

Looking Out the Window(s): How US Film Exhibitors Survived the Early Years of the COVID-19 Pandemic. An Interview with Jackie Brenneman and Bryan Braunlich of the National Association of Theater Owners and The Cinema Foundation

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ABSTRACT Interview with Jackie Brenneman and Bryan Braunlich of the National Association of Theater Owners (NATO) and The Cinema Foundation, in which they discuss their organizations' response to the COVID-19 pandemic in defense of US cinema owners. Brenneman recounts the first three years of the pandemic, including NATO's initial understandings and activities during the early weeks of the pandemic's spread to the US. She details NATO's role in government support programs, distribution challenges, and evolving industry narratives surrounding exhibition, as well as her own experiences working to assist in exhibition's recovery. Brenneman also reflects on the broader impact of the pandemic on the industry after three years of struggle and adaptation. With Braunlich, she explains the goals, initiatives, and trajectory of The Cinema Foundation, a cross-industry organization founded in the wake of the pandemic to advocate for stakeholders across the exhibition sector.

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Movie theaters in the United States have been in a perpetual state of crisis and opportunity almost since their inception. Following the 1907 “nickel madness,” which saw the number of nickelodeons across the country explode during the aughts, exhibitors were suddenly confronted by oversupply and ennui by the turn of the decade (Currie 1907). The subsequent explosion of larger, purpose-built movie theaters in the 1910s was quickly confronted by both a 1916 poliomyelitis (polio) outbreak, which closed some movie houses to children, and by the 1918 flu pandemic that featured additional closures and panics that had greeted exhibitors in 1916 and would again a century later. Concerns over polio outbreaks would continue to close theaters or bar children from entry intermittently throughout the 1930s and 1940s (Jacobs 2023; Gray 2020).

After the 1918 crisis, an infusion of Wall Street capital and investment gave rise to an even larger eruption of theater building in the 1920s with some cinemas scaling to almost 6,000 seats by the end of the decade. Concerns that radio would cause moviegoers to stay home came and went. The boomtime came to an end with the 1929 stock market crash and subsequent Depression, which chilled theater construction and the exhibition industry admissions during the 1930s, forcing cinemas nationwide to stay afloat through bank nights, double features, door prizes, and other enticements.

Yet, movie theaters and moviegoing persisted and grew. The booming decade of wartime and postwar moviegoing in the 1940s, as Americans flocked to commercial movie houses and newsreel theaters, ended with another anxiety. Television was on the rise by 1948, families were moving to the suburbs and away from urban cinemas, and more Americans were saving money and staying home for radio, TV, childcare, road trips, and other leisure activities. Cinerama, CinemaScope, 3-D, and other technological processes attempted to reinvigorate the appeal of the movie house in the 1950s and thousands of new drive-ins opened in rural and suburban areas where Americans had spread. Even as the box office declined during this decade, movie theaters remained a central hub for urban, suburban, and rural communities to gather. In fact, real estate developers needed movie theaters as anchor tenants of a new concept in retail: the shopping center and shopping mall. Movie theaters were utterly essential to secure bank and other financing for these sites in the postwar era.

Film exhibition in hardtops and drive-in theatres remained an essential activity during the tumult and change of the 1960s. The 1970s and 80s saw the incursion of new home technologies and fears that the rise of home video, cable television, and HBO and other premium cable channels would hurt theatrical exhibition. Those anxieties were alleviated by the phenomenal success of new blockbusters including *Jaws* (1975), *Star Wars* (1977), *Raiders of the Lost Ark* (1981), and *E.T.* (1982). The megaplex boom that followed in the mid to late 1990s—and the cheap credit available to build them—saw many large exhibitors cannibalize their older multiplexes and each other leading to massive debt and, eventually, bankruptcy reorganizations, leveraged buyouts, and large-scale consolidation.

During the first two decades of the 2000s, DVDs, Blu Rays, and HDTVs proliferated; standard theatrical windows shrunk; and streaming services like Netflix and Amazon Prime Video emerged, releasing films directly online without an exclusive theatrical run. Despite these recent hurdles for exhibition, the year 2019 saw \$11.4 billion in theatrical box office revenues; global box office came in at \$42.5 billion that year (MPA 2020, 8-9). Accounting for inflation, it was a solid performance for exhibitors, who had maintained historically high domestic and global box office figures throughout the 2010s compared against figures from the previous three decades (NATO; BLS). John Fithian, president and CEO of the National Association of Theater Owners (NATO) struck an upbeat note in January 2020: “Through every challenge, through every new technology innovation over the last 20 years, theatrical admissions have been stable and box office has consistently grown. We look forward to 2020 when a wider range of studios and filmmakers offer audiences more opportunities for even more moviegoing” (quoted in Rubin 2020).

Fithian and the rest of the film industry had little idea that a global pandemic would soon strike the industry and present the most dramatic existential crisis in the nearly 130-year history of theatrical film exhibition. Movie theaters were closed indefinitely as distributors increasingly turned to streaming services for the principal release of films that had once been earmarked for now-closed theaters. Most movies that did not premiere exclusively on streaming appeared in theaters on the same day as their release on online platforms, a practice referred to as a “day-and-date” release. A traumatized nation quarantined at home and turned on their high-definition televisions.

Journalists, even those in the trade press who regularly covered the exhibition industry, asked if this might be the end of the theatrical window and, with it, movie theaters as they had been patronized for over a hundred years.

NATO, a US trade association whose members own and operate domestic and international cinemas, was principally tasked to navigate this ballooning crisis as it had many other dramatic shifts over more than a half century. Formed in 1965, NATO merged the two largest domestic movie theater trade organizations, the Theater Owners of America and the Allied States Association of Motion Picture Exhibitors. In 2023, NATO represents 35,000 cinema screens across the US as well as movie theaters in 101 countries with the mission of “advancing the moviegoing experience.” With offices in Washington, D.C. and Los Angeles, NATO engages in initiatives that advance the interests of cinema owners, including lobbying federal policymakers and coordinating with the film distribution wing of the motion picture industry on issues including piracy, cinema technology, and industry operations. Other initiatives include supporting their membership in preserving the exclusive theatrical window and marketing the moviegoing experience. Each April, NATO holds its annual convention, CinemaCon, in Las Vegas, Nevada, which brings film exhibitors together with distributors, technology partners, vendors, and other stakeholders to preview major studios’ slate of upcoming releases, conduct business with one another, and discuss issues of shared concern. NATO was a key player in lobbying federal and state governments for legislation to mitigate economic impacts on film exhibitors and to reopen cinemas in line with similarly positioned public spaces.

Jackie Brenneman advanced to general counsel and director of industry relations at NATO in 2018, after joining the organization in 2014. Once the pandemic spread to the United States in early 2020, Brenneman’s role evolved to include a heavier emphasis on lobbying, including legislative strategy, drafting, and interpretation. In addition to spearheading NATO’s efforts to include its members in dedicated legislation, she was instrumental in analyzing key legislative programs that impacted the exhibition business for NATO, including the Paycheck Protection Program (PPP), Economic Impact Disaster Loans (EIDL), and Main Street Lending Program (MSLP). This involved regularly reviewing, interpreting, and communicating regulations, application processes, and best practices to the organization’s members. In 2021, she

was promoted to executive vice-president and general counsel of NATO. Simultaneously, Brenneman and others at NATO conceived the Cinema Foundation, which launched in late 2021; she became its founding president.

The Cinema Foundation is a 501(c)(3) nonprofit supporting NATO with the mission of promoting and expanding the exhibition industry through cross-industry collaboration. Founded in late 2021, the foundation was in part a response to challenges, opportunities, and collaborations that arose for stakeholders across the US exhibition industry in the first two years of the pandemic. As a 501(c)(3) organization (a government tax designation), the foundation is considered a charitable organization and is restricted in its lobbying activities, a key feature that distinguishes its mission from NATO's. The Cinema Foundation has five key priorities: supporting cinema careers, education, and diversity; promoting moviegoing and involving the creative community in exhibition; furthering technological development through its Center for Innovation and Technology; commissioning and presenting industry data and research; and expanding the impact of existing industry charities, such as the Will Rogers Motion Picture Pioneers Foundation. The foundation's early initiatives have included the US's first National Cinema Day (September 3, 2022), when movie theaters nationwide offered audiences \$3 admission for all movie screenings, and their *State of the Cinema Industry* report (March 2023), which provides data on current exhibition performance metrics, relationships between home and out-of-home movie consumption, piracy, and surveys of consumer habits and sentiments.

Bryan Braunlich joined The Cinema Foundation as its first executive director in 2022. Previously, he worked in the theater and performing arts sector and was executive director of the Wheeling Symphony Orchestra in Wheeling, West Virginia during the early years of the pandemic. Braunlich became interested in The Cinema Foundation after working with Brenneman on the Shattered Venue Operators Grant (SVOG), another key pandemic program that benefitted smaller US cinema owners and is explained in more detail in the following interview.

We sat down with Brenneman and Braunlich, just days after the end of CinemaCon 2023 (April 24 to 27). The show had been, by even the most skeptical accounts, a resounding success for the theatrical exhibition industry, which had been buoyed by growing revenues, an expanding

roster of theatrically released films, and by renewed commitments to the primacy of theatrical exhibition by Walt Disney Company CEO Bob Iger, Warner Bros. Discovery CEO David Zaslav, and even by streaming companies like Apple and Amazon, the latter having committed to theatrical distribution for many of its upcoming films and those from its recent \$8.5-billion acquisition of MGM. In addition to the end of CinemaCon 2023, our interview took place within days of the Biden administration's announcement that the COVID-19 Public Health Emergency would end on May 11, 2023. It seemed the perfect time to give this three-year period of calamity and adaptation a retrospective gaze. Movie theaters, for the moment at least, had survived their most severe existential challenge and, by mid-2023, had retaken their place within a much larger and more complex ecosystem for motion picture producers, distributors, and exhibitors.

The following interview was conducted on Tuesday, May 2, 2023, less than 24 hours after John Fithian's retirement after twenty-three years as head of NATO. He and Jackie Brenneman had had a front row seat and an active engagement in preserving this sector of the industry. With Bryan Braunlich, NATO and The Cinema Foundation had already begun to forge ahead, now under a new NATO CEO, Michael P. O'Leary. This interview captures a sense of the complexity and challenges of the previous three years from the vantage of NATO and The Cinema Foundation.

Ross Melnick – COVID was already affecting China and Chinese cinemas in late 2019, and then it spread to Italy and then to other markets. Were you talking to people—other exhibitors, other trade organizations around the world—in 2019 about it as it unfolded? When did you first start hearing from exhibitors inside or outside the US about their concerns?

Jackie Brenneman – Certainly, we weren't talking about it in 2019. In fact, John Fithian, our former CEO, and I toured China in December of 2019, hoping to bring the Chinese exhibition community into the Global Cinema Federation fold, which is a separate organization that NATO has been a key part of. We met with exhibitors across China in multiple states and came back to the United States feeling excited and optimistic about the global scope of our industry in 2020.

It wasn't until February of 2020, that we really started hearing anything. And even then, it was isolated incidents. It progressed quickly. It was from the end of February to mid-March, across about three weeks, things went from, "It's okay, this is contained," to "We're shutting everything down." I know that partly because in February and March the NATO management team was also traveling to meet with all the leading exhibitors in the United States to prepare for CinemaCon 2020, which was going to be held in March of 2020. And COVID came up occasionally, more in the sense of [being] concerned about international delegates being able to come and what that might do for our numbers. But the general thought at that point wasn't that we were going to have to cancel. It was when the first major convention cancelled that we started to get concerned. I can't remember if that was CES [Consumer Electronics Show] or South By [Southwest], one of those canceled first. We were proactive with our insurance; we did have pandemic insurance. Even at that time, our concern wasn't that we would be forced to shut down. Our concern was that a key studio might pull out or enough of the international delegates would not be able to come so as to dramatically reduce the profitability of CinemaCon. So, we started having conversations with our insurance company trying to make sure we were doing our best to mitigate. We wanted to be able to understand with them what was an event that should trigger us canceling from an insurance perspective.

Then we flew to Kansas City to meet with AMC [American Multi-Cinema]. I was with Patrick Corcoran, our chief communications officer, and we had a layover. On the layover, we had some communications crisis we were talking about that wasn't COVID-related. But by the time we landed, after that layover, the pandemic had been declared. Once the pandemic had been declared everything changed.

Charlotte Orzel – Can you walk us through what the first weeks of the crisis looked like, especially in terms of the broader impact on the exhibition industry? What kinds of initiatives and interventions were being discussed? What were your priorities once that reality started sinking in?

JB – It's strange to look back on it. Because when you have the benefit of hindsight, you can understand how foolish or naive some of the short-term thinking was. Certainly, our first thought was, "This is a short-term problem." We had uneven governmental responses around the country and around the globe, but once the pandemic hit, NATO's focus got

much more domestic, as everyone's did, because the pandemic hit us all in different ways. We at NATO became very fixated and focused on our domestic members. One of the first things that we did as an industry was agree to shutter. Basically all of exhibition in the United States closed their doors. Studios weren't going to give any more movies. We closed our doors thinking this would be temporary, but saying, "the movie theater industry cares about safety, let's take a beat."

After that happened, the first concern was for our employees. NATO donated a million dollars to the Will Rogers Motion Picture Pioneers Assistance Fund, and the Pioneers Assistance Fund was able to give out grants to movie theater employees who had been laid off or temporarily out of work. Members of our team stepped up and started working to help Will Rogers administer those grants, verify employment, and all of that. The first focus of our membership and of our association was to help the employees.

Shortly thereafter, government assistance started coming in. We got PPP, the EIDL, and the Main Street Lending Program, and we worked hard to understand what those rules meant to be able to help our members rehire or retain employees, explain to them exactly what the rules were and how they operated, know exactly what they were supposed to do, help them fill out their paperwork. I spoke personally to a number of banks because it all happened so fast that a lot of the banks didn't understand the programs. The way the PPP worked, for example, was the banks guaranteed the forgiveness. The banks would tell our movie theater owners, "No, that's not how forgiveness works." And they would say, "Well, my trade body disagrees." The bank would call me, and I would have to tell them, "Well, look at FAQ number 45." And they'd be like, "Oh, I didn't know that existed," because they had other things to do, and my whole job was understanding all these rules and regulations. It hadn't been part of my subject-matter expertise before, but we all had to step in and step up. Everyone was taking on roles that weren't their normal hats or areas of expertise, but we all dove in and started doing the work. That was the first foray into this kind of government assistance.

As time went on, we started focusing on a couple of things: reopening, and making sure we had movies when we reopened. The worldwide closure of movie theaters also led to rapid experimentation in home release of movies. You can look back on the articles from the time and the journalists would have you believe that that was the future, and we

were never, ever, ever going to return to theatrical exclusives, we would never return to a window, and we were going to lose at least half of our screens. Those things were facts that were not going to be disputed. And many, many journalists have that to their name, with their bylines. We needed to counter that argument. It was really hard; we were not in a good position to do that. We'd been having these debates with studios for years, so it was in our DNA—and we shouldn't work at the trade body representing movie theaters if we didn't have this in our DNA. We truly believed that movies belonged in movie theaters, that that's the best economic and cultural place for a movie to go. It needs to be there first, and it needs to be there exclusively. But it was hard to make that argument when we weren't open.

So, we needed movies. In order for us to get movies, we needed customers to feel safe going to movie theaters. It was a real chicken-and-egg situation, because consumers were starting to feel okay going to some restaurants here and there. But as long as movie theaters were closed, they seemed dangerous. We started gathering studies from around the world about movie theater safety, and there wasn't that much at the time. But movie theaters were objectively different than any other social gathering place. You sit forward, you don't make noise. At the time, most places either had mandatory or voluntary capacity reductions, so there was six feet between seats. With all those safety measures in place, high ceilings, HVAC, all of that, they were uniquely safe compared to any other indoor activity. But we needed the data to prove that, and we needed the movies to convince consumers.

This is where Chris Nolan and Warner Bros. have so much credit for taking a risk on putting *Tenet* [September 2020] in theaters pretty early in the pandemic. They knew it was an economic—not even just a risk. They knew what they were doing economically, but they were doing something else symbolically and culturally. In order to achieve the release of *Tenet*, NATO and its members got together to create voluntary standards, which we called Cinema Safe. Even Cinema Safe became a real industry collaboration. We worked with epidemiologists, including the epidemiologists the MPA [Motion Picture Association] worked with on their production rules. We worked with those epidemiologists and others to develop some standards. We developed a white paper on cinema safety that was kind of incorporated in that. It was a massive all-industry effort to get Cinema Safe out there and to get a movie released in theaters.

There were other important full-industry efforts that were taking place at similar times. The studios didn't feel comfortable releasing movies until key markets were open. And key markets like Los Angeles and New York were so slow to reopen. They were concerned for the safety of their citizens and of course, New York in particular had been hit very, very hard by the pandemic. As other industries started reopening, and not until other industries started reopening, we began to fight proactively to be treated at least equally to other indoor establishments. In part that was lawsuits. We actually sued the state of New Jersey to argue that if churches and places where you could make noise indoors were allowed to open, there was not a justification to keep movie theaters closed. We had some constitutional arguments there that we made. That helped us push New Jersey to open sooner. New York was very tricky. NATO of New York and Joe Masher, who is the volunteer head of that association, were incredibly active in trying to get New York to open. Part of the strategy was to get the Global Cinema Federation to draft a letter describing how the global theatrical releases of titles was dependent upon New York opening and how important it was to move New York to open.

Around that time, we had over a hundred directors sign a letter to the United States government, asking the government to consider movie theaters and help to protect movie theaters in their legislative efforts going forward. That was part of a campaign, "Save Our Stages", which had been started by the National Independent Venue Association [NIVA]. They created some model legislation that every other industry was trying to copy for their own industry. So, we did the same thing. We tried to draft our own movie theater legislation that would include all our members. Unfortunately, there was not an appetite for just movie theaters to have that kind of legislation. But we focused on lots of different protections. We worked with NIVA to see if they could add movie theaters to their legislation, since it at least seemed to have some momentum. I don't think we would have put the odds of success at that time at more than 25 percent, but it looked like the most likely path. NATO's executive board supported that attempt and we signed on to that.

We also wanted to work on making sure net operating loss carry-back provisions were there for our members, a lot of whom had record profits in years pre-pandemic. This would allow them to take some of the losses that they'd had during the pandemic and write them off backwards, so

that they could stay strong and solvent during the pandemic. That was helpful to a lot of our larger members in particular.

There were some other provisions that we were working on. We asked these directors and over 110 of them signed on to a letter asking Congress to help movie theaters, to help the art form. And they did and the Shuttered Venue Operators Grant program was part of legislation passed at the end of that pandemic year. It took several more months for the grant portal to open; months and months for the SBA [Small Business Administration] to fully understand and define the grant, what it meant, and who would get it and how; and then many, many more months for the money to be in anyone's hands.

In the end, we emerged really strong. We emerged in a position where we have not lost our leverage. If we had lost the 50 percent of the screens that was predicted, it'd be very difficult for movie theaters to keep their leverage, keep their economic and cultural importance. And we kept it. We lost a very tiny number of screens, and I don't know how much of that is permanent and how much of that is temporary. Globally we've grown, which is incredible. Because we were able to hold on, and because the pandemic was long enough that the studio test was robust, it was clear at the end of the day that day-and-date didn't bring enough eyes to a movie to justify it. It increased piracy. It wasn't a revenue generator. And it upset the creative community. And it didn't make subscribers feel happier to be subscribers. So, we did come through stronger together, with a renewed understanding of what the business model is and should be.

RM – The whole conversation about windowing started with *Trolls World Tour* [April 2020], which had many people saying, “Oh, that’s it, everyone’s moving to streaming.” You have *Trolls World Tour* on one end, which supposedly was going to change the business, and the other side of that is *Top Gun: Maverick* [May 2022]. Can you talk about those two movies as markers of two major shifts in dialogue?

JB – *Trolls* was a risk. *Trolls* was the first step in seeing if the thesis that many of the studio heads had had was true. *Trolls* objectively did well. It was the first of these things. We had a weird captive moment, people were baking a lot of bread, people were drawing on their sidewalks, and people were excited to watch a movie theater movie at home. But that’s key to that. That was a movie theater movie. It had been marketed as a movie theater movie. There was talk of it premiering at CinemaCon that year. It was absolutely intended to be a big, splashy, theatrical title with

big, splashy theatrical talent. So that felt like a reward to an America that was completely cooped up and trapped. It felt like a thank you and people were willing to gather with their little pods and do this one special thing. But the magic moments of the pandemic wore off quickly. As a shared culture, we fractured again, as we do. The impact of the subsequent streaming titles wasn't the same and being able to charge \$30 was no longer as economically feasible.

RM – Disney, with the *Mulan* [September 2020] PVID [premium video-on-demand] experiment, was part of the death knell of that moment.

JB – That was still earlier. There were some more gatherings around *Mulan*. But they certainly didn't keep that \$30 for all their other [titles] — they did a couple of other Pixar titles and some other titles straight day-and-date, no extra fee, to promote their new streaming service. It made sense, they have a brand-new streaming service, they have these titles, there really aren't theaters. I understand doing that. It didn't have the impact, it didn't have an economic justification the way they would have wanted it to, and it didn't grow subscribers at the same rate based on the value of the title. These were titles that still benefited from a theatrical marketing campaign. They had very expensive marketing campaigns, those were sunk costs; may as well do a big splashy release.

Black Widow was a very different case. *Black Widow* was at a different point in the pandemic, when people were going back to the theaters. *Mulan*, most theaters were closed. *Black Widow*, that was not the case anymore, and they were doing the \$30 price point. More critically than that, to our industry, when the results of the opening weekend were released, the economics were combined. It was "Here is how well this movie did when you combine theatrical and Disney+, the people that paid \$30." Our concern was this was a precedent that this would be the way numbers would be reported going forward. So, NATO had a press release that came out a week later. In the press release, we described both the impact of piracy and the drop from first week to second week when you compare [*Black Widow*] to other similar titles. It wasn't *Black Widow* alone that had an impact. It was *Black Widow*, the *Black Widow* press release, and then the [theatrical box office] results of *Shang-Chi [and the Legend of the Ten Rings]* (September 2021). *Shang-Chi* was newer IP, certainly less familiar to most audiences. And it objectively performed better and held better, as we had predicted it would.

That was a gutsy move on the part of John [Fithian], but the data was clear. It changed the way the press evaluated the success of a particular title. Part of the story of the pandemic and the story of the release models is a story of narrative. The way the industry is described by the press shapes the way the industry behaves. When certain behavior is commended, considered valuable, Wall Street finds it valuable. Consumers start finding it valuable. It has a real impact. The way we describe our own business, whether it's based on data, or whether it's based on wishes and dreams, or strong beliefs, or whatever you want to call them. It has an impact. We saw that shift in narrative, and that's only accelerated.

RM – You said something that struck me, which is that if you lose 50 percent of the theaters, you'll never be able to substantiate the idea that theatrical is valuable, because you'll never be able to make the revenue to substantiate it. That's an existential crisis beyond the existing existential crisis. If you lose the screens, you can't generate the revenue to ever substantiate theatrical exhibition in the future; regardless of whether people want to come back, you won't make the money that will make the case to the rest of the film industry.

JB – Not just the revenue, you lose the cultural impact. The beauty of movie theaters is that no matter who you are, no matter where you live, there's a movie theater for you. Now, it might be a thirty-minute drive, but there's a movie theater that you can go to where you can experience a movie as a community. You can go from being a *me* to an *us* in a magical moment. If you don't have that, if you are experiencing a movie at home, you are still an individual, you are not a community. Without those communal gathering places, the real impact of a movie is not there. It is no longer something that people share, it's something people experience individually. That's not what movies are made for. Almost all filmmakers will tell you that when they make a movie, they make it for that particular, bizarre, magical, closed ecosystem where strangers become a community. Most people's homes don't invite a bunch of strangers to experience something together. But I can guarantee that if you went to any audience for *Top Gun [:Maverick]*, you had people of very different political beliefs, different socioeconomic backgrounds, different educational backgrounds, all enjoying something together. And seriously, when do you get that? Never. We would have lost a cultural touchstone. But also, how do you greenlight a movie if it's not going to be in enough theaters? Then what, do you have to raise the price to \$50

a ticket to justify it? Then movie theaters become only places for people with a lot of money, and then we're only greenlighting movies that appeal to those audiences. All of a sudden, we've lost the true democratic nature of cinema, which is that movies should appeal to all audiences.

RM – In 2019, theatrical box office did very well. Then you have the shutdown in 2020 and a very slow reopening. Now, we've come off a very normal, successful 2023 CinemaCon and the conversation has returned to the importance of theatrical exhibition for the ecosystem of the film business. In a way, the pandemic became a stress test for the industry. Exhibition might be in slightly better shape in terms of theatrical in 2023 than it was in 2019. Even though the box office isn't the same, the cultural markers, the industry conversation, the amount of press attention, and even creative attention on theatrical is stronger in 2023 than it was in 2019 when the numbers were higher.

JB – I will tell you that I say this all the time: I think the pandemic was the best thing to happen to our industry. There were a lot of theories about what the future should look like. People had very strong opinions. We were going to be in a lobster pot and our industry would have started diminishing, and diminishing, and diminishing. Not because we were not important, but because our suppliers were not going to give us supply or, if they did, it would be only for limited audiences. That was going to continue, and consumers were going to get in their heads that movie theaters weren't for them, movie theaters were only for certain people at certain times, undermining our whole business. The democratic nature of movie theaters would just be gone.

Where we are now is an industry that agrees that movie theaters are the future and is ready to ask more relevant questions of each other. Exhibitors are asking studios, "Invest in other titles, invest in a broad slate of titles to appeal to all audiences." And studios are asking movie theaters, "Invest in your audiences. Invest in the experience."

Of course, that's what movie theater owners are doing. They've been investing heavily in innovation during the pandemic, and they're going to continue to do so. But I don't think movie theater owners, writ large, knew what their business was before the pandemic. A lot of them thought their business was showing movies in a dark room to people. Now, they know that what their business is, is bringing communities together. Because consumers had all the options in the world to watch movies at home forever with no additional per capita cost. They were all sunk costs, just the cost of subscription. So why, when movie theaters

reopen, are movies doing better on a per-movie basis than they were pre-pandemic? It's because movie theaters are about the community experience. Yes, they're also about the technology. Yes, they're about the event. But all of that is part of a shared experience, and you can't get that at home. What movie theaters offer is something special. Movie theater owners are learning how to adapt to their communities, how to grow, how to evolve, how to be that place that feels special. They're not taking their own business for granted in the way that they would have.

Part of the strength of our industry is how it is in the blood of so many of the operators; there's passion there. I mean, their homes were on the line. They put their homes behind these businesses. Everything that they are is this business. They all dug in, they connected with their communities, and they saw how much their communities missed them and cared about them.

You mentioned that we're not back to 2019, but we really are back to 2019. Our numbers on a per-film basis are almost better. Every movie is overperforming. We just don't have the titles yet. We match, title for title, the box office. Last year we had 63 percent of the movies and 64 percent of the box office, and that's been carrying through this year, too. You track the wide releases, and you'll see where we are box office-wise. Once we get back to the same number of titles, our box office is going to match or beat where it was pre-pandemic. I don't think it'll take us long to fully recover and be back and better than ever.

CO – It's not that the crisis by itself created this opportunity for reinvention, but that the labor that you've done as individuals and an industry has done that. So, I have a two-part question. You get to the SVOG program that stabilizes many of your members. But there's a lot of pandemic developments after that, when you were still working incredibly hard to make the recovery happen. What was the next move in your response, or what complications arose along the way? And then, in terms of narrative, once you established movie theaters as this essential venue that was shuttered and will come back, what was the narrative that was driving the recovery efforts after SVOG?

JB – SVOG itself was a more than six-month process. It was really long in the end. In fact, there are still some exhibitors who are fighting for the full amount today. The SBA had never been responsible for something nearly as complicated and as big as SVOG. All in, it ended up being about 16.5 billion dollars. Not all for the movie theater industry, it was multi-industry. Every industry had different rules, different ways of operating.

Certainly, the SBA didn't know about how each business operated. We were also dealing with the fraud that had been rampant in the other programs like PPP. We've all seen all those fraud cases that were really bad. The SBA wanted to ensure that this program didn't have that same kind of fraud. What that meant was that the way that the rollout first happened, and the first set of rules, and the way the first application looked—it was so afraid of fraud, that it was not well defined. It was going to kick out a lot of people that were eligible, and there was a lack of clarity in understanding what the rules were and how to apply. That took an intense amount of lobbying from all the stakeholder groups. Those were daily calls with leadership from the different stakeholders—the live venues, the museums, Broadway, movie theaters, and the SBA leadership—and they worked tirelessly. We redlined every single time they put out an FAQ, or when they put out the application, we were all working into the night to redline that. Only a handful of people on those calls had law degrees, most of them were just arts advocates. So, the lawyers in the group were having to bring our legal backgrounds as well.

One of the themes that I took away from the pandemic was the incredible power of collaboration. I felt so close and connected to the different stakeholders. Because we were demonstrating the best of who we were. We were in the worst possible time. We were all passionate, smart, driven, and we were all using everything we had to solve a problem together. Being able to see people in their worst moments behave like that is incredibly inspiring. We all pushed each other to keep driving. The leadership at NATO, with John Fithian—it all starts from the top, and John was the epitome of this: he refused to ever give up no matter how dark things were. I had always admired John, and I'd always felt close to John. But being able to see him lead through something so dark and existential, and seeing him be very vulnerable but still strong was a different thing. He was totally willing to admit how scared he was, but he was not willing to quit.

The SVOG program took everyone and everything. Again, daily calls. You can talk to exhibitors about all my answers to all their questions on our weekly state of the industry calls, which were like 90 percent me answering SVOG questions in rapid fire because I had those FAQs memorized. And my general theme to them all was, "Don't be shady." Because above all, we need to be above board on this program.

But after SVOG, things were starting to get better, movies were coming back, and then we were hit with Omicron. It started feeling like, "Is this

ever going to end?” but we couldn’t quit. We were worried, “Are we going to have to do shutdowns again? Are we going back to Cinema Safe?” And luckily, we didn’t. We won because the vaccines had been out. Because of the vaccines and because of prior immunity, the hospitalization and fatality rate weren’t what was initially feared. That ended up being a turning point in optimism generally, where, “Okay, COVID is not done and it’s still scary, and we’re not pretending it isn’t. But we now have more protections.” It now becomes about, “Are we taking care of ourselves? Are we making sure we are protecting ourselves?” If we are, we can feel a little more confident being out in the world. The question then was still about movies. The audience polls at that point in early 2022 were still about these audiences that weren’t coming back. We had to keep pushing the narrative. If you release it, they will come. And once those movies started coming out, it started helping with that narrative, and then *Top Gun* ended that question once and for all.

CO – What has the impact been coming out of that on your members? You said it wasn’t until 2022 that you’re seeing the light at the end of the tunnel; that’s a long time to be in the trenches. For the NATO team and for your members, what has been the long-term impact of this prolonged struggle?

JB – I’ll talk about demeanor first. I like to compare CinemaCons. CinemaCons are such a great way to take the temperature of the industry. We have our individual calls with members or studio meetings, or what have you, and we start to gauge feeling. But it’s not until you have the breadth of the industry in one space at one time that you can see it, everyone has the same feeling. We had a CinemaCon as we were emerging from the pandemic [in August 2021]. And it was a small CinemaCon, but it was important. It was a CinemaCon where we could heal together, where we could say, “We got through the worst of this, and we got through the worst of it, because we got through it together.” We needed to be able to hug each other. We had been through a war. We found our inspirations in each other. We needed to be able to gather and thank each other and promise that we’re in this together. That was cathartic. I tell people all the time that that CinemaCon was the most meaningful experience in my career. Because it was us appreciating where we were, based on where we had been, knowing we still have a long way to climb. But we were all committed to that climb, and it was beautiful.

The last CinemaCon we had [in April 2022] was much more positive. We had come off a big shift in the stock market that was starting to change the dialogue toward cinema. But it takes a while to change the dialogue and to see the movies in the theaters and to see how they do. The start of the light was right there.

This CinemaCon [in April 2023] we were back, we were at pre-pandemic numbers, we were at incredible optimism, huge slates of diverse content, a resounding belief in theatrical. What Wall Street started to say last year, the studios completely adopted and believed, our members adopted and believed. There's widespread investment because, of course, it's hard to invest in your space if the financial community doubts your longevity. But as soon the data starts to come out, and the proof starts to come out that our industry's in it for the long haul, then the money flows in, and the investments can grow. We can all demonstrate our own commitment through our investment, our actions, our words. The theme of this conference, to me, was it was 2019 but with perspective. We all knew where we'd been. We know exactly where we could have been. To be where we are now is a series of miracles, a series of efforts from true heroes. There were real heroes in this industry that I can't believe I've gotten to work with and see lead. Without some of those people, we would be in a very different position. We have that perspective. We have that gratitude. We know we're needed, and we know we're essential. We're ready to put all the other stuff behind us and figure out, "How do we grow audience?" Let's not sit on our laurels, let's grow, let's innovate. Now that we know what we are, let's do it even better. How can we do that? There's endless curiosity. Our Cinema Foundation panels at CinemaCon this year were completely packed. They had to add a hundred seats to one of our panels. Because we're talking about the future. We're talking about innovation. We're talking about ways to market. We're talking about technology. We're talking about Cinema Day. We're talking about all these ways that we can work together, that we can learn from each other to grow, and people are ready to hear it. They're excited about it. There's so much appetite for investment and sharing ideas, not keeping them to ourselves, but really sharing them. Because there is a belief for many movie theater owners that we all rise together. There's excitement in sharing some of those ways to grow.

RM – What is the difference between what NATO does, and what The Cinema Foundation does, on a day-to-day basis?

JB – I'll touch on the NATO piece first, and I'll have Bryan talk about The Cinema Foundation, because he's the only sole employee of The Cinema Foundation. His perspective on what the foundation does is relevant because everything I do has both hats, necessarily, and that's my job. As a trade body, the goal of NATO is to advocate for movie theater owners. It's important that we are just movie theater owners, because when we're talking about certain laws, or regulations, or even litigation, we need to be able to speak with a unified voice. We need to speak with a unified voice to studios. We need to speak with a unified voice on Capitol Hill and to the press. The movie theater perspective is a key voice that needs to be represented, and that's what NATO does.

But the movie theater ecosystem is not just movie theater owners. There are lots and lots of businesses that depend on the success of a movie theater. There's a whole popcorn industry, and seating industry, projector industry, lighting industry, screens, studios, audiences, marketing companies. There are so many businesses that develop around movie theaters, not to mention the surrounding businesses that benefit from the audiences that come to theaters. While we have a clearer perspective on the movie theater voices, we didn't have a way to work with all stakeholders to ensure the longevity, prosperity, and growth of the entire movie theater ecosystem. That's where the foundation came in to fill that gap.

Bryan Braunlich – The Cinema Foundation is a 501(c)(3) supporting nonprofit of NATO's trade association. We borrow its mission: to advance the moviegoing experience. The Cinema Foundation exists within a board right now of eight board members, with Jackie being the president, that has exhibitors, we have technology vendors, we have Coca-Cola. Eventually, we're hoping to expand it to include studios, to include filmmakers. That is the breadth of the whole industry, working together to solve problems and to grow the business.

The Cinema Foundation has five pillars that we talk about. We can go through each one of those, including the first one: industry promotion and creative community outreach. The first initiative to come out of The Cinema Foundation was National Cinema Day. That put The Cinema Foundation on the map to show the collective power of celebrating moviegoing. It was an interesting time to do National Cinema Day. Jackie and I like to laugh: we had five weeks and \$500,000 to pull off the impossible and we did it. But we couldn't have done it isolated, and NATO couldn't have done it isolated, with just movie theaters. We had

to work with our studio partners, with our tech partners, with all of that to create this campaign that brought 8.1 million people to our theaters. That's a priority that we learned early on: we can be an effective mouthpiece for the industry that way.

Data and research: what we are finding is everything that the foundation produces should be rooted in data and research. If we can't qualify or quantify it, it's not worth doing. So, commissioning studies about moviegoer sentiment, or innovation within the theatrical space, or putting together a comprehensive report that is focused on the theatrical experience, not just what the MPA puts out, which is a combo of both streaming and theatrical. We can tell our own story.

When talking about NATO giving money to Will Rogers, it was important that, as we established ourselves as a 501(c)(3), we were not going to become another industry charity. But what we can do in our partnership with Will Rogers is amplify what they do. A lot of theater owners don't even know what Will Rogers can do. If we can help amplify that message, and yes, we have made a financial commitment to Will Rogers over a five-year period, but that is our way of saying, "We are telling this industry that we support you. We want our members to continue to support Will Rogers. How can we work together on messaging among both of our foundations?"

Careers, education, and diversity: this is probably the biggest [change] in what we thought this area was going to be versus what it's becoming. Originally, there was an appetite for The Cinema Foundation to help with training and all these granular ways of building a career within the movie theater space. It's now becoming clear we should focus on promoting working in the industry, combining that industry promotion and careers as a piece. Then, as we're putting together panels, as we're putting together lectures, as we're partnering with the ICTA on their LA seminar series, or partnering again with them at CinemaCon on the fundamentals of technology—how can we amplify that educational space within the theatrical realm? That's where we're going to lean heavily into this next year.

The crowning jewel that showcases the power of The Cinema Foundation is the Center for Innovation and Technology. We created a steering committee; we had our first meeting of the steering committee Thursday before CinemaCon. It took an entire year to build the steering committee because one thing that I'm learning from this industry is there's a lot of distrust for the unknown, and trust takes time, it takes

energy, and it takes saying we're going to do something and then actually following through and doing it. We built this group that includes exhibitors, studios, technology vendors, filmmakers, and alternative content providers. It's a seventeen-person steering committee. Everyone showed up for that first meeting. That meeting ran forty-five minutes longer than it was supposed to, and no one wanted to leave. All these people can get in a room and talk about, "What are the obstacles within technology and innovation? And how can we, as a collective, address them, get ahead of any issues, and provide opportunities for the entire space of how we can grow?" What The Cinema Foundation is accomplishing is that: building trust and working together. That's what excited me about coming to this job. It's not without challenges, but with every challenge, there's an opportunity, and we're taking those opportunities.

CO – What does the future look like for The Cinema Foundation? Are there specific priorities that are being carried forward in the next, say, five, ten years as you're working toward The Cinema Foundation's goals? How may have the expected priorities shifted due to the pandemic?

BB – I mentioned that at the outset, The Cinema Foundation had five priorities. We still are actively fundraising. We have been lucky enough to work with exhibition, especially, to seed fund this. It's a movement. Where we'd like to be at next CinemaCon: we'd like to have another test of a National Cinema Day. What does that look like? Is it another \$3 on a Saturday? I don't know, is it? You know, from the [State of the Cinema Industry] report that we put out, different territories have been doing this for years. Is it a three-day thing over Monday, Tuesday, Wednesday? Is it on a Sunday? Is it some sort of different model that we would like to test out? We would like to release two reports per year, a mid-year report in Q3, and then our State of the Industry report in Q1. The report that we'd like to release mid-year would be a report on the cultural and economic impact of our industry. And then do another State of the Industry report. We'd also like to expand careers, education, and diversity, and what does that look like, and improve all those metrics.

JB – If you're thinking long term, I'd like to pose an existential question that I hope The Cinema Foundation can help answer; I hope we can answer it with data, I hope we can answer it with optimism, and I hope we can at least answer it by starting a conversation. That is this: our industry is over a hundred years old. In the entire time our industry has

been around, we've been constrained by some of the real costs of distribution, first physical distribution, and then the virtual print fee. Now that the pandemic is over, we are for the first time in our industry's history at a point where it costs nothing to distribute a movie. The business models have yet to adapt to that complete reimagining of who we are and what we do. That is a world of opportunity, a brand-new way for movie theater owners to say, "I would like to play this title. I've got a great screen I've invested in. I've done all these things. Here's how I can market this movie. Give me that title. Give me multiple titles. Let me play around." There's a brand-new way to take risks, to change the way we do our business in a way that helps everyone. I hope that we can play some role in having those discussions, in moving the needle at all, because there's just a world of opportunity at our fingertips. I hope we feel brave and inspired to take advantage of it.

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Como os Exibidores dos Estados Unidos Sobreviveram nos Primeiros Anos da Pandemia COVID-19: Uma entrevista a Jackie Brenneman e Bryan Braunlich do National Association of Theater Owners e The Cinema Foundation

RESUMO Entrevista a Jackie Brenneman e Bryan Braunlich da National Association of Theater Owners (NATO) e da The Cinema Foundation, na qual discutem a resposta das suas organizações à pandemia da COVID-19, em defesa dos proprietários de salas de cinema nos Estados Unidos. Brenneman recorda os três primeiros anos da pandemia, incluindo a perspectiva inicial da NATO durante as primeiras semanas de propagação da mesma nos EUA. Detalha o envolvimento da NATO nos programas de apoio do governo, nos desafios da distribuição, e na evolução das narrativas da indústria relacionadas com a exibição de filmes, bem como a sua própria experiência enquanto trabalhava em prol do restabelecimento da exibição cinematográfica. Brenneman reflete também sobre o impacto global da pandemia na indústria após três anos de luta e adaptação. Com Braunlich, explica ainda os objetivos, as iniciativas e a trajetória da The Cinema Foundation, uma organização que cruza várias indústrias, fundada no rescaldo da pandemia para defender os grupos intervenientes no setor da exibição.

PALAVRAS-CHAVE Organizações de comércio; COVID-19; salas de cinema; exibição cinematográfica; distribuição cinematográfica; indústrias de média.