

PUBLIC CONSULTATION ON CONTENT ONLINE IN THE SINGLE MARKET:

SUBMISSION BY NBC UNIVERSAL

EXECUTIVE SUMMARY

NBC Universal is one of the world's leading media and entertainment companies in the development, production, and marketing of entertainment, news, and information to a global audience. NBC Universal owns and operates a valuable portfolio of news and entertainment networks, a premier motion picture company, significant television production operations, a leading television stations group, and world-renowned theme parks.

The single most important obstacle to the further development of content on line is piracy and the increasing flippancy of many vis a vis theft of intellectual property. Public authorities have a key role to play and a responsibility to foster creation and innovation and the respect of their value in Europe. In a knowledge based society, knowledge and creativity, crucial assets of the European continent, need to be more convincingly recognized as key to societal, as well as economic growth, development and trade.

Our main thoughts on further action are those outlined in our answer to question 3. But if we had to choose the single most important action item we would hope the Commission to pursue, that would be the further development of the Film on Line Charter into a Code of Conduct and/or legislative guidelines that set out specific steps for ISPs cooperation in the fight of on-line piracy. Such cooperation is crucially lacking today. We would be happy to share our experience with you and suggest specific steps that could be considered. Other important goals as outlined under our answer to question 3 include interoperability and the need for it to be balanced with security and respect for copyright, the need to resolve any possible tensions between data privacy and law enforcement and the importance of public awareness campaigns on the value and importance of intangible property and products of the mind among the general public. Such campaigns could be usefully developed by and with public authorities at national and European levels.

Types of creative content and services online

1. Do you offer creative content or services also online? If so, what kind of content or services? Are these content and services substantially different from creative content and services you offer offline (length, format, etc.)?

NBCU offers a wide variety of content and services online. In Europe, Universal Pictures International (UPI) currently offer s feature film audio-visual product on a Download To Own basis in 4 territories (UK, France, Sweden and Spain). Consumers are offered 2 digital download copies of a film with a physical copy being delivered by mail. UPI also offers audio visual content for purchase via mobile phone in the UK. The content is UK comedy product with clips of between 20 seconds and 3 minutes (edited from the original offline content) offered for sale. Artist specific wallpapers for phones are also offered in the UK with ringtone sales planned in the near future. Audio only UK comedy content is also offered for sale online in the UK.

2. Are there other types of content which you feel should be included in the scope of the future Communication? Please indicate the different types of content/services you propose to include.

The list provided by the European Commission seems exhaustive.

Consumption, creation and diversity of online content

3. Do you think the present environment (legal, technical, business, etc.) is conducive to developing trust in and take-up of new creative content services online? If not, what are your concerns: Insufficient reliability / security of the network? Insufficient speed of the networks? Fears for your privacy? Fears of a violation of protected content? Unreliable payment systems? Complicated price systems? Lack of interoperability between devices? Insufficient harmonisation in the Single Market? Etc.

The present environment involves a complex set of laws, regulations, technical requirements, and business realities that need to be followed for the successful launch of new creative content services online. As piracy crucially adds to these complexities, there is also a need for others in the chain of trust to take into consideration appropriate network security measures to minimize the impact of piracy and other forms of copyright infringement, and implement an effective enforcement mechanism to deal with such illegal activity. In this respect, we would like to raise a number of points:

- Following up on the Film Charter efforts under the Leadership of Commissioner Reding and her services, we stand ready to assist in further work urgently needed to achieve meaningful cooperation by ISPs in the fight against on-line piracy. Such cooperation cannot be left merely to commercial negotiation for at least two crucial reasons. Firstly, law enforcement should not be subject to private arrangements and patchy, diverging contractual commitments or “financial” contributions. Secondly, ISPs need to all have the same set of rules applicable to them as they claim that cooperating with content owners may make their customers flee. The anti-competitive effects of law enforcement need a uniform set of rules by way of a code of conduct and/or by way of legislation.
- Those who build a business around encouraging copyright violations should also be responsible for such actions. We would respectfully suggest that the Commission considers legislative guidelines that clarify the ability of the creative community to go after publishers and distributors of software which is mainly used for unauthorized use and distribution of protected content on the internet, with all the needed checks and balances.
- Since law enforcement and privacy are and have always been reconcilable, the confusion as to their compatibility in the on-line environment needs to be addressed. Privacy is a crucial public interest consideration, but it cannot become the shield of illegal operators or of those who even indirectly gain financially from the on line illegal activity of others;
- Member States need to implement European law more swiftly and faithfully. We are available to assist the European Commission in identifying lack of or incorrect implementation of European Directives. In many instances incorrect implementation is proven to be standing in the way of orderly e-commerce.
- Education campaigns aimed at raising the level of respect by European citizens for intellectual creation and property would benefit from European blessing and support. At a time when Europe is confronted by emerging economies and challenged on the viability of traditional trade and manufacturing, innovation, creativity and culture need to be recognized as the main and most reliable assets for growth. IP protection and its

recognition by ordinary citizens should become more of a priority for cultural as well as societal and commercial reasons

Finally, interoperability is also an important issue that needs to be addressed and solved going forward. We stand ready to assist the European Commission in clarifying the essential policy principles, such as security and respect for copyright which need to inspire any interoperability effort in the market place.

4. Do you think that adequate protection of public interests (privacy, access to information, etc) is ensured in the online environment? How are user rights taken into account in the country you live / operate in?

Public interests such as privacy and law enforcement (including against piracy and counterfeiting) need to be more clearly reconciled across Europe. Surely the privacy of illegal operators is a lesser value than law enforcement against perpetrated or alleged illegal activities. Privacy rules should not be examined in the context of those merely wishing to shield their illegal operation or commercial operators trying to hide behind privacy protection as a pretext for avoiding any responsibility for the use of their services and facilities by customers for illegal purposes.

5. How important for you is the possibility to access and use all online content on several, different devices? What are the advantages and / or risks of such interoperability between content and devices in the online environment? What is your opinion on the current legal framework in that respect?

We recognize that consumers would like to be able to access and use online content at any time and on any device, across platforms. Of course, we have a strong interest in trying to meet that demand, and have pursued different online distribution arrangements allowing consumers to obtain authorized access to a few copies of our content on either a rental or ownership basis. Because online digital content is highly susceptible to unauthorized copying, though, we typically require that all online content we offer be protected by a Digital Rights Management (DRM) system. DRMs are important tools because they allow for us to offer content in a managed way and to prevent unlimited, usable copies from being illegally distributed.

Current DRM systems, however, work only in closed systems and are designed by technology providers not to be interoperable. Because the size and cost of portable devices constrain the number of DRMs that can be supported on each device, consumers must choose among different versions of the same content, formatted to play on the device of their liking. While having multiple closed DRM technologies and content formats is important from the standpoint of encouraging competition and innovation, the lack of interoperability has led to greater consumer reluctance to adopt new DRM technologies and devices. To obviate to this current lack of interoperability, our Download to Own model authorizes consumers to have a few copies of the content. Such copies while protected are formatted in a way that mimics interoperability. One is downloaded to the PC, one is playable on a portable device while a third one is posted to the consumer as a regular DVD.

In an ideal world, DRM systems and devices would be able to interoperate with each other , without introducing any new security risk to the protected content.To that end, we believe in the

ongoing efforts of organizations such as Coral Consortium to develop a technological interoperability solution through the collaboration of technology and entertainment industry leaders including our own company. Indeed, allowing for the marketplace to create such a solution would be ideal, as the relevant industries are in the best position to assess their customers' needs when creating such a solution. At this time, we believe that the marketplace is the best means for developing such an interoperability solution, rather than having a legally mandated solution that will, despite best intentioned efforts, fail to achieve the optimal solution for consumers and industry alike. We however stand ready to assist the Commission in identifying the key policy principles that need to inspire any effort to achieve interoperability, such as for example security and respect for copyright.

Competitiveness of European online content industry

7. If you compare the online content industry in Europe with the same industry in other regions of the world, what in your opinion are the strengths and weaknesses of our industry in terms of competitiveness? Please give examples.

We feel that the strengths of the European market place and on line content industry are mainly the rapid pace and uptake of new technology (phones, 3G network, broadband and computers) capable of facilitating downloads to consumers, and a huge appetite from consumers for technology and content. Unfortunately, these two elements are not yet adequately exploited to their full, legitimate potential, but can be largely inferred from rampant piracy and infringement levels in key territories in Europe

8. Where do you see opportunities for new online content creation and distribution in the area of your activity, within your country/ies (This could include streaming, PPV, subscription, VOD, P2P, special offers for groups or communities for instance schools, digital libraries, online communities) and the delivery platforms used. Do you intend to offer these new services only at national level, or in whole Europe or beyond? If not, which are the obstacles?

Areas of opportunity would include (i) the growth of the nascent business of electronic Download To Own of audio visual content with more and more consumers buying and storing their product in electronic as opposed to physical format and enjoying the benefits of improved portability, (ii) the growth of electronic VOD both with consumers paying for content by title or on a subscription basis. As to the licensing models which will be pursued in the market-place, they reflect diverse needs of European creators as well as retailer/distributors and consumers. The fact that pan-European offerings are not the rule is not due to any real obstacles that needs addressing. Retailers, broadcasters, aggregators and other distributors are not routinely interested in obtaining a pan-European license often because they simply do not operate on a multi-territorial basis. The territorial reach of the license is best addressed through contractual negotiation. Creative content will then be licensed on a national, linguistic or multi-territorial basis.

9. Please supply medium term forecasts on the evolution of demand for online content in your field of activity, if available.

The evolution of this market is somewhat dependent upon the content made available and vice versa. Assuming sufficient levels of technology that will enable different business models (e.g., sell through, on-demand, subscription), then the market will grow as quickly as consumers adopt the necessary technology to create a good experience (e.g., high-speed internet, direct

connection to TV, portable devices). Given the small market size today, it is certainly an area which will see 100+% growth rates for the next five or more years. Such growth as well as further growth which in principle could be forecasted for the next 10 to 20 years is however also dependent upon a decrease of currently alarming piracy levels.

While the marketplace is primed for the take-off of the online content rental and download-to-own programs, to date we have not yet been able to realize the full potential of online digital content distribution. Certain technological barriers, while not insurmountable, have slowed down the adoption of these new business models. They include the following:

Cost of storage: While the cost of storing digital files has dropped dramatically the past five years, it is still an expensive proposition for a consumer to electronically store his entire film and television library. For instance, the cost to store a single feature film would run a consumer at least a few dollars per film.

Broadband penetration of households: New households are upgrading to broadband internet connections every day. However, many homes still do not have broadband internet access, without which a single film could take more than a day to download. In addition, homes with broadband can still expect a film download to take at least few hours based on current download speeds. Until fast broadband connections become more commonplace in the home, the market for downloaded content will be limited to the fewer and most dedicated consumers or to the pirates.

Media center and other necessary equipment: In addition, while the marketplace has begun to embrace some new equipment (such as personal digital video recorders and DVD players) in the home, they have been slow to adopt the equipment necessary to make online distribution a big success. Presently, early adopters use and watch online content primarily on their computers and monitor screens. It is still very difficult to have online content delivered to the living room so that consumers can enjoy films and shows on their television sets. Media center devices and extenders, which would allow for the playback of digital files on consumers' television sets, have not been selling well in the marketplace. Whether the devices need to be designed in a more consumer friendly way, to come down in price, or to be changed in any other way remains to be determined. We are also exploring new ways to burn encrypted files onto recordable DVDs for playback on DVD players, but still need further technological progress before an effective burning technology can be implemented on a widespread basis.

Ease of Use: To the average consumer, obtaining online content for playback on the devices of their choice remains a challenging endeavor. In order to improve customer awareness and adoption, we should continue to work to make the technology easier to use and/or to provide the appropriate support resources for the customer.

Bandwidth Cost: Bandwidth for Internet delivery of high-quality video content remains a significant expense for service providers. We continue to work with service providers to optimize Internet delivery to reduce bandwidth costs and accelerate the consumer's download.

11. What kind of difficulties do you encounter in securing revenue streams? What should in your view be the role of the different players to secure a sustainable revenue chain for creation and distribution online?

Piracy and the wide availability of illegitimate content online for free is the single biggest inhibitor to the growth of demand for online audio visual content. This affects not just the market for feature film but also increasingly television and direct-to-video product.

Without support from and coordination of activities by national governments, adequate protection of copyright and technological protection measures in legislation and the implementation and enforcement of that legislation, the illegitimate market for free product will continue to grow exponentially at the expense of the legitimate market.

Other than this the inhibitors relate more to technology and the need to develop a means of delivery and consumer offering that is a compelling reason for people to move from purchasing audio visual content in physical form to purchasing and storing electronic files of content.

Licensing, rights clearance, right holders remuneration

14. Would creative businesses benefit from Europe-wide or multi-territory licensing and clearance? If so, what would be the appropriate way to deal with this? What economic and legal challenges do you identify in that respect?

NBCU deal with rights clearance both as licensees and licensors on a daily basis. This is normal activity for companies in the content sector.

The market for on-line content delivery is at its infancy and should be allowed to develop without unnecessary interference. There are no legal barriers that we can see to a possible multi-territorial licensing of content: if there is demand and if the given right holders have or have kept rights in relation to several or all EU territories there should be no problem in granting such a license in the course of normal commercial negotiations on the basis of informed decisions that take into account the ability to ensure consumer satisfaction, local cultures, languages, customs and indeed Europe's magnificent cultural diversity.

15. Are there any problems concerning licensing and / or effective rights clearance in the sector and in the country or countries you operate in? How could these problems be solved?

No problems in licensing and rights clearance other than some rights owners may be reluctant at first to grant online rights and/or fear setting a precedent with agreeing royalty rates for online delivery. These are teething problems which we expect will be solved as the market and confidence in its viability grow.

16. How should the distribution of creative content online be taken into account in the remuneration of the right holders? What should be the consequences of convergence in terms of right holders' remuneration (levy systems, new forms of compensation for authorised / unauthorised private copy, etc.)?

Right holders remuneration is and should continue to rely on contractual negotiations with users, except of course in the limited cases where collective licensing is required by law. Private copying and levies cannot and should not be used to "legalize" otherwise unauthorized and illegal activities on the internet. As confusion sometimes reigns in some Member States, the Commission could perhaps consider stressing this point further in any possible future guidelines. Levies are not there to cleanse piracy. Unauthorized downloading is not private copying. Copies of legitimately acquired content may be authorized or could be considered as legitimate private copying on the basis of national, European and international applicable norms to specific cases.,

Legal or regulatory barriers

17. Are there any legal or regulatory barriers which hamper the development of creative online content and services, for example fiscal measures, the intellectual property regime, or other controls?

Yes. The main barrier is the continued existence of a massive blackmarket for creative online content and services, which makes it far more difficult to establish and sustain the legitimate marketplace for such content and services. Legal and regulatory shortcomings contribute to the continued existence of the online black market in such content and services.

At the current levels, criminal prosecution of online copyright infringements is insufficient to effectively deter either the organized criminal gangs that operate much of the online black market, or the judgement-proof individual infringers who have no fear of litigation by copyright owners. Criminal enforcement must increase to the point that participants in the massive, online black market in copyrighted works have a credible fear of criminal prosecution.

Another legal/regulatory shortcoming is the absence of incentives for commercial, university, and state-owned Internet Service Providers (ISPs) to take reasonable steps to control the black market in copyrighted works that consumes approximately 70% of their broadband bandwidth. We would suggest a number of initiatives to be considered by the European Commission as per our answer to question n 3.

18. How does the country you mainly operate in encourage the development of creative online content and services?

The United States primarily encourages development of creative online content and services by ensuring the U.S. intellectual property legal regime provides sufficient protection to creative works in the online environment. This legal regime, and vigorous civil and criminal enforcement of the rights it permits, assures creators that their copyrights have full force and effect in the online environment, and thus encourages creators to disseminate their works online. Of particular importance is the Digital Millennium Copyright Act. The equivalent of the Digital Millennium Copyright Act, in Europe are the so called copyright Directive and the e-commerce Directive, i.e. two crucial pieces of legislation. Unfortunately, implementation of these texts has been extremely slow and in some cases presents gross inconsistencies with the letter and or spirit of the European source.

Release windows

19. Are “release windows” applicable to your business model? If so, how do you assess the functioning of the system? Do you have proposals to improve it where necessary? Do you think release windows still make sense in the online environment? Would other models be appropriate?

Release windows are very important . The windowing system is not static and continues to be updated based on new information and opportunities as well as individual titles and markets. Additionally, there are cases where DVD release is the only release or comes after TV broadcast. At present, as far as on line delivery is concerned, DTO window matches the DVD window.

These windows support a large number of businesses and employees (both internally and externally) across the entire distribution value chain. It may be worth noting somehow that virtually all businesses engage in “release windowing” to a certain extent, whether it is in the form of discounting prior year’s automobiles in advance of the new models or the movement of clothing from high end retailers through to lower margin outlets. We expect that windowing will continue to exist in an online world although the digital nature of the content may allow for a different strategic windowing approach. Without the ability to manage usage of online content; however, the market may evolve to a model of “once content is available in a (single) window, it is available in every window.” As always, we will continue to monitor windows in the interest of maximizing investments in the development of content, as a sufficient return on investment is a primary motivation to subscribe to further content development.

Release windows are an important part of the feature film industry and, whilst online delivery of content needs to fit into the exploitation windows, we retain an open mind as to what windows are appropriate for all forms of exploitation. The setting of windows is a difficult and delicate balancing exercise and key determinants in the setting of windows will include contractual restrictions on distributors, legislation (France and Portugal), local distributor and exhibitor relations and consumer preferences.

Networks

20. The Internet is currently based on the principle of "network neutrality", with all data moving around the system treated equally. One of the ideas being floated is that network operators should be allowed to offer preferential, high-quality services to some service providers instead of providing a neutral service. What is your position on this issue?

As an initial matter, we note that the Internet has NOT historically operated on the principle of "network neutrality." There are innumerable examples of Internet Service Providers (ISPs) differentiating their treatment of Internet data. ISPs have historically "throttled back" bandwidth available for certain kinds of traffic, such as video streaming or P2P, when this traffic interfered with email, web browsing, or instant message traffic. Furthermore, ISPs have long utilized measures to filter or block viruses, worms, spam, and other kinds of Internet data that they deemed undesirable. So, network operators have never treated all Internet data equally.

In answer to the question, we think that network operators, such as ISPs, should continue to have the ability to differentiate between desirable and undesirable Internet data. Network operators should, in fact, be encouraged to help develop and implement technologies that allow them to block or filter out illegal Internet traffic, such as files containing child pornography or copyright infringements. Based on prior history, there is no reason to think that network operators will abuse their technical control to discriminate against unlawful Internet data, and increasing competition among network operators makes such an outcome less likely.

21. To what extent does your business model suffer from piracy (physical and/or online)? What kinds of action to curb piracy are taken in your sector/field of activity and in the country or countries you operate in? Do you consider unauthorised uploading and downloading to be equally damaging? Should a distinction be made as regards the fight against pirates between “small” and “big” ones?

In 2005, MPA estimates show that in Europe alone, consumer spending losses sustained as a result of film piracy via the Internet totalled \$3.4 billion (~2.7 billion euros).

NBCU is increasingly active in trying to curb piracy around the world. We also engage in anti-piracy activities with the MPA, in partnership with the local film industries and national anti-piracy organizations.

Of course occasional downloading by few individuals is less damaging than uploading. However, while a hierarchy of lesser and bigger infringements may seem rational, in reality, the real comparison needs to be made between uploading and collective, rather than individual and occasional, downloading. When consumers download instead of legitimately acquire, rent, view our content and they all do this even occasionally, the damage to the content industry is immense. The cumulative effect of millions of "occasional" downloading acts is as frightening as the effects of one or more well organized "traditional" pirates. From a technical perspective, the differentiation between uploading and downloading is increasingly academic. Most p2p services in fact require consumers to upload in order to download.

22. To what extent do education and awareness-raising campaigns concerning respect for copyright contribute to limiting piracy in the country or countries you operate in? Do you have specific proposals in this respect?

Education campaigns can certainly help especially when co-sponsored by public authorities and targeted to the reality of specific markets and territories.

23. Could peer-to-peer technologies be used in such a way that the owners of copyrighted material are adequately protected in your field of activity and in the country or countries you operate in? Does peer-to-peer file sharing (also of uncopyrighted material) reveal new business models? If so, please describe them?

Peer-to-peer holds great promise as a distribution system for movies, as it enables large files to be distributed without an enormous investment in bandwidth. Unfortunately, the early commercial developers built their business model on expropriating intellectual property belonging to others. And yet technologies are increasingly available and being employed to filter out illegally distributed copyrighted content.

Peer-to-peer services that do not allow copyrighted material to be distributed through their system offer a way to build a legitimate service that takes advantage of the medium without victimizing copyright holders. We have already licensed "World Media" through its "Peer Impact" peer-to-peer service, to supply our film content for rental. We are happy to engage in discussions with any service that can distribute our products legitimately while preventing the unauthorized distribution of content.

However, the widespread availability of illegitimate content on popular P2P networks severely limits their viability for legitimate commerce.

Content providers and P2P networks are currently discussing ways that improved content identification techniques (e.g., file hashes, video and audio watermarks, video and audio fingerprints) can be used to identify copyrighted material that has been authorized to flow through an open P2P network. While more work needs to be completed for this goal to become a reality, new identification and filtering technologies are promising and are being improved daily.

Digital Rights Management systems (DRMs)

Digital Rights Management systems (DRMs) involve technologies that identify and

describe digital content protected by intellectual property rights. While DRMs are essentially technologies which provide for the management of rights and payments, they also help to prevent unauthorised use.

25. Do you use Digital Rights Management systems (DRMs) or intend to do so? If you do not use any, why not? Do you consider DRMs an appropriate means to manage and secure the distribution of copyrighted material in the online environment?

DRMs are vital to our ability to offer digital content online in a secure environment.

While a DRM system is not foolproof and currently does not permit conversions to other DRM systems, the DRM system allows for us securely deliver content to and manage payments from customers. In addition, in most cases, a DRM provider has the capability to revoke a customer's privileges in the event the DRM protected content has been compromised. Moreover, most DRM providers are able to revoke compromised devices and require that they download a new security update before playback of any DRM protected content.

Use of DRMs to manage and secure distribution of content appears to have struck a good balance among content owners, technology companies and consumers in the online environment. The focus on DRM historically has always been about what it prevents the consumer from doing, but DRM systems are necessary to allow the consumer to have the flexibility they want (e.g., VOD/rental, view 3 times, watch for free with advertising). A robust DRM system will provide appropriate protection as a result of enabling consumer flexibility. The absence of any DRM would likely result in very limited consumption options for consumers.

Of course, we are hopeful that interoperability and playback of DRM protected content on television sets in the living room will soon become a reality. We are heartened by the fact that DRM technologies are constantly improving, and we are committed to doing whatever we can to help encourage these developments.

26. Do you have access to robust DRM systems providing what you consider to be an appropriate level of protection? If not, what is the reason for that? What are the consequences for you of not having access to a robust DRM system?

At the moment, we have access to DRM systems through arrangements with our online retail partners. Provided that the security settings are set at the appropriate levels and an acceptable mechanism exists for managing breaches and changes to the DRM security system that will inevitably occur, DRM systems, such as WMDRM-10, offer a robust and acceptable level of protection for content owners.

Without DRM protection, copyrighted content could be copied and distributed freely, and content owners would lose billions of dollars each year to such illegal activity without a realistic means of effective enforcement against that illegal activity. This would likely mean that content owners would be unlikely to release their high value content online, which would arguably hurt technology companies' ability to sell playback devices that rely upon such high quality content to entice customers to purchase such devices. In the end, the honest consumer loses, as he or she will not have the option of enjoying the latest technology and content in a legitimate way. But of course we expect the definition of "robust" to evolve over time. In particular, robustness will evolve as consumer electronics change, the delivery infrastructure gets faster and consumers become increasingly comfortable with digital technology.

Although a variety of DRM systems are available on certain platforms, the availability of robust DRM systems for many platforms, such as mobile devices, remains a limiting factor. We look forward to efforts such as OMA to provide additional options for mobile devices.]

27. In the sector and in the country or countries you operate in, are DRMs widely used? Are these systems sufficiently transparent to creators and consumers? Are the systems used user-friendly?
28. Do you use copy protection measures? To what extent is such copy protection accepted by others in the sector and in the country or countries you operate in?

Answers to 27 and 28 : DRMS need to be easy to use and transparent to the consumer. CSS, the DRM system used in DVDs since their inception in 1997 has such characteristics and consumer acceptance of this format has been phenomenal. As per our answers to previous questions we believe that consumers acceptance for DRMs going forward will increase dramatically once secure interoperable solutions are developed.

29. Are there any other issues concerning DRMs you would like to raise, such as governance, trust models and compliance, interoperability?

We are committed to working closely with DRM providers, as well as technology industry leaders, to ensure that a fair mechanism is put into place to retain the integrity and security of the DRM systems, yet offer the flexibility needed to make the online marketplace a success. That includes assisting DRM providers with their breach and change management processes, as well as participating in cross-industry meetings and organizations to help craft interoperability and other appropriate standards solutions.

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32. What could be the role of national governments / regional entities to foster new business models in the online environment (broadband deployment, inclusion, etc.)? PR campaigns?
33. What actions (policy, support measures, research projects) could be taken at EU level to address the specific issues you raised? Do you have concrete proposals in this respect?

Please see our answer to question 3.

Alessandra Silvestro
On Behalf of NBC U

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