

Mr. Robert Morin
Secretary General
Canadian Radio-television and Telecommunications Commission
Ottawa, Ontario
K1A 0N2

Dear Mr. Morin:

Re: Broadcasting Notice of Public Hearing CRTC 2008-11
Notice of Consultation and Hearing: Canadian Broadcasting in New Media

The National Film Board (NFB) is pleased to file the attached submission in response to Broadcasting Notice of Public Hearing CRTC 2008-11.

We wish to appear at the public hearing scheduled for February 17, 2009. The NFB has a unique perspective to bring to this process in its capacity as a public content creator and pioneer in defining a new language for cross-platform and interactive media. The NFB produces and distributes bold and distinctive social issue documentaries, auteur animation, alternative drama and innovative digital content that provide the world with a unique Canadian perspective in collaboration with its international partners and co-producers.

Creating new ways of telling stories – along with new programs, production and distribution models, the NFB is expanding the vocabulary of 21st century cinema and breaking new ground in form and content, through innovative prototypes in community filmmaking, cross-platform media, interactive cinema, stereoscopic animation – and more.

We look forward to the upcoming hearing to discuss the profound and far-reaching changes that impact on the NFB, the industry and Canadians.

Sincerely,

A handwritten signature in black ink that reads "Tom Perlmutter". The signature is written in a cursive, flowing style.

Government Film Commissioner and
Chairperson of the National Film Board of Canada

NATIONAL FILM BOARD OF CANADA
Broadcasting Notice of Public Hearing CRTC 2008-11

COMMENTS ON CANADIAN BROADCASTING IN NEW MEDIA

Introduction

1. This document contains the response of the National Film Board of Canada (NFB) to broadcasting Notice of Public Hearing CRTC 2008-11. We have read with interest the Commission's Notice of Public Hearing CRTC 2008-11, and reviewed the submissions and the studies filed with the Commission and we wish to add to our previous submission filed with the Commission.

A National Strategy for Digital Media

2. As we stated in our submission in the first phase of this proceeding, Canada needs a national digital strategy that takes a coherent, integrated long-term view; a strategy that combines technology, communications, digital asset management, content production and content distribution into a whole; a strategy that aligns all the critical players. While we appreciate the efforts of the CRTC to examine the questions with respect to broadcasting, we call on the Commission to advise the government that a broader strategy is required and that broadcasting will be an essential piece of it but insufficient on its own. Canadian success in the digital media sector is key to positioning our economy for the future.
3. We note that Britain has taken such an approach. In the words of Stephen Carter, Minister for Communications, Technology and Broadcasting:

“Our ambition is to see Digital Britain as the leading major economy for innovation, investment and quality in the digital and communications industries. We will seek to bring forward a unified framework to help maximize the U.K.'s competitive advantage and the benefits to society.”¹
4. Canada too, has an opportunity like never before to leverage the enormous potential of digital media to further our national aims. Public funds should contribute to strengthening the overall environment by capitalizing on opportunities created by digital technologies. However, this will require a different approach than the traditional broadcast model with its assumptions about value chains. The old value chains of traditional broadcasting do not apply. Content production cannot be thought of independently of management of the distribution pipeline and demand.

¹ Stephen Carter, quoted in *Digital Britain: The future of Communications*, press release issued October 17, 2008

5. In addition, the digital universe is a profound restructuring and a reshaping of “broadcasting”. Following years of concern about the advent of a 500-channel universe, ironically, we are confronted today with countless channels to choose from, as many as there are web-sites.
6. We agree with the numerous authors of studies commissioned by the CRTC, and the many intervenors who caution against the practicality of regulating the digital space. The Internet is a dynamic self-organizing system, existing largely outside the traditional structures that command and control our media space. While it is possible to manage territorial rights through geo-fencing technologies, borders on the Internet are largely non-existent. The question therefore is how do we assure that Canadians have access to Canadian cultural content when regulation through conditions of licence no longer makes sense?
7. Access of course includes not only the availability of Canadian content on the Internet but the availability of professional content that has a prominent place from which Canadians can choose.
8. In our traditional broadcast environment we assure that Canadians have access to Canadian choices through conditions of licence and other regulatory policies. For example, the regulated play lists of radio broadcasters created a world-renowned Canadian music industry. Such policy mechanisms will not be workable for the Internet. The Competition Policy Review Panel’s report, “*Compete to Win*”, makes recommendations to encourage greater competition in the environment. It will be all the more important, in an “increasingly open system for the production and consumption of Canadian content,” that a national strategy be developed to assure that Canadians have access to Canadian choices.
9. Unlike in the traditional radio and television broadcasting environment, in the digital media environment, we can build niche audiences and work “the long tail” of value to exploit past successes.
10. The digital environment provides excellent opportunities to offer a mix of older and newer content to consumers, allowing producers to exploit the “long tail” of niche products with audiences who now have the possibility of finding and consuming it. Accessibility to the digital heritage is fundamental to a future national digital strategy.
11. New investments should be made in the digitization of existing content to assure that Canadians’ rich audiovisual heritage is available to them online. Demand for this content is enormous, as the recent launch of Europeana, a new digital library of Europe’s cultural heritage attests. Only hours after the new library went online, it crashed from overwhelming use (15 million hits per hour instead of the anticipated 5 million). The library will relaunch in a several weeks with significantly increased server capacity.

The Role of the NFB in the Government’s Cultural Toolkit

12. Over the years, Canadian cultural policy has put in place a successful cultural tool kit to support the creation and promotion of high quality Canadian content. This tool kit includes among things support to the NFB, Telefilm Canada, the Canada Council, the CBC and other public institutions.

In the context of transformative changes being brought to the creation, promotion and distribution of content, the alignment of roles and responsibilities and policies is essential.

13. For its part, the NFB's role continues to be unique among public institutions in that it is a pioneer in developing innovative creation and delivery applications that seek to provide Canadians with a high quality content experience. As a pioneer in the digital media environment experimenting with new forms of content and delivery in a manner that only a public producer can, the NFB has responded to the challenges of the emerging digital media environment earlier than other players and with greater success. This contribution is crucial to the industry and to Canadians.
14. The NFB's role is to be a creative laboratory. By putting new and emergent technologies into the hands of creators, the NFB encourages the development of prototypes, which are of crucial importance to the industry and to Canadians. On its various initiatives in the online sector, the NFB is leveraging its considerable experience and expertise in its numerous agreements with private sector partners— portals, platform and technology developers to provide social and cultural benefits to Canadians.
15. In order to develop its online portals and extend its offerings to Canadians, additional investment will be necessary to speed the growth and availability of Canadian content on alternate platforms. The NFB's collections are of great interest to the educational sector, which would be well-served by investments specifically geared to digitizing Canadian films documenting our history and culture for consumption by students.
16. In this regard, the NFB is unique among Canadian public film institutions in having the most important collection of Canadian film memory. Exercising responsible stewardship, it has implemented successful digital business models. Revenues are currently generated by its online stock shot library, its online store, its DVD sales and its business in the non-theatrical market.
17. The NFB's experiments in digital media drive key developments and in doing so provide world-class professional development opportunities to talented Canadians and a platform from which to showcase Canadian innovation.
18. The NFB, as leader in experimentation and prototyping of innovative content, and as custodian of Canada's unique documentary film heritage and manager of its digitization has a distinct role to play in the environment.
19. What is needed is an environment conducive to exploit the opportunities afforded by digital technology. Risk dollars are needed for the seeding of innovation in a world where too many choices means Canadians may not find what they seek, and where content produced in other eras continues to be of value if you can find the audience for it.

An Incentives-Based Approach

20. The National Film Board notes the great number of submissions that called for incentives to stimulate the creation and promotion of Canadian digital content. A national digital strategy should have as its principal objectives public policies that assure that our cultural and linguistic

richness, emanating from all regions of the country, are reflected in our digital media. With this in mind, new instruments of public policy should be guided by these principles.

21. Within an overarching policy framework, investments by government should be comprehensive, addressing the need for risk capital investments, opportunities for professional training and nurturing emerging talent, and tax incentives.
22. As numerous submissions attest, business models in the online environment are still unproven and production of original content for these new platforms continues to be a great challenge. The two linguistic markets in Canada are simply too small to shoulder the costs and risks of developing and disseminating a critical mass of high quality professionally produced Canadian content on its own. This is as true for traditional media such as broadcasting and film as it is for digital media.
23. A number of intervenors recommend earmarking new resources for the Canadian Television Fund to support new media content creation. It is our view that this is the wrong approach. Government policy should cast a wide net and develop a broad policy perspective that considers the entire digital media environment holistically. The CRTC should take care not to simply transpose traditional approaches to the digital world.
24. Digital media collapse the former distinct moments of creation, marketing and distribution. Any new fund created for the production and promotion of Canadian content for digital media should be sufficiently forward-looking to allow for a range of content to be developed in sync with marketplace and technological development. In addition, specific investment should be made in French-language and Aboriginal productions and enshrined in any new Fund. The study commissioned by the CRTC, *Changing Channels, Alternative Distribution of Television Content*, reveals the dearth of French-language new media content on the Canadian broadcasting content. We find this compelling enough for the need for public policy intervention.
25. A national digital strategy should recognize the value of all players, public and private, in the environment and encourage each to make its unique contribution.

A Diversity of Voices

26. In this proceeding, the Commission has asked how, and to what degree, the environment for broadcasting in new media affects diversity of voices in the Canadian broadcasting system.
27. In Broadcasting Public Notice 2008-4, Diversity of Voices, the Commission considered that “the concept of ‘diversity’ in the Canadian broadcasting system should be approached at three distinct levels: diversity of elements, plurality of editorial voices within the private element, and diversity of programming.”
28. The Commission has stated that diversity of programming can mean several things, such as the expression of Canadian voices amidst foreign ones, the availability of different genres and formats, or the airing of content made by a variety of producers, including independent producers.

29. Ensuring that Canadians receive programming from different sources - including content from the public, private and community elements - constitutes a significant aspect of the Commission's mandate, including contributing to the maintenance and enhancement of national identity and cultural sovereignty. In addition, as section 3(1)(e) of the Act notes, "each element of the Canadian broadcasting system shall contribute in an appropriate manner to the creation and presentation of Canadian programming."
30. The NFB is one player among many in the Canadian broadcasting system that adds diversity to the system through its unique mandate. The NFB submits that diversity on new media platforms is desired, and should be encouraged. Canadians will be better served by a diversity of choice in Canadian content on new platforms. The NFB supports an approach that provides incentives for a plurality of voices to be heard on new platforms.

Access

31. The Canadian *Broadcasting Act* states that "programming accessible by disabled persons should be provided within the Canadian broadcasting system as resources become available for the purpose." New media platforms have great potential to augment the experience for hearing- and vision-impaired consumers and indeed have the opportunity to provide more sophisticated services for these consumers than exist today in the conventional television world through closed captioning and described video.
32. We note that other countries, such as the UK, have introduced interesting incentives programs to encourage greater accessibility by the visually and hearing impaired to cinematic viewing experiences made possible by digital cinema and the Internet.
33. We recognize that the Commission is conducting separate investigations into this subject but would encourage the Commission to be sure to consider these needs and the new opportunities that exist to address them as part of any new media policy decisions, too.
34. The National Film Board of Canada has made many of its online films available with closed captioning for the deaf and described video for people with vision loss. They can be found on all NFB Websites.
35. Access by Canadians with disabilities to Canadian content on new media platforms is a principle that should be embraced by any decision or policy created as a result of this proceeding. The NFB supports an incentives-based approach to encourage greater accessibility of content online.

Conclusion

36. In conclusion, the NFB recommends that the government implement a far-reaching national strategy. While the NFB applauds the Commission's initiative to review new media broadcasting, we are of the view that what is called for is beyond the purview of the CRTC.
37. The digital revolution is so profound and far-reaching that public policy direction is required to ensure a coherent and comprehensive focus.

38. The Commission may indeed move forward with implementation of measures and we recommend that it consider the following: that such measures are to be seen as an intermediary step; that it bear in mind the larger picture so that whatever is set in place will be adaptable to a national strategy; that it promote the widest possible range of risk-taking; and that any funding cannot simply look at professionally produced content as an extension of broadcast properties.
39. The NFB encourages the CRTC to consider an incentives-based approach to encourage greater investment in Canadian digital media. French language and Aboriginal productions are under-represented and require specific attention.
40. We are of the view that there are inherent limitations to increasing resources to the Canadian Television Fund as a solution to the need for new resources for the creation and promotion of content for new media content. As we have said, an approach aligned to broadcasting is too narrow to meet the challenges and opportunities provided by digital media. There are numerous players in the digital environment, public and private, each making a distinct contribution, through which Canadians' cultural lives are enriched.
41. Finally, the NFB encourages the Commission to find ways to encourage greater accessibility of content to visually and hearing impaired Canadians.