



March 3, 2014

Representative Bill Stoltze
State Capitol Room 515
Juneau, AK 99801

RE: HB112

Dear Representative Stoltze,

It has come to my attention that HB112, a bill to repeal the film tax credit program, is scheduled to be heard again in House Finance this session.

As a subsidiary of NANA Development Corporation, Piksik has made significant investments in equipment and infrastructure that is only realized utilizing an economic incentive to our businesses. Trucks, cameras, sound stage, specialty lights, sound gear, green screen, communications and Alaskan labor to mention a few.

In addition, marketing the state through trade shows, collateral pieces, sales trips and high-end advertising has been both substantial and beneficial to our business and the state.

In those efforts, marketing to Producers of Feature Films, 24 films with a potential Alaskan economic impact of 1.2 billion dollars have scripts that could use Alaska as their backdrop. Out of those 23 films, 9 films are seriously considering Alaska, representing approximately 45 million dollars in Alaska spend. This economic impact does not represent any above the line (ATL) wages for outside producers but rather total economic impact to the state.

Feature films are not the only industry segment that creates economic opportunity in Alaska. High-end television commercials, documentaries, docu-series, specialty TV and webisodes all bring economic opportunity to the state.

Crew training is another benefit to the incentive program. In order to meet the demand of production shooting in Alaska, several hundred people have been trained in various disciplines. Our studio facility has been the training ground for most of these programs with many more scheduled in coming months.

The energy and efforts are here to maintain a program that creates opportunity for Alaska business and individuals. We need the continued partnership of the state to build this industry.

We urge you to reconsider introducing HB112.

Sincerely

Pliskik, LLC
Robin Kornfield
President



4 March 2014

Representative Bill Stoltze
State Capitol Rm. 515
Juneau, AK 99801-1182

Dear Representative Stoltze,

Alaska Crew Training is a non-profit organization committed to the training and advancement of Alaskan Crew working in Alaska's Film Industry. To date, we have trained hundreds of students seeking positions. We offer classes that appeal to students seeking entry-level positions to seasoned professionals working in the industry who want further training. We facilitate the placement of students on commercial, television and film projects that shoot in Alaska. We can cite several examples of students who have taken our program who find employment almost immediately after completion.

It is important to have quality projects shooting in Alaska- the film incentive is largely credited with attracting these types of projects. In turn, these film ventures provide rich training grounds for students through On the Job Training. Alaska New Media has witnessed dozens of motivated crew members swiftly advance their career after being given the opportunity to land their first job in the industry. We are cultivating a healthy workforce and would like to continue to do so; the quality and quantity of projects play a large factor in sustaining this workforce.

The passage of HB 112 threatens the future of Alaska's growing Film Industry and stands in the way of retaining skilled crew. Please reconsider HB 112 and keep Alaskan Crew working in Alaska.

Sincerely,

A handwritten signature in black ink, appearing to read "Stacy Boles". The signature is written in a cursive style and is positioned above the typed name.

Stacy Boles
Program Director
Alaska New Media



March 3, 2014

Dear Representative Stoltz:

I'm writing in response to proposed legislation HB112. In the time period since the bill became enacted, we have seen our company grow in many meaningful ways including increased staff, crew, budgets, equipment and studio space as well as our total output.

In the process, we have trained many young people in technical and producing capacities as well as launched new careers for Alaskans such as in Script Supervising and documentary filmmaking. I was personally able to purchase a home due to this growth as have several of my sub-contractors. When it came time to leave or stay we chose to stay largely in part due to this increase in work opportunities.

While the industry here is still young, it deserves to continue to grow. Diversification of economy is critical to Alaska. This is also providing the roots our youth need to keep them in Alaska, doing work they love. Los Angeles is no longer the king of production and film incentives such as we have are part of the reason. Please continue to support us as we move from fledgling to thriving.

Thank you for considering that we really need this incentive and want to ask you to reconsider your position on HB112.

Sincerely,

Mary R. Katzke, Director
Affinityfilms, Inc.
PO Box 91182
Anchorage AK 99509
907-250-6897
marykatzke@gci.net



March 4th, 2014

RE: Proposed legislation HB112

Dear Representative Stoltze,

I am writing on behalf of the one hundred members who are part of the Alaska Film Group, the states largest non-profit trade association of film and video professionals. Our membership spans the state. We have seen first hand the positive economic impact film tax credits provide for all our members; individuals and businesses owners alike. The film industry brings prosperity and economic diversity.

We know the Dept. of Revenue has safeguards in place for the administration of the program. Tax credits are issued AFTER verification by a state certified CPA and AFTER dollars have already circulated through Alaska's economy and filming has finished.

We believe film production dollars create a healthy, diversified Alaskan economy. As an added benefit, Alaskan based corporations are able to utilize these tax credits to bring savings to their bottom-line. That in turn frees up capital and allows them to grow, to hire more workers and expand within the state.

This past year many Alaskans have been impacted by film productions in their communities. In Anchorage, Barrow, Eagle River, Fairbanks, Juneau, Ketchikan, Kodiak, Nome, Palmer, Seward, Sitka, Sutton, and Wasilla; businesses and individuals earned paychecks from local, national, and international film projects, many of them members of The Alaska Film Group.

As Alaskans we are confident that economic diversification is a sign of a healthy and prosperous Alaska. Please support this emerging industry that shows statewide benefit to all Alaskans and reconsider your proposed legislation that would end the program.

Thank you for taking the time to hear out our concerns with this important issue.

Sincerely,

Deborah Schildt – President
The Alaska Film Group

Periscope
610 N Street No. 4
Anchorage, AK 99501

March 3rd, 2014

Representative Bill Stoltze
State Capitol Room 515
Juneau, AK 99801

RE: HB112

Dear Representative Stoltze,

It's simple economics. Alaska's film industry produces a positive economic impact on both my business and my community thanks to the film incentive program. Given the safe-guards already in place, I am not only confident tax credits benefit Alaskans but am personally proof of it. Even though I am 71, there is no retirement in sight for me. I have to continue to work for a long time to come, meaning my future depends on our state's competitive incentives to attract productions.

Credits are awarded only after the dollars have circulated through the economy and filming is complete. Qualified spending is verified by an independent state certified CPA before a tax credit is issued. In addition, by law the Department of Revenue must provide the legislature with a full report outlining all activity within 30 days of the start of each session (AS 44.25.100-44.25.190).

Like many others, my business receives film production dollars and benefits from a program that creates a healthy and diversified Alaskan economy. Economic diversification is good for everyone.

Please support growth in this emerging industry that shows statewide benefit to all Alaskans and reconsider introducing HB112. We are on the cusp of great things to come.

Thank you for your time with this important issue to me personally.

Sincerely,

Carolyn

Carolyn Muegge-Vaughan
Owner



Technology . Commitment . Integrity

03.04.2014

RE: HB112

Representative Bill Stoltze;

As a business owner interested in building a competitive stable economy several situations came to mine when I heard about HB112. Allow me to share 4 thoughts.

Situation 1: Alaska has a three legged economy, government, energy, and all others.

Problem: The most successful leg, Energy is in a cycle of decline. The federal government revenue leg is also expected to continue in a phase of decline.

Implication: The third leg of the economy, all other businesses, will need to shoulder more of the economic responsibility.

Needs Pay Off: The past film program , although not perfect, returned \$2.05 in business revenue for every \$1.00 in Film Incentive spent, according to the numbers reported in a past legislative audit.*

Situation 2: The new film incentive program is just starting its 10 year life and thanks to hard work by fiscal conservatives like yourself the program calls for more Alaskan jobs and greater economic impacts for Alaskan companies. The legislature's efforts have created a globally competitive program. Thank you.

Problem: HB112 attempts to abort the program prematurely.

Implication: Diversification of the economy, and new economy sectors, will die a premature death and remaining production will continue to be stunted by an uncompetitive environment if HB112 goes forward.

Needs Pay Off: The current film program has a number of watch dog factors to further ensure Alaska benefits from the incentive program. The movement of the program to D.O.R. ,the contract for a state rep and D.O.C. continued avocation of Alaska as a destination.

Note: I have spoken with most of the vendors involved in film production projects on the Kenai Peninsula, please trust me as a fellow conservative when I tell you the overall experience is very positive and the industry is well received.

Situation 3: The legislature is entertaining HB112

Problem: HB112 will discontinue the Film Incentive

Implication: All investments, capital, time, to this point will have been wasted.



Technology . Commitment . Integrity

Needs Payoff: HB112 doesn't need to happen, please allow the industry to grow in Alaska.

Situation 4: Alaska is unequalled in raw splendor and majesty. Alaska's competitive film program brand new but must be given an opportunity to succeed.

Problem: There are acceptable substitutes for filming Alaskan -esque scenes

Implication: As in other industries Alaska needs to be competitive in the global market to bring projects to the state.

Needs Pay Off: Working together over the last several years in the legislature the people of Alaska refined our film program to be more beneficial to the state of Alaska, providing a stable ten year structure so productions can plan long term.

Conclusion:

To repeal the film production tax credit at this time wastes years of legislative work to produce a new more beneficial film production program and five years of industry work, investment, and training to set the foundations of the industry.

Our competitors are investing more aggressively and are seeing bigger gains. Might I suggest we move forward with the plan we worked out together in the legislature. Please join me in supporting business and industry in the state as we continue to diversify the economy for a stronger future. Let's do what we agreed to do, invest in Alaska by providing a stable and competitive environment for the film industry to grow in Alaska. Join me in stopping HB112 an Anti-business bill.

Thank you for your consideration,

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

Thomas R. Daly
HiSpeed Gear Inc., Kenai, Alaska
HiSpeed Gear Co, Anchorage, Alaska
HiSpeed Gear 2 LLC, Soldotna, Alaska

Alaska Film Group, Board Member
Tom Randell's Daly Show, Producer



8301 Briarwood Street, Suite 102
Anchorage, Alaska 99518

March 3rd, 2013

Dear Representative Stoltze,

This letter is in response to the proposed legislation HB112.

Alaska's film industry produces a positive economic impact on both my business and my community. Given the safe guards already in place, I see first hand that these tax credits benefit Alaska companies and Alaskans.

As an Alaskan owned and operated company, Hybrid Color Films and many other Alaska owned production companies just like it are able to utilize these tax credits to bring savings to our bottom-line, freeing up capital that allows us to invest in our infrastructure and continue to hire more employees while helping to grow our states economy and expand with the state.

I am committed and long time Alaskan and I have expanded our company as a direct result of the tax incentive program. We now employ 5 full time Alaskans with further expansion coming this summer. We are able to pay high wages that our Alaskan workers can actually live on. We are actively involved with programs such as the King Career Center video production classes where we will be taking on several young interns to help expand the knowledge in our young people and grow our talent base of highly skilled Alaskan workers, which leads to high paying local jobs for many of these young people and enables them to stay in the state that they love.

Economic diversification is good for everyone. Please support growth in this emerging industry that shows statewide benefit to all Alaskans.

Thank you for your time with this important issue.

Sincerely,

Richard A. Cooper

A handwritten signature in black ink that reads "Richard A. Cooper". The signature is stylized and cursive.

Owner, Hybrid Color Films LLC



**Alaska Video
Postcards, Inc.**

P.O. Box 112808
Anchorage, AK 99511-2808

907-349-8002
800-248-2624
Fax 907-349-2208
avp@akvideo.com
www.akvideo.com

March 4, 2014

**Representative Bill Stoltze
State Capitol Room 515
Juneau AK, 99801**

Dear Representative Stoltze,

I am writing today regarding the Alaska Film Incentive, and how my company and the team I employ currently benefits from the program.

I have been an independent film maker in Alaska for the last 27 years. Self-employed – owner of Alaska Video Postcards, Inc. in Anchorage.

I have applied for one Film Tax Production Credit and the project has been approved. We are currently in production of a documentary chronicling Anchorage's first 100 years.

The available funds to produce this program were not sufficient to complete the documentary without the help of the film tax credit. All of the credit will be used to pay Alaskans for work on the film. Everyone from the camera operators, researchers, post production editors, historians and I, the executive producer, all get a portion of our salaries from this tax credit.

Without this kind of program, films of this kind – independent and funded by non-profits, would likely not get made. And the Alaskans we employ would be looking for work elsewhere including out of state.

The program as it's currently designed, favoring Alaskan producers, is putting Alaskan filmmakers and the industry support group to work. I strongly support it and hope we can maintain this kind of program which ultimately supports our economy and showcases Alaska to the rest of the world.

Best,

**Todd Hardesty
President**





1614 Rierie Drive
Anchorage, Alaska 99507
907.301.3160 www.akalpine.com

March 4th, 2014

Representative Bill Stoltze
State Capitol Room 515
Juneau, AK 99801

RE: HB112

Dear Representative Stoltz,

Alaska's film industry produces a positive economic impact on both my business and my community. Given the safe-guards already in place, I am confident tax credits benefit Alaskans. Credits are awarded only after the dollars have circulated through the economy and filming is complete. Qualified spending is verified by an independent, state certified CPA before a tax credit is issued. In addition, by law the Department of Revenue must provide the legislature with a full report outlining all activity within 30 days of the start of each session (AS 44.25.100-44.25.190).

Like many others, my business receives film production dollars and benefits from a program that creates a healthy and diversified Alaskan economy. Further, as an Alaska based company I'm able to provide these required verifications. In July I quit my job to start my own accounting firm, focused on the film industry and in particular with providing the CPA verifications required by the state. These verifications ensure that the credits awarded are qualified expenditures as outlined in the Alaska Statutes. Each production must go through a rigorous verification process by the CPA. The report is then turned into the Department of Revenue who performs their own review prior to recommending to the Commissioners the production for a tax credit. The Commissioners then review the expenditures and provide the final decision on the tax credit. These expenditures go through three reviews prior to any credit being award in order to verify that the expenditures being claimed are allowable under the Alaska Statutes. Over 90% of my business is derived from the CPA verification required by the state. When I set up my business I was under the impression that the film tax credit had 9 years left. Without the tax credit it is very unlikely that my business will survive its 1st year.

Please support growth in this emerging industry that shows statewide benefit to all Alaskans and reconsider introducing HB112.

Thank you for your time with this important issue.

Sincerely,

A handwritten signature in black ink that reads "Jacy Petersen".

Jacy Petersen, Owner
Alpine Accounting, LLC



March 3rd, 2014

Representative Bill Stoltz

State Capitol Room 515

Juneau, AK 99801

RE: HB112

Dear Representative Stoltz,

Alaska's film industry produces a positive economic impact on both my business and my community. Given the safeguards already in place, I am confident tax credits benefit Alaskans. Credits are awarded only after the dollars have circulated through the economy and filming is complete. Qualified spending is verified by an independent, state certified CPA before a tax credit is issued. In addition, by law the Department of Revenue must provide the legislature with a full report outlining all activity within 30 days of the start of each session (AS 44.25.100-44.25.190).

Like many others, my business receives film production dollars and benefits from a program that creates a healthy and diversified Alaskan economy. Further, as an Alaska based company I have an option to utilize these tax credits to bring savings to our bottom-line, freeing up capital that allows us to continue hiring more employees and expand within the state.

Economic diversification is good for everyone. Please support growth in this emerging industry that shows statewide benefit to all Alaskans and reconsider introducing HB112.

Thank you for your time with this important issue.

Sincerely,

A handwritten signature in black ink, appearing to be "A. E.", written over a white background.

Evergreen Studios

D & M Properties
PO Box 242741
Anchorage, AK 99524
907-677-7262

March 4, 2014

Dear Representative Stoltz,

This letter is in response to the proposed legislation HB112.

We at D & M Properties feel that Alaska's film industry produces a positive economic impact on any community in Alaska lucky enough to be involved. We are a small family run business operating out of Anchorage and Seward since 1990, residents since 1978, with our children born and raised here we are proud to be Alaskans. We have personally seen the positive income created by being a part of the business the film industry generates in the communities of Anchorage and Seward. Like many others our business receives film production dollars and benefits from a program that creates a healthy, diversified Alaskan economy. Also, Alaskan companies are able to utilize these tax credits to bring savings to their bottom line, freeing up capital which allows them to continue to hire more employees and expand business within the state.

Given the safe guards already in place, we are confident that these tax credits benefit us as Alaskans. Let's not forget that credits are awarded only after the dollars have circulated through the economy and filming is complete. Those dollars are also verified by an independent, state certified CPA.

This past year many Alaskans felt the positive impact of film production in their communities. In Anchorage, Barrow, Eagle River, Fairbanks, Juneau, Ketchikan, Kodiak, Nome, Palmer, Seward, Sitka, Sutton, and Wasilla business and individuals earned paychecks from local and national and international film projects. In Anchorage, Fairbanks, Kotzebue, and Nome students received training for jobs in the film industry. Many of these graduates furthered their training through employment on feature films and commercial productions, for some, right in their home communities. What a huge opportunity otherwise untouchable by our locals when they venture outside.

Economic diversification is good for everyone. Please support growth in this emerging industry that shows statewide benefit to all Alaskans.

Thank you for your time with this important issue.

Sincerely,

Dennis and Mary Bailey
D & M Properties



the hotel
Captain Cook

839 W. 5TH AVENUE, ANCHORAGE, ALASKA 99501
PHONE (907) 276-6000
SALES/CATERING PHONE (907) 343-2207
FAX (907) 343-2211
RESERVATIONS FAX (907) 343-2298
ACCOUNTING OFFICE FAX (907) 343-2262

March 4, 2014

Representative Bill Stoltze
State Capital Room 515
Juneau, AK 99801

Dear Representative Stoltz,


Alaska's film industry produces a positive economic impact on both my business and my community. Given the safe-guards already in place, I am confident tax credits benefit Alaskans. Credits are awarded only after the dollars have circulated through the economy and filming is complete. Qualified spending is verified by an independent, state certified CPA before a tax credit is issued. In addition, by law the Department of Revenue must provide the legislature with a full report outlining all activity within 30 days of the start of each session (AS 44.25.100-44.25.190).

Like many others, my business receives film production dollars and benefits from a program that creates a healthy and diversified Alaskan economy. Further, as an Alaska based company I have an option to utilize these tax credits to bring savings to our bottom-line, freeing up capital that allows us to continue hiring more employees and expand within the state.

Economic diversification is good for everyone. Please support growth in this emerging industry that shows statewide benefit to all Alaskans and reconsider introducing HB112.

Thank you for your time with this important issue.

Sincerely


Raquel M. Edelen
Vice President Operations

B
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March 3rd, 2014



Dear Representative Bill Stoltze,

I am writing today as a business owner who benefited from film production here in Alaska. Because of the Amazing Race, a production that applied for a filmmaking tax credit, my business, Bootlegger Security, saw positive economic impact.

Bootlegger Security was hired to perform security detail for one the show's primary shooting locations. For us, this yielded 5 days worth of billable time. In addition to my business, I know the Amazing Race rented 30+ hotel rooms, rented 10+ rental cars, gassed all the rentals cars at a local gas station, hired local boat captains, hired local climbing guides, and the 80+ crew ate at restaurants all over Juneau.

That all represents dollars put directly into the Juneau economy as a result of the film production tax credits.

The global film industry is extremely competitive. I want Alaska to continue to grow as a hot destination for film and television producers. Economic diversification is good for everyone.

Thank you for your time.

Sincerely,

Marty Neff



March 3rd, 2014

Representative Bill Stoltze
State Capitol Room 515
Juneau, AK 99801

RE: HB112

Dear Representative Stoltz,

Alaska's film industry produces a positive economic impact on both my business and my community. Given the safe-guards already in place, I am confident tax credits benefit Alaskans. Credits are awarded only after the dollars have circulated through the economy and filming is complete. Qualified spending is verified by an independent, state certified CPA before a tax credit is issued. In addition, by law the Department of Revenue must provide the legislature with a full report outlining all activity within 30 days of the start of each session (AS 41.25.100-41.25.190). Specifically we had American Eagle and the Amazing race stayed with us and these two productions alone brought a huge economic impact to our community.

Like many others, my business receives film production dollars and benefits from a program that creates a healthy and diversified Alaskan economy. Further, as an Alaska based company I have an option to utilize these tax credits to bring savings to our bottom-line, freeing up capital that allows us to continue hiring more employees and expand within the state.

Economic diversification is good for everyone. Please support growth in this emerging industry that shows statewide benefit to all Alaskans and reconsider introducing HB112.

Thank you for your time with this important issue.

Sincerely,

Stephen Hamilton
General Manager
Westmark Baranof hotel



We try harder®

Alaska Rent A Car, Inc.

Avis System Licensee
P.O. Box 190028
Anchorage, Alaska 99519 0028

Tel: (907) 243-4300
Fax: (907) 249-8247
E-mail: avis@avisalaska.com

March 3, 2014

**Representative Bill Stoltze
State Capitol Room 515
Juneau, Alaska 99801**

**Re: HB 112
Repeal of film production tax credit**

Dear Representative Stoltze:

We have come to understand that HB 112 has once again been reintroduced to the Alaska Legislature for consideration. While we don't pretend to understand the reasoning that the repeal of the Alaska film production tax credit is once again being proposed, we do know the positive impact the film industry has on Alaska.

We are an Alaskan owned licensee of the Avis System and employ over 100 full time Alaskans across Alaska. We have seen the positive impacts of the film industry at literally all of our dozen locations throughout Alaska, from Petersburg to Fairbanks and Juneau to Kodiak.

The film industry means additional revenues to Avis (usually in the less busy shoulder seasons), which makes our lean winter months a little more manageable. The film industry also means additional revenues to local and state agencies through the vehicle rental and sales taxes that we collect.

We would ask that you reconsider the introduction of HB 112; the positive impact this industry has on Alaska is simply good business.

Thank you for your attention this correspondence. Should you have any specific questions about the impact on Alaska.Rent A Car, Inc. please do not hesitate to contact us.

Sincerely,

**Gary Zimmerman
General Manager
Alaska Rent A Car, Inc.**



March 3rd, 2014

Representative Bill Stoltze
State Capitol Room 515
Juneau, AK 99801

RE: HB112

Dear Representative Stoltze,

Alaska's film industry produces a positive economic impact on both my business and my community. Given the safe-guards already in place, I am confident tax credits benefit Alaskans. Credits are awarded only after the dollars have circulated through the economy and filming is complete. Qualified spending is verified by an independent, state certified CPA before a tax credit is issued. In addition, by law the Department of Revenue must provide the legislature with a full report outlining all activity within 30 days of the start of each session (AS 44.25.100-44.25.190).

Like many others, my business receives film production dollars and benefits from a program that creates a healthy and diversified Alaskan economy. Further, as an Alaska based company I'm able to utilize these tax credits to bring savings to our bottom-line, freeing up capital that allows us to continue hiring more employees and expand within the state.

Economic diversification is good for everyone. Please support growth in this emerging industry that shows statewide benefit to all Alaskans and reconsider introducing HB112.

Thank you for your time with this important issue.

Sincerely,

David Ochoa
Shop Manager
AK Grip & Lighting
P.O. Box 111345
Anchorage, AK 99511

March 4th, 2014

Representative Bill Stoltze
State Capitol Room 515
Juneau, AK 99801

RE: HB112

Dear Representative Stoltz,

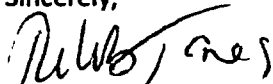
Alaska's film industry produces a positive economic impact on both my business and my community in Juneau. Given the safe-guards already in place, I am confident tax credits benefit Alaskans. Credits are awarded only after the dollars have circulated through the economy and filming is complete. Qualified Alaska spend is verified by an independent, state certified CPA before a tax credit is issued. In addition, by law the Department of Revenue must provide the legislature with a full report outlining all activity within 30 days of the start of each session (AS 44.25.100-44.25.190).

Like many others, my business receives film production dollars and benefits from a program that creates a healthy and diversified Alaskan economy. Further, Alaskan based corporations are able to utilize these tax credits to bring savings to their bottom-line, freeing up capital that allows them to continue to hire more employees and expand within the state.

Economic diversification is good for everyone. Please support growth in this emerging industry that shows statewide benefit to all Alaskans and reconsider introducing HB112.

Thank you for your time with this important issue.

Sincerely,



Becky Janes
Co-owner/Manager
Above & Beyond Alaska, LLC

Matthias Breiter
BreiterView Inc.
200 W 34th Ave. #781
Anchorage, AK 99503
907-952-4200
matthias.breiter@breiterphoto.com

Anchorage, Alaska, March 4, 2014

To
Representative Bill Stoltze
State Capital Room 515
Juneau, AK 99801

Dear Representative Bill Stoltze,

I own a publishing house and film production company in Canada. We work on natural history and scientific documentaries for the Smithsonian Institution and the National Geographic Society and also on international productions with TV channels in Europe and Australasia. I am currently, through marriage based out of Canada but I have lived for many years in Alaska, have done numerous books on the state for various publishers and strongly desire to move back to Alaska and move my production facilities back into the state.

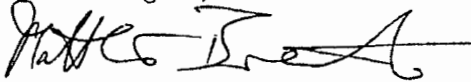
Currently we have several TV productions in the development phase to commence upon completion of a Polar Bear documentary we presently do for Smithsonian. Based on the existence of the Alaska Film Incentive program, we are intending to shoot most of the films under development for National Geographic and Smithsonian in Alaska with local cinematographers. We are also considering to have all the post production work done in state. In total, the monies to be spent on these projects in Alaska would amount to several million dollars.

Presently, many Hollywood productions are filmed in New Zealand, Canada and Eastern Europe as these countries have film incentive programs. I personally do not see these programs as a luxury or unfair competition or at least not more so than any other incentive program in any other industry. We produce a product and we hire people to do so. There are tax incentive programs for all kinds of industries including mining, oil

exploration, farming, new technologies etc. etc. They all have the intention to encourage companies to invest money into specific regions. Our interest to work on numerous documentaries in Alaska, hire local talent, and potentially move our operations to Alaska is based on being able to compete with other producers in other parts of the world. In absence of the Alaska Film Incentive program, we cannot successfully compete while hiring Alaskan staff and maintaining an Alaskan office. If the Film Incentive program in Alaska is discontinued, all post-production of these documentaries under development would be done in our existing production facility with our staff in Canada, much of the filming would be completed in Canada and as a Canadian production company Canadian staff cinematographer would be used instead of Alaskan talent as their salaries would then fall under the Canadian incentive program.

I generally agree that free trade and a free market should regulate an industry and not government sponsorship. However, regional and national incentive programs are a fact of business life in all industries in all countries around the globe including Alaska. Business owners have to make decisions based on production costs and budget calculations. Our decision where to spent our production budget, be it in Alaska or somewhere else, and where to hire staff is and always will be strongly influenced by the existence of government programs such as the Alaska Film Incentive program.

With best regards,

A handwritten signature in black ink, appearing to read 'Matthias Breiter', with a long horizontal flourish extending to the right.

Matthias Breiter