

TESTIMONY OF

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In Support of Pennsylvania's Film Tax Credit Program

before the

Pennsylvania House Tourism and Recreational Development Committee

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Good afternoon distinguished members of the House Tourism & Recreational Development Committee. Thank-you for the opportunity to appear today to discuss the vital economic benefits of the Film Tax Credit Program on the Pittsburgh region. My name is Lee Simmons and I am the president of Bear Network Service Company, a well-known local technology service company that provides voice and data communications equipment and services for companies across Southwestern Pennsylvania. I have worked in the industry for 30 years and over the past several have worked with the production of motion pictures and television pilots in the Pittsburgh region. I have watched the Film Tax Credit Program assist in building a new industry in Pennsylvania and have experienced the influx of business as a result.

It is my pleasure to offer testimony today on behalf of the impact of the Film Tax Credit Program on small businesses such as mine and the economic upturn from their productions. I have watched the film industry revitalize many companies, including my own. Over the past two years, I have witnessed professionals within the film industry permanently relocate their families to this region, generating millions in real estate sales. I have watched vendors benefit from increased sales, additional jobs created, local production crews formed and millions of dollars flow into the local economy.

The incentive of the Film Tax Credit Program has lured motion productions to a region that was detrimentally impacted by the recession. This incentive has resulted in an influx of movies being produced locally here in Pittsburgh. This has created thousands of local jobs; expanded small businesses; strengthened our communities; and increased work for vendors, suppliers and

entrepreneurs. The building of this new industry here has been vital to the economic health and well-being of this region. The film and television industry is a major contributor in a very real way to the economic upturn in this region. This positive economic impact was virtually nonexistent prior to the tax incentive program when filmmakers came from time to time to shoot our skyscrapers, small towns and rolling hills. That was old industry. Today, the motion picture and television industry is an integral part of the economy here.

As you are aware, the infrastructure in this region is about to undergo major changes for the upcoming G-20 Economic Summit in September. When the White House unveiled plans for that international event to be held in Pittsburgh, the community here embraced the news. This parallels the excitement across our region when a major motion picture is filmed here in Southwestern Pittsburgh. The tax incentives are what make this possible. Without them, the film industry would be forced to turn to the other 40 states offering such incentives.

Over the past two years, my company has provided and installed communications equipment for various productions, a few include *The Killpoint*, *Adventureland*, *The Road*, *Shelter*, *My Bloody Valentine*, *Shannon's Rainbow*, *Sorority Row* and the *Warrior*. This is business that was lured to this region in large part due to the tax credit program. Over the past two years, through personal interaction with film industry personnel, I have watched millions of dollars being filtered into the local economy and millions more in local small business gains from the tax incentives to the film industry. The tax incentives are imperative for sustainable economic growth in this region.

While you have already heard today the particulars on the financial impact of the millions generated in this region by the film and television industry, I would like to touch upon the real "behind the scenes" story. It is the contributions to real working class families in the Pittsburgh region and the unity created by the rebirth of our communities with the grandiosity of filming big screen pictures in our small communities. There have been thousands of newly created jobs for crew and actors, production jobs, infrastructure development and movie and television related tourism, patronage of local businesses, and an influx of millions of dollars into our local economy. All have been positives to this growing region.

In closing, I applaud the Film Production Tax Credit program and encourage further long-term enhancements to make Pennsylvania even more competitive as a venue for on-location filming. The reality is without these initiatives; production companies are competitive and would need to take their business to one of the other 40 states with incentives to attract on-location film and television productions. We would be missing the creation of new jobs, increased tax revenue and millions of dollars in long-term economic development benefits.

While the majority of other states across the nation are making these incentives a priority, why should Pennsylvania be any different? I began my technology career here in Pittsburgh and have resided both here and in Washington D.C. I understand politics and I understand business. I also know we have those quaint neighborhoods from every part in our nations' history, and we are the perfect setting for many of these productions. I grew up in family that owed a local neighborhood tavern and my wife grew up in a family that worked in the steel mill. Neither exists today. Let us work together toward further revitalizing this region with the building of a new industry in Southwestern Pennsylvania. One that is working well now and is need of your support of the Film Tax Credit Program for future sustainability.

I thank you for listening and welcome your questions or comments.