OPINION

of the Committee on the Internal Market and Consumer Protection

for the Committee on Culture and Education

on European cinema in the digital era
(2010/2306(INI))

Rapporteur: Jürgen Creutzmann
SUGGESTIONS

The Committee on the Internal Market and Consumer Protection calls on the Committee on Culture and Education, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Emphasises the important contribution of European cinema to investment in digital technologies, innovation, growth and jobs; stresses that, in addition to the economic impetus provided by the arts sector in the EU, European cinema also has, in particular, an extremely important cultural and social dimension;

2. Points out that almost 1 billion cinema tickets were sold in the EU in 2010, demonstrating cinema’s continued popularity and huge financial, growth and employment potential; stresses the importance of all the stages in the production chain in creating cinema content and the need to support all those stages;

3. Points out that digitisation makes it possible to distribute cultural contents throughout the internal market more cheaply, opens up new opportunities for the European film sector and safeguards the competitiveness and diversity of European cinema;

4. Points out that small commercial and non-commercial cinemas make a vital contribution to preserving cultural heritage by including European productions in their programmes; notes with concern that the survival of many independent cinemas is being endangered by the high costs of converting to digital technology and competition from cinemas which primarily show films from the USA;

5. Emphasises that the digital roll-out must preserve programming diversity and cultural facilities for rural and urban areas in all EU countries and must not result in the closure of small and arthouse cinemas to the benefit of multiplexes; emphasises the importance of the social and cultural role played by cinemas, one which must be preserved, particularly in rural and remote areas; highlights the fact that many small, rural and arthouse cinemas which mainly show European content are excluded from the Virtual Print Fee (VPF) commercial model for financing the installation of digital equipment and that alternative financing models, including public support, may be necessary to maintain and strengthen cultural diversity and to safeguard competitiveness;

6. Emphasises the need for public and private investment as the cinema sector enters the digital era; calls on the Commission and Member States to disseminate best practices in the area of the financing of digitisation, including market-based solutions such as small cinemas forming networks to conclude collective agreements with distributors; calls on the Commission, Member States and regions to focus public funding for digital conversion on cinemas which cannot cover their financing needs from other sources, and to keep the transitional period as short as possible;

7. Draws attention to the difficult situation of small urban cinemas, which, as art-house cinemas, help to preserve cultural heritage;

8. Emphasises the added value of European support, particularly with regard to cross-border
screening of films and in preventing further fragmentation of the European cinema market; in this context, welcomes the commitment made by President Barroso on 18 March 2011 to maintain and further strengthen the MEDIA programme; calls on the Commission to earmark funding under the new MEDIA programme for the post-2013 period and under the European Fund for Regional Development (EFRD) to support the digitisation of cinemas showing European content;

9. Calls on Member States to take EU competition rules into account when designing State aid schemes for digital conversion, in order to avoid distortions of the financing terms for digital cinema; calls on the Commission to draw up clear guidelines for State aid, building on experiences in various Member States in order to increase legal certainty whilst leaving Member States free to shape film and cinema funding at national level;

10. Emphasises that, while public support should be technology-neutral, it should also guarantee the sustainability of investments, taking into account exhibitors’ specific business models and distributors’ technical requirements;

11. Calls on the Commission to carefully examine the implications which the transition from traditional to digital cinema has for all the stakeholders and parties involved; stresses that Member States should take into account the costs for small local cinemas, and possible opportunities/consequences for the labour market, when drawing up their national digitisation programmes; highlights the importance of appropriate investment in research, funding and training for professionals already working in this field to enable them to adapt to the use of new technologies and to guarantee social inclusion and employment protection;

12. Welcomes the fact that, with the 2K standard, a unique, open and compatible worldwide ISO standard has been developed for digital projection, which takes into account the specific needs of European exhibitors; calls on European and national standardisation organisations to promote the use of this standard accordingly;

13. Welcomes the Commission's announcement, in its 2010-2013 Standardisation Work Programme for Industrial Innovation, of the plan to specify by 2013 voluntary standards for the submission of digital films to archives, for their preservation and for 3D projection.
**RESULT OF FINAL VOTE IN COMMITTEE**

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<th>Date adopted</th>
<th>25.5.2011</th>
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<tr>
<td><strong>Result of final vote</strong></td>
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<td>+:</td>
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<tr>
<td><strong>Members present for the final vote</strong></td>
<td>Pablo Arias Echeverría, Adam Bielan, Cristian Silviu Buşoi, Trevor Colman, Lara Comi, Anna Maria Corazza Bildt, António Fernando Correia De Campos, Evelyne Gebhardt, Louis Grech, Małgorzata Handzlik, Malcolm Harbour, Iliana Ivanova, Sandra Kalniete, Eija-Riitta Korhola, Edvard Kožušník, Hans-Peter Mayer, Phil Prendergast, Mitro Repo, Robert Rochefort, Zuzana Roithová, Heide Rühle, Christel Schaldemose, Andreas Schwab, Laurence J.A.J. Stassen, Catherine Stihler, Kyriacos Triantaphyllides, Emilie Turunen, Bernadette Vergnaud, Barbara Weiler</td>
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<tr>
<td><strong>Substitute(s) present for the final vote</strong></td>
<td>Regina Bastos, Cornelis de Jong, María Irigoyen Pérez, Constance Le Grip, Morten Løkkegaard, Konstantinos Poupakis</td>
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