

EUROPEAN NATIONAL FILM AGENCIES SAN SEBASTIAN STATEMENT

Urgent and comprehensive public support needed for the digitisation of cinemas

The directors of the national film agencies across Europe – the EFADs - are deeply concerned with the problem of digitising Europe’s 30,000 cinema screens: they fear that, without fast and effective intervention, one-third of European cinemas could disappear given the currently-available commercial models for moving from analogue to digital film distribution and exhibition. This would represent a major threat to cultural diversity in Europe and would endanger access to culture for a large number of European citizens.

The EFADs insist that it is in the public interest that the digitisation of cinemas across Europe takes place quickly and effectively, and that the aim of public support is for Europe to maximise the benefits that digitisation can bring, notably a broader access to a wider range of films. The EFADs consider that there is no one-size-fits-all approach which is valid for every country and region in Europe, and every country and region in Europe must be free to operate a scheme which works well in the prevailing markets.

In October 2006 the EFADs issued a Common Declaration in support of public support for the digitisation of cinema (production, exhibition and distribution, including online and archives). Three years later, the picture described in that Common Declaration is still vivid and accurate.

The cinema sector in Europe is in need of financial models that enable countries to advance the general interest of European citizens, in particular access to cinema and circulation of cultural content – the backbone of intercultural dialogue and cultural diversity in Europe. To this end, national and European public authorities need to work together to find solutions to the challenges we find in the market place.

The EFADs understand that the European Commission is not intending to issue its Communication on the digitisation of cinema until 2010; however the criteria by which the Commission assesses the public support for the digitisation of cinemas are being established in a series of decisions in relation to schemes submitted by member states for approval under state aids rules.

This Statement sets out seven points which the EFADs consider to underpin Community and national regulation and support policies for the digitisation of European cinemas:

1. The main purpose of the digitisation of cinemas is to ensure that the public has the best possible access to the widest possible range of films in as good or better quality as the public is used to getting with 35 mm.
2. Public policies are to ensure fast and effective digital roll-out.
3. This is why EU and national support for digitisation cannot be restricted *a priori* to only certain kinds of cinemas in certain localities and only certain approaches to programming.

4. Schemes should not impose a particular technical solution, although schemes should take into account the technological state-of-play in the sector. Whatever the technological solution envisaged, it should offer tangible public benefits, for example, facilitating the circulation of films and access by the public to those films.

5. The level and form of support required will vary from country to country and region to region, and support should be appropriate to national and local conditions. The EFADs would hope that the European Commission, as well as public sector funding bodies throughout Europe will take the opportunity offered by digitisation to help improve cinemas' coverage and the range of films shown.
6. Public intervention should include both EU and national measures. It has so far been left up to European Union member States to come up with arrangements, without a significant contribution at the EU level by way of either a financial backup programme (for example a European credit guarantee system) or a support action with adequate reach provided by the MEDIA programme.
7. The challenge of digitisation is not limited to the digitisation of cinemas but also involves making available digital copies of films and the provision of films online. Public support, therefore, must also address these areas.

The EFADs therefore call for the commitment of national and European authorities to foster a fast and effective digital transition. While some cinema circuits have the resources and have already started their transition to digital, time is running out for many cinemas which are in danger of being left behind.

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