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IIPA Applauds USTR's 2018 Special 301 Report

2018 Special 301 Report Highlights Market Access and Enforcement Challenges for U.S. Creative Industries in Major Overseas Markets

Washington — The International Intellectual Property Alliance® (IIPA®) applauds the *2018 Special 301 Report* issued today by the Office of the United States Trade Representative (USTR). This annual report, mandated by Congress, identifies many of the major impediments to expanding legitimate global commerce in creative works. IIPA extends its gratitude to Ambassador Lighthizer and all the staff at USTR and all of the other contributing agencies for their hard work on this report and their continued dedication to promote strong copyright protection and enforcement by our trading partners.

The ultimate goal of Special 301 is to open markets, including the fast-growing digital marketplace, for American copyrighted materials, including publications, recorded music, movies and TV programming, and video games and other entertainment software. To achieve this, these markets need world-class copyright laws; efficient copyright enforcement; sound legal structures for copyright licensing; and elimination of market-access barriers. Opening these markets is a proven means to grow U.S. exports, create good American jobs, and enhance U.S. global competitiveness. Special 301 remains a key policy tool for advancing these goals; and America's copyright industries appreciate the Administration's continued commitment to preserving this tool's integrity and effectiveness.

This year's report once again takes up key priorities of the U.S. creative industries, especially in the online and mobile marketplaces, including by calling on our trading partners to eliminate barriers that impede the ability of lawful copyright-based services to compete. In particular, IIPA welcomes the report highlighting the need for U.S. trading partners to address the problem of online and broadcast piracy and to address concerns regarding laws and regulations governing collective management organizations (CMOs). The report also identifies key overseas markets where trade barriers including inadequate copyright enforcement and other market access restrictions must be addressed. Progress in these markets will not only contribute to positive results for U.S. creators, but will also help our trading partners to develop and nurture their own local cultural and creative output.

As the digital marketplace grows, so do the opportunities – but also the challenges – for the American creative community. These challenges are found not only in major emerging markets, such as China, Russia, and Brazil, but also elsewhere, such as in Switzerland, which remains on the Special 301 Watch List this year. The U.S. copyright industries look forward to working with USTR and with agencies across the U.S. government to encourage our trading partners to make concrete progress toward stronger and more open copyright marketplaces.

In today's announcement:

- USTR lists 12 countries on the Priority Watch List, including key copyright markets like Canada, Chile, China, Colombia, India, Indonesia, Russia, and Ukraine;
- USTR lists 24 countries on the Watch List, including key markets for creators like Brazil, Mexico, Switzerland, Thailand, United Arab Emirates, and Vietnam;
- USTR also announced three new or continued Out-of-Cycle Reviews.

On February 8, IIPA made a detailed submission to USTR with its recommendations for the 2018 Special 301 Report. IIPA's full submission can be found at <https://www.iipa.org/reports/special-301-reports/>.

USTR 2018 Special 301 Decisions (IIPA Recommended Countries in Bold)		
Priority Watch List	Watch List	Out-of-Cycle Reviews
Algeria Argentina Canada Chile China Colombia (OCR) India Indonesia Kuwait (OCR) Russian Federation Ukraine Venezuela	Barbados Bolivia Brazil Costa Rica Dominican Republic Ecuador Egypt Greece Guatemala Jamaica Lebanon Mexico Pakistan Peru Romania Saudi Arabia Switzerland Tajikistan Thailand Turkey Turkmenistan United Arab Emirates Uzbekistan Vietnam	Malaysia

About the IIPA: IIPA is a private sector coalition, formed in 1984, of trade associations representing U.S. copyright-based industries working to improve international protection and enforcement of copyrighted materials and to open foreign markets closed by piracy and other market access barriers. Members of the IIPA include [Association of American Publishers \(www.publishers.org\)](http://www.publishers.org), [Entertainment Software Association \(www.theesa.com\)](http://www.theesa.com), [Independent Film & Television Alliance \(www.ifta-online.org\)](http://www.ifta-online.org), [Motion Picture Association of America \(www.mpa.org\)](http://www.mpa.org), and [Recording Industry Association of America \(www.riaa.com\)](http://www.riaa.com). IIPA's five member associations represent over 3,200 U.S. companies producing and distributing materials protected by copyright laws throughout the world. These include entertainment software including interactive video games for consoles, handheld devices, personal computers and the Internet, and educational software; motion pictures, television programming, DVDs and home video and digital representations of audiovisual works; music, records, CDs, and audiocassettes; and fiction and non-fiction books, education instructional and assessment materials, and professional and scholarly journals, databases and software in all formats.

In December 2016, IIPA released the latest update of its economic report, *Copyright Industries in the U.S. Economy: The 2016 Report*, prepared by Stephen E. Siwek of Economists Inc. According to the report, the "core" copyright industries in the U.S. generated over \$1.2 trillion of economic output in 2015, accounting for 6.88% of the entire economy. The core copyright industries also employed over 5.5 million workers in 2015, accounting for 3.87% of the entire U.S. workforce, and 4.57% of total private employment in the U.S. These workers earn on average 38% higher wages than other U.S. employees. The core copyright industries also outpaced the U.S. economy, growing at an aggregate annual rate of 4.81% between 2012 and 2015, while the U.S. economy as a whole grew by 2.11%. When factoring in other industries that contribute to the copyright economy (which together make up the "total" copyright industries), the numbers are even more compelling. Finally, the report highlights the positive contribution of selected copyright sectors to the U.S. overall trade balance. In 2015, these sectors contributed \$177 billion in foreign sales and exports, exceeding that of many other industry sectors, including: chemicals, aerospace products and parts, agricultural products, and pharmaceuticals and medicines. Studies such as this amply demonstrate the contribution of creators, and the copyright-based industries that support them, to the economy. The full economic report is available at <https://iipa.org/reports/copyright-industries-us-economy/>.