Questions for the Record from Representative Darrell Issa (R-CA) to Chris Floyd
A Midlife Crisis? IP and the Internet After 40
Tuesday, June 30, 2026

1) Is international online copyright piracy an existential threat to continued American leadership in movie and television?

Today, digital piracy costs the U.S. economy between $29.2 billion and $71.0 billion annually, representing revenue losses of 11% to 24%. Those losses directly affect our industry's 2.01 million workers and the broader creative economy, which supports jobs in every state. Piracy also costs an estimated 230,000 to 560,000 jobs each year and reduces U.S. GDP by $47.5 billion to $115.3 billion. For an industry with tight operating margins, these losses pose a serious threat. At the same time, U.S. productions face intense competition from foreign production incentives, driving projects – and the jobs they create – overseas. Productions that once employed hundreds of Americans are increasingly filming abroad instead.

The consequences are already visible. In 2022, the U.S. film and television industry employed 2.74 million people. Today, that number has fallen to 2.01 million – a decline of more than 700,000 jobs. To restore the industry's competitiveness, Congress should take two important steps. First, weaken the global piracy ecosystem by enacting a strong site-blocking law. Second, help bring production back to the United States so that more film and television projects – and the jobs they create – are made here at home. Without action on both fronts, America's leadership in film and television will continue to erode.

2) Is there any concrete evidence of the effect of judicial blocking of foreign piracy sites in terms of increasing legitimate consumption of creative content?

Yes. Numerous studies have found that site blocking significantly reduces piracy, with measured declines ranging from 53% in Australia to nearly 70% in Portugal. Other studies have uncovered relevant increases in legitimate consumption of creative content.

For example, a 2018 study by researchers at Carnegie Mellon and Chapman Universities examined the introduction of site-blocking laws in multiple countries. They found that users who previously relied on major piracy sites changed their behavior after those sites were blocked, with many shifting to legitimate streaming services. In one representative finding, blocking 19 major piracy sites reduced overall piracy and increased former users' visits to paid legal streaming platforms such as Netflix by an average of 11%.

The same researchers reached similar conclusions in a 2024 study of Brazil and India. One year after site blocking was implemented, legal consumption increased by 5.2% in Brazil and 8.1% in India. While those increases may appear modest, they are meaningful for an industry facing significant economic pressure. Even single-digit gains in legal consumption can translate into substantial revenue, investment, and jobs.

3) In the past, industry players and stakeholders have worked together to find voluntary, market-based solutions to many IP issues. Is there any reason to believe that a similar process will not work to address the suite of issues on both the input (training) and output sides for generative AI?

For more than two decades, copyright owners have relied on laws like the Digital Millennium Copyright Act (DMCA) to protect their works online. Those laws were intended to promote cooperation between internet platforms and copyright owners, but broad judicial interpretations of the DMCA's safe harbor provisions have shielded platforms from liability that welcome or even ignore widespread infringement. After a comprehensive review, the Copyright Office concluded that the balance intended "has been tilted askew," and that "voluntary initiatives certainly have their place, but experience shows that they are no substitute for balanced legislation." Despite years of good faith efforts, voluntary measures have not stopped large-scale copyright infringement.

That experience shows that markets work best when the law ensures accountability. Congress should not repeat the internet-era mistake of giving AI developers unusually broad liability protections. There are important differences between online platforms and AI models. It is important that courts, and if needed Congress, make clear that AI companies should face the same liability rules as other American businesses and should not be able to shift responsibility for harms caused by their models to users.

As I noted in my testimony, many AI developers argue they need unrestricted access to copyrighted works for training while disclaiming responsibility for harmful outputs, often citing competition with China. That would be a grave mistake. The United States has never led the world by weakening intellectual property rights. We lead by protecting intellectual property while encouraging innovation. Our competitive advantage has always rested on a strong commitment to innovation alongside respect for intellectual property rights.

a. Follow-on question: Is it fair to say that there are positive uses of AI by the creative industry?

Absolutely. The film and television industry believes AI has the potential to help creatives reach broader audiences, improve production, and tell even more imaginative stories. AI can be a powerful tool for creativity when it is developed and deployed responsibly.

That innovation, however, must operate within America's longstanding framework of respect for intellectual property. AI systems that rely on creative works should do so in an authorized manner, ensuring that creatives maintain the right to authorize whether, how, and by whom their works are used and are able to share in the value their work generates.

Our industry is already partnering with AI companies that have embraced this approach. Those collaborations demonstrate that innovation and respect for copyright are not competing goals – they are mutually reinforcing.

As America competes globally, including with China, we should continue to lead in both technological innovation and the creative industries by upholding the intellectual property protections that have long fueled both.