

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON CONSUMER AFFAIRS

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B E F O R E:

RAFAEL L. ESPINAL, JR.
Chairperson

COUNCIL MEMBERS:

Vincent J. Gentile
Julissa Ferreras-Copeland
Karen Koslowitz
Rory I. Lancman

A P P E A R A N C E S (CONTINUED)

Alba Pico
Acting Commissioner
New York City Department of Consumer
Affairs

Amit S. Bagga
Deputy Commissioner
External Affairs
New York City Department of Consumer
Affairs

Nancy Schindler
Associate Commissioner
Legal Affairs
New York City Department of Consumer
Affairs

Elina Kotlyar
Assistant Commissioner
Licensing
New York City Department of Consumer
Affairs

Andrew Sunshine
Associate Director
National Association of Theatre Owners

Robert Massagony
National Association of Theatre Owners

Matthew Greller
National Association of Theatre Owners

[gavel]

CHAIRPERSON ESPINAL: Good morning. My name is Rafael Espinal and I am the Chair of the Consumer Affairs Committee. Today we'll be conducting a hearing on a bill, Int 1006, which would repeal the license requirement for motion picture projectionists. The Committee on Consumer Affairs is committed to a fair and balanced regulation, we want to protect consumers and we want businesses to thrive. We want to ensure that regulation, response and needs and where a past need no longer exists; we will amend our laws to keep pace with the times.

At the dollar cinema the job of motion picture projectionist was both labor-intensive and dangerous, requiring skilled, responsible laborers. Threat of a fire in a crowded movie theater was a real possibility; early nitric film was highly flammable, producing dangerous toxic gases as it burns, its flames are difficult to extinguish because the chemically combined oxygen in the film provides the needed oxygen as it burns. Hundreds of theater fires occurred during the early to mid 20th century and the fear of a fire in a crowded theater was quite real, which is why we don't yell fire in a theater.

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2 But for safety reason, reels contained only about
3 2,000 feet of film, each enough for 20 minutes of
4 viewing; meanwhile, the carbon arc lights used in
5 early projection machines ran hot and needed
6 servicing every 30 minutes or so as the carbon rods
7 were consumed. Projectionists have to operate and
8 transition between two machines every 20 minutes over
9 the course of every movie. For example, the 1939
10 production of *Gone with the Wind* had a running time
11 of 238 minutes or nearly a dozen transitions for the
12 projectionist. In the 1950s, nitric film was
13 replaced with much more stable polyester film known
14 as safety film that would melt if overheated rather
15 than burn. In the 1960s, the carbon arc lights were
16 replaced by xenon arc lamps which could operate
17 continuously without servicing during a film viewing.
18 These two developments greatly reduced the need for a
19 laborer to operate projection machines; the
20 implementation of other technological advances
21 further reduced labor, enabling a single
22 projectionist to operate multiple machines.

23 In recent years the motion picture
24 industry has rapidly transitioned to digital
25 production and projection. According to the Motion

1
2 Picture Association of America, as of 2014, 96% of
3 all movie screens in America are digital. Movies
4 today are delivered as digital files via the
5 internet, hard drives, etc.; eliminating the
6 transport, handling and storage of film reels.
7 Digital projectors are designed to be easy to operate
8 and require minimal maintenance. Motion picture
9 projectionists are still licensed by the Department
10 of Consumer Affairs. The current law requires that
11 any person who operates a motion picture projector
12 must be licensed. The current law does not
13 distinguish between film and digital projection and
14 licensing requires an exam that would test the
15 applicant's knowledge of an outdated technology that
16 is no longer in broad use. For old school theaters
17 and movie houses that do still screen movies on film
18 projectors, state law regulates the storage and
19 handling of film and the construction and maintenance
20 of the projector's booth.

21 The Committee on Consumer Affairs is
22 committed to fair and balanced regulation; the movie
23 and film industry is an important economic engine for
24 this city; New Yorkers love movies, including myself
25 and New York City looks great on film. Today the

1
2 Committee will hear from the Department of Consumer
3 Affairs, the movie industry and other interested
4 parties to learn whether the current licensing scheme
5 for motion picture projectionists remains relevant in
6 view of how technology has changed the industry.

7 With that said, I would like to call up
8 the first panel; we have Alba Pico, our acting
9 Commissioner; Amit Bagga, Deputy Commissioner; Nancy
10 Schindler, Associate Commissioner, and Elina Kotlyar,
11 Assistant Commissioner, all from DCA. Good morning,
12 thanks for coming.

13 Can you please raise your right hands?
14 Do you affirm to tell the truth, the whole truth and
15 nothing but the truth in your testimony before this
16 committee and to respond honestly to council member
17 questions?

18 AMIT S. BAGGA: We do.

19 CHAIRPERSON ESPINAL: Thank you. You can
20 begin.

21 AMIT S. BAGGA: Good morning. Before I
22 begin I would just like take this opportunity to
23 acknowledge our new Acting Commissioner, Alba Pico.
24 Alba has been with the Department of Consumer Affairs
25

1
2 for nearly 33 years and is a great leader within our
3 agency and we're very happy to have her... [crosstalk]

4 CHAIRPERSON ESPINAL: Welcome back in
5 your role.

6 AMIT S. BAGGA: Good morning, Chairman
7 Espinal and members of the Committee on Consumer
8 Affairs. I am Amit S. Bagga, Deputy Commissioner of
9 External Affairs at the Department of Consumer
10 Affairs or DCA.

11 I am joined today by my colleagues; Alba
12 Pico, our Acting Commissioner; Nancy Schindler,
13 Associate Commissioner of Legal Affairs, and Elina
14 Kotlyar, Assistant Commissioner of Licensing. We are
15 pleased to represent our agency and Mayor Bill de
16 Blasio before you today.

17 Thank you for inviting us to testify on
18 Int 1006, a bill that would repeal DCA's motion
19 picture projectionist licensing category.

20 DCA supports the repeal of this license
21 category, which was originally created to ensure that
22 those individuals operating manual movie projection
23 equipment, which often featured complex electrical
24 wiring, hot light sources and flammable film, as you
25 noted, were appropriately trained to do so and that

1
2 both the projectionist and the public were protected
3 from harm.

4 Following a seismic evolution in the
5 movie projection equipment technology since the City
6 began regulating this industry more than a century
7 ago, it is DCA's understanding that movies are now
8 projected almost exclusively through the use of
9 digital technology, calling into question the
10 continued need for maintaining the projectionist
11 license category. I now provide a brief overview of
12 the evolution of the technology used to project
13 movies, one that will hopefully help clarify and
14 affirm the Council's position that there no longer
15 exists the need to license movie projectionists and
16 that the elimination of licensure is not likely to
17 have a significant impact on employment in New York
18 City, which is always a consideration of Mayor de
19 Blasio's administration.

20 The City of New York has regulated motion
21 picture projectionists since at least 1908, when
22 projectionists began being licensed by the now
23 defunct Department of Water Supply, Gas and
24 Electricity. The Department of Consumer Affairs took
25 over the licensing of this category pursuant to Local

1
2 Law 65 of 1985. Since 1908, what was once a highly
3 dangerous, cumbersome process has been replaced by a
4 digitized automated one, with most movies being able
5 to be shown with just a few clicks of a computer
6 mouse or by pressing a few buttons.

7 It was however not always this easy to
8 project movies. From approximately 1910 until the
9 early 1960s the use of nitrate film and carbon arc
10 lamps was common in projection equipment, which
11 itself involved the use of dozens of reels and
12 required deft handling. Nitrate film, which was
13 considered to produce relatively high quality images,
14 was unfortunately flammable and because of its unique
15 chemical composition, as you noted, Chairman, it was
16 difficult to extinguish once it was ignited. This
17 film had very specific storage and use requirements
18 and it was lit by carbon arc lamps, which generated
19 significant heat, thereby increasing the danger of
20 this film catching on fire.

21 In addition to the materials being used
22 in projection being dangerous, the process itself was
23 quite cumbersome. Prior to the 1960s, projectionists
24 utilized a "changeover system" which involved the
25 first of two reels being fed through a projector

1 while the second reel would be set up in a second
2 projector, awaiting the arrival of an on-screen cue
3 that would indicate to the projectionist that the
4 second projector needed activation. As each film
5 contained several reels, the projectionist would have
6 to continually repeat this process, two reels at a
7 time, until the film was complete. The danger and
8 complexity involved in managing the projection
9 process created necessity for projectionists to
10 become skilled through training.

11
12 To assess their aptitude with the
13 equipment, projectionists have almost always been
14 subject to stringent testing and in the early days of
15 licensure trade associations such as the New York
16 Fire Underwriters and the American Institute of
17 Electrical Engineers produced handbooks that enabled
18 projectionists to familiarize themselves with the
19 complex management of projection equipment.

20 Over time this equipment continued to
21 evolve and in the 1960s carbon arc lamps began to be
22 replaced by xenon bulbs, which were safer and lasted
23 much longer than carbon arc lamps. The reel to reel
24 system was eventually replaced by the "platter
25 system" which allowed individual reels to be spliced

1
2 together to create a single reel, eliminating the
3 need for the cumbersome reel-changing process; such
4 changes ultimately gave way to digital projection,
5 which, according to the National Theatre Owners
6 Association, became nearly universal in New York City
7 after 2006.

8 In conversations with DCA, the National
9 Theater Owners Association (NATO), which maintains
10 that it represents approximately 75% of the movie
11 theaters in New York City, has shared that only 3% of
12 their screens utilize reel to reel or similar
13 projectors and that the remaining 97% of their
14 screens utilize digital projection equipment.

15 The evolution of projection technology is
16 further borne out by the numbers. Today DCA licenses
17 214 movie projectionists, down from reported highs of
18 more than 3,000 in the 1950s. While the use of
19 complex projectionist equipment has significantly
20 declined over time, it should be noted that according
21 to NATO, which in representing more than 300 theaters
22 represents approximately 75% of the theater in New
23 York City, there are still some theaters in New York
24 that use such equipment. While the exact number of
25

1
2 those theaters is unknown to DCA, the agency and NATO
3 agree that the number is likely to be quite low.

4 As there are 214 currently licensed
5 projectionists, DCA respectfully suggests that the
6 labor marketplace for trained projectionists is
7 sufficiently robust to meet the demand that might
8 exist for such projectionists. Naturally, DCA is
9 always open to hearing any and all concerns regarding
10 the nature of this labor marketplace and is committed
11 to full engagement with all relevant stakeholders on
12 this matter.

13 The repeal of this license category will
14 have a small fiscal impact on our agency, but this
15 will be offset by the elimination of the need to
16 process this license and administer its attendant
17 exam. In our licensing of approximately 80,000
18 businesses and individuals across our current 55
19 categories, DCA is deeply committed to its mission of
20 empowering consumers and businesses alike to ensure a
21 fair and vibrant marketplace for all and we believe
22 that the repeal of this projectionist category does
23 not undermine this commitment in any way.

24

25

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2 Thank you for the opportunity to testify
3 today; my colleagues and I will be happy to answer
4 any questions you might have.

5 CHAIRPERSON ESPINAL: Thank you, Amit.
6 Do you have any questions? I just wanna state we've
7 been joined by Vinnie Gentile from Brooklyn.

8 COUNCIL MEMBER GENTILE: Good morning.
9 Thank you for being here. [background comments] So
10 DCA is not concerned then with the small number of
11 theaters that still use the older system?

12 AMIT S. BAGGA: In terms of safety
13 issues...? [crosstalk]

14 COUNCIL MEMBER GENTILE: The safety,
15 yeah.

16 AMIT S. BAGGA: We are not at this time
17 because we do know that there are 214 licensed
18 projectionists who have had to pass our exam and
19 become licensed; based on our understanding of the
20 theater landscape, there are likely to be a very
21 small number of theaters that are utilizing this
22 older technology and so, as I just mentioned in my
23 testimony, we believe that the labor marketplace,
24 with the 214 skilled licensed projectionists that
25 currently exist, is robust enough to fulfill any need

1 that might exist in terms of the theaters.

2 Additionally, as the Chairman mentioned in his
3 opening remarks, all theaters must continue to comply
4 with a variety of state regulations, as well as
5 Department of Buildings and FDNY regulations in terms
6 of safety, so we think that the repeal of this
7 license category should not negatively impact those
8 operations.
9

10 COUNCIL MEMBER GENTILE: Thank you,
11 Mr. Chair.

12 CHAIRPERSON ESPINAL: So just a follow-up
13 to that question, so in order to operate the old
14 equipment, do you need to have a license if this law
15 is passed or repealed?

16 AMIT S. BAGGA: Once this law is repealed
17 you would not need to have a license, but as we all
18 know, there are 214 folks in New York City who have
19 now been specifically trained and passed an exam in
20 order to be able to operate the equipment as it
21 currently stands, so we believe that the labor
22 marketplace should be robust enough to support
23 whatever need.

24 CHAIRPERSON ESPINAL: Okay. Alright,
25 thank you. No further questions? Thank you guys.

1 AMIT S. BAGGA: Thank you.

2 [pause]

3 CHAIRPERSON ESPINAL: I'd like to call up
4 our final panel; Matthew Greller from NATO, Theatre
5 Owners of New York State; Richard Massagony [sp?]
6 from NATO and -- sorry if I mispronounce your names
7 -- Andrew Sunzoni [sic] from NATO. And we've been
8 joined by Julissa Ferreras-Copeland from Queens.

9 Good morning. [background comments]

10 [pause]

11 Just state your name again and start from
12 the beginning.

13 ANDREW SUNSHINE: Is that working? There
14 we go.

15 CHAIRPERSON ESPINAL: Yeah.

16 ANDREW SUNSHINE: My name's Andrew
17 Sunshine and good morning, Chairman Espinal; members
18 of the Committee. Thank you for the opportunity this
19 morning to testify on Int 1006, a bill that will
20 eliminate the motion picture projectionist licensing
21 examination.
22

23 My name is Andrew Sunshine, as I said; I
24 am the Associate Director of NATO, Theatre Owners of
25 New York State; a not-for-profit trade association

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2 representing movie theaters. We fully support this
3 legislation. Our membership includes Regal Cinemas,
4 AMC Theaters, Bow Tie Cinemas, Cinemark, National
5 Amusement and independents throughout the city and
6 state of New York.

7 NATO is the largest motion picture
8 theater trade association in the world, representing
9 roughly 32,000 movie screens in all 50 states and
10 additional cinemas in 81 countries worldwide. In New
11 York City we represent over 75% of the theaters in
12 the five boroughs, which includes 37 movie theaters,
13 312 screens and over 1800 employees.

14 Our key area of concern in New York City
15 is the antiquated motion picture projectionist
16 licensing examination. The Department of Consumer
17 Affairs administers this examination under Section
18 24-423 of the New York City Administrative Code,
19 Title 6, Chapter 2, Subchapter 1, Motion Picture
20 Projectionists, Section 2-81. This regulation
21 mandates that each individual operating a motion
22 picture projector must first pass an examination
23 regarding the use of 35mm film projectors. The
24 examination costs roughly \$200 to take, a license
25 costs \$60 to obtain and there is a \$30 renewal

1 annually, but this has nothing to do with the cost.
2 Simply put, the motion picture projection licensing
3 examination is no longer needed as technological
4 advances rendered the fire safety concerns behind
5 this examination obsolete.
6

7 In the early 20th century, however, film
8 projectionists took extra safety precautions with the
9 use of flammable nitrate film which had length
10 restrictions that required film reels to be changed
11 over by hand during the course of a movie.

12 Additionally, the use of open flame carbon arcs as
13 the lighting source presented fire safety concerns,
14 but by the 1950s, the older use of carbon arcs gave
15 way to xenon lamps, thereby eliminating the old use
16 of open flames. In the 1970s acetate replaced
17 flammable nitrate film, which itself became replaced
18 by polyester, followed by celluloid and now today
19 digital.

20 In 2006, digital cinema projection began
21 its rapid growth, presenting a worldwide, widespread
22 technological change in theaters unseen since the
23 adoption of sound some 80 years earlier. Now in the
24 21st century, with the use of a hard drive, satellite
25 or a USB port, a theater manager can program multiple

1 movies with dozens of screens with a single click on
2 a computer. Film, for all practical purposes, no
3 longer really exists here in New York City. Instead
4 of the 20th century's antiquated licensing
5 examination that seeks to regulate a concern rendered
6 obsolete by technology, we are seeking elimination of
7 the current regulation. Today well over 92% of the
8 projectors in New York City are digital and we do
9 think that that percentage may actually exceed 97%.
10 In fact, many theater employees today have never seen
11 a 35mm film projector, nor would they even know how
12 to operate one. More importantly, they are unable to
13 pass this difficult exam because the exam mainly
14 focuses on issues pertaining to electricity and fire
15 safety in regards to the outdated equipment. As the
16 regulations state, such examination shall test the
17 applicant's knowledge and ability to operate moving
18 picture apparatus. There clearly was a time when
19 this examination was appropriate, but that time has
20 passed. Just as the personal computer, laptop,
21 tablet; smartpone have eliminated the need for using
22 a typewriter, the digitization of movie theaters
23 eliminates the need for an examination focused on old
24 equipment. Many states already recognize this
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2 modernization in theater technology, such as
3 Connecticut, New Jersey, Pennsylvania and others and
4 eliminated the projection licensing examination. In
5 its place, these states now issue a license for the
6 actual theater itself and do not require the
7 individual projectionist to take an exam focused on
8 antiquated technology. In New York City, such a
9 change would modernize DCA's regulation to be more
10 reflective of current technology and practices while
11 also maintaining necessary oversight. Currently only
12 215 motion picture projection license are active in
13 New York City, with approximately 78% of all licenses
14 lapsing since the rise of digital technology.
15 Managers and assistant managers hold most of these
16 215 active licenses, but all of them are set to
17 expire by December 31st of this year.

18 If the requirement to take and pass this
19 examination continues, our member theaters fear that
20 they will no longer be able to comply, as the next
21 generation of theater employees will struggle to pass
22 an examination that is no longer needed. Therefore,
23 we are respectfully asking the Consumer Affairs
24 Committee to pass Int 1006, which will fully
25 eliminate this outdated licensing examination. We're

1
2 happy to answer any questions for you and again, we
3 appreciate your time and thank you.

4 CHAIRPERSON ESPINAL: Thank you, Andrew.
5 Before we continue, I would like to acknowledge that
6 we've been joined by Rory Lancman from Queens.

7 Just one question. When was the last
8 time your movie theaters used a film projection?

9 ANDREW SUNSHINE: Well I'm gonna actually
10 defer to Richard here, who works for AMC Theaters.

11 RICHARD MASSAGONY: Since the digital
12 cinema implementation... [background comments] I'm
13 trying to think of the year...

14 CHAIRPERSON ESPINAL: Wait, what was the
15 last movie; do you remember?

16 RICHARD MASSAGONY: It's hard to remember
17 the last one that I threaded. But it's been about
18 five years since digital cinema has been implemented
19 in all of our locations.

20 CHAIRPERSON ESPINAL: So you know, there
21 are directors now, like Quentin Tarantino who will
22 shoot in 70mm, for example, *Hateful Eight* just came
23 out recently, and he does send out the reels to
24 certain movie theaters, so your theaters usually
25

1
2 wouldn't play that in film, only because you don't
3 have the equipment or...? [crosstalk]

4 RICHARD MASSAGONY: We... I remember this
5 year *Hateful Eight* opened up in 70mm projection in a
6 handful of theaters in New York and we got union
7 projectionists to handle the showing of that movie.

8 ANDREW SUNSHINE: Just to follow up,
9 *Hateful Eight* was released in 35mm and 70mm a week
10 prior to its broad release; once it did go broad it
11 was projected in digital throughout the country.

12 CHAIRPERSON ESPINAL: So how many jobs
13 would you say will be lost by repealing this law
14 through your theaters?

15 ANDREW SUNSHINE: I would say at this
16 point probably none.

17 CHAIRPERSON ESPINAL: Okay. Alright.

18 COUNCIL MEMBER GENTILE: So when movies
19 now come to the theater, they come in the form of a
20 disc or USB port or?

21 RICHARD MASSAGONY: There are two forms
22 of delivery content; one is a hard drive that the
23 studio will ship to us and a lot of theaters now go
24 by satellite and it comes over a satellite disc and
25 it gets ingested into the computer remotely.

1
2 CHAIRPERSON ESPINAL: Really? Okay. So
3 does that give the theater more flexibility as to the
4 offerings that they could have at the theater?

5 RICHARD MASSAGONY: It cuts down on a lot
6 of the cost of shipping; it ensures that we get the
7 content in a fast past and it's just easier to manage
8 without hardware.

9 CHAIRPERSON ESPINAL: So I assume then
10 all of these employees that are working on the
11 digital equipment have not taken this exam.

12 ANDREW SUNSHINE: That is accurate.

13 CHAIRPERSON ESPINAL: Okay.

14 ANDREW SUNSHINE: And they probably
15 wouldn't be able to pass that... [crosstalk]

16 CHAIRPERSON ESPINAL: Right.

17 ANDREW SUNSHINE: as most of them
18 probably have never seen a 35mm projector.

19 CHAIRPERSON ESPINAL: Just like the dial
20 phone, nobody's...

21 RICHARD MASSAGONY: Just like... Just like
22 the dial phone.

23 CHAIRPERSON ESPINAL: [laugh] Great,
24 thank you. Alright, so just one more last question.
25 So how long would it take to train someone, what's

1
2 the learning curve on using the new digital
3 equipment?

4 [background comment]

5 ANDREW SUNSHINE: It varies... [crosstalk]

6 CHAIRPERSON ESPINAL: So if I came in, I
7 say hey, I'm changing careers, I would like to go
8 into the movie theater, you know...

9 RICHARD MASSAGONY: I could teach you in
10 a day.

11 CHAIRPERSON ESPINAL: Alright, great.
12 Well thank you guys. Thank you.

13 [background comments]

14 CHAIRPERSON ESPINAL: You know, it's a
15 little nostalgic I will say, just losing the whole
16 film aspect and going digital; I remember when I was
17 child and I met a film projectionist; I wanna be like
18 you when I grow up, but now I'm grown up and that job
19 will not longer exist. [background comments] And he
20 actually told me there'll be point where my job won't
21 be needed, so we're actually here. So if there
22 aren't anymore questions...

23 [pause]

24 [background comments]

1
2 Yeah, so I guess the one last thing is
3 that, as was stated earlier, there is a union out
4 there for these projectionists who are licensed; are
5 you engaged with them to make sure that you're
6 working together, that if there is a need for their
7 work that you're able to coordinate in some way and
8 make sure that they don't lose their jobs...?

9 [crosstalk]

10 ANDREW SUNSHINE: The answer to that
11 question is yes, we are engaged with the union, which
12 is Projectionists 306, if I remember correctly, and
13 they are available to us; if a union projectionist is
14 needed we are able to call up them for that.

15 CHAIRPERSON ESPINAL: Okay, great. Well
16 thank you guys. Have a good day.

17 [background comments]

18 CHAIRPERSON ESPINAL: With that said,
19 this meeting is adjourned. Thank you, thank you
20 Laberny [sp?], thank you, Israel for all the work
21 you've done to put this together. Have a good day.

22 [gavel]

23

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date February 25, 2016