

Transcript of the interview with Dan Glickman by CINE President Donald Thoms January 2008

What is the MPAA?

The organization represents the six largest American motion picture studios in matters before the US government, foreign governments, state governments trying to ensure that our interests are represented in congressional and legislative decisions or in regulatory decisions, and to protect our members against attacks, whether it be in the area of censorship, whether it be in the area of restriction of our product in foreign markets, for example, and much of it is also based on trying to protect our members' product _ movies and television they produce _ from theft, you know, from intellectual property infringement. So we're, in a sense, the eyes and ears of the American motion picture industry, as it relates to attacks by government and other third parties.

That's a huge job. How do you manage to do that?

I have about 220 very talented people here at home and around the world who deal in many aspects of the film industry.

What movie studios belong to the MPAA?

Walt Disney Company (movies, and they also own the ABC television network and they also own a lot of cable operations, ESPN and others), so that's one. We have Paramount Pictures, which is part of the Viacom operation. We have NBC Universal, which is of course Universal Studios, part of the NBC Network and part of General Electric, although we represent the film and television parts. We have News Corp., which is Fox. So we have the four major television networks, combined with their movie studios, as well. Then we have two companies that are not traditionally in the broadcast field: one is Sony Pictures, which of course is part of the largest consumer electronics company in the world, and they were the old Columbia Pictures, and they were a very, very significant distributor of movies and television. And then we have Warner Brothers. So we roughly have about 85 percent of the theatrical box office in this country.

Now, in addition to that, we rate virtually everybody's movies. So, not only the six studios I talked about, but sixty other companies, and so in that sense we interface with them. And then CBS, the television network, is an associate member of the MPAA, for certain smaller reasons, but not on a comprehensive basis.

So you don't rate television?

We do not. We do not rate television. Television is by and large self-regulated, so each network or cable operation regulates itself. We do a comprehensive rating for film.

The MPAA is really known for movie ratings, right?

That's probably the brand that more people know about us than any other place. Since 1968 we've been engaged in voluntary ratings of films for about ninety percent of the movies that are made in this country, even if they are not made by MPAA members. Virtually everybody who wants to make and distribute a movie in this country whether it's theatrically or home video gets a rating from the MPAA and it's something my predecessor, Jack Valenti, started in large part to protect against censorship that was taking place in states and localities around the country. He created a voluntary system that worked very well at preventing the government from censoring our product.

Whether or not it's a huge theatrical movie by one of the big studios or an independent film, they would come to you and say, "We need this film rated."

That's right. There is a process for doing that. People would come to the part of the MPAA called CARA, Classifications and Ratings Administration. They're located within our office in California but basically operate as a separate unit. For example, their costs are paid for by fees. So every time a movie is submitted for rating then somebody pays a fee. Basically from a financial perspective it runs separately from the operating dues of the association. They would come to us, we have a fee schedule, they would go through the process of getting a rating and then if they didn't like the rating they could appeal the rating. Most ratings are not appealed however.

Why would a producer or a director not want their film rated?

Most do want their films rated, for a lot of reasons. Number one, it's a great marketing tool. If a film is not rated, you sometimes see these little things: this film has not been rated. In fact there was a movie last year called *This Film Is Not Yet Rated*, which basically took on the MPAA's rating system but most people think it's a marketing disadvantage not to have a film rated. In addition to that, exhibitors (the theaters) do not like to play unrated movies, many others will not. Some films are independent films that are extremely edgy and may appeal to a very limited marketplace and so there may be some cases where directors and producers will not want the rating, but most do.

What is your background?

I'm from Kansas. Long story, but I was elected to Congress from Wichita, Kansas, in 1976. I spent eighteen years in Congress then went into the Clinton Cabinet as Secretary of Agriculture. Although in Congress I spent a lot of time on the House Judiciary committee, as well, where I dealt with intellectual property issues. Then I spent six years working for Bill Clinton as Secretary of Agriculture. Then, essentially I went to Harvard where I ran a program at the Kennedy School and when Jack Valenti announced he was going to retire, I saw that notice, I talked to him, and he became very supportive of my candidacy. I knew him from before and not only because I worked on the House Judiciary Committee. My wife had been the director of the Congressional Arts Caucus for about fifteen years, which was the prime organization on Capital Hill that dealt with arts and humanities so she interfaced with him a lot. I have a

son who is a film producer as well. So I'd say all that put together perhaps put me at the right time and the right place.

Because it does seem odd to go from the Secretary of Agriculture, which is a very powerful position in this country, to go then from there to an auteur position, any big leap for you?

You know what, the same principles are at play, in terms of running an organization and trying to be successful, but let's look at the two categories. Agriculture is one of the great export items of the United States. We sell our products all over the world. It's an important part of the American economic enterprise. So in many respects there are a lot of parallels between agriculture, which is a deeply successfully American industry, and film and entertainment, which is a deeply successfully American industry, relying on exports. Half facetiously I restate the fact that I used to be in the business of food for the stomach and now I am in the business of food for the soul or for the spirit. There are a lot of parallels there in terms of the significance of the economy and the role of the export markets. A lot of trade issues are parallel too. A lot of the same issues tend to come up _ believe it or not _ in agricultural issues as they come up in entertainment issues in terms of our trade negotiators.

Can you talk about any of those? Like some similarities.

One similarity has to do with restrictions on American products out in the world markets. Some countries have restrictions of certain agricultural commodities. Some countries put restriction on US farm commodities. There are many of those same kinds of restrictions.

Are piracy and theft major concerns for the MPAA?

Theft of film and our product we estimate cost us six billion dollars a year worldwide. That's just most MPAA member companies _ about eighteen billion dollars for all film, we estimate the loss to be. So that's a big enormous loss, fifteen to twenty percent of gross revenues in a sense. We spend a lot of time fighting it, there are a lot of ways to do it. First of all, the profit margin for the pirates is so great it's tough to stay ahead of the game.

Why is it so great?

It's big, big profit margin. I mean, after all, if you steal something from the internet or if you have a fake copy of something, you may replicate it and make lots of copies, your profit margin is often much larger than it is in drugs or organized crime or other contraband. We have a multifaceted strategy to deal with it from enforcement, with law enforcement, criminal and civil enforcement, with education, where we try to deal with that fact that a lot of a lot of piracy begins at schools and college campuses and trying to deal with the issue of teaching the right values.

So in essence, you are saying to the American public then they should not watch bootleg copies of film. Is that what you mean by education?

By education we mean that. We also mean going directly to colleges and universities where there is a lot of online piracy and trying to get universities actively involved in teaching their kids that it's not right to steal intellectual property. After all, they are the font of intellectual property in this country, university campuses, and working with them with technology to find ways to block pirated material on campus networks, so that's kind of another area with deal with. We also have a very large technology role in helping our companies find techniques to block or filter out contraband, counterfeit, and pirated material. Then we are working with the internet service providers and user generated content people, like Facebook and MySpace and others, to work with us to keep pirated material off their networks.

So does that mean that most of the pirating comes from online?

Well actually, the majority of pirating still is street piracy or on the ground piracy but much of that is replicated through online transmissions. So if somebody were to go in and camcorder a movie illegally, take it down. Then what they're probably going to do is upload that movie on the internet. It will go to a place where it can be burned or further distributed and it may come back down in the form of street piracy or pirated discs. So you have both online piracy itself, where you go on your computer and pull it down yourself, but you also have the relationship between online piracy and physical piracy.

So someone would actually go into a theater and record the movie while it's playing and that's how they get that?

In most cases, piracy begins in exactly that way. Somebody comes in with a camcorder. They are getting better than they used to be, the quality is better. Some of these are very small camcorders. They'll take the movie, tape it, and then take it from there. Now we have worked cooperatively with the theater owners in this country and around the world and try to stop that. It's now a federal crime by the way to do that, what I just told you but it's still a real enforcement hassle.

That's amazing.

About ninety percent of piracy of films begins with a camcorder. Not with stealing a pristine copy from inside the study or through their distribution network. There is some of that but most of it begins with a camcorder.

Has the piracy or theft changed over the years? The camcorder, I guess has gotten far more sophisticated.

It's gotten far more sophisticated and the quality of the project is better than it used to be. The camcorders are better. The pirates are smarter. The markups are also quite large but say on the other side we've had some success at attacking this as well. We have brought down a lot of organized crime-type rings in conspiracies around the world.

We are working with state governments, local governments, and national governments here and around the world to see this as a threat themselves. Somebody once asked me, "Well, are you beating piracy?" I guess my answer is: we're staying ahead of it. We'll never end it. The profit margin is just too great. It's like will you ever end illegal drug trafficking, probably not, but our job is to stay ahead of it the best we can.

What's another issue facing the film industry?

I'd say in the year of globalization making sure we get our product into foreign markets. About 57-58% of the revenues in the American film industry, maybe slightly more, occur outside the United States. That is the majority of our sales occur outside the United States. Our industry is the only industry I think right now that has a positive balance of payments surplus with every single country in the world we do business with, except China on occasion. So, you know, making sure we have access to markets, fighting unfair trade barriers, or tax barriers, or a myriad of other things that many countries can do, that's a second part of the issue here. Our ability to access world markets is key to our economic success. So that would be the whole range of issues, getting our products into foreign markets would be a second part of that.

Is America the biggest motion picture maker in the world?

Not in box office admissions, India is the biggest in the world. Half of the movie admissions in the world come from one country, India. Half! Out of four billion admissions, two billion come from India. They make between eight hundred and a thousand movies a year. We may make between two and three hundred movies a year. Their movies are different, they're at lower cost, they're largely for the Indian market alone. There's not been a lot of export of their movies although it is starting to increase rather significantly, but there are burgeoning film industries around the world. The Brits obviously have a large film industry. The French have a big film industry. The Chinese are developing one. Almost every country in the world sees the film industry as important to their own culture so they want to facilitate it wherever they can. That's actually in our interest too. The more people watch any kind of movies, home grown movies, international movies, the more they are likely to want to watch our products as well.

So even though those countries have big and burgeoning film industries, are American films seen worldwide more?

In terms of box office, [American films] are seen more than anybody else's, in terms of value. They are screened everywhere so again in terms of the economic future of our business it is to a large extent determined by this international market.

And do you think that movie making in this country or the fact that so many of our movies are seen overseas helps shape the perception of the United States?

I think without question people's views of America are in large part due to what I call entertainment, and sports too, and politics, and sometimes that's not always so good. Entertainment has a great deal to do with shaping the American image and so does

sports. What I found that's interesting is that even in the current period where there has been a fair amount of dissatisfaction with American foreign policy, it has not impacted (at least what we can tell) people around the world going to see American movies. That is, they have been able to disassociate the movies from the politics of America. That's really great when you think about it because we've seen an up tick this year in box office overseas as we've seen some up tick in box office here in this country this last year, even at a time when we've been fighting a war in Iraq and there has been a lot of anti-American feeling around the countries.

Why do you think that is?

I just think that people like the product and they can detach the entertainment value of a product and the foreign policy of a country.

What about issues of movies being made out of the US?

When you consider that nearly sixty percent of the people who watch our films are outside this country it's pretty hard for us to say that you can't make any of the movies outside the country as well. Of course our studies would prefer making as much of the product at home as possible. When you look at movies that have been made in recent years, many, many movies are made everywhere. A lot of that is for local reasons or maybe for tax credit reasons or for other economic type reasons, geography, whatever else it is.

Why have documentaries recently become popular again?

I have a theory that: one, the ones that make money are good, interesting. Two is that people no longer get their news from the evening news. I can't speak for you, but for me I used to rush home when I was much younger to watch one of the three evening newscasts because that's where you got your information. You can find as much news on the internet just looking up, googling anything, or looking up one of the news services on the web as you can ever get in the evening, or watching twenty-four hour television all the time. People are not getting news in a collective common way, and therefore I think documentaries are beginning to offer people a way to get public policy information that they never got before, and especially if it's done well and good and creatively. There are a lot more documentaries being done today than there were ten, fifteen, twenty years ago and I think one of the reasons why is because people can't find the normal outlets to get the information across, so they are going to new outlets.

So of course what is interesting is that both the films you mentioned they do come with their own bias.

That's correct, but a documentary that has no bias I can tell you is a documentary that will make no money.

You are absolutely correct. So one last question for you, Dan what is your favorite movie of all time? You're the head of this major, major movie company, what's your favorite movie?

I think it was H.L. Mencken who said, "For every complicated problem there is a simple and a wrong solution." So I don't have one favorite movie. However, I can tell you the movies I've watched more than anything else. Clearly, *Godfather I* and *II* I know frontwards and backwards. I've acted out every scene with my kids. They're both outstanding movies. Some of the best character development I've ever seen in my life, and so I'd say they are certainly two of the movies. I can tell if I see it on TV and even if I'm in the middle of it I'll stop. So another movie is the *The Shawshank Redemption*. I watch it over and over again _ maybe it's that soothing voice of Morgan Freeman, I don't know what it does. Then there is a movie of my college years, which I would not call one of the greatest movies of all time but *Animal House* is another movie I watch over and over again because it reminds me of my era when I was a college student at the University of Michigan in the sixties, and right in the middle of this kind of stuff.

What advice do you have for young filmmakers?

The world, the creative world, is so wonderful now. Much greater than it was forty or fifty years ago. There are so many more people coming up with great ideas. My advice is to take advantage of these new technological mediums. Find new ways to get content material to people. You no longer have to raise fifteen to fifty million dollars to get a movie done the traditional way. If you can do that that's great, but you can find ways to do it on the internet or on other web services or film clips or short subjects. The documentary movement is great. The public is just yearning for good material. That's the thing, high quality material. As Shakespeare said, "The play is the thing." The trick is, can they produce good, interesting stuff that people are going to like? That's always been the thing. No different now than ever before. It's just there's so many more opportunities to get this stuff out there now than there ever have been before, and ironically, there are more accesses to money now in the film industry than ever has been before because, I don't know, maybe everybody thinks they can make a fortune just filming, producing, and distributing movies _ which is not true, because one out of ten movies makes money in the theater. But anyway, I still think it's a great opportunity, and especially in this area of documentary development where there has been a gap in the way we get our information through the front door and the documentary can find and fill that gap in the backdoor.