



Launch of the Congressional Caucus for Competitiveness in Entertainment Technology

Remarks

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I want to thank Representatives Kevin Brady and Debbie Wasserman Schultz for your hard work and leadership in launching the Congressional Caucus for Competitiveness in Entertainment Technology. We look forward to working with you and the entire membership of the e-Tech Caucus to ensure that the computer and video games continue to be a source of economic growth and provide quality jobs for Americans.

It is critical that we support economic sectors that create jobs, develop innovative technologies and keep America competitive in the global marketplace. The video game industry is one of those important, high-tech economic drivers. Our industry generates over \$20 billion in annual revenue, and directly and indirectly employs more than 120,000 people with an average salary for direct employees of \$90,000.

In the past several years, the interactive entertainment software industry has expanded its scope and video game technology has reached into new domestic markets, including education, healthcare and business.

Educators are increasingly recognizing the power of entertainment software and are utilizing games as a teaching device in a growing number of classrooms and business settings. From students learning Latin at the Brien McMahon High School in Connecticut, to medical students at the University of Maryland Medical Center's Advanced Simulation, Training, Research and Innovation Center, video games and video game technology are being adapted to apply engaging digital environments and interactions to the learning process. There is even a school in New York called "Quest to Learn" that has based its entire curriculum on video game design and game-based learning.

In a relatively short time, entertainment software has become a valuable partner in promoting the health of the American people. Each of the current generation of video game consoles – "Kinect" on Microsoft Xbox 360, "Move" on Sony's PlayStation 3, and Nintendo's Wii -- employ state of the art motion sensor controls that amplify the exercise value of video games. To help keep children fit, many schools are discovering computer and video "exergames," which promote increased activity and generate excitement. According to recent research, physical-education classes in at least 35 states are embracing video game technology. Outside of the classroom, retirement communities across the country, such as Grace Presbyterian Village in Dallas, are using Nintendo's Wii at their facilities to keep seniors physically active.

Last year, the U.S. Department of Agriculture launched its "Apps for Healthy Kids" competition as part of First Lady Michelle Obama's Let's Move! campaign to end childhood obesity. The competition called on software developers, game designers and students to create innovative,

engaging applications and games based on USDA's health and wellness data sets that encourage children to eat healthier foods and be more physically active.

Interest in entertainment software as a career path is also growing. More than 300 US colleges, universities and technical schools, including Southern Methodist University, Carnegie Mellon University, New York University, the University of Southern California and the Georgia Institute of Technology, currently offer programs and courses in video game design and development.

While our industry continues to grow in the U.S., epidemic levels of online piracy stunt sales and growth in a number of countries where we see crushing volumes of infringing peer-to-peer activity involving leading game titles. Just yesterday, a "Special 301" report filed with the U.S. Trade Representative by the International Intellectual Property Alliance singled out five countries as leading havens for online game piracy. Together the top five countries accounted for more than 78 million illegal downloads of entertainment software products – more than 14 times the number of downloads attributable to subscribers in the United States. In total during 2010, the report details more than 144 million instances of unauthorized file-sharing of select ESA member titles on peer-to-peer networks through Internet Service Providers across more than 200 countries and territories globally.

Game publishers lose opportunities for export sales, and the U.S. loses opportunities to expand our export economy, and consumers in those countries lose local benefits of having a thriving game market like we have in the U.S. Importantly, these are not just lost sales opportunities overseas, these are thousands of lost jobs here in America. We hope the establishment of the e-Tech Caucus can aid the industry in educating other policymakers on these global issues affecting the computer and video game industry.

In closing, I'm proud to be here with so many congressional leaders – and Michael Levine with Sesame Workshop -- who share the common drive to expand the contributions of video games. We are an exciting, growing, mature industry that is taking its place as a leader in job creation, innovation and excitement.

Thank you.