

**INTERNATIONAL ALLIANCE OF THEATRICAL STAGE EMPLOYEES, MOVING PICTURE TECHNICIANS,
ARTISTS AND ALLIED CRAFTS OF THE UNITED STATES, ITS TERRITORIES AND CANADA**

1430 Broadway, 20th Floor, New York, NY 10018 • (212) 730-1770 • Fax: (212) 730-7809 • Finance Dept. Fax: (212) 921-7699

July 9, 2010



Affiliated with
the AFL-CIO, CLC



Jane E Leslie
Corresponding Secretary
IATSE Local No. 33
1720 W. Magnolia Boulevard
Burbank, CA 91506-1871

Dear Sister Leslie:

You may be aware that in March 2010, the AFL-CIO Executive Council issued a statement entitled "Piracy Is a Danger to Entertainment Professionals". A copy of the statement is enclosed for your reference. This issue is one that we in the IATSE have been fighting for several years now and joined forces with other unions and guilds to avail ourselves of every avenue that will assist us in the protection of our memberships.

The issue of "piracy", or Digital Media and Intellectual Property theft is of grave importance to our members because of the impact it has on wages and benefits. In this campaign against "piracy" it is necessary that we strive to educate and bring a greater awareness to our membership and the general public across the United States and Canada.

There are many illegal streaming sites where operators Jane E Jane E will solicit users to provide payment to purchase "subscriptions" or "memberships" or otherwise pay for illegal content. These sites often feature advertisements for legitimate products or services alongside illegal streaming of unauthorized movie and television content. They may use trademarks and cover art of well-known studios and distribution companies or provide a plot summary of a movie or a list of the cast of characters. Web site operators of such illegal sites purposely use these techniques to fool consumers into believing that their websites are legal. Many of these sites have connections to organized crime groups which have been linked to other crimes including child pornography, human trafficking and terrorism.

To this end the I have directed that information be posted on the IATSE's Web site where the viewer can access lists of **legal** sites for downloading/streaming movies, television shows and music. These lists are updated on a regular basis on the sites of the Motion Picture Association of America (MPAA) and the Canadian Motion Picture Distributors Association (CMPDA).

If your local union has a Web site, I am requesting your assistance in keeping our members informed and educated by posting a link to the IATSE's site: <http://www.iatse-intl.org/DMPTheft/theftlegalcontent.html> where your members may gain access to these lists so they know where on the Internet they should be accessing such content **legally**. This will not only assist us in our campaign against Digital Media theft but it will also **protect our members against fraudulent sites**.

Please feel free to have your Web administrator contact MaryAnn Kelly, administrator of the IATSE Web site at our office in New York at: 212-730-1770, or by email at: mkelly@iatse-intl.com

Best regards.

In Solidarity,



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International President

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Piracy Is a Danger to Entertainment Professionals

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Piracy Is a Danger to Entertainment Professionals

March 02, 2010

Orlando, Fla.

AFL-CIO Executive Council statement

Submitted by the Department for Professional Employees, AFL-CIO (DPE) for the Arts, Entertainment and Media Industries Unions Affiliated with DPE

Motion pictures, television, sound recordings and other entertainment are a vibrant part of the U.S. economy. They yield one of its few remaining trade surpluses. The online theft of copyrighted works and the sale of illegal CDs and DVDs threaten the vitality of U.S. entertainment and thus its working people.

The equation is simple and ominous. Piracy costs the U.S. entertainment industry billions of dollars in revenue each year. That loss of revenue hits directly at bottom-line profits. When profits are diminished, the incentive to invest in new films, television programs, sound recordings and other entertainment drops. With less investment in future works comes less industry activity that directly benefits workers: fewer jobs, less compensation for entertainment professionals and a reduction in health and pension benefits.

Combating online theft and the sale of illegal CDs and DVDs is nothing short of defending U.S. jobs and benefits. In the case of music, experts estimate that the digital theft of sound recordings costs the U.S. economy \$12.5 billion in total output and costs U.S. workers 71,060 jobs.^[1] In the motion picture industry, piracy results in an estimated \$5.5 billion in lost wages annually, and the loss of an estimated 141,030 jobs that would otherwise have been created.^[2]

Illegal CDs and DVDs have afflicted even live theatre. Websites sell illegal DVDs of Broadway shows, which reduces sales of tickets and authorized CDs and DVDs. Selling illegal CDs or DVDs of plays, musicals and other shows not only steals the work of the entertainment professionals, but makes quality control impossible.

Most of the revenue that supports entertainment professionals' jobs and benefits comes from the sale of entertainment works including sales in secondary markets—that is, DVD and CD sales, legitimate downloads, royalties and, in the case of TV shows or films, repeated airings on free cable or premium pay television. Roughly 75 percent of a motion picture's revenues comes after the initial theatrical release, and more than 50 percent of scripted television production revenues are generated after the first run.

In most work arrangements, a worker receives payment for his or her effort at the completion of a project or at set intervals. The entertainment industry, however, operates on a longstanding unique business model in which compensation to workers—pay and benefit contributions—comes in two stages. Film, television and recording artists, as well as film and television writers, receive an initial payment for their work and then residuals or royalties for its subsequent use. Those payments also generate funds for their health and pension plans. The below-the-line workers, the craft and technical people who manage equipment, props, costumes, makeup, special effects and other elements of a production, also receive compensation for their work, while payment for subsequent use goes directly into their health and pension plans.

Motion picture production is a prime example. The professionals involved with the initial production of a film—the actors who perform, the craftspeople behind the scenes, the musicians who create the soundtrack and the writers who craft the story—each receive an initial payment for their work. When that work is resold in the form of DVDs or CDs, or to cable networks or to airlines or in foreign sales, a portion of these "downstream revenues" are direct compensation to the film talent or recording artists who were involved in those productions or recordings.

These residuals help keep entertainment professionals afloat between projects. Entertainment professionals may work for multiple employers on multiple projects and face gaps in their employment. Payment for the work they have completed helps sustain them and their families through underemployment and unemployment. For AFTRA recording artists in 2008, 90 percent of income derived from sound recordings was directly linked to royalties from physical CD sales and paid digital downloads. SAG members working under the feature film and TV contract that same year derived 43 percent of their total compensation from residuals. Residuals derived from sales to secondary markets funded 65 percent of the IATSE MPI Health Plan and 36 percent of the SAG Health and Pension Plan. WGAE-represented writers often depend on residual checks to pay their bills between jobs; in some cases, the residual amounts can be as much as initial compensation. Online theft robs hard-earned income and benefits from the professionals who created the works.

There are tools that can be used to fight digital piracy. Internet service providers (ISPs) have the ability to find illegal content and remove or limit access to it. To be truly effective, these sanctions must depart from the costly and ineffective legal remedies traditionally employed to counter theft of copyrighted material. The European Union is developing and implementing model policies for which the trade union movement is providing strong and critical support. These policies illustrate that there are answers that make sense in a digital age.

At the core of any effort to combat digital theft is reasonable network management, which should allow ISPs to use available tools to detect and prevent the illegal downloading of copyrighted works. With respect to lawfully distributed content, ISPs should not be allowed to block or degrade service so that both consumers and copyright would be protected.

The unions of the AFL-CIO that represent professionals in the Arts, Entertainment and Media Industries (AEMI) include Actors' Equity Association (AEA), the American Federation of Musicians (AFM), the American Federation of Television and Radio Artists (AFTRA), the American Guild of Musical Artists (AGMA), the International Alliance of Theatrical Stage Employees, Moving Picture Technicians, Artists and Allied Crafts (IATSE), the International Brotherhood of Electrical Workers (IBEW), the Office and Professional Employees International Union (OPEIU), the Screen Actors Guild (SAG) and the Writers Guild of America, East (WGAE). The AEMI unions are wholly in support of the widest possible access to content on the Internet and the principles of net neutrality, so long as intellectual property rights—and the hundreds of thousands of jobs that are at stake—are respected.

Some would like to portray the debate over Internet theft as one in which a few wealthy artists, creators and powerful corporations are concerned about "giving away" their "product" because they are greedy and cannot change with the times to create new business models. The hundreds of thousands of people represented by the AEMI unions of the AFL-CIO are a testament to the falsity of that proposition.

Online theft and the sale of illegal CDs and DVDs are not "victimless crimes." Digital theft costs jobs and benefits. It is critical, at this important moment in the evolution of the Internet and potential Internet policy, for union members and leaders to publicly and

visibly engage in a sustained effort to protect members' livelihoods, the creation and innovation that are the hallmark of their work and the economic health and viability of the creative industries in this country. The AEMI unions and other unions in U.S. entertainment stress that pirated content is devastating to the entertainment professionals who create the underlying works.

The AFL-CIO strongly supports the efforts of the AEMI unions and the Department for Professional Employees, AFL-CIO, to combat piracy. It commends their work with government and industry to develop workable solutions to protect the interests of their members. The AFL-CIO urges its affiliate unions to educate their members about the adverse impact of piracy; to support efforts to ensure that government officials and lawmakers are aware of, and support the protection of, entertainment industry jobs that will be lost to online theft; to encourage their members to respect copyright law; and to urge their members, as a matter of union solidarity, to never illegally download or stream pirated content or purchase illegal CDs and DVDs.

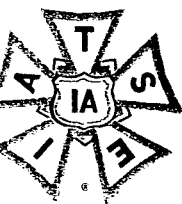
[1] Siwek, Stephen. (8/21/07). *The True Cost of Sound Recording Piracy to the U.S. Economy*. Retrieved from: <http://www.ipi.org/IP1/IP1Publications.nsf/PublicationLookupFullText/5C2EE3D2107A4C228625733E0053A1F4>

[2] Siwek, Stephen. (9/20/06). *The True Cost of Sound Recording Piracy to the U.S. Economy*. Retrieved from: <http://www.ipi.org/IP1/IP1Publications.nsf/PublicationLookupFullText/E274F77ADF58BD08862571F8001BA8BF>



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IATSE Local No. 892

FROM: Matthew D. Loeb, International President

DATE: July 16, 2010

RE: PIRACY PRESENTATION

There are a number of ongoing issues relative to Piracy that impact the entertainment industry, particularly as it applies to our economic future and employment opportunities. In conjunction with our ongoing efforts in this regard, and to continue to combat digital theft in order to protect our members' livelihoods, I believe it is critical that we remain educated on this matter.

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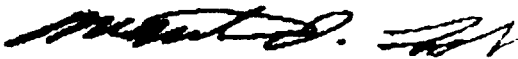
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Paramount Piracy Presentation
July 15, 2010

Paramount Pictures has created a "piracy presentation" and has graciously offered to share the presentation with IATSE. This presentation has already been viewed by various New York and Canadian Locals.

The presentation is scheduled for August 23, 2010 at the Paramount Pictures Office (5555 Melrose Avenue, Administrative Building) Los Angeles. Please be advised that in addition to Paramount's COO, Frederick Huntsberry, there will be other key Paramount Executives in attendance to answer any questions that you may have.

I look forward to your participation. Please advise Anne Mankos in my Office as to whether you will be in attendance and how many will attend from your Local.

Best regards.

A handwritten signature in black ink, appearing to be "M. D. S.", written in a cursive style.

MDL:am