

EMERGING AND DIGITAL MEDIA: OPPORTUNITIES AND CHALLENGES

STANDING COMMITTEE ON CANADIAN HERITAGE

BY THE NATIONAL FILM BOARD OF CANADA

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Good morning, Mr. Chairman and members of the Committee.

I am very pleased to appear before you again on behalf of the National Film Board (NFB). My name is Tom Perlmutter and I am the Government Film Commissioner and Chair of the NFB. With me today are Claude Joli-Coeur, the Assistant Film Commissioner, and Deborah Drisdell, Director General of Accessibility and Digital Enterprises.

The NFB is a federal cultural agency, established in 1939, to produce and distribute original audiovisual works that are creatively innovative and contribute to Canadians' understanding of the issues facing our country and raise awareness of Canadian viewpoints around the world. Over a 70-year period the NFB has become Canada's best known cinematic brand. Last year on the occasion of our 70th anniversary we were fêted in China, Brazil, Japan, France, England, and Ireland among many other countries. In the past week alone I have received requests for partnerships from Malaysia, Korea, Singapore and Columbia. The value of the NFB brand for Canada is immeasurable.

Today, in a rich and diverse audio-visual world, the NFB remains distinct as a creative laboratory, a leader in exploring terrain that cannot be undertaken by the private sector, a voice for underrepresented Canadians, a prime means to assure the vitality of a francophone culture and, not least, one of Canada's leading pioneers in the digital realm. The latter is playing a crucial role in many of the international requests for partnership that I mentioned above.

The digital revolution is seismic. Today we are focusing on its impact on the cultural industries but it is important to bear in mind that the reach of this revolution is much broader. It touches everything: how we organize our lives personally, socially, economically, politically, and culturally. It is a revolution which, in its impact and its consequences, is as profound, if not more so, than the industrial revolution of the late 18th and 19th centuries.

Consider that worldwide over 1 billion users are now connected to the Internet—close to 20% of the planet. 20% of all human beings. Connected. Across borders. Across languages. Across cultures. And that number grows daily. The impact of mobile will be even more profound because of its ability to penetrate where landlines and electricity are not widely available. I traveled through some remote parts of Africa last summer and was astonished at the extent to which cell towers proliferated where there was little else in the way of infrastructure.

In Canada we are among the most avid users of digital technology. According to the Comscore 2009 report¹, the digital media universe in Canada has grown 11 percent over the past three years. On average there are more than 24.5 million Canadians online each month—among the world’s highest Internet usage rates. In March of this year Ipsos reported that for the first time ever in their tracking research, the weekly Internet usage of online Canadians has moved ahead of the number of hours spent watching television. Crucially, Canadians are also the greatest consumers of video on line. Total videos streamed grew 123% in 2009 versus a year earlier--a monthly average of 263 videos per viewer.

Time spent watching online video surged even more dramatically with a 169% increase. By the end of 2009, the average unique viewer was spending 20.6 hours per month watching video. While YouTube accounted for the largest share at 30%, significant growth also occurred among long tail sites (such as our own NFB.ca), which held 55% share.

¹ The ComScore 2009 Digital Year in Review, A Recap of the Year in Canadian Digital Marketing

The impact has been very disruptive on Canadian cultural industries, which have been structured on the basis of a protected universe with high barriers to entry, enforceable regulations such as for content quotas, and clear ways to monetize content. All of that is increasingly subject to the corrosive effects of digital technology and the freedom it allows users to disregard national frontiers or established ways of delivering and consuming content—what we used to call the orderly marketplace with theatrical windows, pay windows, over the air broadcast windows, specialty channel windows and home video windows. It is a model that will soon have as much currency as the singing telegram—perhaps less.

And we are only in the early days of this revolution. Google is just over ten years old. YouTube celebrated its fifth anniversary last week. Twitter was launched in March 2006. Facebook extended beyond its original college circuit only four years ago. Now, one in two Canadians has a Facebook page. In four years.

The point is that the digital world is in constant transformation and we have no way of predicting what that world will look like in five years and who the new conquerors of the digital space will be. It may be players who don't exist...they could be Canadian—some of the extraordinary companies or creative talent, for example, represented by your next witness—a former colleague and friend. Given the range of talent and smarts here one of the questions we need to ask is why haven't any of the big players emerged from Canada? And what can we do to ameliorate the picture for the future.

Here is another reminder of the nature and rapidity of change. A few months ago the New York Times did a 10th anniversary piece on the Time-Warner/AOL merger. You may remember that it was the ten-day wonder of the then incipient brave new digital world, marrying old and new to create the media behemoth of the future. It crashed spectacularly. This is what Gerald Levin, architect of that merger, had to say about it:

“I used to think at the time it was a clash of cultures and a misreading of the dot-com

bubble, but I now upon reflection believe that the transaction was undone by the Internet itself. I think it is something no one could have foreseen. What I call the rolling thunder of the Internet started actually to eat its own, which was AOL. AOL was the Google of its time. It was how you got to the Internet, but it was using some old media business ideas that were undone by the Internet itself, and that's why Google came along."

Ten years ago AOL seemed as invincible as Google does today. Things aren't set in stone—we can seize the day if we are ready to take risks and push boundaries.

We hear a lot about technology driving change. It is not technology in a vacuum. There are scores of examples of technologies that had the potential to create change and fell flat. Telidon was a pre-Internet Canadian innovation of the 80s. It went nowhere. The current wave of digital technology is so potent because it strikes at two core needs in audiences, in consumers, in citizens: the need to exert greater control over our lives and the irrepressible urge to express ourselves, to be players and not just observers.

This, I think, is one of the great engines of the ongoing growth and strength of social networks which today account for over 40% of Canadian Internet usage. Social networking now also includes significant cultural marketing and consumption. Another opportunity. For example, the whole of NFB's national screening room is embedded within Facebook allowing users to engage with our videos and continue with their social networking activities.

But as much as the consumers want to seize control, the purveyors of that technology want to seize it back. The recent controversy over Facebook and privacy is exactly about that issue: who owns, controls and has the right to exploit the information that I as an individual put on the 'net?

It is critical to note that the information that I or any Canadian upload is not on some neutral, transparent net. I insert it within a pre-existing framework. It may be Facebook

or Twitter or Google's YouTube or Murdoch's MySpace. As Canadians we may log into Youtube.ca or Facebook.ca but the fundamental fact is that the information is always potentially controlled by others and often is.

We are unique in the world that our engagement as Canadians is almost overwhelmingly with non-Canadian—American—sites. There is no Canadian owned and operated company in the top ten web destinations. This is in contradiction to the case in UK, Australia, France, Italy and many other countries. One of our leading digital executives operating in the private sector notes that Canadians are “drawers of electricity and hewers of bandwidth”. We are in danger of replicating the situation that currently exists in broadcast where great sums of money flow south to buy programming and Canadian content is the poor stepchild.

Let me be clear: none of this is leading to an argument for walled gardens or restricting choices for consumers. It is about looking level headedly and with clear eyes at the problem and finding the innovative solutions that will leverage Canadian creativity and output into the digital sphere.

Even as we recognize that change is on us I fear that many of the discussions I am hearing are still anchored within a terminology of a traditional media universe and thus by definition hampered by what Gerald Levin called “old media business ideas”. The justification has been that television remains dominant in the marketplace in terms of viewers and revenue generation. There is a concession that we need to take account of digital media but only to the extent that we can deliver the old wine in the new bottles and collect on the wine and the bottle.

On the first issue, even as television holds steady or even may show some small increase in audiences, Internet use has grown even more, and most spectacularly in the under 18 category, our audiences of the future. On the second, it is true that television retains the lion share of dollars but we are seeing the shift of ad dollars into the online world. With no equivalent of broadcast's simultaneous substitution, 60% of online ad revenue goes south. Over the next few years the loss of this revenue will be a major hit on the ways in which we finance cultural production. On the third issue of what kind of

content will dominate, sure, there is a lot of traditional media viewing on the net but there is no assurance that that will continue to be the dominant form in five or ten years.

Price Waterhouse Cooper in their most recent global media survey concedes that television remains dominant but adds that all the momentum is with online and mobile. Much of our industry's response to the shifting sands has been essentially to tuck our heads into those sands.

We are working on an assumption of incremental, manageable change. However, something different may be happening. Instead of incremental change we may be pushing to a tipping point when, bang!, everything becomes undone with enormous rapidity. I cannot say with certainty that this will be the case. But, whether it is a longer or shorter transition, we need to figure how to prepare for that eventuality. Yet our discourse tends to be how to protect the horse and buggy trade while the gas piston engines are being knocked up in the woodsheds.

What are some of the things that might push us to that tipping point? Let me point to a couple of examples. The centre of competitive gravity is shifting east. I returned from MIP, the world's largest television market, last week. The dominating presence of Asia—with large delegations from China, Korea and Singapore—was inescapable. Singapore, for example, is throwing incredible amount of resources into the media sector and into digital specifically. They offer a reach of 3 billion people within a 5-hour radius. There are 5,600 media companies there, 1,000 of them foreign including many the Asian headquarters for global brands such as Discovery and National Geographic. It is a test bed centre for digital innovation and stereoscopic production. They are phasing in optic fibre network to every home offering speeds of 1 gigabit per second. Singapore is out to conquer the world.

You may say that it is a different audience and a different kind of population, but consider this: last month Statscan released their Projections of Diversity of Canadian Population. Our country is in the process of transformation. Major urban centres will be

composed of what we today call visible minorities: Toronto and Vancouver at 60%; Calgary and Ottawa 35%; Montreal, Edmonton and Winnipeg pushing towards 30%. It is not uniform and it is not across the country. But these urban centres tend to be the drivers of our cultural and media industries. Very little of that diversity is reflected in our traditional media. If I'm a Chinese Canadian, I may want to connect with the world in a different way because I want to see a world that reflects more of who I am. Digital provides me options that traditional does not.

Secondly, as we move to higher end digital infrastructure, change becomes qualitative. Connection speeds of 1 gigabit per second alter the universe. It is a tipping point. That's the kind of technological change that happened between Web 1.0 and Web 2.0 and that triggered the current wave of disruption. The changes to come are potentially more dramatic.

Coming from the point of view of content creation and given the NFB's drive to innovate I can tell you that we are on the threshold of something quite radical. This isn't simply about platforms. We are witnessing the birth of a new art form that will be immensely transformational...more powerful than the movement to television was in the 1950s. Incidentally, our intention at the NFB is to be at the forefront in these new forms of creation—not simply for Canada. For the world. I am happy to note, for example, that we are currently up for five Webby nominations. The Webbys are the Oscars of the digital world.

I think the example of the NFB and how we have embraced the digital challenge provides a sense that there are remarkable opportunities for Canadian culture. I will touch on this briefly but it is more developed in an annex which we have submitted with this presentation.

Since the launch of the NFB's national screening room at the beginning of last year we have had over 5 million views of NFB films. In October we launched our iPhone app which quickly became both a critical and popular success. iTunes called it one of the ten best apps of the year. In less than half a year we've had 700,000 views of films on the

iPhone. We are ready to launch on the iPad when it comes to Canada. ONF.ca was the first platform in North America for viewing works in French by francophone creators.

These are engaged viewings; these are audiences making a decision to watch distinctive Canadian films, niche works, longtail works—serious documentaries and auteur animation. The industry norm for completed on line viewings is between 5 and 10%. On NFB.ca it is over 40%. Our youth audience has increased exponentially. Even more interesting is the level of engagement; our audiences are writing, blogging and sharing their experience.

We've made the films available for free by streaming. We will continue to do that. It is a public policy decision and, paradoxically, a sound commercial decision. We are reconnecting and reinvigorating our relationship with Canadians. But we are about to move into a second phase which will see us testing various models for generating revenues: deals with partners such as YouTube and other syndicated sites, online transactions, micropayments and a range of other possibilities. I have no doubt that as the models evolve solutions will be found.

In the interim, however, for Canada and the cultural industries there are a number of critical issues. It is clear we need to ramp up our infrastructure both in online and mobile. We need massive investment in training. Our own experience has shown that it is not simply possible to transfer linear production models to digital productions; it involves radically different ways of organizing budgeting, work processes and work flows and it requires additional and different technical skills—the artisanal basis that is fundamental to any art form based on technology. We need to look at copyright legislation and balancing the interests of creators of intellectual property and consumers and citizens. That latter distinction is important.

We need to understand what the barriers to investment are and why Canadian success stories often do not evolve into the global success of a Facebook or Twitter. Look at the

example of Flickr, developed in Canada in 2004. A year later it was bought by Yahoo and all the content was migrated from Canadian servers to US ones. We need to look at how to ensure that the great wealth of existing content generated by the public and private sectors (often with public subsidies) can be digitized and made available to Canadians.

We shouldn't be taking a piecemeal approach to this. We need to do two things: devise a national digital strategy that is more long term in its thinking. Many jurisdictions have advanced in this area such as Britain (Digital Britain), France (France Numerique), New Zealand (Digital Strategy 2.0) and Australia (Digital Economy Future) to name a few. The process would bring together many diverse sectors: technological innovation, finance, cultural industries, communications industries, and so on.

As government film commissioner I have taken the initiative in this area calling for such a strategy well over a year ago. Since then I have assembled a broad based group of people from the private and public sectors to brainstorm ideas. I am heartened to hear that Minister Clement will soon be leading a consultative process for such a strategy and we look forward to enriching it with the work of our group.

But we also need a transitional strategy. How do we ensure that we can capitalize on our traditional media industries, not cannibalize their revenue base and build rapidly the new digital businesses of the future? What Minister Moore has done with CMF is a step in the right direction.

One final point: we talk about the digital revolution in terms of an economic strategy and global competitiveness. There is a larger story. As much as it is said that digital democratizes media it is also a solvent dissolving social cohesiveness; it facilitates the formation of communities of interest as much as communities. The paradox of the virtual world is the isolation of connection. In moving forward we need to understand that there is something crucial at stake here—it has to do with nation building. If we park that at the door we do ourselves and our country an enormous disservice.

Canadians have a yearning to connect beyond their individual interests—we saw that in the phenomenal outpouring of pride during the Vancouver Olympics. It tapped into a deeply felt need. If we recognize this then digital can also become a powerful tool to create social cohesiveness. This has to do with ensuring the public space in an online world.

One of the most interesting things for us has been the comments of audiences, across all age groups, about NFB.ca. For the first time, they had in one place, easily accessible and at their convenience a unique view of our country crossing time, geography and language and ethnic barriers. They came and saw something that we often forget—the immeasurable beauty and wonder of our country. Our audiences watched, understood, and took it to heart. And their hearts swelled with pride.

We know this because they haven't been shy about telling the world. Here are some comments young audiences—an 18-25 demographic—made on an online survey by Michael Adams, which we did not commission and about which we knew nothing until after the results were published:

“To me, the NFB is yet another one of the low-key yet crucially important bearers of Canadian identity.” –male, 19

“The NFB helps provide meaningful insight into the little aspects of Canadian culture, which are often forgotten.” –male, 19

“To conclude, I find that Johan Huizinga says it best when he states, “If we are to preserve culture we must continue to create it.” That in a nutshell describes Canada's National Film Board, it is able to preserve our culture through film and yet help other artist aspire to create more representations of our Canadian identity.” –female, 25

Thank you.

ANNEX

The following document is a complement to the presentation by Government Film Commissioner and president of the NFB, and it provides a brief overview of the NFB's digital transformation.

The transition from analog to digital formats is one of the technological changes that is transforming the media environment in the present era. The network of ways in which we interconnect through digital media, including the Web and mobile platforms, will have enormous long-term consequences for Canada in the political, social, economical and cultural areas.

Two years into the NFB's five-year Strategic Plan, we are setting the standard among Canadian institutions for creative innovation in digital media. We experiment with new models, doing what the private sector cannot do because the risks are too great or business models have not yet sufficiently evolved. At the heart of our strategy is a reaffirmation of the NFB's core values: working with creators across all technologies, stimulating imaginative and socially engaged creation, and ensuring accessibility for all Canadians – while making maximum use of the possibilities of digital technology. Our audiovisual content is 100 percent Canadian — it reflects this country's diversity. It gives a powerful voice to Aboriginal creators and those from our diverse cultural and regional communities. It is available in French and in English, and crosses all our geographic boundaries.

NFB.ca has recently been named one of the "Top 50 Canadian Websites" by *Canada's Web 50*, a collection of Canadian creative designers, marketing managers and online media buyers, and "Best Online Video Portal" by the Canadian New Media Awards, Canada's only nationwide digital media awards show. Even more encouraging is how enthusiastically the NFB's growing audience has embraced our new digital products and services. To date, the online Screening Room at <NFB.ca> has generated over five million screenings worldwide, with more than 1,400 NFB productions currently available,

and new titles being added weekly. Two days after its launch last October, the NFB iPhone application ranked as the third most downloaded application, ahead of Facebook and Skype. The total volume of iPhone application downloads has now reached 220,000 and of iPhone plays, more than 720,000 worldwide.

This month, the NFB received five nominations and four honourable mentions at the 14th Annual Webby Awards – a record number for the NFB in a single year. Leading the way with four nominations was the *Waterlife Interactive* website, nominated in three website categories – Society/Education, Society/Green, and Media/Movie and Film – as well as for Best Online Film and Video in the Documentary/Individual Episode category. Called the “Internet’s highest honour” by the *New York Times*, the Webby is the leading international award honouring excellence on the Internet.²

DEVELOPMENTS IN EMERGING AND DIGITAL MEDIA AND THEIR IMPACT ON CANADIAN CULTURAL INDUSTRIES

The NFB’s digital media strategy addresses three distinct market segments: consumers; the educational sector; and media content aggregators such as portals, broadcasters, and so on. Our primary goal is to provide value and accessibility to Canadians with an array of free and payable content. This involves maximizing the opportunities provided by the NFB’s extraordinary archives and current catalogue while safeguarding, enriching and strengthening our film collection and name brand.

Here is a sample of some our most recent achievements:

- The NFB has undertaken a digital transformation involving all aspects of our organization, including our production and distribution services– a transformation that has been fully financed internally.
- Digital transformation of the NFB has required institutional renewal, including an organizational restructuring that flows from the new priorities contained in our

² Winners will be announced on May 4th, 2010.

strategic plan. By these means, we have been able to put significantly more dollars into making and delivering to Canadians the programming that is at the heart of our mandate.

- The NFB has totally revamped its website, which features our “screening room” with over 1400 NFB productions available free of charge online, via streaming technology, including recent HD and 3D productions. We have developed a special interest in mobile applications for portable devices such the iPhone, BlackBerry and Google Android.
- The NFB has arranged for the syndication of our digital content via distribution channels such as the NFB channel on YouTube.com, the YouTube screening room, an NFB-moderated channel on dailymotion.com, and a dedicated NFB channel on Rogers-on-demand and on Videotron’s Illico – all of which involve some form of revenue-sharing.
- The NFB is the caretaker of one of the world's great audiovisual collections, dating back to the 1940s – 13,000 titles, 500,000 still images and an extensive sound library – which constitutes an invaluable heritage for Canadians and for the rest of the world. The digitization and on-line distribution of this extensive collection is rapidly progressing. And just over two weeks ago, the NFB and Radio-Canada announced their intention to join forces to showcase over 2,000 hours of new stock footage online at <NFB.ca/images>, our web destination for stock footage professionals.
- We launched *Waterlife Interactive*, a web project inspired by the documentary *Waterlife* by Kevin McMahon. This co-production between Primitive Entertainment and the NFB, is the story of the last great supply of fresh drinking water on earth. It is a creative and educational portrait of a pressing social issue that directly affects over 350 million people. *Waterlife Interactive* builds on the film’s stunning visuals and soundtrack to create an immersive experience that allows users to explore the

beauty of water and the danger in taking it for granted. It was one of two winners of the City of Karlsruhe Prize at the BaKaFORUM 2010 TV and Media Forum in Karlsruhe, Germany. The prize honours the best educational, societal or science multimedia project.

- We launched *GDP - Measuring the human side of the Canadian economic crisis / PIB – L'indice humain de la crise économique canadienne*, the country's first bilingual web documentary, a pan-Canadian project that bears witness to the far-reaching effects of the economic crisis in our lives and communities. Under the direction of documentary filmmaker Hélène Choquette, over 250 documentary shorts and photo-essays, each about four minutes in length, create a mosaic showing how Canadians are experiencing the crisis.
- ***100 mots pour la folie*** by Fayad Ghassan is the first interactive music video and the first such work on the NFB's interactive platform. This innovative project uses the words of each visitor to the site as a navigation interface to let them create a unique video clip based on Malajube's music with visuals from the NFB's archives spanning over 70 years of production.
- We are devoted to the training and mentoring of emerging and established Canadian filmmakers. Equally essential is the commitment to support our employees with more training and opportunities to better adapt to the new realities of the digital environment. We have worked with l'Institut national de l'image de du son (INIS) to deliver a digital training program: a series of training and knowledge-sharing workshops with NFB and other industry experts.
- To better reach official language minority communities in remote and underserved areas, we have launched the first e-cinema network in five francophone communities in Acadia. This pilot project provides a rich collection of otherwise unavailable digitized documentaries, animation and features, on the big screen, in French.

Where are all these developments coming from?

Digital technology allows for the exact reproduction, widespread interconnectivity, instantaneous transport, mobility, accessibility, and the broad multi-purposing of cultural content on a scale never before imagined. As a result, an array of overlapping and interrelated new digital markets has arisen that are complementing, competing with, and transforming traditional media such as broadcasting and telecommunications. These online markets are characterized by a mix of free and premium content, more and more frequent micropayments, streaming technology, and downloading by rental or sale.

The NFB's general strategy for the gradual monetizing of initially free services is to, first, build a strong and compelling free offering that offers greater accessibility to the NFB's collection, builds audiences and creates a solid customer base. In a second phase, we will move to a tiered approach that, while continuing to improve accessibility and increase the volume of content available, also offers premium content and services, such as new releases, for a price. In this stage, we will experiment with subscription models, video-on-demand (VOD), downloading by loan or sale, and links with online stores for DVD purchase.

WHAT FEDERAL INSTITUTIONS COULD DO TO ASSIST

Canadian cultural institutions must embrace the digital transition and accept continuous change and upheaval as part of their daily lives. To achieve this objective, the NFB favours the creation of a national digital strategy by the Government of Canada to ensure that the various components of new media are part of a coordinated national approach. In its *Review of broadcasting in new media* last June, the CRTC pointed out

that several countries have already recognized the value and the importance of a national digital strategy and have developed plans that respond to the perceived challenges and take advantage of the expected opportunities presented by the digital age. In the Commission's words, "given the breadth and magnitude of the issues and their importance to Canada's future, the Commission fully endorses the call by the NFB for the Government of Canada to develop a national digital strategy."³ According to the Minister's remarks before this Committee on April 13, we understand that a national digital strategy is now on its way.⁴

The NFB is in favour of a comprehensive study of the measures that could increase the resources available for investment in digital media. Investment incentives should also encourage greater promotion and visibility of Canadian content, to ensure that Canadians have access to high-value Canadian content on new platforms.

The NFB intends to extend the work it has done in the last few years to develop low-cost, highly effective programs that fill the void between film and training schools and a graduate's first professional production experience. With First Person Digital, Engage-toi, Newscreen and Calling Card, we have pioneered an integration of master classes and full professional production to assist the next generation of digital artists and artisans. This has been done in partnership with a range of institutions, including provincial government agencies, broadcasters and independent production companies. For example, the First Person Digital production program for women informs and inspires creators by engaging in discussion with some of the most extraordinary individuals working in new media today. First Person Digital offers the support and tools necessary for six teams to create a new media experience with the NFB, Studio XX and other partners. Projects will premiere on CBC, be webcast by the NFB and the CBC, and be considered for NFB festival and non theatrical distribution.

Homegrown institutions like the NFB have become breeding grounds for creativity and

³ Broadcasting Regulatory Policy CRTC 2009-329, 4 June 2009, para. 78.

⁴ During his appearance at the Standing Committee on April 13, Heritage Minister James Moore said the Minister of Industry, Tony Clement, will launch a digital strategy in the next month or two.

innovation, allowing not only emerging creators but also seasoned artists the opportunity to experiment and create what they could not do in the private sector. Films such as *Couleur Z* by Phillipe Baylaucq and *Glimpses/Impressions* by Jean François Pouliot explore innovative cinematic experiences, using digital media to experiment with new ways of reflecting and engaging the reality of our country.

The financing and nurturing of initiatives for professional development in emerging and digital media ought to be increased. Canadian cultural institutions must foster the development of the fullest possible range of Canadian innovation and content within the fast changing digital environment.

CONCLUSION

Canadian government policy should ensure the availability of a wide array of Canadian cultural content of all kinds alongside the high-quality internationally-available alternatives. The NFB is an essential policy instrument in achieving this objective in the new digital environment. We have committed ourselves to taking the creative, technological and financial risks that the private sector cannot.

Since its inception, the NFB has served Canadians by producing and distributing programming designed to reflect Canadian realities and to engage Canadians in issues of importance. The NFB is a creative laboratory, where we can test the future today. Without the burden of a traditional broadcasting infrastructure, the NFB can push further and deeper into areas that are risky, even for public broadcasters. We can and will increasingly be focusing on delivering unique content on digital platforms. In fact, we've been taking the lead in this area for some time.

The NFB is at its best when it serves as a laboratory, when its creators can research and develop the new forms of the future, as was the case with direct cinema in the fifties or with the big screen technology IMAX. We are creating and distributing works that are

unique, original and trailblazing– that have their natural home in the digital universe– projects such as *Waterlife* or PIB-GDP.

The possibilities for new platforms, new approaches and new ideas remain wide open. Canadians have proven they can compete with the best in this arena. We need to provide the support that will make Canada a world centre for digital innovation that will then help drive the creation of Canadian content.