

**DAN GLICKMAN REMARKS
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I am so thankful I am not here to talk to you about the Canadian Wheat Board or potatoes from Prince Edward Island. I discussed those issues more than a few times while I was Secretary of Agriculture.

I can tell you, I think the only thing more contentious between our countries is who has the better Olympic women's hockey team.

The partnership between our countries is unequalled.

The U.S. and Canada have the world's largest bilateral trading relationship. Canada is the largest trading partner of the United States with over \$1 billion in trade every day, and more than 200 million crossings of the U.S.-Canadian border every year.

That relationship is important not only in the broad sense, but to our particular industry as well.

I read an article just this week which pointed out that in the last decade no fewer than 1,500 American movie and television productions were filmed in Canada.

We are partners. We are friends – hockey rivalry aside.

And we at the Motion Picture Association and you in this room are united by a common cause – the desire to make sure your industry and our industry can continue to produce and tell good stories through the unique medium of motion pictures.

And we have some common challenges that go along with that.

Entertainment is changing. The way we communicate and connect and get information is changing. We are being challenged by the evolving desires of consumers living in an on-demand world.

Families can see movies on computers, iPods, Pay Per View, high-definition home cable—and, soon, on wireless telephones.

Technology is evolving and we can't fight that, nor should we.

I view these changes from a glass is half full perspective – they afford us the opportunity to put our movies in front of millions more eyes, in a multitude of new ways.

But this technology is also amplifying another common challenge we have – and that is piracy. Both in scope and impact, piracy has undeniably become an international problem which requires a concerted international response.

Our record in the United States is less than perfect – I am acutely aware of that. We are working on it – on every level. From law enforcement to legal action to pro-active education efforts aimed at explaining to young audiences why intellectual property is important to their future.

But I am, frankly, alarmed at the trend I am seeing in Canada.

In 2005, we saw a major increase in DVD piracy in Canada.

In 2005, compared to 2004, CMPDA seizures jumped from 29 to 92 – a 317-percent increase.

The number of pirated DVDs seized went from about 41,600 to 400,000 – a whopping 960-percent increase.

Illegal camcording is a problem surfacing in Canada. Thieves camcord films while they are still in theaters and use them to make bootleg copies. This is the source of most pirated DVDs. In 2003, only two pirated movies were identified as originating in Canadian theaters. In 2005 it was 57.

We also know that pirated DVDs are being shipped from some of the huge burner factories in places like Russia and China into Canada, and then sent over the border into the United States.

You might be asking yourselves, why should I care? Unfortunately, one of the lingering perceptions, which is fundamentally false, is that intellectual property theft and piracy is an AMERICAN problem.

Nothing could be farther from the truth.

This “old world” view ignores the impact piracy has in countries around the world, and it ignores the work of creators outside the United States.

Some Canadian film titles seized in recent raids include:

Les BOYS 4
Maurice Richard
C.R.A.Z.Y.
Aurore

So why is this problem increasing? Who is responsible? And, most importantly, what can we do about it?

Increasingly, piracy is the province of sophisticated, multi-national organizations with operations placed around the globe. If one part of the operation is shut down, the other parts simply adapt, re-configure and the operation rolls on.

For this reason it is essential that nations throughout the world understand and enforce intellectual property rights, both domestically and in cooperation with their international partners.

Intellectual property piracy remains a low-overhead, low-risk, high-reward proposition for many criminals. While many nations are beginning to take prosecution of these crimes seriously, others are lagging behind. These enforcement gaps provide opportunity for mobile criminals and particularly organized criminal syndicates to take advantage of countries where the law and its enforcement are less strict.

Clearly, responding to this problem will take an unprecedented amount of international cooperation and resources. But it is a commitment we must work together to obtain.

We are making progress on a global scale.

In the past few years, the United States Department of Justice has worked with law enforcement all around the world to undertake a number of highly successful international takedowns, such as Operation Buccaneer, Operation Fastlink and most recently, Operation Sitedown.

These criminal investigations all involved multi-national law enforcement coordination. Just a few short years ago, getting ten or twelve nations to cooperate and coordinate a takedown against intellectual property pirates was unheard of. However, through operations such as these, it is becoming the norm, and the impact has been significant.

It is a slow process, and there is much work to be done, but the creative community, working with law enforcement all around the world is starting to change attitudes and behavior.

I have spoken a lot today about change – in entertainment, in technology, in the ways in which we fight piracy. There are other changes afoot in Canada. Your government has changed. I hope to help forge a cooperative working relationship with you and your new government. And I hope you let them hear from you about these problems.

You have a unique and important perspective on the impact of this type of theft that needs to be heard by Canadian leaders.

Not only that, but they need to hear about the impact beyond simply our industry.

Piracy hurts Canadian consumers that pay more for legitimate products.

Piracy hurts Canadian creators who aren't adequately compensated for their ideas and hard work, and in the process the incentive to create is stunted as well.

Piracy hurts the Canadian economy, in the form of lost jobs and lost tax revenue resulting from fewer legitimate purchases of Canadian products.

The impact of piracy on Canada is real, and it is part of a global problem.

Comprehensive international enforcement is possible if we work together to raise awareness and assist our governments in making intellectual property enforcement the priority that it should be.

We are committed to working with you.

As hard as we work on better laws and enforcement, we will never eradicate piracy. But to the extent we can slow it down and curb its impact, it will make it easier to get our films to broader audiences utilizing some of the new technologies I alluded to earlier.

And audiences all over the world are waiting. The diversity of ideas, cultures and lifestyles from every corner of the world are not just entertaining, but inspiring and thought provoking.

I think just of the movies receiving nominations for various Academy Awards this year and the diversity of stories – from Brokeback Mountain to Munich to Crash.

Not to mention the diversity of characters - a Japanese geisha, a substance abusing country singer, a fair young lady from England.

There are many stories to tell – not just American stories, or Canadian stories. And the more we can promote this cultural exchange the better for everyone. The more we put up barriers, the less easy it will be to exchange ideas and trends and culture.

I think that too often the movie industry is undervalued.

In America I can tell you we employ nearly 800,000 people. The average movie pumps \$200,000 per day into the economy during filming.

Here in Canada, the filmed entertainment industry is contributing a rapidly growing number of jobs – nearly 135,000 according to CFTPA (Canadian Film and Television Producers) and \$2.4 billion (Canadian dollars) in exported cultural goods (according to Statistics Canada) – the majority coming to the United States.

But beyond the economic contributions, movie makers have an unparalleled place in the world as communicators. It is a business, to be sure, but it is not like every other business.

Movies change people's lives. They inspire us. They promote an exchange of ideas.

Movies expose us to political views, fashion trends, jokes, thoughts, history, arguments and so many other things that tell our collective human stories and provide moments of shared experience. No other medium is so widely sited and easily woven into water cooler talk with colleagues, cocktail conversation with friends, or idle chatter at a bus stop with total strangers.

I often tell people, going to the movies is cheaper than a psychiatrist, and often you get the same benefit.

Moviemakers, whether intentionally or not, are historians, psychiatrists, commentators - and at the core, storytellers. And no matter how the world around us changes, audiences will still want to watch good stories told through the unique art form of motion pictures.

I applaud the work that you do as creators. I look forward to working with you throughout the year and to the exciting opportunities ahead.