

1
2 PENNSYLVANIA HOUSE OF REPRESENTATIVES
3 TOURISM AND RECREATIONAL DEVELOPMENT COMMITTEE
4 FILM TAX CREDIT PUBLIC HEARING

5 June 5, 2009

6 David L. Lawrence Convention Center

7 1000 Fort Duquesne Boulevard

8 Pittsburgh, PA

9

10 Chairman Thaddeus Kirkland

11 Representative Vanessa Lowrey Brown, Secretary

12 Subcommittee Chairman Representative Gary Haluska

13 Subcommittee Chairman Representative Nick Kotik

14 Subcommittee Chairman Representative Chris Sainato

15 Representative Frank Burns

16 Representative John E. Pallone

17 Representative Dom Costa

18 Representative Paul Costa

19 Representative Daniel J. Deasy

20 Representative Don Walko

21 Subcommittee Chairman Representative Mario M. Scavello

22 Representative Susan C. Helm

23 Representative Dan Moul

24

25

1 WITNESSES:
2 Jane Saul
3 Mickey Rowley
4 Dawn M. Keezer
5 Shawn Fox
6 Bruce Kraus
7 Cherokee Walker
8 Alexander Orlovsky
9 David Haddad
10 Andrew Sliben
11 Stan Polivka
12 Ray Cervenak
13 Dean Mantia
14 George Jaber
15 Joe Rossi, Jr.
16 Chris Lacy
17 Mary Jones
18 Jordan Lippert
19 Christina Mari Aloe-Scamby
20
21
22
23
24
25

1 CHAIRMAN KIRKLAND: Good afternoon, it is a
2 pleasure to be here in Pittsburgh. My name is State
3 Representative Thaddeus Kirkland, Chairman of the
4 Tourism and Recreation Committee. We are excited about
5 being in Pittsburgh in exciting times for the City of
6 Pittsburgh. I'm so glad to see so many of you out here
7 today to talk about and provide information and input on
8 such a great topic, and that is the film tax credit
9 industry.

10 We are here today to listen, to learn and to
11 provide some questions and our very own input. Before I
12 ask the members who are present here today, and I'm so
13 glad to see so many members on this committee present
14 with us here in Pittsburgh, I would like to ask someone
15 whom I believe to be the number one fan of the
16 Pittsburgh Penguins, someone who gets a crowd into a
17 frenzy like never before, if he would give some opening
18 comments, and also someone who has been at the forefront
19 of this issue here in this area in Pittsburgh area, my
20 friend and colleague, Representative Paul Costa.

21 REPRESENTATIVE PAUL COSTA: Thank you.
22 Thank you, Mr. Chairman. I don't know if this is
23 working or not, you can hear me. What Chairman Kirkland
24 didn't tell you is this is his first year as Chairman of
25 the Tourism Committee and upon assuming that position he

1 asked us all to come in to see him and talk to him about
2 what issues were important to us. And I told him that
3 the tax credit was a very important issue to us, very
4 important issue to not only the Pittsburgh region but
5 the whole Commonwealth, and I said we need to get the
6 committee to come out to Pittsburgh so we can show you
7 the impact that the film tax credit is having on our
8 area, the jobs it is creating. And I want to thank you
9 for bringing the committee out here seeing firsthand the
10 impact this is making.

11 Also, I would be remiss if I didn't thank
12 Dawn Keezer from the Pittsburgh Film Office for helping
13 to organizing all of this and thank all of you for
14 showing up today to show your support and make my job a
15 little bit easier when I get back to Harrisburg to
16 convince our leaders and the Governor that this is
17 important we need this for the Commonwealth. Thank you.

18 CHAIRMAN KIRKLAND: Thank you, thank you
19 Representative, he wasn't that calm and collected last
20 night, I want you to know.

21 At this time I am going to ask the members
22 starting at my right if they would introduce themselves
23 and their area they represent.

24 REPRESENTATIVE KOTIK: Representative Nick
25 Kotik 45th Legislative District, Allegheny County.

1 REPRESENTATIVE HALUSKA: I'm Gary Haluska
2 from Cambria County.

3 REPRESENTATIVE MOUL: Good afternoon, I'm
4 Representative Dan Moul from the beautiful Adams County.

5 REPRESENTATIVE BURNS: I'm Representative
6 Frank Burns, Cambria County.

7 REPRESENTATIVE SAINATO: I'm Representative
8 Chris Sainato, I represent the 9th Legislative District
9 which is parts of Lawrence and a small section of Beaver
10 County.

11 REPRESENTATIVE LONGIETTI: Representative
12 Mark Longietti from Mercer County.

13 REPRESENTATIVE PAUL COSTA: Good afternoon,
14 Paul Costa, Allegheny County.

15 REPRESENTATIVE DOM COSTA: Dom Costa,
16 Allegheny County.

17 REPRESENTATIVE DEASY: Dan Deasy, Allegheny
18 County including the City of Pittsburgh.

19 REPRESENTATIVE HELM: Sue Helm, Dauphin
20 County.

21 REPRESENTATIVE SCAVELLO: Mario Scavello,
22 Monroe County the home of the heart-shaped bathtub. It
23 is obvious the film tax credit isn't a big issue here,
24 obvious by the size of the crowd.

25 REPRESENTATIVE BROWN: Good afternoon,

1 Representative Vanessa Lowery Brown, Philadelphia
2 County, Pittsburgh's twin.

3 CHAIRMAN KIRKLAND: You can see we have a
4 very lively group of legislators here, very concerned
5 about the Tourism and Recreational Committee concerns
6 throughout Pennsylvania, in particular the film tax
7 credit.

8 Now, as we move forward, I just want, we
9 have been down this road quite a few times talking about
10 the film tax credit, the benefits it brings to
11 Pennsylvania. I will be doing a lot more listening and
12 very little talking and prior to me turning it over to a
13 very good friend of mine, also Deputy Secretary of
14 Tourism, prior to turning over to him, Mickey Rowley, I
15 believe that a picture is worth a thousand words.
16 Anything to get a greater applause.

17 REPRESENTATIVE SCAVELLO: Mr. Chairman, did
18 you get paid to wear that?

19 CHAIRMAN KIRKLAND: A my good friend hit me.
20 Thank you so very much and at this time I will turn it
21 over to you now.

22 MR. ROWLEY: Thank you, Mr. Chairman, I
23 thought you were going to put a Penguins T-shirt on,
24 thought you would take your shirt off show it from last
25 night. I was introduced as Deputy Secretary of Tourism

1 which happens to include the film office, film operation
2 in Pennsylvania, therefore oversight of the film tax
3 credit.

4 We are here in Allegheny County, and the
5 City of Pittsburgh with two of the most supportive
6 political leaders in the state, we've got some good
7 leaders in the Philadelphia side of the state but I
8 would like to defer first to Chief of Staff to County
9 Exec Don Onorato, Shawn Fox to say hello.

10 MR. FOX: Thank you everyone and thanks for
11 having us here today to discuss this important issue.
12 Unfortunately, the County Executive could not be here
13 today, but I'm here to show his support and by the
14 turnout of the audience today, you can tell how
15 important of an issue this is in our community and
16 throughout today's hearing I'm sure you will hear how
17 effective this tool has been in our community as well in
18 generating film activity, but also creating jobs and
19 everything that goes along with the economic benefit
20 that films bring to a region.

21 And also I can tell you by the amount of
22 calls I get a week from Don from all the films in town
23 shooting here and shooting there, that this really has
24 been an effective tool more than just creating films,
25 but it is a real economic generator from producing jobs

1 you will hear from someone from the Community College
2 that had to put training in place to get people ready to
3 film those type of jobs and pay a good wage and can
4 support a family.

5 So that being said I want to read short
6 testimony, short statement here from the County
7 Executive.

8 Dear Representatives: I'm sorry I'm unable
9 to attend today's hearing regarding the Commonwealth's
10 film production tax credit. However, I want to express
11 my strong support for this incentive which has expanded
12 the film industry in Southwestern Pennsylvania and had a
13 significant impact on our economy.

14 Since the program began in July of 2007,
15 Southwestern Pennsylvania has hosted 14 films and
16 television productions resulting in \$81 million in
17 economic benefit.

18 In the 12 years prior to the film production
19 tax credit our region only hosted two such productions
20 with an impact of 9.6 million.

21 In addition, members of IATSE Local 489 more
22 than doubled between 2006 and 2008 increasing from 100
23 full-time members to more than 200.

24 The Community College of Allegheny County
25 has initiated a program to train people in for jobs in

1 the film industry and the Commonwealth is undertaking a
2 similar initiative to determine the future needs of the
3 industry.

4 The tax credit has clearly led to an
5 increased film and television activity as well as
6 economic activity here in Southwestern Pennsylvania. I
7 hope you will do what you can to ensure this important
8 incentive continues. Sincerely, Dan Onorato, County
9 Executive. Thank you very much.

10 MR. ROWLEY: Thank you, Shawn, thank the
11 County Exec for his support for the program.

12 We also have incredible support from
13 political leadership in the name of City Council members
14 of Pittsburgh and here with us today to express that
15 support is Bruce Kraus, City Councilman of Pittsburgh.

16 COUNCILMAN KRAUS: Good afternoon. And
17 thank you so much for your time and the honor to come
18 and speak with you today about this incredibly important
19 issue. Council President Shields would very much like
20 to have been here but was unable to attend. I'm happy
21 to attend in his place.

22 Recently we did poll Council which was voted
23 unanimously in support of this tax credit. And we
24 thought it was only appropriate at this time that we
25 bring the will of Council before you. I would like to

1 read it in its entirety, it is rather short, but it is
2 succinct and I think it says everything that is, this
3 Council's wish to convey to you.

4 Whereas, since its inception the Pittsburgh
5 Film Office has assisted in bringing more than 90
6 feature films and television productions to Southwestern
7 Pennsylvania which has generated an economic impact of
8 more than \$360 million for the State of Pennsylvania.

9 And whereas, Pennsylvania offers up to \$75
10 million per year to the film industry in the form of 25
11 percent transferable film production tax credit for
12 expenses occurred in Pa in production of feature films
13 TV shows, series and commercials intended for a national
14 audience.

15 Whereas, this tax credit has brought in over
16 \$300 million of film industry money per year, into
17 Southwestern Pennsylvania, I'm sorry, including \$81
18 million to Southwestern Pennsylvania in the last two
19 years, \$81 million.

20 Whereas, the tax credit has a large impact
21 on Southwestern Pennsylvania bringing in \$81 million of
22 Hollywood money quadrupling the amount of feature films
23 or television production per year, doubling the
24 membership of the IATSE Local 489, increasing hotel
25 rental rates by 800 percent and increasing car rentals

1 by 250 percent, this is not simply just an issue about
2 the arts, this is an economic engine for this region and
3 it is absolutely necessary.

4 Further, whereas, the Pennsylvania
5 Legislature has contemplated cutting this tax credit in
6 an attempt to balance the 2009 budget, be it resolved
7 the Council of the City of Pittsburgh does hereby
8 support and defend the Pittsburgh Film Office's attempt
9 to keep the tax credit and be it further resolved that
10 the Council of the City of Pittsburgh unanimously
11 conveys this sense of Council resolution to the
12 Pennsylvania General Assembly and the Governor of
13 Pennsylvania.

14 Thank you very much for your time, an honor
15 to be here. I appreciate you giving me this time to
16 speak to you. And I sincerely hope you will hear what I
17 had to say. Thank you.

18 CHAIRMAN KIRKLAND: Thank you. If I may, I
19 would like to recognize the presence of the assistant
20 stenographer/State Representative who just joined us,
21 legislator from this area as well, Representative Don
22 Walko.

23 Also, I will go on record saying my
24 counterpart Chairman Stephen Barrar as well as he is on
25 board with this making sure that we keep the funding for

1 this well deserved project.

2 MR. ROWLEY: May I? Thank you, timing is
3 everything. For here in Pittsburgh in the midst of one
4 of the most exciting times for the Penguins, that is
5 terrific. It is also two days after we just heard
6 incredible political support from the county and
7 incredible political support from the city, it is two
8 days after a release came out from the Legislative
9 Budget and Finance Committee of the Commonwealth of
10 Pennsylvania Legislature. That is a non-partisan group,
11 and it is, has a swell reputation I believe for doing
12 fair and balanced studies of the economy and other state
13 programs in Pennsylvania. This things was just released
14 on Wednesday, not everybody has had the opportunity to
15 absorb it yet.

16 I can tell you when it was released your
17 referenced Representative Barrar, co-chair. Some months
18 ago we were getting e-mails from Representative Barrar
19 and I don't think he would mind my pointing this out,
20 Jane Saul our Film Office Director was getting e-mails
21 and he was asking pointed questions and asking friendly
22 questions always. He clearly was somewhat skeptical
23 about the effect of the film tax credit program.

24 At the LBFC meeting on Wednesday when the
25 report was handed out and I hope everyone has it, he

1 wanted to, he took the microphone said I want to point
2 out that I am now a believer, I was not a believer, I
3 have since been to Philadelphia seen the productions
4 there, and he has familiarity of what is going on here
5 in Pittsburgh and he wanted to go on record saying I
6 changed my mind this is an incredible economic driver
7 for the Commonwealth, one that I support.

8 He is of the minority party and much of the
9 questioning is coming from the Republican Party and it
10 was terrific to hear that from him, and we hope to hear
11 more of that as we go forward with our testimony.

12 I want point out and I will turn this over
13 to Jane and Dawn in a second. But the report is here,
14 it is on the website, we will get it on filminPA.com. I
15 urge you all to read it. I will draw your attention to
16 page five, this is the only comment I will make from the
17 report today. Which summarizes the fiscal impact of the
18 film tax credit program in Pennsylvania.

19 I should point out we don't have tax credit
20 programs for tax return, that is not the intent of tax
21 credits. When we have tax credits like the other large
22 tax credit program, the educational improvement tax
23 credit, you can't measure the impact of that in tax
24 returns so those who suggest we should be measuring
25 impact of this strictly in fiscal or tax returns are not

1 looking at it right.

2 But, I can tell you this, we have a two-for
3 with the \$75 million film tax credit program because in
4 fact it does produce a net gain, not a huge one, but a
5 net gain as reported in the LBFC study that was just
6 released and I will quote.

7 There is a net fiscal gain to the
8 Commonwealth of \$4.5 million when considering all of the
9 revenues generated by the entire industry, tax revenues
10 generated by the industry. So in addition to the 4,000
11 jobs it produces and half a billion dollars in spending,
12 \$150 million in wages, it is also actually making a few
13 bucks for the State of Pennsylvania.

14 Now is not the time -- now is not the time
15 to be raising taxes on this industry and changing that
16 structure. It is actually making money for the
17 Commonwealth. So, I will now defer, and please, get
18 this report everybody here, Dawn, good turnout and well
19 trained turnout as well. Got the applause lines down.

20 I will turn the program over to Jane Saul
21 who is all the Director of Pennsylvania Film Office and
22 Dawn Keezer Director of the Pittsburgh Film Office and
23 of course all of our testifiers are available for Q & A
24 at the conclusion. Jane.

25 MS. SAUL: Thank you very much. Good

1 afternoon everybody, it is a pleasure to be here in
2 Pittsburgh today and to present testimony to this
3 committee again. We had a similar hearing in the
4 Philadelphia area and I cited some numbers then which I
5 would like to give you an updated report now.

6 Obviously, the ERA report to which Mickey
7 referred has numbers as well. But just to give you an
8 update on our fiscal year information based on audits
9 received at this time, we have had a direct spend of
10 \$210 million. And again, that is based only on audits
11 received. They have created an economic impact of over
12 \$430 million. We've created 2,931 full-time jobs.

13 And at this time at this snapshot of today
14 we are currently a little over \$70 million with the
15 balance in terms of tax credit awards with the balance
16 to be awarded, expected to be awarded within the week.

17 So, the program is doing great as was
18 expected and again, our prospects going forward are also
19 incredible, there has not at all been a slow-down in the
20 program and in the applications we are receiving. We
21 are already setting ourselves up for next fiscal year.

22 We have got a large production that is here
23 that is going to continue into next fiscal year as well
24 as some other very large prospects which we are very
25 excited about in the Pittsburgh, Philadelphia Central

1 Pennsylvania area as well.

2 I wanted to highlight a couple things for
3 you today. First of all, the competitive landscape of
4 the program. We have a map in everybody's pamphlet
5 which I will kind of hold up so other people can see.
6 But these are the states throughout the country that
7 currently offer incentives, I know you guys have this in
8 front of you. As you can see, it is the majority of the
9 country at this point.

10 And our largest competitors at this time are
11 Connecticut, Illinois, Louisiana, Massachusetts,
12 Missouri and New Mexico. If we were, this to us is not
13 at all about continuing the program or cutting the
14 program, repealing the program, this is about setting
15 ourselves up to compete with the rest of the country.

16 And we have got incredible promise. We are
17 at the forefront of the industry right now and we want
18 to keep that momentum going. So in order to do that
19 obviously, we definitely need this program.

20 The size and scope of the industry in
21 Pennsylvania I also have a quote from the report which I
22 think is pretty important I want to read it today. It
23 is the benefits of an existing film support network such
24 as the one that currently exists in Pennsylvania to an
25 incoming film industry may ultimately prove to be one of

1 the most important factors in a film incentive
2 competition between states.

3 In 2007, the most current year for which
4 data is available, the film industry in Pennsylvania
5 consisted of 799 firms, had sales of \$1.4 billion and
6 employed 9,800 people with an average salary of over
7 \$62,000. That is nearly one and a half billion dollars
8 in sales. That is extremely impressive and that's the
9 type of thing we absolutely want to see continued,
10 especially in this economy, especially at a time when
11 jobs are hard to find.

12 The tax credit I think has proven time and
13 time again that it actually works. I want to take a
14 couple minutes just to explain the way the program works
15 and why it works so well.

16 It is really a no-brainer for the
17 Commonwealth because nobody gets a tax credit unless
18 they complete their production. And they don't get
19 anything from the Commonwealth unless they finish their
20 production, submit an audit to us which I was referring
21 to before and the numbers that I quoted to you are only
22 the films that have actually gotten to that point and we
23 awarded tax credits to. If they haven't submitted their
24 audit, they have not received tax credit. We can't lose
25 in that situation.

1 So, that is one reason why the tax credit
2 has been a proven, effective economic stimulus tool. In
3 addition, it doesn't just create jobs, it creates good
4 jobs and it is jobs that people don't always think about
5 when they think about a film that are also important
6 that we need to pay attention to.

7 It is hotel stays, it's restaurant visits,
8 it's visits to the dry cleaners as well as the obvious
9 Art Department and producers and drivers and grips and
10 property and construction coordinators and sound special
11 effects, etc. I don't want to run through all the jobs,
12 because there are so many.

13 But I know you have seen on your tours
14 throughout the last couple of months all the jobs and
15 all the people who are put to work just simply by
16 bringing a production to a community.

17 The implications of removing or reducing the
18 film production tax credit would be huge. The most
19 reliable economic models tell us that if the film tax
20 credit is eliminated, Pennsylvania could lose \$300
21 million in direct spending, over \$615 million in
22 economic activity and over 4,000 jobs. Just as positive
23 impacts ripple through the economy so do the negatives.
24 Earlier I noted according to the ERA study the film
25 industry is more than a one and a half billion dollar

1 industry in Pennsylvania. More importantly, as number
2 30 in the list of 422 industries in the Commonwealth, it
3 is among the top ten percent of industries with the
4 highest multiplier effects in the Commonwealth, many of
5 which benefit from targeted economic development
6 incentives supported by the Commonwealth.

7 Another major beneficiary of the program is
8 students staying in the Commonwealth. There are, we
9 currently have at least 60 institutions in Pennsylvania
10 offering programs geared toward the industry. And that
11 is another map that I have in everybody's packet, the
12 stars indicate the location of the institutions, and
13 they are all throughout the state. So that is something
14 else we love to see and we want to make sure that people
15 stay here. We are educating, we are doing a lot of
16 education in the Commonwealth and it is extremely
17 important to keep everybody here. And I think the
18 program is doing a great job of working on that. But it
19 is something we absolutely want to continue.

20 Distinguished members of the committee, it
21 has been my pleasure to testify before you today. I
22 thank we are doing a great job of educating you and I
23 thank everybody for being here and understanding the
24 impacts of the program and why it is such a beneficial
25 program.

1 At this point I would like to turn the
2 microphone over to Dawn Keezer who is the Director of
3 the Pittsburgh Film Office who will speak about the
4 impact of the film tax credit in the ten counties of
5 Southwestern Pennsylvania covered by her office.

6 MS. KEEZER: It is a little bit more fun
7 group than you had in Philly, I think, Mr. Chairman.

8 Good afternoon, I would like to thank
9 Chairman Kirkland, the committee, and especially
10 Representative Costa for all you have done for the film
11 industry and what you have done here in Pittsburgh. I
12 would like to take a second to thank the crowd. We are
13 thrilled with the turnout.

14 We are very proud the film industry in
15 Southwestern Pennsylvania to welcome you here today and
16 talk about what the impact of the film industry tax
17 credit has had in Southwestern Pennsylvania. In my
18 written testimony which the committee has and we will be
19 happy to put up on the website, we point out a lot about
20 the history of film making in Pennsylvania and primarily
21 in Southwestern Pennsylvania.

22 I will not go through it all point by point
23 but there are a few little facts I would like to get out
24 there because a lot of people don't really realize that
25 the film industry started in Southwestern Pennsylvania.

1 In 1905 right here on Smithfield Street in downtown
2 Pittsburgh it was the first nickelodeon theater. People
3 paid a nickle to sit in a darkened theater and watch
4 flickering images on a big screen. Some even went into
5 hysteria when the train would be coming straight at them
6 in theater. Back in 1905 that was a big deal.

7 A couple years later a couple brothers out
8 in New Castle, Representative Sainato's area, the Warner
9 Brothers got together and opened their first theater.
10 They figured out not only showing the movies was big
11 business but also making the movies was big business and
12 it is really how Time Warner was born.

13 As technology improved, they decided they
14 really like warm sunshine and beaches, they migrated to
15 California and we lost a business here that we created.

16 In the 60s, things started to shift a little
17 bit. Both studios and small producers started to look
18 for cheaper, more interesting places to shoot. Because
19 of Pennsylvania and Southwestern Pennsylvania's
20 diversity, they were here.

21 We are very fortunate that Russ Streiner and
22 George Romaro were here decided to make the grandfather
23 of all horror films, Night of the Living Dead and really
24 started things going for the film industry here in
25 Pittsburgh. We are very fortune to have Russ Streiner

1 here with us today who was the producer of Night of the
2 Living Dead.

3 Full disclosure he is also Chairman of the
4 Pittsburgh Film Office and we could never have done all
5 we have done without him.

6 So, they had gone west and they came back
7 and it was our chance to really keep them here. In the
8 80s and 90s, we were busy. At one point in early 90s
9 had five feature films shooting simultaneously right
10 here in Pittsburgh, it was the greatest thing we had
11 ever seen. In 1990 because of the business we started
12 the Pittsburgh Film Office. We have been around quite a
13 long time now but we started with one of the two best
14 pictures that Pittsburgh has had, Silence of the Lambs
15 was how we started the Pittsburgh Film Office.

16 For those of you keeping track, the other
17 best picture was Deer Hunter. We have quite a history
18 with the industry. But since Silence of the Lambs we
19 have had over 90 feature and television films bringing
20 with it over \$360 million just into Pittsburgh and
21 Pittsburgh region's economy.

22 The film tax credit program has been
23 enormously successful for Southwestern Pennsylvania. In
24 2008 alone, calendar year 2008, we had 11 feature film
25 shoot here in our region. For comparison sake, prior to

1 film tax credit we were lucky to have one feature film a
2 year. So we went from one to 11.

3 The 11 films spent \$70 million in
4 Southwestern Pennsylvania in the 12 month period. That
5 is a direct spend number and that is without multipliers
6 and these, the reason the numbers are a little different
7 because I know you are hearing Jane's numbers, our
8 numbers are based on a calendar year and these are done
9 while they are still shooting, they have not completed
10 their audit they haven't completed their tax credit
11 information. But the direct spend in Pittsburgh was 70
12 million from 11 feature films.

13 As you heard, we doubled our union
14 membership. Very are very proud of that number and we
15 want to keep increasing it and keep our local people
16 working. Our hotels have seen an 850 percent increase
17 in the number of room nights. Our car rental agencies
18 have seen a 250 percent increase. And the amount of car
19 rentals are due to this industry.

20 The Pittsburgh Film Office represents all 10
21 counties. We are very proud to tell you we have been
22 shooting in all ten counties. The Road which will be
23 coming out in the fall of this year I think it is
24 October 17th starring Viggo Mortensen shot throughout all
25 of Western Pennsylvania and is really going to be a

1 great fun, not fun because it is not a happy film at
2 all, all right, I'm selling it a little hard. With
3 Viggo in it, that is always a plus. It really did a
4 great job of showing Viggo Mortensen, hopefully, please,
5 my heart. Not happy. So don't go if you think it is a
6 comedy, because it is not.

7 But it really did a great job of running all
8 the way through Southwestern Pennsylvania. They were in
9 Breezewood all the way to Erie so we were thrilled about
10 that.

11 Most of the productions that come into
12 Southwestern Pennsylvania shoot in multiple counties
13 because of the diversity of location we are able to
14 offer them. In addition to the film tax credit it is
15 another reason they are here.

16 The film tax credit really benefitted the
17 small businesses located both here in our region and
18 throughout the Commonwealth. We all know the film
19 industry can be really glamorous, looks kind of glitzy
20 and fun. But at the end of the day it is a business.
21 It is a business that relies on other businesses to keep
22 it going.

23 They need services like any other business.
24 They need copy machines, they need dry cleaners, they
25 need phone rental, computers, what you need in your

1 office exact same things the Film Office and film
2 industry needs while they are here. Today you are going
3 to hear from several of these small business owners who
4 are located here and throughout the state who rely on
5 some, if not all of the film industry to cover their
6 bottom line, pay their employees, cover their health
7 insurance and everything else all due to the film
8 industry. Because of the tax credit they have seen a
9 huge increase in business and are thrilled that they are
10 here to tell you about that today.

11 In a nation that has seen one of the most
12 serious economic downturns in history, there is job
13 losses, businesses closing, we have all heard the
14 stories.

15 The federal government turned around and did
16 an economic stimulus package. We in Pennsylvania, we
17 already have one and it is working. It is the film tax
18 credit. It is bringing in millions of dollars and
19 benefiting thousands of Pennsylvania citizens. They
20 live, they work, and they pay their taxes here in the
21 Commonwealth.

22 We are happy but not surprised of the
23 results of the legislative Budget and Finance Committee
24 report. We knew this program worked, we have seen the
25 proof. And we are really hoping that some of our

1 detractors take the time to read past page one and
2 figure out what else is in there that really speaks to
3 them and shows them the success of this tax credit.

4 At a time when the Commonwealth is looking
5 for places to find funding, this is not the program to
6 look at to cut. I am sure you all agree the film tax
7 credit program has been very successful for the
8 Commonwealth and for Southwestern Pennsylvania and I
9 urge your continued support. Thank you for your time.

10 MS. SAUL: As Dawn suggested in her
11 testimony, we now are going to hear from some of the
12 actual people, the people on the ground here in this
13 area. And actually some of them from just throughout
14 the Commonwealth who are benefiting from the program and
15 helping out with the film industry in general. The
16 first person we are going to hear from is Cherokee
17 Walker from Cherokee Helicopter Services.

18 MR. WALKER: Good afternoon, ladies and
19 gentlemen, my name is Cherokee Walker from Cherokee
20 Helicopter Services. We are a family business started
21 by my father, Ken, going on 40 years. As I was sitting
22 here it kind of reminded me of traffic court recently,
23 so forgive me. That is a whole other story for any
24 police officers in the room.

25 So as I was reminiscing about all the

1 projects that Dawn so kindly mentioned and I see a lot
2 of great people here working from all backgrounds in the
3 industry. And I should mention that as a young child
4 born in Western PA I'm just a good old boy raised in
5 Western Pa from a little town called Brick Church, and
6 you never heard of it. If you have, please raise your
7 hand. There is my man Jason a food services guy, we
8 worked together quite a bit.

9 I'm very flattered to be here, thanks to
10 Jessica and Dawn for thinking of our company to be here,
11 it means a lot. Our business started on the premises of
12 my father coming out of the military and starting a
13 helicopter business and with the ups and downs of the
14 economy no pun intended, we have certainly ridden
15 through some difficult times and some very blessed
16 times.

17 I became a passion for film which started by
18 my dad, Ken, in the early 80s and late 70s. And when
19 that industry started, I was not starry-eyed by any
20 means because that doesn't mean anything to me. If you
21 are in the industry which many of you are, you get it in
22 your blood, you love it. You either love the industry
23 or you get out of it very quickly because it is not that
24 glamorous.

25 Our income for years has been based on

1 leaving Pittsburgh and Western Pennsylvania to New York
2 City, to Detroit, to Chicago, we just came back from
3 Atlanta. So it not about Cherokee Helicopter Services
4 today. We are going to make it. But it certainly is a
5 lot better to be doing it right here in Pennsylvania.

6 When I think about a project that I was
7 driving back, I have helicopters actually working in
8 Philadelphia so I love the east side, west side, it is
9 all good, we love both sides. I have to drive six hours
10 when I leave here to get back to work in Philly.

11 As I was thinking here, what makes sense
12 about what to talk about briefly, I remember a project
13 we did called The Big Picture. And my father flew for
14 it and I was a young kid watching the grips, watching
15 the camera guys from LA all come on this particular
16 show. And it was called The Big Picture but it was
17 called Pittsburgh The Big Picture.

18 And that title is so simple yet so deep and
19 talks about today the big picture. There are people
20 here from all walks of life part of the big picture in
21 the film industry. When I think about The Big Picture
22 and the project, I still get phone calls by people that
23 see the credits, my father's name. People see the
24 project that played at Carnegie Science Center for a
25 little bit, it was really a cool IMAX film, it was a

1 small little independent project but nonetheless it was
2 really fun to be part of.

3 And they did these great shots of
4 Pittsburgh, and it was about the ethnic background of
5 people here, the blood, and the heart and soul of people
6 that make up Western Pennsylvania and Pennsylvania
7 alone. And that project also went into the hills and
8 the foothills showing the Ohio pyle, and the area of
9 Ohio pyle and the water there, and the waterways and
10 these dynamic, beautiful aerial shots. And it made me
11 realize as I thought about that project we were all here
12 as part of the big picture.

13 As I mentioned, we travel a great deal and
14 work with the biggest names in the industry and I don't
15 say that boastfully by any means, I'm very flattered by
16 that and very blessed to be part of people that I as a
17 good old boy from Western PA sometimes on the set I
18 pinch myself and say am I really here? Is this really
19 happening to me? I don't deserve this.

20 And I know it is only by the grace of God
21 that I'm here and a hard-working mother, Judy, who is
22 here. I love you mama. And my dad who is outside who
23 would not give me the opportunity to work if it weren't
24 for him.

25 And as we started in the working in the film

1 industry that has expanded greater and greater people
2 from LA and Hollywood call us regularly and it because
3 of a relationship that's built. As of late the stimulus
4 has provided more work for us to work here and there is
5 nothing more rewarding than not having to take our crew
6 and pack up our mechanics and leave the borders of the
7 State of Pennsylvania.

8 To be able to do that work here as meant not
9 only bought more jet fuel from big airports and small
10 airports, not only have we housed more people as already
11 mentioned by hotels, not only have we increased our
12 operations of limousines and taxis, not only have we
13 purchased more equipment for production, not only have
14 we expanded our helicopter in-house.

15 We did Transformers 2 last year in Allentown
16 Bethlehem, we increased our in-house paint facility. We
17 painted two aircraft that are on camera not only doing
18 aerials but on camera and all the times we speak people
19 that come into Pennsylvania say, this is an amazing
20 place.

21 We just scouted for a very large project I
22 cannot mention but it is about to shoot in August.
23 While scouting we have been through Pennsylvania, we
24 have been to West Virginia, we have been to Detroit, we
25 have been to many areas which I cannot mention and in

1 the conversation, the scouts that are working for some
2 of the biggest names today this place makes sense. But,
3 the neighboring states are giving us this, the tax
4 credit. And if Pennsylvania does not do it, it will not
5 happen. And that is very disheartening for me to say
6 the least when I see union workers, when I see all those
7 that build sets, when I see all of you that are part of
8 getting actors, and actors that are here, we know what
9 that means, we pack our bags and leave again.

10 It makes a lot of sense for the tax credit.
11 I will wrap this up in one statement. I drove from
12 Philadelphia, you can give me another minute. I don't
13 care what you say, I will take an offering in 30
14 seconds. I need some gas money.

15 In closing, I will say that the credit, I
16 know naysayers will say here we go, it is very trendy to
17 ask for money. We are not asking for money. For those
18 who will say why are you asking for something more when
19 money is given away, I say let us have the credit we
20 need to earn it and let us show what it can do once
21 again, it is proven, it works, there is no doubt about
22 it.

23 So my last statement will be my favorite
24 thing to do in creating film is fill that frame with as
25 many images as possible. When you are flying aerials,

1 you fill that frame with foreground movement, with
2 dynamic imagery. You make it creative.

3 That frame can only capture so much. The
4 tax credit and the people that benefit from it cannot be
5 caught in that one still frame. So I hope you will
6 appreciate that and I hope that you all consider this as
7 a serious, serious effort that we all need. Thanks for
8 all the time, God bless.

9 CHAIRMAN KIRKLAND: If I may before we have
10 our next speaker just recognize a member that just came
11 in, Representative John Pallone of Westmoreland County.
12 Also let me warn the speakers, Brother Walker,
13 Mr. Walker, I just want to warn the rest of the
14 speakers, you were getting quite close to the members
15 and Brother Dom Costa is a former police officer.

16 REPRESENTATIVE COSTA: Help you out in
17 traffic court next time.

18 MR. ORLOVSKY: My name is Alex Orlovsky, I'm
19 a New York City based producer. I am a New York City
20 base producer. And I'm here because I'm making a motion
21 picture in Scranton, Pennsylvania called Blue Valentine
22 with Ryan Gosling, Michelle Williams and we came because
23 of the tax credit and actually because of Jane's efforts
24 we were looking at New Jersey, New York, Connecticut and
25 Pennsylvania. And we ran all the numbers and just felt

1 like this was the best decision for the film. And it is
2 the budget of the film \$4 million, we are spending 2.6
3 of that in Pennsylvania. That is across the board it is
4 lodging, food, you know, a lot of the crew. We hired a
5 bunch of local cast. And it has been a really wonderful
6 experience.

7 So, I think, I was more than happy to come
8 today to sort of say I think the tax credits, it is an
9 essential piece of legislation. We would not have made
10 this film in Pennsylvania if it were not for it. And I
11 think it is also important to note that in addition to
12 Pittsburgh and Philadelphia and bigger cities and
13 communities, places like Scranton also benefitted. And
14 I think that it has been extra special for us because
15 everybody there I think is really welcome additional
16 money and exciting, fun having a film shot there. Thank
17 you very much.

18 MS. KEEZER: Alex mentioned he is shooting
19 in the Scranton, Pennsylvania area. And it is always
20 very exciting for a film to come to one of the cities,
21 but when it comes to an area that doesn't see it as
22 frequent filming, then it is especially important. So,
23 we thank Alex and his production for going there. Now I
24 want to introduce a shy guy, many of you know David
25 Haddad.

1 MR. HADDAD: I want to know where the
2 helicopters flew. He told us but he didn't tell us
3 where.

4 Good afternoon, I will set the mike down for
5 a moment, my voice is so loud that I don't need it.
6 Since rather than go through the specific and facts that
7 you have all heard, I thought it would be fun to look at
8 these pictures and tell you about my company, my
9 father's company. We can pass them down.

10 We started in 1955. A gas station in a town
11 called Pleasant Hills. And my father had three jobs.
12 He worked for J & L Steel, he worked at a graveyard
13 shift as a mechanic and he worked for his brother-in-law
14 at an Amoco gas station in Pittsburgh on Wood Street.

15 And his brother-in-law was able to secure
16 him a facility in Pleasant Hills where we remain today
17 from 1955. Against the advice of his lawyer, his
18 insurance agent and who is the other ones we don't like?
19 Oh, yeah, the accountant. Against the advice of all
20 three he bought his first pickup truck and rented it out
21 for \$6 a day and 4 cents a mile. And here we are today
22 as a company that builds equipment in Pennsylvania,
23 rents them all over the United States, has bragging
24 rights that from Pleasant Hills we send equipment to New
25 Zealand, Samurai, we did Pirates of the Caribbean, along

1 with many, many other films, all from that one moment
2 when he went against those three key people in his life.
3 An amazing story.

4 We have a lot of fun at Haddad's. I have 45
5 employees full-time. I have 10 part-time employees. I
6 do better when I'm standing. Do you mind?

7 Dawn, is it okay if I stand.

8 MS. KEEZER: Stand facing the Committee.

9 MR. HADDAD: Face them too and I have 45
10 seconds?

11 MS. KEEZER: That's correct.

12 MR. HADDAD: Thank you very much. Rather
13 than do the specs, the reality are we are an existing
14 company, we are known all over the United States, we are
15 based in Pittsburgh. We build it all here. They are
16 Pennsylvania jobs. I sat -- some of you had the
17 opportunity to meet Joe Iburties, a New York production
18 manager and when I sat in June or July of '07 with
19 Syriana production managers at a dinner in Annapolis and
20 they were both shooting in Maryland.

21 They passed the rebate. Three days later
22 Joe set up shop in Philadelphia and we took that movie
23 away just because of the program that you put in place.

24 Since that time we built up an
25 infrastructure that my colleagues are going to share

1 with you and we are here now. We are winning. We are
2 one of the top ten states. You've got a great program.
3 I was actually kind of thinking we should increase the
4 program since it is doing so well.

5 My point is we expanded by 10 percent, my
6 fleet has increased by 30 percent. We also enjoy
7 working with both sides of the states and I will take a
8 moment to thank Mickey and Jane and Sharon and Dawn,
9 pretty long title. But the four of them work tirelessly
10 to keep the program in place. I really would like to
11 have a round of applause because they get no thanks for
12 a lot of hard work.

13 So in closing, I really have nothing
14 really -- don't lose the pictures though. I worked with
15 the Night Shyamalan people, Sam Mercer, executive
16 producer and I talked to him yesterday. He asked me
17 what I was doing I said I will come up and speak at the
18 hearing. He said tell your people that I have a movie,
19 the movie is Green Lit. It is Green Lit to shoot in the
20 Philadelphia area. No one knows this, by the way. Is
21 there any press here? They shoot in October. It is \$25
22 million feature, it is a very low budget feature. He
23 said to tell you he would love to shoot that picture in
24 Pennsylvania. He is waiting for the answer for your
25 budget for the film credit. Thank you for your time,

1 thank you very much.

2 MS. KEEZER: Next we have the Director of
3 Sales and Marketing from Sheraton Station Square Hotel,
4 Andrew Sliben.

5 MR. SLIBEN: Sliben, thank you very much.
6 From my angle, thank you, David, I don't have pictures
7 to share. I want to thank David for parking his trucks
8 in my Station Square parking lot they have been there
9 since March. For good reason. A great reason that is
10 why I'm here today.

11 My hotel is relatively new to the film
12 industry. Actually, we came about and got into the
13 business not long after the film tax credit was
14 introduced. Our first movie that we hosted and were
15 able to be housing for was Adventureland which has hit
16 theaters and has been out for a while. Last year we
17 also hosted The Road, so one of the 11 movies in
18 Pittsburgh and we are currently housing the majority of
19 the crew for the Warrior movie which is why David's
20 trucks are with us today.

21 It is all good. I like the trucks, David,
22 that's okay. All total, we measure our business in room
23 nights. One person stays one night it is one room
24 night, that is kind of how we measure and how we gain
25 occupancy and how we gain revenues in our business.

1 The movie industry since Adventureland has
2 contributed 8500 room nights to our hotel. Now, in a
3 hotel our business is perishable. We have one room for
4 one night. If we don't sell it, we don't get another
5 chance to sell it. So any time we take a piece of
6 business, it has got to be good business for that hotel.
7 If it is a piece of business that you know, if our room
8 is going to run empty, we want it, so it is a good
9 decision, business decision to take that piece of
10 business.

11 Out of those 8500 rooms, 7500 of those would
12 have been unoccupied if we had not worked with these
13 movies. So what that means, not only from a business
14 standpoint and a revenue standpoint but from an
15 employment standpoint, 7500 rooms it takes one
16 housekeeper to clean 16 rooms a day in our hotel times
17 that over 7500 rooms. 7500 room nights, that's 468 days
18 employment for one housekeeper in the last year and a
19 half. That would not have, they wouldn't be working.

20 So, out of the 200, we are a 400-room hotel
21 we have 200 full-time employees. Those 200 full-time
22 employees could be 150 in January, could be 250 in the
23 summer. It all depends, but it is critical to have that
24 film industry business here. There is a lot of people
25 out there trying to bring businesses into hotels. There

1 are people working hard. I'm the director of marketing,
2 I have salespeople out traveling hitting the field. We
3 found something that works.

4 The film tax credit works and brings
5 business. If it is not broken, let's not run away from
6 it, let's just keep it coming and keep more movies
7 coming so we can get business in the hotel and keep
8 people employed. That is it.

9 MS. KEEZER: He forgot a part of the story.

10 MR. SLIBEN: See, they are chasing David off
11 but they want me to come back, I like that.

12 One more part of the story, thank you Dawn,
13 you mentioned previously in your speaking about the
14 impact Western Pennsylvania. I'm speaking, I'm one
15 hotel out of hundreds and thousands throughout the
16 state. I know I got couple of my hospitality friends
17 out in the audience as well, the Doubletree is here.

18 We did one movie in Pittsburgh last year,
19 there are 11 films, I know the Doubletree had movies and
20 then my Westin counterpart had movies I know the Omni
21 had movies. So take my numbers multiply that infinitely
22 across the board.

23 However, with my own company we had a brand
24 new hotel opening up in Erie when The Road was in town.
25 So The Road comes to us and said hey, we got to move

1 this movie up to Erie, we are shooting in Breezewood,
2 can you help us out. As a matter of fact, we have one
3 that's opening up in two weeks when do you need the
4 rooms. So, we called our friends up the brand new
5 Sheraton Erie Bayfront connected to the convention
6 center overlooking Lake Erie, absolutely beautiful, we
7 need business, we are opening our doors, what can you do
8 for us.

9 The Road went up there and provided another
10 850 room nights to a brand new hotel. So, open the
11 doors, grand opening, loved it, great experience. So to
12 this day, Sheraton Erie Bayfront are our best friends
13 waiting for the next movie waiting for us to promote it.
14 And we will do our best to do that. Thank you.

15 MR. POLIVKA: I only have a minute and a
16 half because I sold 30 seconds to David sold it sat at
17 the table at lunch, so I will make this quick.

18 My name is Stan Polivka with Enterprise
19 Rent-a-Car director of sales here in Western
20 Pennsylvania. Many people may know Enterprise
21 Rent-a-Car in the replacement industry, car breaks down,
22 jump into an Enterprise car do not lose a step.

23 The fastest growing segment actually within
24 Enterprise is our business travel and corporate segment
25 which is where the film industry comes in. Research to

1 try track data back to '05, '06 so see what kind of
2 spend there was in Western PA within the film industry
3 and tracked approximately \$50,000 in the movie industry
4 over that two-year period which equates to about \$25,000
5 per year.

6 From July of 2007 until just this recent May
7 that number jumped to just over \$425,000. So on average
8 about 212,000 per year that the film industry brought to
9 Enterprise and the Southwestern Pennsylvania area.
10 212,000 is basically the equivalent of what our largest
11 corporate partner is today travel within a year.

12 So moving the film industry will be like
13 extracting a company that's currently headquartered in
14 Western Pennsylvania and all their travel.

15 In addition to that it has helped us
16 maintain and grow our employment base. The film
17 industry requires typically large numbers vehicles and
18 they usually needed them yesterday and they need them
19 delivered, so not only do I need large numbers which is
20 great, we also need a large number of people to move
21 those vehicles.

22 As production continues with the films,
23 there are many other departments that need to get
24 involved throughout the process with our loss control
25 department handling their claims, our vehicle repair

1 department handling the maintenance of the vehicles, the
2 business rental department servicing their day-to-day
3 needs as well as all of our local locations that service
4 them every single day.

5 The film industry creates a demand that
6 sometimes is unpredictable. Most of our purchasing of
7 vehicles still remains locally in Western Pennsylvania.
8 And when there is a spike in demand because of a new
9 movie is coming to town there are times we have to buy
10 more vehicles which is a great thing and that puts us at
11 the auction or perhaps at a dealership looking at some
12 pre-driven inventory so again, of the most of that
13 purchasing is still done here in Western Pennsylvania.

14 There is benefits that extend beyond just
15 our car rental, if you look at all the maintenance the
16 vehicles then need after their two to three month
17 rental. This also benefits our partners that do all of
18 our local repairs. It also benefits I don't have hard
19 data on volume and claims and vehicle repairs, but
20 inevitably the vehicles are damaged and again, they go
21 right back to our local collision centers.

22 So, in an industry in the auto industry that
23 can use all the help they can get not only car rental,
24 but all of our local car dealers, service shops,
25 collision centers the tax is a great way to keep the

1 revenue going and we very much don't want it to go away.

2 Thanks for your time.

3 MR. CERVENAK: Ladies and gentlemen,
4 distinguished Legislators, my name is Ray Cervenak, I've
5 been a business person here in Western Pennsylvania for
6 31 years plus.

7 I have been involved with Peak Security
8 Services as a co-owner along with my two sons, Jack and
9 Ray Jr. Our offices are located in Forest Hills.
10 Mr. Costa knows where that is at.

11 And basically we have been involved with
12 some 50 odd productions from commercials being filmed
13 here in the city to mini series pilots as well as small
14 television production movies on to the big screen
15 productions as well.

16 I have over the past 16 years been involved
17 with this industry and I can't say enough as to how much
18 it has meant to my company, to my family, and my
19 employees. Through peaks and valleys in the business,
20 if it wasn't for the motion picture industry, my valleys
21 would have probably been the end of our business.

22 I have had the pleasure of employing over
23 500 employees since I started in this business. The
24 date and the last three years we have had almost 300
25 people on our roster for the motion picture industry

1 alone. Right now I have 65 people working on two
2 productions here in the city as well as the Arts
3 Festival here at Three Rivers.

4 Those numbers probably are masked by the
5 large volume of other people that are involved in this
6 business. But to me two, 300 people, that's two or 300
7 jobs. Granted, some of them are temporary jobs because
8 of the seasonal work with the movie industry, but we
9 have been able to absorb a large percentage of those
10 people into full-time positions with our other customer
11 base.

12 So I need not tell you how important that
13 this tax incentive is to not just me, my employees, the
14 taxpayers and all the other people involved in this
15 industry. I implore you, please use your influence,
16 your clout with your colleagues to please don't let this
17 incentive disappear on us. Thank you.

18 MR. MANTIA: Good afternoon. I'm glad we
19 had so many great speakers, I'm not one of them. I will
20 be very brief.

21 My name is Dean Mantia, I work for a company
22 called Cort Furniture Rentals, a national furniture
23 rental company. We supply temporary furniture to the
24 industry. The movie industry being basically a
25 temporary business, you have a movie anywhere from three

1 to six months, it works very well with our business. We
2 also supply office furniture and residential furniture
3 to the movie industry.

4 But since 2007 in the film tax credit, we
5 have seen a huge increase in our business on both sides
6 of the state and to just give you a little idea of our
7 business, I do the commercial furniture rental. For the
8 most part I average about \$500 a month in rental rates
9 for about a four-month period. With the movie industry,
10 it runs anywhere from three to six months but with a
11 \$2,000 a month rental base. So it is a huge rental for
12 me personally in our company to work on when the movies
13 come to town.

14 Also since 2007 we have done over 150
15 residential furniture rentals in the different apartment
16 communities here in Pittsburgh because of the film
17 business. So, we would like to thank the film industry
18 for the business they have given us here in Pittsburgh
19 and hope the film tax credit continues. I would like to
20 thank Dawn. I have been working with her since 1991.
21 Thank you.

22 MR. JABER: Good afternoon, Chairman
23 Kirkland, thank you so much for coming to Western
24 Pennsylvania, and the Committee as well. My name is
25 George Jaber, I am the business representative of the

1 International Alliance of Theatrical Stage Employee,
2 Studio Mechanics, Local Number 489.

3 And I would like my membership to stand up
4 that is represented behind me.

5 First and foremost, the taxpayers. The
6 ability to live in Western Pennsylvania and to work in
7 Western Pennsylvania is something that humbles us. We
8 have doubled our membership since February of 2008 to
9 over 210. Currently with the applications that are out
10 and the work that is promised with the Pennsylvania film
11 tax rebate in place, we should see 300 members by the
12 end of this year. There is an opportunity for us with
13 workforce development and the Community College of
14 Allegheny County where I have been a theater professor
15 for 28 years to continue training so that with the
16 workforce development the opportunity for resources
17 through the Obama administration to continue to build
18 and train a crew.

19 We are different than bricks and mortar. We
20 are the ones who drive the trucks, we are the ones --
21 well, the Teamsters drive the trucks, sorry Joe. We
22 have never driven a truck.

23 I would never consider the term leg
24 breakers, I assure you that my Teamster friends are
25 right there behind us. I have had the opportunity in

1 the last six months to write letters of good standing
2 for members getting mortgages and the ability for those
3 same members to use a direct deposit so that they do not
4 have to enter foreclosure. That is a powerful thing.
5 And I am clearly just a mouthpiece for the individuals
6 who are behind us who are working on Warrior and Fire in
7 the Hole and those opportunities will continue. Please
8 understand how important it is to us.

9 We are at your service. Thank you so much.

10 MR. ROSSI: I didn't know if Tom was going
11 to move up. I was going to sit down, I'm a Teamster.

12 Give me a steering wheel. Chairman
13 Kirkland, Honorable Representatives, thank you for
14 taking the time to be here today. You have heard all
15 the statistics, all the numbers that this tax incentive
16 brought in. You have my brief in writing about some of
17 the numbers that I'm quoting. Last year I had over 100
18 of my members work on the movies. Teamsters Local 249
19 is the largest Teamster local in Joint Council 40 which
20 encompasses State College, Pennsylvania to Erie, to the
21 Ohio border to Uniontown.

22 We have two party system, Democrats and
23 Republicans. But I would like to see a third party here
24 you both can become members of. And that's the party of
25 doing the right thing. The numbers tell you this is a

1 no brainer, okay?

2 Dawn Keezer, the Film Office has done a
3 great job, brought a lot of money to the Pittsburgh area
4 and Western Pennsylvania, a lot of money and a lot jobs
5 to my Teamsters. And if these movies weren't here, I
6 will tell you where they will be, you pay one way or the
7 other, they will be on the unemployment line. So you
8 are paying unemployment.

9 These are good jobs, they are good union
10 jobs and all union jobs are good jobs, I'm here to tell
11 you that right now. We need a lot more good union jobs
12 in this country today. So, look at the material you
13 have, do the research. My members just aren't in
14 Pittsburgh. They are in 22 different municipalities
15 that worked on the movies last year. It is a no
16 brainer, thank you for your time.

17 MR. LACEY: It is tough to follow the
18 Teamsters. My name is Chris Lacey, I'm the Assistant
19 Executive Director of the American Federation of
20 Television and Radio Artists for the CPT region, that is
21 AFTRA. We represent over 70,000 performers and
22 journalists nationally but I'm based right here in
23 Pittsburgh.

24 I am also proud to serve as a member of the
25 Pennsylvania Film Advisory Board and I am a lifelong

1 Pennsylvania resident, except for those few weeks and
2 months at a time that I have had to leave this state to
3 work in this economic sector.

4 My experience in the economic sector over
5 the past more than 25 years as a producer, performer and
6 executive for arts organizations and now in the labor
7 movement gives me the background to assure each and
8 every one of you that this is a valuable and wise use of
9 our very limited tax dollars.

10 You have heard all the numbers from
11 everyone. I want, but I want to make it more of a local
12 level right here in our region. The majority of members
13 that we have added over the past two years to just the
14 Pittsburgh local due to the projects benefiting from the
15 tax incentive program have earned well over two times
16 the amount put forth by the federal government as a
17 poverty guideline for a family of four.

18 Now, in English, that means the people who
19 are getting the work from the actors' point of view are
20 making between 40 and \$60,000 in less than six months.

21 Now, there is a perception because you here
22 about all the stars that come into town to make movies
23 to make TV shows. I would like to thank some of the
24 people here like the talent agents you will see their
25 name on the back of the T-shirt, the Dougherty Agency, I

1 think Deb Dougherty is here somewhere.

2 Our own, just to give you an idea of what
3 kind of professionals we have in my end of the business,
4 I saw Donna Bellajack here, she is an Emmy award winning
5 casting director right here in Downtown Pittsburgh
6 because of the projects.

7 Because of this, because of this
8 infrastructure we built, these projects that come in,
9 yeah, they bring some name stars in, and it is great to
10 see, makes the city, the region and the state look
11 great. They also hire right here.

12 I will bookend it for you, everybody seems
13 to be using 2007 as a base. A production called Kill
14 Point was here for five months. 16 out of 31 principal
15 roles were cast right here. Those are the kind of
16 dollars I'm talking about. And it also added to our
17 member rolls. The kind of thing that allows artists,
18 performers to become well paid professionals.

19 Looking on a more macro level right here
20 within the Pittsburgh local we have seen an almost 20
21 percent increase in our membership. That is saying
22 something with a local as old as Pittsburgh's.

23 This increase in well paying jobs is
24 directly attributed to the production of creative
25 content that has been drawn to and don't forget, stays

1 here. We have an incredibly, incredible creative base.

2 Dawn talked about the Warner Brothers
3 starting in our area. I want to tell you, you are never
4 a prophet in your own hometown, I'm going to sing a few
5 more praises, Carnegie Mellon is the oldest drama school
6 in the nation. They have connections from here to
7 Hollywood to New York and back again. And those
8 students that are getting experience due to productions
9 here only add to cachet that this region has. The
10 burgeoning film production of Point Park College, Robert
11 Morris College, are training people for jobs, and let's
12 face it, people in this state that live here, that grew
13 up here, that go to school here want to stay here and
14 work here instead of running to North Carolina,
15 Louisiana and all the other states that we are competing
16 with. That this film tax incentive program allows us to
17 compete with.

18 So, to abandon this incentive program would
19 be tantamount to abandoning the possibility of
20 Pennsylvania to see economic growth in one of the few
21 sectors of our economy nationally that has been proven
22 to be recession proof. Thank you. Thank you very much.

23 MS. JONES: Hello, my name is Mary Jones,
24 and I'm the Academic Dean for Dubois Business College in
25 Dubois, Pennsylvania. I would imagine at least a couple

1 of you are thinking what in the world is Dubois doing
2 here at the film tax credit hearing.

3 Dubois Business College has a 124-year
4 history of providing quality education to students to
5 prepare them for jobs and careers and our students want
6 to stay in Pennsylvania.

7 Two years ago we added a movie making
8 program to the offerings that we have. And I'm happy to
9 say that the Secretary of Education for the Commonwealth
10 has approved that program to be awarded an associate in
11 specialized business degree.

12 We have attracted students from as far away
13 as Texas, Florida, Toronto to the program. When those
14 students come to Dubois, they rent apartments, they
15 shop, they get part-time jobs, so they pay taxes.

16 The students have in the last two years have
17 been able to come the to Pittsburgh and work in and on
18 movies to give them the hands-on experience that will
19 prepare them for jobs in the industry.

20 We recently hosted a field trip of 40
21 students from South Allegheny High School in Pittsburgh
22 to come to the business college to see our classes in
23 session because they are interested in possibly pursuing
24 a career in the film industry. I need to be able to
25 assure those students and their parents that there will

1 be job opportunities in this area.

2 And that is what the film tax credit does.
3 It allows the students to plan to stay in Pennsylvania.
4 Incidentally, the student from Texas is looking for a
5 job in Western Pennsylvania because he really likes it
6 here and wants to work in the film industry in this
7 area.

8 So, I urge you all to as some have said
9 before me, not only give your support to the film tax
10 incentive, but also encourage your colleagues to lend
11 their support, thank you.

12 MR. LIPPERT: Good afternoon, my name is
13 Jordan Lippert and I'm a film maker. In 2008 while
14 attending the Community College of Allegheny County, my
15 professor recommended me for a film job as a carpenter
16 on the movie Shelter. I was put to work and once that
17 project was completed I immediately went to work on My
18 Bloody Valentine followed soon after by Shannon's
19 Rainbow. I earned more money on those three films in
20 those three months than I had earned in the previous
21 three years.

22 Next year I'm heading to California
23 University of Pennsylvania. I have been offered a
24 technical theater scholarship and will continue to work
25 in the film industry as I pursue my degree. I intend to

1 stay in Pennsylvania, especially with the career
2 opportunities that are available in my hometown.
3 Without the PA film tax credit, there wouldn't have been
4 be any over hire opportunities for me. With my
5 education working my field, I plan to stay in
6 Pennsylvania. Many of my friends from high school and
7 college have and are planning to leave Pennsylvania.
8 I'm looking forward to remaining in Pennsylvania as a
9 locally-trained professional film maker. I'm living the
10 dream. Please keep the PA film tax credit, thank you.

11 CHAIRMAN KIRKLAND: Before we go further, I
12 want to say Sally Jefferson was unable to be with us
13 today, she is the Vice President of State Government
14 Affairs for Entertainment Software Association, but she
15 does, she did, she does have her testimony included in
16 the packet. We wanted to say that for the record.

17 MS. SAUL: And one other as well is BBK
18 Creative Partnership, LLC which has an office here in
19 Pittsburgh, they are in Erie. And they do product
20 placement where they place corporate brands and products
21 for their clients and that is another one that would
22 have a similar story of employment from the film tax
23 credit. Thank you.

24 MS. KEEZER: Thank you, those are the
25 vendors I wanted you to hear from, there are many, many

1 more that couldn't be here today who will send letters
2 and make calls and show their support. If you give
3 another round of applause for these guys. Thank you
4 very much.

5 MS. SAUL: I'm sorry, we are open for
6 questions.

7 CHAIRMAN KIRKLAND: We saw this in the
8 filming, you know. If you guys are finished.

9 MS. SAUL: We are open.

10 CHAIRMAN KIRKLAND: What we want to do is
11 thank our presenters, testifiers today who have come
12 forward. And at this time we will ask the members if
13 they have any questions, we will start to my far right
14 my good friend, and if they don't, they don't. But we
15 want to start at my far right, I always start at my
16 right. The last shall be first.

17 REPRESENTATIVE KOTIK: I will just say the
18 jury has reached a verdict, I think it is unanimous.

19 REPRESENTATIVE HALUSKA: From my
20 perspective, I have been around this committee for 15
21 years and seen a lot, been to Philadelphia to the sound
22 stages, we have been to Pittsburgh before. In the early
23 going to check out some of the sound stages they had
24 some old Westinghouse plants. It is obviously money
25 that has to be spent before they can get the tax credit.

1 So I think that in itself makes it a very viable option
2 for Pennsylvania to attract these businesses here so I
3 have no problem with this.

4 REPRESENTATIVE MOUL: Was that applause
5 because he finished or I'm about to start? Well, I
6 certainly do appreciate everyone who testified and
7 Mr. Secretary, I would really like to see a copy of that
8 report and that data. Maybe you can make a believer out
9 of me as well. And I certainly would appreciate
10 receiving that.

11 I think the only thing I would throw in, I'm
12 starting, this is my second trip to your lovely city,
13 you know, I would hope that the film making industry
14 spreads throughout the whole Commonwealth and actually
15 maybe we can shoot one in Gettysburg, PA as well. What
16 do you think? Thank you all.

17 MS. KEEZER: We have done one.

18 MR. ROWLEY: We have shot one in Gettysburg,
19 by the way, Representative Moul. Another quick comment,
20 this is a very mobile industry and these jobs draw
21 people in from in some cases out of state, of course.
22 But we did a run on the state-wide IATSE membership, and
23 we have, IATSE has members in Pennsylvania and I think
24 it was 48 of the counties, 48 of our 67 counties, Adams
25 all of south central Pennsylvania included. So you've

1 got constituents benefiting from the program, no
2 question about it. I will make you a believer.

3 MS. KEEZER: As we talked about The Road,
4 they were based here in Pittsburgh, they went to
5 Breezewood they went to Erie. We have a major film
6 coming in that will be shooting all the way across the
7 State of Pennsylvania.

8 Once they here, they get comfortable they
9 meet our amazing crew, they travel with them all the way
10 across the state. So we have to start major production
11 centers, it is now starting to move its way out.

12 REPRESENTATIVE BURNS: Earlier today we were
13 at Mogul Mind Studios. It is amazing to see what they
14 are doing with some of the buildings that would
15 otherwise go unused and just be dilapidated and torn
16 down. So I really feel this is a strong area that we
17 can focus on across the state. And we just got to do a
18 better job of getting the people in the center of the
19 state involved and engaged in the industry as well. I'm
20 in full support of it.

21 REPRESENTATIVE SAINATO: First I would like
22 to commend Chairman Kirkland. This committee, and I'm
23 with Representative Haluska, I'm the oldest serving
24 member. Me and Gary Haluska have been on this committee
25 15 years, longest serving, not oldest, you are right

1 Representative Costa.

2 And I have had an opportunity to travel
3 around the state and to see what we have in the state.
4 And that has been the message which we have been
5 hearing. Chairman Kirkland and Chairman Barrar have
6 taken this issue in full force. When we were in
7 Philadelphia a month ago we had the opportunity to tour
8 the facility where M. Night Shyamalan is shooting. We
9 had seen that actually at a Philadelphia event earlier
10 in the year has and it has come so far away. And our
11 experiences in Pittsburgh today, with Mogul Studios and
12 the set of Warrior, have worked with the Warrior set a
13 few weeks ago and had an opportunity to meet staff, meet
14 producers, meet everyone that is involved. And I think
15 that most people need an eye-opening experience to see
16 how much work is involved. And spending a couple days
17 on that set gave me an opportunity to talk to the union
18 workers, the extras, the people that are working.

19 I had a constituent, I do I want to tell the
20 story, who is 24 years old and he lost his job and was
21 hired as a full-time extra, six day a week extras. And
22 he was not making tons of money but he was making enough
23 money to feed himself and to survive until an
24 opportunity came along.

25 I think that sometimes gets lost in the

1 shuffle and I heard from many of the workers that, hey,
2 they are making a good amount of money right now, they
3 are paying taxes, these are people that live in Beaver
4 County, people that live in Butler County, Allegheny
5 County, Westmoreland and all those areas. So you have
6 to put faces on what we are dealing with here.

7 Unfortunately, I think, you know, it is an educational
8 process.

9 The people you see here today are
10 interested. And they come from all over the state.
11 Because this is important. There are 203 of us in
12 Harrisburg. And it is important to get the message out.
13 I know people at this table have been doing a great job
14 with the message because I have spent time with them in
15 Philly and they do a great job.

16 It is an education experience. My message
17 is yes, I support it. I think if you want to make
18 money, you have to invest money. I think this is a
19 program that works. We have a very difficult time in
20 Harrisburg right now. I mean, in three, four weeks, I
21 don't know what is going to happen. No one can give you
22 that answer.

23 But we have to protect programs that are
24 vital, programs that are going to give us a return on
25 investment for the long-term viability and I think

1 everyone has to understand here, we are not Washington
2 D.C. We have to have a balanced budget. We can't just
3 create money and call it stimulus and throw it out
4 there.

5 I mean, you know, we create programs such as
6 the film tax credit that brings in investment which you
7 have all the testifiers are showing us. This is, these
8 are the small people, these are the people that are
9 doing it. I think that's the message that we need to
10 get out there. I did, you know, I want to see this
11 happen. I think it can happen. But we have to keep
12 working at it. This committee right here has been a
13 vital part of that thanks to Chairman Kirkland, Chairman
14 Barrar and the staff that really have been preparing and
15 making you, the people that are here today as part of
16 this. So, your efforts need to keep going because until
17 this whole budget process comes to a conclusion, which
18 could be the end of this month or even into July, you
19 know the message has to be out there.

20 I do, like I said brought a great
21 appreciation to the group on Warrior because they are
22 doing a great job and the hard work and dedication. I
23 think people want to see these people work 14, 15, 16
24 hours a day to get it right, to make efforts. So, I
25 commend those people for the job they are doing. And

1 when you see these are people, everyday people working
2 and earning a living. I think that is what it is all
3 about, it is not the Hollywood moguls, the opponents of
4 this are trying to say these are average everyday people
5 and businessmen that help make this economy go. I have
6 had a chance to talk to many of them over this weekend
7 and in Philadelphia.

8 So, our job is to listen and to learn and
9 the members that are here today are doing their job by
10 being here. We need to spread that on. So, that is
11 really my message that I wanted to say.

12 MR. JABER: How best can we reinforce what
13 you just said for people that don't necessarily agree
14 with us, who best can we write to, who can we call?

15 REPRESENTATIVE SAINATO: First of all, you
16 want to write to your local legislator and your local
17 senator, and say look, this is what I do, I'm a
18 beneficiary of this. You read some of the hype it says
19 they have that image in their head. I will be honest
20 with you, a couple years ago I didn't understand this
21 issue like we did. You know, just thought it was
22 another give-away program. You know, a lot of members
23 felt that way. Chairman Barrar had these hard, tough
24 questions that were answered and now he is a believer.
25 So I'm saying when you look at that, I think the point

1 is talk to your Representatives. There are a lot of
2 people here. You have a lot of diverse groups and
3 districts that you represent. Feel free to talk to
4 them, write to them, call them say hey look, this is
5 important. This is how it affects my business. Because
6 especially you small businessmen that are here. I mean
7 a lot of members don't understand that hey, we are
8 benefiting through this. You are taxpayers and you are
9 doing this. This is a message you can get out.

10 MR. JABER: Would it be appropriate to say
11 lets go Pens?

12 REPRESENTATIVE SAINATO: Yes. Yes, it
13 would. That is, don't be surprised, we are, in
14 Pennsylvania we are very, we listen, we look at our
15 e-mail. We look at our mail. We all represent 60,000
16 people. We, a lot of people write on an issue all of a
17 sudden you tell your writers, hey, give me some more
18 information on that issue. And then that is how it
19 works. We have a process.

20 So don't, I mean, by contacting your
21 Legislator, that starts the process. We all know, we
22 are on the Tourism Committee, we have been active on
23 this issue for months. And even a few years because of
24 what we have seen and because them showing us. There
25 are some members that are not on this committee and they

1 really don't understand. It is not their fault, but,
2 they are into other issues.

3 You have a message say hey, look, these are
4 jobs, hard jobs, good paying jobs, jobs that we need in
5 Western Pennsylvania, Philadelphia and Central
6 Pennsylvania. I think like my colleague, Representative
7 Burns said some of the rural areas, okay? And I mean
8 the importance, some up in Lawrence County and a few
9 years ago I know a movie come up in McConnell's Mills,
10 and there is a lot of issues, I think we want to work
11 with the industry as Representatives to possibly show
12 case some of the areas which we have. That is something
13 further down the road.

14 But my point now is, my point now is, this
15 is your, the first step is the keep a program that is
16 working going, keep people working and expand on it and
17 create more tax revenues for Pennsylvania. That's the
18 bottom line. And you guys are doing it. Just keep up.
19 We want you all working. That is my conclusion.

20 REPRESENTATIVE LONGIETTI: Thank you,
21 Mr. Chairman, and thanks to all of you who are here this
22 afternoon. I come from Mercer County and just to give
23 some credit to my colleague in Mercer County, Dick
24 Stephenson, he actually had the original legislation
25 that started the film tax credit.

1 A couple quick comments and a rhetorical
2 question, if it didn't work, then why do so many states
3 do it, and why are states like Michigan doing it
4 aggressively?

5 The other point that I would make as
6 Representative Sainato said, we are facing a tough
7 budget year in Pennsylvania. \$3.2 billion deficit that
8 has to be closed. We can't pass a deficit budget. But
9 one of my passions in this budget process is economic
10 development.

11 Deputy Secretary Rowley, he works for the
12 Department of Community and Economic Development. If we
13 get rid of all of our economic development tools, at
14 some point the economy recovers. And we cannot be at
15 the back of the pack in Pennsylvania when that economy
16 recovers. This is an economic development tool. There
17 are other economic development tools in the budget that
18 we have to fight for so that Pennsylvania can be a
19 leader. And when the economy rebounds, we can be at the
20 forefront. Thank you.

21 REPRESENTATIVE PAUL COSTA: Thank you again,
22 Mr. Chairman. Just to add on what Representative
23 Longietti said, the State of California has a larger
24 deficit than we have a budget, they are over \$30 billion
25 deficit and they are considering the tax credit. So if

1 someone like Hollywood, California is considering it,
2 obviously it is working. It is working and we need to
3 keep it moving.

4 Just one comment I would like to add, Dawn,
5 you mentioned about you work with the ten counties in
6 the southwest region and you mentioned the movie The
7 Road. Fortunately, a month ago our committee was in
8 Philadelphia and we went to the post production studio
9 called Shooters. And in Shooters post production they
10 were working on The Road. They showed us films, parts
11 of films where they told us this was shot in Erie,
12 Pennsylvania, this was shot in Somerset. To
13 Representative Moul, we are getting close to Gettysburg,
14 we will get you there. It spreading out, it is not just
15 Pittsburgh, not just Philadelphia, it is all over the
16 state and keeps growing and we start to have the
17 workforce where people are going to recognize us come to
18 our area, and it will spread throughout the whole state.
19 It is slowly growing and hopefully if we continue the
20 tax credit will grow even more. Thank you.

21 REPRESENTATIVE DOM COSTA: Again, thank you,
22 Mr. Chairman, thank you, Paul. Back when I was a police
23 officer I worked on many movies that were made in City
24 of Pittsburgh. So, it is not new to me, I've seen what
25 it did to the economy, put money in my pocket helped me

1 put my kids through college, these things were extra
2 details.

3 So, I was sold when I came in here today. I
4 was sold when I went to Philadelphia. Because I know
5 the impact. It is simple. If it is good for
6 Pennsylvania, it is good for all of us. It puts
7 businesses to work, it puts people to work.

8 If I had any qualms about it, I ran into my
9 neighbor out there, he is the president of Local 249.
10 He asked the same question he did to Mr. Jabber, he said
11 you are voting for this, right? Okay, thank you very
12 much.

13 REPRESENTATIVE DEASY: Thank you very much.
14 It is always tough being handed the microphone after two
15 Costas in the City of Pittsburgh, I understand that.
16 Thank you all for being here, it is great to see so many
17 familiar faces and I also like take thank Chairman
18 Kirkland for coming to the City of Pittsburgh on such an
19 exciting weekend with the Penguin game, the Arts
20 Festival and tomorrow a big concert in town.

21 It is a great weekend to have our colleagues
22 from throughout this state visiting Pittsburgh. I'm
23 sold on the program as well.

24 You already had my support, you don't need
25 to do that. It is important that the message was sent

1 out throughout the country that Pennsylvania is open for
2 business. If we would not support this at this time, we
3 would basically be putting a closed sign up on our door.
4 That is unfortunate especially due to the economic
5 downturn that is going on nationally. It was also great
6 to see so many small businessmen who were affected by
7 this and also I was inspired by the young man, the
8 student here talking about all his friends are leaving
9 Pennsylvania. That is a message we hear throughout the
10 state all the time. There are no jobs, no
11 opportunities.

12 There are opportunities in our universities
13 and our colleges who are working with young students to
14 keep them here in Pennsylvania. We need to do our job
15 as well to make sure that they stay here and have a
16 future here. Thank you for coming out.

17 REPRESENTATIVE HELM: Thank you Chairman
18 Kirkland for bringing this hearing here. I feel really
19 blessed that I'm on this committee, this is my first
20 year on it, I practically begged to be on it. But
21 whoever it was, thanks for getting me here.

22 Earlier I sat here and took your picture
23 because to come to a hearing and have standing room only
24 it is wonderful to see so many people come.

25 I come from a very conservative district

1 like Dauphin County right outside Harrisburg on up to
2 the end of the county. They are known to be very
3 Republican, very conservative. Four times a year I have
4 a spaghetti dinner in the district. I thought well,
5 after we had the hearing in Philadelphia I had one of
6 these dinners and I thought I will talk to these people
7 about this to get their reaction.

8 So, it is their meeting to tell me what they
9 want but I thought I wanted to address this. I did, I
10 told them all about the hearing being in Philadelphia,
11 everything we did. Truly they were totally in favor of
12 it. And I was told last time be real careful with your
13 district like you better not vote that way, they are
14 conservative. I voted for it, I will always vote for
15 it.

16 And my district is behind me on this. So
17 you have our support.

18 I do have one question though, it really
19 wasn't totally addressed, obviously I'm not a negative
20 person with this. There are warehouses being built both
21 ends of the state. And I have heard so many people say
22 we are going to leave if we don't get tax credits. Then
23 I know someone will ask me along the way, well maybe
24 they won't, what would they do with these warehouses if
25 they are already built. They are already in place,

1 there are workforces?

2 CHAIRMAN KIRKLAND: State your name.

3 MR. STREINER: My name is Russ Streiner. I
4 am affiliated with the Pittsburgh Film Office. Way
5 prior to the Pennsylvania film tax credit program, there
6 were entrepreneurs who built studios and today they park
7 school buses in them.

8 MS. HELM: Good answer, I want to hear these
9 answers, we will be asked these questions.

10 MS. KEEZER: Until we were building these
11 buildings, they were sitting empty anyway. So now --

12 REPRESENTATIVE HELM: You are doing a
13 terrific job. Both Philadelphia and Pittsburgh.

14 MR. YOST: My name is John Yost, I'm the
15 president and CEO of Mogul Mind. Thank you very much.
16 First I would be remiss, most people talked about how
17 many people are here. I think a round of applause
18 should be given for the hundreds of us who are working
19 at the Warrior right now.

20 May I say this, creation of Mogul Mind and
21 the expansion of our operation was in answer to this tax
22 credit. But the key to any business model is
23 sustainability. And the key to our business model is
24 not only just servicing Hollywood, New York, but
25 creating industry here.

1 There are over 260 different vendors. I
2 mortgaged my house. I sold everything in my 401, I sold
3 all my stocks and bonds to build this dream. Myself and
4 my clients and my partners put almost \$4 million into
5 it, not a state cent has gone into it. Not a county
6 cent, or city cent. We believe in the project. So the
7 final dimension of this is the inspiration of other
8 entrepreneurs to put themselves on the line, to invest
9 in their future.

10 Create television shows here, create our
11 commercials here, keep commercials here. Bear
12 Corporation does a lot of stag commercials, not in
13 Pennsylvania. Is that true? It is very true. To
14 inspire that industry and create sustainability. Thank
15 you very much.

16 REPRESENTATIVE HELM: One last thing, I will
17 say Jordan Lippert, I like your story and we will do the
18 right thing for young people like you and stay in
19 Pennsylvania.

20 REPRESENTATIVE SCAVELLO: Good afternoon.
21 And I also want to thank Chairman Kirkland for bringing
22 us here today. First, Representative Sainato I hope
23 after your comments that you, all that time you spent in
24 front of the camera will not be cut onto the floor.

25 Because I'm looking forward to seeing that

1 movie.

2 George, earlier you made a comment how can
3 you help. And I think this is so important because many
4 of the guys against this film tax credit think about it,
5 think of it as something that the rich movie stars are
6 getting a tax break. They just don't understand the
7 jobs that it creates in the industry. I for one coming
8 out here today, I missed the Philadelphia trip, but
9 coming out to Pittsburgh and seeing what is going on
10 here. The tremendous jobs it creates, the various
11 industries.

12 But also, I believe in trickle down
13 economics. All of this money being made by all the
14 employees in the industry spend that money here locally
15 as well. So, we didn't even touch that with the
16 comments here.

17 It is obvious it is a tremendous amount of
18 money. Frankly, I have to tell you I visit Pittsburgh,
19 every time I visit here I just truly love the city and I
20 see the good things that are happening here. It, you
21 see a tremendous amount of transplant New Yorkers here
22 that moved up from New York, moved up here from the
23 Washington area, your arts. I'm just amazed and one of
24 the top 50 cities in the country to move to.

25 So the things you are doing, continue to do

1 them. You really are being noticed. Thank you.

2 REPRESENTATIVE BROWN: Good afternoon again,
3 and since I'm a freshman, I will say my name once more,
4 I'm Representative Brown. I just, in these hard
5 economic times, I think this is just the right thing to
6 do. It brings hope. Not only for today, tomorrow but
7 for our future.

8 When I look at the children that I serve in
9 my district, they are consumers of these products. They
10 buy the videos, they watch the movies, it would be nice
11 to see them become the producers. And what the film tax
12 credit do is keep you here.

13 It keeps you set up and we learned that from
14 our friend from Mogul Mind today that you are hear to
15 stay, you are invested. You being here is creating
16 opportunity for our young.

17 You asked the question about how do you
18 communicate with us? We read a lot. Sometimes we get
19 tired of reading. But I think that you gave us a great
20 tool today. I can't wait to get home to see this video.
21 And everyone can't do the tour like we did. We went to
22 Philadelphia, we are here in Pittsburgh. This is what
23 you do. Do what you do. That is my biggest suggestion
24 to you.

25 Put it in the short clip, show us the folks

1 behind the scenes. Show us the caterers, the security
2 guards, the carpentry people. And tell that story, ask,
3 come into our offices say I just need four minutes of
4 your time, can I pop it in and you watch it. We will be
5 glad to. It is something different. So please, do what
6 you do. Thank you so much.

7 MS. KEEZER: Mr. Chairman, we should mention
8 DVD that Mogul Mind so graciously did on their own dime.
9 And you should know it is posted both on the
10 Philadelphia Film Office website, the Pittsburgh Film
11 Office website and I know John Yost is here, get your
12 very own copy but it is an amazing piece and really
13 helps us tell the story, so thank you Mogul Mind.

14 CHAIRMAN KIRKLAND: I just wanted to say
15 both you and Representative Brown stole my thunder. I
16 was going to make sure trying to hold it until the end
17 we got at least, there are 203 members in the House,
18 there are 50 members in the Senate. If you can get me
19 253 copies, we will make sure that every last one of
20 them will have it.

21 REPRESENTATIVE PAUL COSTA: While
22 Representative Walko makes his way to the microphone, I
23 wanted to correct Representative Scavello, it is not we
24 are one of the top 50, we are the number one city. We
25 have been ranked twice number one most liveable city in

1 the last 20 years.

2 REPRESENTATIVE WALKO: Mr. Chairman. Hello
3 everyone, I'm Don Walko I'm on my first year on this
4 committee as well. I want you to know that I'm against
5 the \$75 million film tax credit. It should be 100
6 million.

7 I just want to know are there any producers
8 or directors here, is there some acting talent there?
9 Call me about this, I want you to know that as I sit
10 here, I'm trying to imagine why anyone would propose to
11 eliminate this.

12 I can't really fathom it. In fact, based
13 upon the report that I know we will all be reading, it
14 actually generates additional tax revenue in addition to
15 all the other benefits. So there you are. If there are
16 any directors, I will be available right after.

17 CHAIRMAN KIRKLAND: Coming to a theater near
18 you. I thank you. Before we have closing comments,
19 remarks, I do want to recognize the presence of one of
20 our leaders in the House of Representatives,
21 Representative Mark Cohen from Philadelphia County. I
22 usually don't do this. I usually don't do this.

23 This young lady has had her hand raised for
24 the last hour. I'm sure you have a question or a
25 comment. Come on up.

1 MS. ALOE-SCAMBY: I went to the University
2 of Arts in Philadelphia, Pennsylvania.

3 CHAIRMAN KIRKLAND: Tell me who you are.

4 MS. ALOE-SCAMBY: My name is Christina Marie
5 Aloe-Scamby. A-L-O-E dash S-C-A-M-B-Y.

6 I'm sorry, you said something to me. You
7 didn't want me to ruin this.

8 MS. KEEZER: I don't want you to ruin this.

9 MS. ALOE-SCAMBY: I don't want to ruin this
10 either. I have on these red shoes I call them my ruby
11 slippers. Pittsburgh is my home. I worked very hard to
12 get here. I was on the set of Warrior. I have been on
13 five films. I was just wondering what is minimum wage
14 in Pittsburgh.

15 REPRESENTATIVE COSTA: 7.15.

16 MS. ALOE-SCAMBY: I was just wondering why
17 we are paid a penny under minimum wages and taxes are
18 still taken out. My uncle Sonny, Sonny Grosso, he is a
19 producer in New York. He told me if you want to become
20 a Teamster, you got to learn how to drive a truck. So,
21 I guess this is me learning how to drive a truck.

22 I have been on five films, I still have not
23 been Taft Hartleyed and there has been major, major
24 abuse instances within these films. I really think that
25 everybody here needs to take a look at the Pittsburgh

1 born and raised actors and actresses, we have degrees.

2 CHAIRMAN KIRKLAND: Thank you, very good.

3 We appreciate your comment. It is going to be all
4 right.

5 Well, could have been, you could have been
6 me when I was, I first got my first job in, I made seven
7 days a week, I got \$10 a day. But I made it.

8 Anyway, what I want to say is, let me say
9 this in closing, we appreciate each and every one of you
10 who are present here today and understand we do get it.
11 We do did get it.

12 We have been going throughout the state
13 concerning this issue, film tax credit. Because we have
14 done that in Philadelphia, now here Pittsburgh all the
15 information given to us, it educates us on the issue. I
16 just need you to understand as Chairman and of this
17 committee, we have even reached out to the Senate side
18 and tried to encourage them to come with us, join us,
19 joint hearings because it is that important. Because
20 they need to hear from, hear and see how the industry
21 works and how it works for Pennsylvania.

22 So, we will continue our efforts. This is a
23 very difficult budget we have to deal with. I am of the
24 mind set that I believe that this industry provides so
25 much for so many people in Pennsylvania that it is

1 something you cannot do away with, you cannot cut. But
2 as Representative Walko said, we should be increasing
3 the funding.

4 We can probably forget increasing the
5 funding this year, keep the funding. I think we will be
6 doing a great justice for the people of Pennsylvania and
7 the industry. We say thank you to each and every one of
8 you, all our presenters. We say thank you, Dawn, thank
9 you -- brain freeze. Mickey. Thank you, Jane. Thank
10 you all so very much. You ever get that thing?

11 The card is supposed to come up acting show
12 you the words. We thank each and every one of you.
13 Have a great day, have a great weekend and give us some
14 more of these so we can pass them out in Harrisburg.

15 One more thing before you go. Before you
16 leave I say a special thanks to our staff, to Angela, to
17 Al, and to Lori for all their hard work, help put this
18 all together. Thank you so very much. And cut.

19

20 (Hearing concluded at 3:00 p.m.)

21

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

* * * * *

I hereby certify that the foregoing is a correct transcript from the record of proceedings in the above entitled matter.

William E. Weber, RDR, CRR
Court Reporter