The Paramount Decrees continue to serve an important purpose today because the theatrical industry is inherently set up exactly the same as it was 70 years ago. Unlike most other industries which have multiple suppliers to purchase products that are similar, the suppliers in the theatre industry have unique copywritten product.

This product, the creative content known as a movie, has a short period where consumers desire to see it in a theatrical environment. During that time, there is little if any alternate product of the same genre and desirability that any particular exhibitor could provide its consumer. To illustrate this, most Drive-in Theatres have food service operations. We can choose from a variety of suppliers and manufacturers for
a similar product – e.g. French fries are made by multiple manufacturers and delivered by multiple food service suppliers. This provides a fair competitive environment. By contrast, on any given week in our industry, there is no equivalent movie that would be of the same genre, with the same marketing push, and the same target audience. Thus, we are bound to seek the movie from a singular supplier at the terms they deem fit. Because the studios have this much power, the industry is ripe for abuse without appropriate protections like those provided by the Paramount Decrees.

Block Booking

Drive-ins are on average more vulnerable to block booking concerns than indoor theatres, in part because the average screen count is 1.8 per site, most drive-ins are seasonal, and some product may not be appropriate for our audience. We are much less likely to feature a Rated R movie due to the family nature of our attendance, and some movies, though extremely popular, don’t show well in the outdoor drive-in environment. Alternately, some movies overperform in the drive-in environment compared to the indoor cinema. We must maintain freedom to book the movies that will perform the best for our audience in our environment, and not be forced to show movies based on studio preference and influence.

Resale Price Maintenance

Local theatres have the best understanding of what the local demographic can sustain for ticket pricing. A one size fits all for pricing across the US would not serve the consumers’ best interest. Many drive-ins utilize carload pricing (one price for the car, no matter how many guests are in the car) which would not be conducive to fixed pricing. This is a tradition as old as the drive-in industry.

Overbroad Clearances

Historically some clearances have been broad, and Drive-Ins locked out of movies due to geographic proximity to indoor cinemas. This did not serve the consumers’ best interest in choosing the type of venue in which to view a movie.

We thank the Department for the opportunity to comment.

United Drive-In Theatre Owners Association