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**Statement on the GAO Report on the Smithsonian's Contract with Showtime
from Sheila Burke, Deputy Secretary and Chief Operating Officer**

The GAO report provides a fair and accurate assessment of the events leading up to the contract with Showtime Networks Inc. and its implementation during this year. The Smithsonian fully intends to implement both of the recommendations cited in the report's conclusion: Documenting in more detail the reasons for accepting and declining requests from filmmakers and updating the Web site to provide filmmakers and other interested parties with more information about the contract.

The report shows that the Smithsonian followed standard business practices that fostered competition in selecting Showtime Networks as its media partner. The resulting contract does not affect access to the Smithsonian's vast collections and restrictions placed on use of the collections or expertise by commercial filmmakers are minimal. (The report cites two instances this year—or 1.5 percent of the total requests—where filmmakers' requests were denied because of Smithsonian on Demand).

The Smithsonian's Board of Regents made the decision to create this new venture after careful deliberation, in the belief that Smithsonian Networks created a significant opportunity to further the Smithsonian's mission. The Institution has the right to review every program for factual accuracy and consistency with the reputation and integrity of the Smithsonian name. Among the benefits of the new venture is exponential growth in the number of programs about the Smithsonian that will be seen by millions of Americans who cannot visit the museums. (Currently, there are 15 programs in production and another 30 in pre-production). In addition, the Institution will receive revenue each year without any capital investment by the Smithsonian, a fact that was confirmed in the GAO report.

The Smithsonian agrees with GAO that we may not have done enough initially to inform filmmakers and other interested parties about how the contract would affect existing Smithsonian policies and procedures. We have since made various efforts to address these issues with the academic community and independent producers and will work to keep these groups fully informed.

We appreciate the time and effort GAO devoted to reviewing these issues.

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