

foreign countries. The following features of the United States industry have been considered impediments to those attempting to distribute product in the United States market.

- Some have argued that the MPAA rating system for film and video exhibition results in harsher ratings for foreign and independent American films. The fairness of this accusation is difficult to evaluate. MPAA contends that their rating system reflects American values and judges all films according to these values.
- All films distributed in the United States must comply with the Motion Picture Rating System Advertising Code. This measure is not an explicit barrier, but can result in delays when attempting to enter the United States market.

The United States also has a number of tax credits and incentive programs. Many of these are at the state level. These programs are intended to foster attractive environments for the film industry to shoot films, television programs and commercials. While these programs are important in decisions with respect to location shooting, the United States measures do not compare to the array of measures in Canada.

## *ii) Production*

The seven Hollywood film production studios account for 85 per cent of box office film gross revenues worldwide. The seven majors are "multi-national, multi-media, mass-marketing communication complexes with wholly owned distribution operations throughout the world."<sup>74</sup> The seven majors are as follows: Walt Disney, Metro Goldwyn-Mayer/United Artists, Paramount, Sony Pictures Entertainment, Twentieth Century Fox, Universal and Warner Brothers. Each of these studios employs between 2000 and 3000 people.<sup>75</sup> It is important to remember that some of these studios are not American-owned. Sony is Japanese-owned and Universal is Canadian-owned.

There also is an independent motion picture and television industry in the United States. Arthur Andersen Economic Consulting states:

The independent film industry consists of those companies engaged in the production and/or distribution worldwide in all media of all motion pictures and television programs that are not generated by the recognized major studios. It includes those independent productions, even though distributed by a major studio, in which the producer retains a significant ownership

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<sup>74</sup> AFMA website: <http://www.afma.com> 12/11/97.

<sup>75</sup> Bedore, 18.