

DIGITAL PIRACY.

**Music ! movies ! TV shows ! Millions of people download them every day.
Is digital piracy killing the entertainment industry ?**

By LEV GROSSMAN.

- 1 - James Phung saw *PHONE BOOTH* before you did. What's more, he saw it for free, in the comfort of his private home-screening room. Phung isn't a movie star or a Hollywood producer ; he's a junior at the University of Texas who makes \$8 an hour at the campus computer lab. But many big-budget Hollywood movies have their
5 - premieres in his humble off-campus apartment. Like millions of other people, Phung 5 downloads movies for free from the Internet, often before they are shown in theaters. « Basically, » he says, « the world is at my fingertips. »

- Phung is the entertainment industry's worst nightmare, but he 's very real, and there are a lot more like him. Quietly, with no sirens and no breaking glass, your friends and
10 - neighbors and colleagues and children download some 2,6 billion files illegally, and 10 that's just music. That number doesn't include the movies, TV shows, software and video games that circulate online. First-run films turn up online well before they hit the theaters. Albums debut on the Net before they have a chance to hit the charts. Somewhere along the line, computers users have made a collective decision that
15 - since no one can make us pay for entertainment, we're not going to. 15

- As crimes go, downloading has a distinctly victimless feel to it – can anything this fun be wrong ? – but there are real consequences. Click by click, file by file, we're damaging the entertainment industry. Global CD sales last year were down 5%, on top of a 5% decline in 2001. A report by Internet services company Divine estimates
20 - pirates exchange between 400,000 and 600,000 movies online every day. It's 20 information-superhighway robbery.

Time, October 2003.