

Senator Chris Dodd
CinemaCon 2014
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Remarks As Prepared for Delivery

Thank you, Dan, for that kind introduction. And I want to thank my good friend John Fithian and all of the members of NATO for inviting me back for my fourth CinemaCon.

And congratulations to all of you on a fantastic 2013.

Hollywood is in the storytelling business. Our stories can be exciting, full of spectacle – or they can be powerful, thought provoking ones that impact people’s lives. For either kind, the big screens in your cinemas are where those stories best come to life.

In 2013, this industry had a riveting story. Just listen to these numbers: Total global box office reached \$35.9 billion, up 4% over 2012. U.S. and Canadian box office climbed to \$10.9 billion. China grew by 27.5% to become the first international market to exceed \$3 billion in box office. And, with China building 13 new screens every day more growth is coming.

Overall international box office of \$25 billion is a staggering 33% higher compared to five years ago—with the strongest growth coming out of China, Russia and Mexico.

But what is remarkable is the growth in places not normally associated with strong film industries.

In 2011, Cambodia, a country emerging from war, had one modern movie theater for a population of nearly 15 million people. But by the end of this year there should be 19 theaters! And Pakistan has gone from 20 screens in 2005 to 104 today - with another 100 under construction.

Between these figures and the 1 billion people around the world who watched this year’s Oscars Ceremony there is a very clear growing global demand and growing global audience for our content. That’s new markets for our films, and new audiences for all of us.

Our formula for success is simple...

Hollywood creates and produces extraordinary stories; you create truly extraordinary theater experiences.

Together in 2013 we made that formula work perfectly. Blockbusters like *Iron Man 3* ... *Man of Steel* ...and *Gravity* drew audiences to your theaters. And once inside, your theaters sealed the deal.

Every year you enhance the movie-going experience. From lighting, to seating, to overall theatre-design – you create an ever more comfortable theater going environment for your customers.

Together, we've adapted to shifts in audience demographics such as the growing numbers of Hispanics flocking to U.S. and Canadian theaters. Last year, the percentage of Hispanic movie-goers far exceeded their percentage of *their* general population.

The growing variety of films also helped attract more diverse audiences. Just look at last year's selections...*12 Years a Slave*, *Dallas Buyers Club*, *Her*, and *Nebraska*, to mention a few.

And the extraordinary success of family-friendly titles like Universal's *Despicable Me 2*, Fox's *The Croods*, and of course, Disney's Academy Award winning *Frozen* have made the movie theater the popular destination for family outings. That's why the share of tickets sold to kids younger than 11 and baby boomers 50-59 years old hit its highest point since 2009. And while storytellers create smart appealing films, you in exhibition were also adapting to the new demographics.

Most importantly, you embrace the latest technologies enhancing the audience experience. Eight out of every ten cinema screens across the globe today are digital. Continually upgraded audio ensures that every sound is heard. And advance-purchase ticketing websites, allow guests to bypass long lines at the box office.

Like you, I am a member of the overwhelming majority today who believe that the Internet and emerging technologies have been a great asset for all of us.

Of course we all hear a lot of talk about technology disrupting our industry. And yes, we all know technology abuse causes us headaches. As such, we have both the right and the responsibility to express our concerns about piracy undermining our industry on a global level, and threatening the livelihood of the thousands of hardworking people who make a living producing,

distributing and exhibiting our films.

Intellectual property protection is today, and shall remain, a top priority for all of us. On behalf of our studios, and the thousands of people in this industry, I want to express how much we appreciate your efforts as exhibitors to stop illegal camcording in your theatres. And I am appealing to you, once again, to continue raising awareness about this important issue in your local communities.

The good news is that we are making progress. And I remain optimistic about the future because technology is our friend, not our foe. After all, the most frequent moviegoers tend to own more technological devices than the general population. Nearly three-quarters of all frequent moviegoers own at least four different pieces of new technology - smart phones, iPads, notebooks, tablets, etc.

And watching content on multiple platforms, instead of cannibalizing movie theater sales, ironically, may be increasing them. A recent Nielson study shows that the “tech-savvy” among us, particularly younger people, go to the movies almost twice as much as the “tech un-savvy” crowd.

Our challenge is to make technology serve us rather than disrupt us. That is what our industry has always done, and what we are doing once again. Yesterday’s technology brought us innovative sound and Technicolor; IMAX® and jaw-dropping special effects, among other innovations.

While the studios I represent, and other production companies, are called “content producers”, in reality we are technology companies manufacturing content.

And when properly harnessed, that technology can drive traffic to our products. That is why we need to keep innovating – and we will. That is why we need to keep experimenting – and we will. That is why we need to keep exploring fresh ways of leveraging our new technology to drive traffic to your theaters – and we will.

We can embrace technology, and use it to complement our offerings. Technology is not our adversary; it can, and must be, our ally.

A smartphone can make more content available, but it will never be able to surpass the shared experience that you deliver to every person who sits in your

theaters. This may be the biggest irony of all. We are all adopting and adapting to rapid technological changes, as we must. While at the same time, the cinema experience offers a refuge from the ceaseless onslaught of today's world...traffic, noisy airports, emails, conference calls, and so much more.

The movie going experience is one of the last spaces where we can be part of a crowd, sharing a unique collective experience, while enjoying our own personal reactions to the marvel of a great movie.

So once again, on behalf of the Motion Picture Association and my member companies, let me say thank you to you our partners in the never-ceasing endeavor to enrich the movie going experience here in North America, and around the globe.

Thank you.