

## Daniel George

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**From:** Allen Hippler <Allen.Hippler@nrim.com>  
**Sent:** Monday, March 30, 2015 8:54 AM  
**To:** Sen. Bill Stoltze  
**Subject:** thank you for your efforts on the Film Tax Credit

I really appreciate it. I completely support your efforts to protect the state from these types of giveaways.

thanks

Allen Hippler

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March 24, 2015

Senator Anna MacKinnon  
Alaska State Legislature  
Re: SB 39

Thank You Senator MacKinnon for your considerations and holding public testimony regarding SB 39.

My name is Frank Flavin Photographer / Location Scout and resident of Alaska for over 45 years.

Flavin Photography has been in business since 1975 so have seen what the film industry can add to the Alaskan economy and opportunity for economic diversification.

There is no doubt that there are many US states and Canada that are taking advantage of Film Incentive Programs and are doing quite well to provide film related jobs and business for many support vendors. Perhaps easier because they have a Tax base and offer Tax Free incentives ?

I have testified for the Alaska Incentive Program for over 10 years and based my comments on factual information primarily from our Canadian neighbors specifically BC who have been doing this for over 40 years. The film industry in BC is now an economic machine. It has not been always easy for BC either. There was a time, about 10 years ago, when BC was considering discontinuing their program as well. They held on, made some changes primarily by adding infrastructure and training for Canadians thus keeping more monies at home.

Report from Creative BC's Annual Report April 1, 2013 to March 31, 2014

Creative BC Tax Credit investment \$ 366,321,689

Received from productions \$1,081,551,737

This was from 129 projects.

Moreover as Creative BC's film industry has grown so has their tourism because of awareness of Beautiful BC.

As you can see the film and related industries are an economic incentive.

Perhaps the film production tax credit right now is bad timing for Alaska with our revenue shortfalls ?

As I mentioned in my testimony this morning there will be smaller projects that will come to Alaska because of our unique settings without an incentive program but not the money makers.

In closing it is all important that our film office maintain a knowledgeable staff to answer questions about what Alaska has to offer and maintain the available crew list for future productions.

Thank you for your time, considerations and service to our great state.

Sincerely,

Frank P. Flavin

# GEORGE GUTHRIDGE, PH.D.

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24 March 2015  
Senator Pete Kelly, co-Chair  
Senator Anna MacKinnon, co-Chair

Dear Senate Finance Committee Members and Fellow Legislators:

I beseech you *not* to pass SB39, the proposed bill that will repeal the film tax credit for the Alaska Film Incentive Program.

**About myself:** I have been teaching high school and college for 40 years, including 33 in rural Alaska. I have taught young people in 92 percent of Alaska's communities. Unlike a lot of other professors, I am politically very conservative. I mention that because I am also a businessman. Among other ventures, I built and operated a successful hotel here in Dillingham.

I wish to speak generally and specifically about this bill:

**In general:** Speaking as a businessman, in my opinion, killing the Alaska Film Incentive Program would be a form of fiscal suicide. Shutting the door on what could potentially bring millions of dollars into the state is, in my opinion, a really *bad* idea. We have much to gain by keeping the program and much more to lose by shutting it down permanently. I agree that sections of the program need to be tweaked – but that is true of everything we do. For one, there needs to be a provision that requires a certain percentage of Alaska-hire.

**Speaking specifically:** In the 1980s I coached ten young people from the whaling community of Gambell, on St. Lawrence Island. They became the only team of Native Americans ever to win national championships, a feat they accomplished three times. To do that, they had to defeat teams from schools for the gifted from across America, on subjects – such as genetic engineering and nuclear waste disposal – that the Gambell students had never heard of before.

A book, *The Kids from Nowhere*, is available, but 99.9% of Americans know nothing about the successes of these young people . . . young people who can be role models for kids everywhere and, especially, for Native youth, among whom suicide is rampant. I have written a screenplay about the Gambell students. I wrote it for charity, and in the hope that young people can be inspired by the tremendous successes of the Gambell students – and the tremendous sacrifices they endured to achieve those successes. The screenplay has won five international awards for excellence. It *must* be filmed in Alaska if it can be filmed at all. Without an incentive program, the chance that this very important story – and others like it – ever being told to the American public is nil.

Please, *please*, do not kill the Alaska Film Incentive Program. Just put it on ice until oil prices rise.

Thank you.

*George Guthridge*

03.24.2015

Thomas R. Daly  
President  
Alaska Film Group  
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RE: SB39 public testimony, Senate Finance Committee, ~~1-844-586-9088~~

Ladies and Gentleman of the Senate Finance Committee;

**Passing SB39 is bad** for the film industry in Alaska. For a new industry to grow in Alaska it needs stability in the economy, legal environment and tax environment.

A stable economy, requires diversification, we are living the down side of an economy that depends on one sector too heavily.

A Stable legal environment requires that laws not be constantly tinkered with...

A Stable tax environment is needed so businesses can make informed decision and have some expectation that those underlying tax rules will remain mostly constant over the course of the multi-year business transaction.

The continued annual revisions in the film industry by the legislature create doubt in investors' minds. As Senator Mike Dunleavy and his constituents have experienced with the loss of the \$80M Hunter Killer project that sank in Whittier never to resurface.

**Currently the film program is on hold** by the actions of Governor Walker, and with the removal of all state film positions there is no more money to be saved by passing SB39.

- **Passing SB39 does not save the SOA any more money.**

Recently I met with producers in Los Angeles to discuss Alaska as a film destination. We were able to get them excited about Alaska. One producer asked a bit sarcastically about winery locations in Alaska, I was able to tell them: Yes on the Kenai Peninsula we have two, one in Homer one in Soldotna. And the one in Soldotna, its biggest problem is Moose. The light bulb went off and we are currently working on a rewrite that would put a feature film in Senator Miccche's back yard... if I can provide a competitive Film Program.

Imagine what would happen to an Alaskan Manufacturer, a local winery, when it gets national attention in a feature film.

SB39 does away with future new tech jobs, and destroys a business environment that is needed for Alaskan businesses to make decisions for investment in hardware, training, and infrastructure. If you read through the testimony from the previous committee you'll find a plethora of new Alaskan businesses and positions created by Alaskan companies in the film industry.

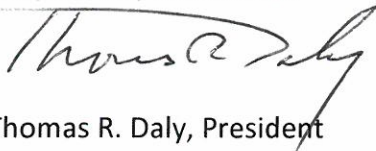
**What the industry needs** now is time to work on a Film Incentive that works for the state. I have met with Gov. Walker to design a Film Program going forward that the legislature can get behind. We also needs for the legislature to describe what it believes a fiscally responsible return on investment would look like.

The last legislative audit showed a return of \$2.10 for each \$1.00 of tax credit issued. It should also be noted that of the \$100, 000,000.00 budget only \$43,000,000.00 was issued.

- **The film industry in Alaska came in under-budget and over-performed.**

I encourage this committee to not move SB39 forward, it's bad for the film industry in Alaska, it's bad for diversifying Alaska's economy, it is bad for future Alaskan jobs.

Respectfully submitted,



Thomas R. Daly, President



**Attachments:**

The Guide, An essential Resource for Global Production Incentives, International 2014-2015

The Guide, An essential Resource for Global Production Incentives, U.S. Domestic 2014-2015