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In the seven weeks since I joined the MPAA, I've learned a great deal about the American film industry—how important it is to the American economy, how many hard working people bring the creative visions of this profession and industry to life; how much of an opportunity there is for the film industry to grow and prosper in the future; and lastly how fragile that prosperity can be if we don't protect the content of the film product.

In addition to getting settled into my new job here in Washington, I've had the opportunity to visit some sets, studios, and production facilities in Los Angeles, Chicago, Boston, and here in Washington—where Clint Eastwood was directing a J. Edgar Hoover biopic for Warner Bros., starring Leonardo DiCaprio.

One thing I've learned over this relatively brief period is that the film industry and profession is pretty good at marketing our products, but there is room for significant improvement in how this industry and profession markets itself. I intend to make it a significant part of my tenure as CEO and Chair of the Motion Picture Association of America to change that impression.

So today, I want to touch briefly on and dispel two myths surrounding the film industry.

First: There are some who insist and falsely believe that the motion picture and television industry consists of a leadership that acts like dinosaurs, afraid of new technology and stubbornly refuses to evolve.

Nothing could be further from the truth. As I've met with the visionaries and innovators who are at the heart of our business, I've seen an industry on the cutting edge—not only in developing new artistic and commercial content, but in finding new ways to deliver that content to consumers. Not only are we not intimidated by the future—we embrace it. Our ability to evolve, and to take advantage of the opportunities presented by new technology, has helped to cement our status as one of the most successful—and economically important—industries in the nation.

At a time when far too many Americans are out of work, the American film industry remains a major private sector employer, with 2.4 million employees and \$140 billion in total wages spread out across a nationwide network of businesses: large and small—close to 100,000 of them, in every state in the nation.

Which brings me to the second myth I want to refute.

When people discuss the film industry, too many believe that the only people affected by content theft or other issues that undermine this profession are the ones whose names appear on theater marquee. They don't think about the Foley artists I met at Warner Bros. in Los Angeles who provide the sounds for all of that studio's pictures, and are part of a select fraternity—only 200 of them in the world still doing this. Most Americans don't think about all the people behind the scenes of a movie set—and they don't realize that most of these people don't live in Hollywood.

We in the film industry and all who are connected with it, need to do a much better job of both educating and reminding Americans that this industry is not just a red-carpet industry, but more importantly a blue-collar industry. Real people, hard working middle class people...all over this country who earn a living every day in this so called glamorous world of the movie industry.

My home state of Connecticut is a long way from Hollywood. But there are 15,000 people in my home state who are directly or indirectly employed by the movie industry. In the last year or two, part or all of 22 films and television shows have been made in Connecticut. Last month, I had the pleasure of returning to Connecticut and along with Governor Dannel Malloy, Jim Gianopulos of Fox, and Brianne Keane of Blue Sky Studios, participated in the premiere of the 3D animated hit, *Rio*. To make *Rio*, Blue Sky Studios brought together some of the most creative story tellers with some of the most advanced technological whiz kids on earth. Blue Sky Studios employs 400 people in Connecticut, and they're already looking to hire more workers to create more hours of incredible entertainment through digital animation.

What is happening in Connecticut is not unique. This kind of creativity and innovation is occurring all over our country. Innovation in our industry means long-term, well-paid, high-skill jobs for those workers in Connecticut, and it is and can be the same for communities across the country.

But by the same token, it is essential that more people understand that threats to the content of the film industry are direct threats to those hard working middle-class families, as well. And one such threat stands apart from all the rest.

You can call it what you want: piracy, IP theft, content theft—frankly, I call it looting. When one person breaks the window of a jewelry store and walks away with a handful of rings and bracelets, that's called a burglary. When millions of people hijack and steal a product like *Rio*, I call that looting. And that's exactly what's happening at this very hour we are gathered here, and it is in our collective interests to join together in common efforts to stop it.

The same day we had the premiere of *Rio* in Hartford, a stolen copy of the film, camcorderd from a 3D preview in Russia the day before, showed up on the Internet. By April 8, the date of the international opening of *Rio*, an English language audio rip was available, stolen from a drive-in theatre in Australia, where the film had premiered the day before. And the day before the film opened in U.S. theaters, a new high-quality, English language camcord of *Rio* was made publicly available. Within a few hours after that, you could get a stolen copy of *Rio* in Portuguese, Hindi, German, Italian, French, Spanish,—even Castilian.

In a flash, people around the globe could download *Rio* without a penny going to Blue Sky or the hundreds of people who worked for months to bring this creative production to life. These are not high paid Hollywood stars—these are, for the most part, middle class people. So the next time someone foolishly suggests that only the well healed are hurt by content theft—remind them of the vast majority of the 2.4 million people who work every day in this business—whose job and livelihood are at risk. When you rob a movie you rob from many who deserve better. No matter how good your business model is, no business can compete with free.

Now, if those folks at Blue Sky Studios manufactured stereos instead, I doubt many people would feel comfortable about those who would walk into their store and make off with their inventory. But, as you leave here today, please remember this: Nearly one-quarter of the bandwidth on the global Internet is used to traffic stolen content. That's a lot of stolen movies.

Americans need to understand—we need to help them understand—that when you steal a movie, you're not just stealing from the big-name celebrities whose faces you know. You're stealing from the middle-class people whose families rely on this industry to make ends meet and build a better future for themselves. You're also stealing from the teenager working his or her first job taking tickets at the local movie theater, and from the small business owner leasing cars to the movie crew on location in his town.

I was in Quincy, Massachusetts recently on the set of *Here Comes the Boom*, being produced by Sony and stars Henry Winkler. The movie is about the cancellation of the music program at a school for local budget reasons, and the effort others make to restore the funding. It was a great set using the old Quincy High School. Sony got students from Quincy High to portray the students in the film. And during a break in filming, I spoke to those kids about movie theft and looting. Forget about Henry Winkler, I said. Look at that woman behind the camera over there, the one you might not have seen working all day.

No one has been speaking for these camera operators and set designers, truckers and carpenters and makeup artists. They are the faces of the film industry that those who ridicule or minimize the effects of content thievery want you to ignore. A major part of my job as head of the MPAA during this new chapter in my life is to passionately fight back not only for the industry, but for all the people who make their living in this industry.

This looting is the single greatest threat to the 2.4 million people who work in our industry. It is doing harm, not only to those of us in film and television, but to those who make their living producing music, software, pharmaceuticals, and a wide range of commercial goods as well. And it's time that industry and government join forces to stop it. We need to crack down on the rogue websites that traffic in stolen goods. And we need companies that work with those sites to stop doing so.

The online theft industry relies on advertisers, payment processors, Internet service providers, and search engines—legitimate businesses that in my view debase themselves when they act as accomplices to digital theft. As serious as this threat is, and as committed as I am to addressing it, I remain convinced that we are strong enough to overcome any challenge—from content theft and looting to economic turmoil, and the occasional creative misfire.

There is a reason people want our product bad enough to steal it. People all over the world love American films. And as we continue to innovate, Americans—and people everywhere—continue to respond. We are innovating in the technology we use to bring creative visions to life. Each year, new films come out that not only stretch the boundaries of our imagination with their creativity, but defy our imagination altogether with their technical wizardry.

We are innovating in the experience we offer customers who come to see movies the way they were intended—in the movie theater. Last year, the number of digital screens doubled, and one in five dollars spent at the box office now comes from 3D. And we are also innovating in the variety of options we offer our consumers to consume our content in a time, place, and platform of their choosing. This audience more than any other understands that Americans increasingly own a greater number of devices that can display content—from computer screens and televisions to iPhones and iPads.

Interestingly what we have found is that the more screens people own, the more content they want. Content is the constant. It's what keeps people coming back. It's what drives an ever-increasing appetite for our product. And it is what makes it absolutely necessary—for this film industry and profession to respond to that appetite by providing new and innovative options.

And that, my friends, is also why we work so hard to protect our content.

The industry is moving by leaps and bounds to devise and test new offerings that allow consumers to purchase the content they want—and use it on the platforms they want—at a price that's right for them. In the most recent instance, several of our member studios have begun testing a new concept to serve viewers who want to see recently released, high-value, high-definition movies in their own homes—and who are willing to pay a premium price.

Nothing about this plan changes the fact that the best way to see movies is in the theater setting. I believe that very passionately—but far more importantly than how I feel—the studios feel that as strongly. They don't produce movies for small, flat, plasma screens. The movies are made for large screens in movie theaters. But this option could provide an alternative for those people, especially seniors, families with young children and those living in rural areas far from a movie screen, with an opportunity to view a recently released movie at home.

After all, although we continue to innovate, with each new technology since radio, has come dire predictions about the imminent decline of the movie business. People said this when TV arrived. They said it when the video stores opened, and they said it when we all went online. But instead of leading people away from our content, each new innovation has provided us with new opportunities to produce and deliver it. The more options our audience has, and the more sophisticated they become, the deeper their relationship to our product grows, and the more valuable they become as customers.

Recently, I was on a flight to Los Angeles to attend the unveiling of the Gregory Peck stamp. And, as it happened, I watched *To Kill a Mockingbird* on the plane. I hadn't seen the film in maybe thirty or forty years. But it still brought back all the same thoughts and emotions that made the movie such a cultural touchstone.

Every single one of us has a story of how we've been affected by the movies. It's an experience we all share.

We also share a deep understanding of the value of the movies—their emotional value, their social value, and, of course, their economic value. And we all share an abiding passion for, and commitment to, this industry—to the 2.4 million Americans it employs, to a cultural tradition that brings people together from every background, and to the one place in our society where you can go to turn off your phone and turn on your imagination.

Everyone in this room knows that we face challenges as an industry. And I know that we won't always agree on exactly which path is the right one to take. But I can promise you that I won't let any disagreement or divide overwhelm that shared commitment. Not on my watch at the Motion Picture Association of America.

I'm excited about the future and all it can bring, and I genuinely look forward to working with you in the months and years ahead. Thank you for listening.