DISTRIBUTION.**

**MEANWHILE, NEW TECHNOLOGIES THAT ALLOW DISTRIBUTORS TO DISTINGUISH BETWEEN LEGITIMATE AND PIRATED CONTENT ARE BEING ADOPTED BY MANY MAJOR PLAYERS. IN FACT, THESE TOOLS HAVE BECOME WIDELY AVAILABLE AND ARE BEING ADOPTED BY COMPANIES AS DIVERSE AS MYSPACE AND MICROSOFT, AS WELL AS BY INTERNET SERVICE PROVIDERS IN EUROPE.**

**COLLEGES, SOME ON THEIR OWN AND OTHERS WITH PRESSURE FROM CONGRESS AND OTHER CONSTITUENCIES, ARE BEGINNING TO IDENTIFY PIRATES AND HOLD THEM ACCOUNTABLE.**

**ISPs IN THE US, SUCH AS AT&T, ARE REALIZING THE POTENTIAL FOR USING NEW NETWORK TOOLS TO REDUCE PIRACY. MANY ISPS ARE ASSISTING WITH EDUCATING THEIR CUSTOMERS ABOUT PIRACY AND TAKING ACTION AGAINST USERS WHO FLAUNT THE RULES. IN FACT, SPEEDY AND INNOVATIVE USE OF NETWORK FACILITIES WILL BECOME AN EVEN LARGER PART OF ANTI-PIRACY EFFORTS – A FACTOR THAT WEIGHS AGAINST HEAVIER REGULATION IN THAT SECTOR.**

**AS A RESULT OF ALL OF THIS, WE ARE INVESTING HEAVILY IN NEW SHOWS AND NEW MEDIA AND WE EXPECT TO GENERATE MORE THAN HALF A BILLION DOLLARS IN DIGITAL REVENUES THIS YEAR.**

**LET ME CLOSE WITH A CHALLENGE TO OUR PEERS IN THE MEDIA INDUSTRY ... AND OUR ALLIES IN THE BUSINESS AND REGULATORY ARENAS... MANY OF WHOM ARE REPRESENTED HERE TODAY.**

**FIRST, LET'S JOIN TOGETHER IN DECLARING THAT WE ARE ALL IN THIS TOGETHER, AND IN THE LONG RUN, WE MUST DEPEND ON THE PRESERVATION OF STRONG INTELLECTUAL PROPERTY RIGHTS TO SURVIVE AND THRIVE... AND THAT INCLUDES NETWORK OPERATORS, SEARCH ENGINES, SITE OPERATORS AND DEVICE MAKERS. THEY RELY ON GREAT CONTENT... AND GREAT CONTENT DEPENDS ON STRONG COPYRIGHTS.**

**SECOND, TO OUR PARTNERS IN THE MEDIA HARDWARE, NETWORK, SERVICES AND SOFTWARE INDUSTRIES, WE ASK THAT YOU ACT RESPONSIBLY BY IMPLEMENTING PROTECTION TECHNOLOGIES INTO YOUR PRODUCTS AND SERVICES, BY SUPPORTING ANTIPIRACY MEASURES AND BY EDUCATING CONSUMERS ABOUT THE VALUE OF INTELLECTUAL PROPERTY IN GENERAL, AND COPYRIGHT IN PARTICULAR. AFTER ALL, YOU WANT YOUR OWN INTELLECTUAL PROPERTY PROTECTED ALSO, AND WE SUPPORT YOU. AND WE ENCOURAGE COLLEGES, UNIVERSITIES, MUNICIPALITIES AND OTHER PUBLIC WORKPLACES TO TAKE THESE RESPONSIBILITIES SERIOUSLY AS WELL.**

**THIRD, THOSE OF US WHO ARE PROGRAMMERS, LET US RECOGNIZE OUR OBLIGATION TO CREATE NEW, COMPELLING CONTENT AND EXPERIENCES AND CONTINUE TO SUPPORT NEW DEVICES AND NEW TECHNOLOGIES THAT MAKE IT EASIER FOR CONSUMERS TO OBTAIN OUR CONTENT IN A LEGAL MANNER. WE WANT A PROTECTED ENVIRONMENT, BUT WE MUST ALL TAKE NECESSARY RISKS TO FOLLOW OUR CONSUMERS TO WHATEVER MEDIUM THEY WANT.... WHENEVER AND WHEREVER THEY WANT IT. CONSUMERS HAVE ALWAYS BEEN OUR FIRST PRIORITY AND ALWAYS WILL BE.**

**AND, FINALLY, WE ALL NEED TO WORK WITH THE CHAMBER AND WITH GOVERNMENT AGENCIES TO ENFORCE OUR COPYRIGHT LAWS, AND USE TRADE NEGOTIATIONS AND OTHER TOOLS TO ENSURE THAT PROTECTION EXISTS ... NOT ONLY FOR "SOFT" WARE BUT FOR HARD GOODS... AND NOT ONLY IN THE U.S. BUT AROUND THE WORLD.**

**THIS CONFERENCE AND THE ANTI-PIRACY INITIATIVE IT SUPPORTS ARE SPECIFICALLY GLOBAL IN FOCUS, SO I SHOULD NOTE THAT THE ISSUES I'VE DISCUSSED ARE NOT UNIQUE TO AMERICAN MEDIA COMPANIES... NOR ARE THEY LIMITED TO THE AMERICAN MARKET.**

**IT IS CRITICAL THAT WE PARTNER WITH FOREIGN BUSINESSES AND GOVERNMENTS WHO UNDERSTAND THAT PIRACY NOT ONLY HURTS AMERICAN BUSINESSES, BUT PROBABLY MORE SUBSTANTIALLY, HURTS HOME-GROWN ONES. FOR EXAMPLE, AS CHINA**

**DEVELOPS HIGH VALUE CONTENT SUCH AS THE UPCOMING OLYMPICS, WE BELIEVE THE CHINESE MUST COME TO DEVELOP GREATER RESPECT FOR THE NEED TO PREVENT PIRACY. ON THE OTHER HAND, INDIA, ANOTHER MARKET WITH UNACCEPTABLE PIRACY LEVELS, IS BEING INFORMED BY ITS OWN MASSIVE FILM INDUSTRY AND IS CURRENTLY BECOMING MORE RESPONSIVE TO OUR CONCERNS.**

**WE AS A COMPANY, WE AS AN INDUSTRY, WE AS A COUNTRY, MUST CONTINUE TO EMBRACE CHANGE, TO EMBRACE INNOVATION, AND TO EMBRACE CREATIVITY, BE IT IN THE TECHNOLOGY OR CONTENT REALMS. WE MUST ALSO RESPECT THE RIGHT OF PROPERTY, BE IT PHYSICAL OR INTELLECTUAL, IN ORDER TO NURTURE AND PROMOTE THE DYNAMIC GROWTH, THE COMPETITIVE EDGE OF OUR BUSINESSES. IF WE FAIL TO DO BOTH, IN THE LONG RUN WE WILL STIFLE INNOVATION, WE WILL STIFLE CREATIVITY AND WE WILL STIFLE ECONOMIC GROWTH.**

**ONCE AGAIN, I WANT TO THANK THE CHAMBER OF COMMERCE, AND ITS MEMBERS, FOR THEIR LEADERSHIP ROLE. I THANK YOU FOR LISTENING AND, NOW, I WILL OPEN IT UP FOR QUESTIONS.**

**THANK YOU VERY MUCH.**

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