

CineEurope 2016
Remarks by Senator Chris Dodd
Barcelona, Spain
June 20, 2016
AS PREPARED FOR DELIVERY

Thank you, Phil, for that thoughtful introduction. It's always wonderful to be with you. And congratulations to Nico for winning the award. And let me also congratulate Andrew and Bob Sunshine for their outstanding leadership over the past 25 years. I also want to thank John Fithian from NATO who I know is sitting in the audience.

And thank you to the International Union of Cinemas (UNIC) for inviting me to come speak today. I cannot think of a better place to celebrate CineEurope's 25th Anniversary than here in Barcelona where Spanish and Catalan audiences first experienced the magic of cinema more than a century ago.

Let me begin by saying how excited I am to be back at this convention. The last time I was here was in 2011, and I had only been head of the Motion Picture Association for a few months. CineEurope served as my introduction to, and a crash-course on, the European film community.

You might be interested to know, however, that my first appearance at CineEurope was much earlier. During your 1993 convention, "Dave," a film about a fictional American President, was screened here. It featured a scene in which I played a young United States Senator – obviously a stretch for me.

Unfortunately, my chance at stardom was overshadowed by another movie showing that year which you might have heard of called "Jurassic Park."

Thinking back to 1993, I cannot help but reflect on how much the world has changed since then.

In 1993, the Cold War had only recently ended. The European Economic Community which many of us grew up with was replaced by the "European Union". And a new innovation called the World Wide Web, dismissed by many as a passing fad, was born.

Now, an entire generation has grown up without the politics of the Cold War. The European Union has achieved great things, though this very week is being tested by great challenges. And the internet, that "passing fad", has become an integral part of billions of daily lives all across the globe.

Throughout all of that, however, cinema has remained a cornerstone of the global film industry – this has not changed.

Consider that last year we saw another worldwide box office record of \$38 billion. And here in Europe, according to UNIC’s own figures, members’ box offices grew 9.6%, reaching 8.5 billion Euros.

That success is due to the formidable and enduring industry partnership between production, distribution, and exhibition that allows us to meet the demands of today’s audiences. Demands for the technology-enhanced blockbusters that films like “Jurassic Park” pioneered; and demands for new and increasingly universal and diverse stories in an ever-more globalized world. While at CineEurope you will preview many of this year’s great films intended to satisfy audience demands.

Theater owners like yourselves are doing your part, showing increasingly diverse films in state-of-the-art cinemas. Meanwhile, filmmakers and film studios seek out new opportunities to partner on an incredible range of international co-productions.

Co-productions like last year’s “Bridge of Spies,” from DreamWorks and Studio Babelsberg; or Fernando Gonzales Molina’s “Palm Trees in the Snow,” a Warner Bros., Atresmedia Cine, and Nostromo Pictures co-production. That is the future in the 21st Century.

Yet we also know that, while we celebrate this exciting new collaborative world, we must also safeguard the rich diversity that gave it life. A diversity endangered by some of the European Commission’s proposals for the Digital Single Market.

While the stated goals of these proposals are laudable – offering greater choice to European consumers and strengthening cultural diversity – in reality, these ideas could actually cause great harm to Europe’s film industries and its consumers.

What particularly concern me are proposals that would threaten the practices of territorial licensing and contractual freedom. These practices have long served as the financial bedrock of Europe’s film industries. Yet, the European Commission is actively considering allowing certain licensees to serve catch-up TV and similar services to all of Europe, even if they only bought the right to serve one country. Proposals such as this will only bring less diversity, less access, and less content for consumers.

These concerns are real – very real. Last month at Cannes, the leaders of Europe’s national film agencies, supported by a wide spectrum of the audiovisual sector, handed EU leaders a rigorous new economic study making exactly these points.

That study is only the latest of many sources to confirm what all of us know: creating movies loved by audiences in Europe and throughout the world is a high-risk business. The British Film Institute estimates that only about 6 percent of independent films produced between 2003 and 2011 ended up making a profit.

Territorial licensing and exclusivity agreements are part of what gives investors the confidence to take a chance on a production. Taking away territoriality and exclusivity agreements means less investment and, in turn, far fewer productions.

The ability of filmmakers and distributors to market and release their films where, how, and when they think best gives them the greatest chance to succeed.

The European Union is made up of 28 different nations with different cultures, different languages, and different tastes. Forcing every film to be marketed and released the same way everywhere, at the same time, is a recipe for failure.

That same study released at Cannes that I mentioned earlier concluded that eliminating territoriality and exclusivity would result in up to 37% less movies being produced; and those that do get made would be less innovative, with lower production values. And as for consumers, they would face higher prices and less access to content that they currently enjoy.

I know that, in many ways, I am preaching to the choir. UNIC, Creativity Works!, and many others have been actively speaking out on these issues and I want to commend them. But with summer upon us, we are reaching a critical period, and we need to keep the pressure on.

Cinemas and theater owners are vital members of the community wherever they are found – and your representatives need to hear from you before making any decisions that could drastically impact the future of these industries and the consumers who love them. All this is happening right now. I am told the Commission could come out with new proposals in the Fall.

So there is high need for action. If we do nothing, you might soon find yourselves waking up in a far different creative and business environment; one where the cinematic experience takes a back seat and consumers suffer.

Rebecca O'Brien, a producer on the film "I, Daniel Blake," winner of the Palme d'Or at this year's Cannes Film Festival, recently wrote that the current Commission proposals "will only serve to buffer the power of monopolistic players in the new online marketplace, squeezing out opportunities for thought-provoking European films to be made." Films just like "I, Daniel Blake."

Europe's national Film Agencies, which invest more than 3 billion Euros annually in high quality European films, have warned that their funding could not fill the financing gap that would emerge. In the words of Peter Dinges, head of Germany's national film agency, "high quality products made in Europe would be highly endangered and thus cultural diversity compromised."

That may very well mean lost jobs, lost wages, and less consumer choice as new voices and incredible stories get squeezed out. That would be a terrible result for everyone in this sector, large and small.

In closing, I want to thank and congratulate UNIC and CineEurope, once again, for a quarter-century of bringing Europe's creators and exhibitors together. But I must also make a request to all of you to continue your resolve, shoulder to shoulder with the rest of the sector. Continue to make your voices heard and help protect the incredible diversity of creativity and artistic expression flourishing throughout Europe's film industries.

Thank you.