I have lived in Girdwood for the past 32+ years. I own and operate a business that has provided support for Alaskan film, TV, and commercial photography production for 2 1/2 decades.

I'm writing to you with concerns about HB 67 & SB 23, The "film production incentives bill".

I believe the existing film production incentives regulations need to be reexamined. Perhaps it is too early to say, but it is possible the current regulations maybe having some unintended effects. Perhaps the existing regulations need to be reviewed and further study is in order before this program is extended another 10 years.

My concerns are as follows-

Since the opening of the Alaskan Film Office my business revenues has fallen off over 75%. Part of the reason for this slow down may stem from the general economic state of the country however since the office has opened the call volume has all but dried up. Former clients are now calling the Alaska Film office for guidance and incentives information. The Film Office has disrupted the natural flow of information and business contacts. I now seem to be in competition with the State of Alaska. The State now provides services free of charge that previously I was able to make a living at.

The only time I have previously experienced anything of this nature was the when the last "film office" was in operation. Since the previous office shut its doors I had a thriving production support businesses. That business took a severe nose dive since the advent of the new film office and the film production incentives.

How could this be??

The incentives and the current regulations maybe having some unintended effects.

The film production subsidies are first of all crafted to attract feature film business that would probably not come to Alaska without them. The subsidies seem to ignore the smaller productions that have always come to Alaska without incentives. If the spend limits were lowered to say 50K then it is my belief we would see more of the productions that belong up in Alaska and want to come to Alaska and that the current infrastructure can support. These smaller productions typically are inclined to hire a larger percentage of Alaskans for their support crew. They also rent their production equipment locally. They additionally are more likely to venture further a field in Alaska thus providing benefits statewide and to smaller communities. This has been the bread and butter of Alaskan film production and it is very likely, with the help of incentives, we would see more of it. Lower the spend limit to encourage more commercials and small productions. Tighten the regulations to protect Alaskan jobs and businesses.

With the help of the film incentives and the current regulations the larger, longer productions get subsidies to bring their crew personnel and equipment up from the lower 48. The out of state crews are willing to work for less and often on a flat rate with no overtime, etc. This maybe attractive to the travel and hospitality industry but it does nothing for the majority of legitimate Alaskan film support venders and businesses

The film incentives were intended to allow the Alaskan infrastructure to grow. At this point it is difficult for me to invest much in what is likely to be an artificial bubble, which is likely to deflate quickly if (when) the incentives are removed.

The Film Office needs to be prohibited from providing support information to potential productions. I do not want to be in competition with the state. They should only be facilitating and monitoring the incentives programs.

The Film Office needs to be transparent. The Film Office should be required to immediately post all of the contacts that are made so that all Alaskan business has equal access to this information. Currently the film office is a black hole for all contact information. The Film Office claims that it is required to keep this contact information confidential to protect the interests of the out of state production companies. If these Production Companies are being subsidized with public funds it would seem that the public along with Alaskan business have a right to the contact information. Due to the lack of transparency and oversight no one knows how contracts are ultimately awarded.

Prior to the opening of the new film office, all film contacts that came into the state office were immediately passed on to the Alaskan film professionals. This system worked well and did not interfere or redirect the natural flow of business. It additionally provides the necessary transparency to this process. All the contacts that come into the state film office need to be passed on immediately. If the potential clients require secrecy then they should be doing their business through an Alaskan business in the first place. If a state office and public funds are being used then it needs to be a transparent process. If the production companies don't like it then they should not expect a hand out.

Going forward the current regulations need to be modified

No more subsidies for out of state workers, actors, directors, producers. Instead increase incentives for Alaskan resident hire and training and investment in infrastructure.

Eliminate incentives that allow out of state companies to ship their production equipment to Alaska. Why should public funds be used for this while existing Alaskan equipment is not being rented. Why would I invest in equipment knowing that the state is going to subsidize out of state companies to ship cheaper equipment up here.

Demand that the film office follow the directive outlined in the film incentive bill-

The Alaska Film Office was created by the 25th Legislature through SB 230. It was signed into law on June 4, 2008. The enabling legislation (AS 44.33.231-AS 44.33.239) instructs the Alaska Film Office to:

(1) cooperate with organizations in the private sector for the expansion and development of the film production industries in the state;
(2) promote Alaska as an appropriate location for film production;
(3) provide production assistance through connecting film directors and makers, and producers with Alaska location scouts and contractors, including contractors providing assistance with permit applications;
(4) certify Alaska film production internship training programs and promote the employment of program interns by eligible productions; and
(5) in cooperation with the Department of Revenue, administer the Alaska Film Production Incentive Program.

Directive # 3 clearly states the film office is provide production assistance through the Alaskan film professionals. The film office should not be allowed to provide any production service or direction of any kind, including permit applications, otherwise they are in direct competition with Alaskan businesses.

The Film Office claims that it has fulfilled these duties by linking to an on line service called reel Scout. However this service is not designed to meet the needs of Alaskan production, it is however an easy way for the film office to appear that they are fulfilling the 3rd directive.

I do believe that with some changes to the regulations that the Alaskan Film production incentive program could be beneficial to Alaskans and the industry. However, the devil is likely to be in the details so it is very important to get the details right before committing to another 10 years of this program.

John Markel
Alaska Film Locations, LLC
Box 891
Girdwood, Alaska 99587
783-2757