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Shadowy forces are fighting for control of your local movie theater

Description

Posted by Larry Gleeson

By Ana Swanson

On a sweltering day this summer, a handful of protesters gathered outside an AMC movie theater in Times Square, holding red signs proclaiming â??AMC = American Movie Communists.â?•



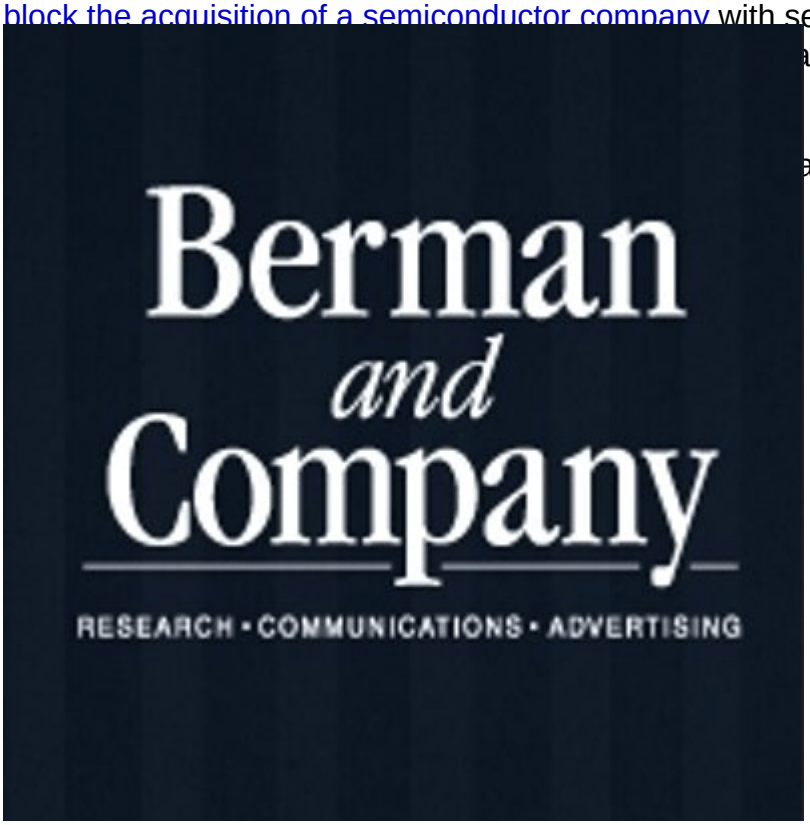
AMC theater on Broadway at 84th Street in New York. (Emmanuel Dunand/AFP/Getty Images)

They were opposing the giant movie theater company AMCâ??s $1.2 billion purchase of a rival cinema chain, Carmike, that has theaters in 41 states. The deal, which is still subject to government approval, would make AMC the largest theater chain in the U.S. The protesters targeted AMCâ??s Chinese owners â?? the sprawling Chinese real estate and entertainment company called Dalian Wanda that

acquired the American movie chain in 2002, creating the worldâ??s largest theater empire.

The protest suggested the Carmike acquisition would further extend Beijingâ??s hidden control over American mass media. But the protesters had not gathered on their own volition. They were being paid to be there by a Washington lobbying firm, Berman and Company, waging a war against Chinese acquisitions of American movie theaters.

It was one of the many unexpected ways a quiet battle is underway to halt a trend of Chinese businesses gobbling up American companies. The battleâ??s reach now goes beyond traditional areas with obvious national security implications â?? such as President Obamaâ??s decision late Friday to block the acquisition of a semiconductor company with sensitive technology â?? into more surprising



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ations to carry out campaigns on behalf of anonymous clients, is led by Rick

Berman, a veteran lobbyist whom â??60 Minutesâ?• once called â??Dr. Evilâ?• for his defense of issues like secondhand smoke, trans fats, tanning beds and payday loans. For decades, his firm has launched ad campaigns to attack targets like the Humane Society, labor unions and Mothers Against Drunk Driving.

The new campaign, called â??China Owns Us,â?• is nominally run by the Center for American Security, a registered trade name for a 501(c)4 nonprofit called the Enterprise Action Committee, according to D.C. corporate records. A small group of people employed by Bermanâ??s K Street lobbying office run these and dozens of other similarly structured organizations, Berman said in an interview.

To drum up opposition to Chinese acquisitions in Hollywood, Bermanâ??s operatives purchased two billboards this summer calling AMC â??Chinaâ??s Red Puppetâ?• â?? one on Los Angelesâ?? Sunset

Boulevard, another outside AMCâ??s Kansas headquarters. Berman and his groups wrote opinion pieces, produced YouTube videos, appealed to think tanks and hired a lobbyist to reach out to Congress, Berman said, to warn people of Chinaâ??s insidious influence. Berman says he fears that Dalian Wanda could use its theater screens to subtly influence peopleâ??s views about the U.S. and China. He compares political messages in movies to a can of Coca-Cola sitting on the table in a film, or James Bond driving an Aston Martin.

â??What Iâ??m trying to do is stop somebody else from managing the culture here,â?• Berman says.

AMCâ??s chief executive, Adam Aron, said those concerns were unwarranted. â??AMC is completely run by its American management in Leawood, Kansas, as American as an American place in the heartland you can find,â?• he said. â??Weâ??re in the business of selling movie tickets and popcorn, and we donâ??t involve ourselves in what goes on in China.â?•

Berman says he has helped foster concern on Capitol Hill about the issue. In September, 16 congressmen sent a letter asking the government to reexamine the role of a federal committee known as the Committee on Foreign Investment in the U.S., or CFIUS, in determining whether deals like Wandaâ??s takeover of AMC and Carmike undermine national security. Another congressman sent a letter urging the Justice Department to reconsider whether Chinese media influence should be regulated under the same rules as foreign lobbying. On Wednesday, Democratic Sen. Charles Schumer (N.Y.) sent a letter to the treasury secretary and the U.S. trade representative urging the U.S. government to more closely examine Chinese acquisitions in the U.S., including by Dalian Wanda.

â??I am concerned that these acquisitions reflect the strategic goals of Chinaâ??s government and may not be receiving sufficient review,â?• Schumer wrote.

Officials on Capitol Hill acknowledge meeting with Berman or his associates, but say they have been motivated by preexisting concerns about Chinese national security threats.

â??It would be incomprehensible to me to turn a blind eye and think all is well with China,â?• said Rep. Robert Pittenger (R-N.C.), the lead signature on the CFIUS letter.

It is unclear who is funding Bermanâ??s campaign. Berman says he launched it himself out of personal interest, and only later received a â??modest contributionâ?• from two donors, whose names he wonâ??t reveal but whom he describes as wealthy people who â??care about national security issues.â?•

â??What matters is whether or not what Iâ??m saying is right. And if itâ??s right, itâ??s doesnâ??t matter that somebody gave me the money to go out and say it,â?• he said.

But several industry experts point to Bermanâ??s past ties with Philip Anschutz, a conservative billionaire who has a controlling stake in Regal Entertainment Group, which owns Americaâ??s largest cinema chain â?? at least until the AMC-Carmike deal goes through.

â??The odds are that itâ??s the film-making community. They certainly have a dog in this fight,â?• John Carroll, a communications professor at Boston University who has blogged about Bermanâ??s advertising tactics, says of Anschutz and Regal Entertainment. â??But Berman resolutely refuses to reveal his donors.â?•

Tax records indicate that the Anschutz Foundation has given hundreds of thousands of dollars to Bermanâ??s nonprofits. Anschutz also owns the Weekly Standard and the Washington Examiner, where Berman has advertised and written about his China campaign.

â??The relationship I have had with Phil has generally been over employment/union issues. It does not extend into this area,â?• Berman said in an emailed response.

The Anschutz Foundation and Regal Entertainment did not respond to repeated requests for comment.

Shareholders have already approved the AMC-Carmike deal, and it is expected to close in late 2016 or early 2017 unless U.S. regulators intervene. In addition to an anti-trust review by the Department of Justice, CFIUS could rule that the deal threatens U.S. national security. Chinese investment in the U.S. entertainment industry skyrocketed to $3.7 billion in the first three quarters of 2016, up from $1.1 billion largely due to Wandaâ??s purchase of AMC, according to



Dalian Wanda is the most prominent among the Chinese companies that have been on a buying spree in Hollywood in the past few years. Wanda purchased Legendary Entertainment, one of Hollywoodâ??s biggest movie production companies, for $3.5 billion in early 2016. The company has a pending deal to buy Dick Clark Productions, the TV producer for the Miss America pageant and the Golden Globe Awards. AMC inked a deal in July to acquire the Odeon & UCI Cinemas Group, the largest cinema chain in Europe. Executives at AMC and Dalian Wanda say Chinese political interests do not influence whatâ??s shown in American movie theaters.

â??There is no political point of view,â?• Wang Jianlin, the head of Dalian Wanda who is also Chinaâ??s richest man, told a crowd in Los Angeles in October. â??I am a businessman.â?•

Others in the film industry, like Hollywood producer Janet Yang, attribute the backlash to Chinese media control to xenophobia and discomfort with Chinaâ??s rising global power.

â??If you grew up on John Wayne or Clint Eastwood or superhero movies, or these very powerful iconic pieces of content, that does affect what you think the world order looks like,â?• she said. â??Thatâ??s a paradigm shift, some people canâ??t handle it.â?•

But some film industry executives and academics say the acquisitions warrant more scrutiny, partly due to Wangâ??s extensive ties with Chinaâ??s military and top leaders. China tightly controls its own domestic media to ensure that the press, film and other media portray the Communist Party in a positive light, and it allows only 34 foreign films to show in its cinemas each year. Domestic and Hollywood films that are critical of Beijing or highlight sensitive topics like Tibet or Taiwan, for instance, have little chance of reaching Chinaâ??s lucrative cinema market, which by some estimates overtook the U.S. as the worldâ??s largest this year.

Aynne Kokas, a media studies professor at the University of Virginia and the author of â??Hollywood Made in China,â?• says Americans should consider the possibility that Wanda could one day use its massive distribution network to suppress a film that was critical of China.

â??Would that happen? We canâ??t be certain. But the fact is that the possibility is significant, and given the nature of film distribution in China, itâ??s not actually that far off,â?• she said.

Some say Chinaâ??s influence has already reshaped production in Hollywood. To cater to Chinaâ??s lucrative audiences, some Hollywood filmmakers have added Chinese stars to the cast, as in â??Iron Man 3,â?• or relocated scenes to China, as in â??Looper.â?• Concerns about Chinese censors led filmmakers to remove China as the origin of a zombie virus in â??World War Z,â?• and swap North Korea for China as the main antagonist in â??Red Dawn.â?• It even led to the removal of a scene in â??Skyfallâ?• in which James Bond kills a Chinese security guard, a report by the U.S.-China Economic and Security Review Commission says.

Robert Daly, the director of the Kissinger Institute on China at the Wilson Center, says there is no evidence as yet that Wanda is changing what Americans see. The push in Congress to regulate media investments is â??a very dangerous notion,â?• he said. â??It would be a gross infringement on our cultural freedom if we couldnâ??t see good Chinese films, because Congress had determined that a Chinese film threatened our cultural security.â?•

On the other hand, Daly says, the U.S. has never confronted a potential security threat quite like this before. â??With China, youâ??ve got authoritarianism and purchasing power in one nation.â?•

(Source: http://www.washingtonpost.com)

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