



The International Brotherhood of Teamsters

Written Submission

*Coordination and Strategic Planning of the Federal Effort Against
Intellectual Property Infringement: Request of the Intellectual
Property Enforcement Coordinator for Public Comments Regarding
The Joint Strategic Plan*

**Office of Management and Budget
Executive Office of the President**

March 24, 2010

**International Brotherhood of Teamsters
Department of Federal Legislation and Regulation
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The International Brotherhood of Teamsters (IBT) appreciates the opportunity to respond to the request for comments issued by the office of the Intellectual Property Enforcement Coordinator (IPEC). See 75 Fed. Reg. 8137 (Feb. 23, 2010).

The IBT represents 1.4 million workers in virtually every industry in America, and many of these industries are suffering significant damage from the effects of intellectual property theft. But we are not alone in suffering the impact of a crime that many refer to as “victimless”; millions of men and women in unions, associations and guilds in countless American industries are impacted by this very important issue. And, of course, our concerns reflect those of all workers, even those not fortunate enough to have the benefits of union membership.

Of particular concern to our union is the impact of intellectual property piracy on the entertainment industry. In an era of off-shoring of traditional American jobs, the entertainment industry continues to be a success story and one of the most unionized industries in the world, with relatively secure jobs and consistently good wages and benefits. Many of those jobs are performed by Teamsters. Teamster drivers move the equipment, the crew and the actors from location to location when a movie is being filmed. Others work as location managers and some are animal handlers. Teamsters at UPS, our largest employer, deliver millions of DVD’s, video games, CD’s and computer software produced by reputable manufacturers. When pirated DVDs and CDs are sold on a street corner in an underground economy, we lose jobs.

While there are those who would minimize the impact of an illegally copied DVD here or a pirated CD there, the total impact of these crimes is very real. Billions of dollars per year in lost revenue and lost taxes, and millions of quality jobs should never be easily dismissed. These lost profits reduce the incentive for industry employers to invest in new projects, which reduces the number of quality jobs and benefits available to workers. The numbers could not be clearer; within the entertainment industry alone, we know that \$60 billion a year in revenue and more than 370,000 jobs per year are lost, while the costs to the entire U.S. economy has been estimated at \$200 to \$250 billion and 750,000 lost jobs for America’s workforce. Given the diversity of our union, many of those 750,000 lost jobs are in industries with Teamster employees.

In addition to job loss, lost profits in the entertainment industry directly impact our brothers and sisters in the industry unions, guilds and associations. Many of these workers' pension and health and welfare funds are directly linked to sales of DVDs and other entertainment products. Piracy and counterfeiting is literally stealing millions of dollars out of their pockets.

On a more sweeping scale, we see the impact of piracy on the everyday lives of American working families away from the workplace. Unsafe levels of lead and other toxins in our children's toys; unsafe food causing serious illnesses, especially among the elderly and the very young; untested and unsafe pharmaceuticals... these issues and more are examples of the impact of piracy and counterfeiting and our country's inability to identify and deal with this scourge.

Teamsters in the food processing industry and their employers pride themselves on providing safe, quality produce in sanitary conditions, yet are often painted with the same brush as foreign producers who do not meet the same standards. Our members produce fine clothing products with brand names such as Ralph Lauren, Calvin Klein, Izod, Sean John and other manufacturers, but cannot compete with products sold with fake labels and inferior materials in sweatshop conditions. Thousands of Teamster members work in warehouse, distribution or production of products including automotive parts, pharmaceuticals, pet food, electronic components, batteries, tools and even baseball caps. All of these types of products are under attack in the intellectual property war against counterfeiting, piracy and adulterated products.

As for our members who drive a truck, a bus, a package car, pilot an airliner or operate a locomotive engine, we work constantly on their behalf to ensure they have the safest and most up-to-date equipment so that they return home at the end of the day to their families. We are extremely concerned about the increasing instances of counterfeit brake pads made from kitty litter, sawdust and dried grass as highlighted in a 2008 Consumer Reports study (*Consumer Reports.com January 2008 report*). The dangers of a fleet of long-haul 18-wheelers with kitty litter for brakes, or airplanes flying with unsafe, counterfeit mechanical parts are obvious.

Additionally, lost business revenue means lost tax revenue. Lost tax revenue has a significant and potentially debilitating impact on American working families.

By most anyone's calculations, the bridges and roads that our members both build and travel over are in a critical state of disrepair throughout the country. Governments at all levels are scrambling to identify funding sources to pay for these desperately needed projects; failure to do so will result in serious safety concerns as well as a lack of work for men and women in the construction industry.

To public employees, lost tax revenue can be doubly painful. The Teamsters, along with other unions and associations have millions of members who derive their income from tax revenues. They understand better than most the impact of the billions of dollars in lost taxes that is the result of losing \$200 billion in revenue; fewer pay raises to help keep up with rising gas prices, mortgages and tuition, while their own taxes are increased to make up for budget shortfalls.

We remain hopeful for the future, though, thanks to the passage of the Prioritizing Resources and Organization for Intellectual Property Act of 2008, which identifies steps to correct this problem by bringing about changes necessary to protect the American public. The provisions in this legislation that created the Intellectual Property Enforcement Coordinator and called for additional staff in the key enforcement agencies and departments, plus specialists at the state level and internationally, are vital to efforts to begin to get control of this problem. Additionally, significant changes in civil and criminal laws will ensure that the legal system can keep pace with constantly evolving technologies.

The bottom line for American workers is this: intensified focus on piracy and counterfeiting of intellectual property will significantly impact the lives of American working families. A clear sign of the significance of this effort in these contentious times is the joint efforts being made by both organized labor and the business community to highlight the importance of this issue. While we are not often on the same side of a fight, on this issue we share the same interests -- protecting the rights of Americans who create, produce, deliver, buy and utilize goods and services the world wants and needs.

Finally, we believe strongly that education will play a key role in our chances for success. An entire generation of I-pod and Internet users is coming of age believing that there is no crime associated with piracy. If we are all committed to this effort we can begin the process of forcing the public to recognize the price we pay for this shortsighted thinking and significantly reduce the theft of intellectual property.