



**Federal Communications Commission  
National Broadband Plan Staff Workshop  
The Role of Content in the Broadband Ecosystem  
Testimony by Kathy Garmezy, Assistant Executive Director,  
Government and International Affairs  
Directors Guild of America  
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Good morning and thank you for inviting the Directors Guild of America to participate in today's workshop. I know you have already had many of these sessions but I think today's discussion is particularly important. After all, it is what flows through the Internet that has meaning and gives the "pipes" their value.

I am here today speaking as a representative of the Directors Guild of America. Our members are filmmakers from around the world—those whose names you know who make the largest blockbusters to those who make the lowest-budget independent films, television programs, new media and almost any audiovisual work with which you are familiar. One thing they share in common is both excitement and great concern about the digital future.

I would guess if I asked everyone in this room right now to close your eyes and remember the first movie you saw, the first movie that affected you—you would remember it clearly and you could picture it in your memory even today. That is what is meant by the magic of movies.

That magical experience and the hard work, long periods of time, talent, and investment it takes to make it come together is why "we" are not like everything else on the Internet. And let me be quick to say that is not a value judgment. Our lives are filled with such distinctions daily. And, it is also why our members' work is the real and primary target of Internet theft. If it wasn't there wouldn't be an increasing number of Internet sites—which are growing and money-making businesses—whose sole purpose is dedicated to "selling" films for free.

This “debate” is not about the sanctity of Internet free expression. My members don’t deny the importance of the free and equal flow of ideas on the Internet. But they don’t create what the word “information” conjures up. In fact, the very words “information” and “content” blur and obscure the reality of what is at stake. This is about stealing unique films and other audiovisual works that are recognized around the world and loved by billions of people who want to have them. It is about an American cultural art form our country grew over the last century --- and whether our country and our government believe it should be protected.

This is not just about what you see on the screen.....it is just as much about what is required to bring it there. Creating a film from original concept to script to screen takes years... it calls for a myriad of very unique talents—being able to put wonderful words onto paper, being able to become what you are not so that your acting connects with a darkened theatre of strangers, knowing how to shoot a scene to capture the light, being able to recreate a place and a time in costume, and being able to take all of that collaboration—the efforts of hundreds of people-- and make it into the vision on the screen. It also takes financial investment—always with great risk and no prediction of whether there will be recoupment or success.

It took our President, Taylor Hackford, 15 years of effort to bring “Ray” to the screen. He wanted to tell the story of Ray Charles with whom he was friends and whose music he knew belonged to future generations. Finally, he did make that film, as you all know. Then within days after it opened Taylor walked down the streets of New York to see it being sold on street corners. Of course what he would see today would be instantaneous digital copies being streamed around the world.

Our business is structured to make filmmaking possible. This is not often known outside of our world. Artists are risk-takers just like the financiers. In recognition of the fact that films and TV productions would not exist without the creativity of our members they directly share in the revenue their work generates long after it is shown in the theatre.

The same is true for other film talent and craftspeople. They are all freelancers dependent on that downstream revenue for their survival from one project to the next. Thus as their work has a long life and a creative value to those who made it—so too it has a tangible economic value. It is that downstream revenue that funds their health and pension plans. It is that downstream revenue that is the most vulnerable to piracy and its loss is most threatening to our members and our community.

Finally, let me say what should not really need to be said...our members are not technophobes—as some like to call those who do not agree with them. The work they do represents the very intersection of art and technology—and that was true decades before the Internet came into existence. They recognize and embrace the value of the digital world. They know this is a new world and that things will change—we don't stand here with our fingers in the dyke.

We understand and believe in the importance of an open and fair Internet to democracy. What we don't believe is that this means that everything on the Internet is equally in need of protection—or rather is equally as deserving of a lack of protection. We don't believe what seems to have become a popular premise—that just because someone can easily download the sum total of a life's work in less than an hour and a half—that the right or ability to do that is somehow more valuable than the right and value that belongs to the person who created it.

So what do we hope from your deliberations and decisions?

We hope that you understand the huge economic and cultural value we are trying to protect. And that your decisions have worldwide ramifications.

We hope you will understand we are not a narrow self-interest—and that there are millions of people and their families and billions of dollars at stake.

We hope you understand the uniqueness of what we create and how our industry makes that creation possible.

Finally, just as our President believes that good public policy means a balancing of the interests involved, so too do we believe that a digital future must be found which works to the benefit of both film artists and the consumer public who love their work.

After all, we are far from the first to speak about the importance of intellectual property. In this country the right to intellectual property and the protection of those who create it was seen as so fundamental that it is the only “right” the American Founding Fathers specifically enshrined in the original United States Constitution. We need to give it the consideration it deserves.

Most of the people who illegally download or stream our work probably don’t think about the consequences of their actions. They love the work we create and they don’t understand that the collective result of what they’re doing could reduce or perhaps extinguish altogether our ability to continue creating that work. They think that by stealing one song or one movie, they can’t possibly be part of a tidal wave of Internet theft. But individual acts add up quickly and Internet piracy may well prove to be the virus that kills its hosts, to the detriment of all of us. Unless we make people understand that there will be a direct and personal consequence to their actions, we’ll never be successful at deterring Internet piracy.

Our members are concerned about what happens to their work on the Internet because they know what it takes to create that magic. And knowing that they can also see into the future--if their work can be easily, increasingly, and blatantly stolen how will anyone be able to earn a living making that work? And, if that is so, then it is not likely that the magic will be there for your children or grandchildren.

Thank you.