

## TESTIMONY OF E. ROGER WILLIAMS

March 3, 2009

### COMMERCE COMMITTEE

My name is E. Roger Williams and I would like to start by thanking the Committee for the opportunity to appear today and share my views on Senate Bill Number 249, An Act Concerning the Film Production Tax Credit. My experience in television production in this state spans over 20 years. I am currently the principal owner of Roger Wilco Productions, located in Fairfield County. Since 2006, Wilco has been in the business of producing television shows for networks such as ESPN (non-sports programs), Discovery Networks and the VOOM HD network group (part of Cablevision). Prior to establishing Wilco, I was the Co-Founder and CEO of the Outdoor Life Network (now VS.) located in Stamford, CT. I was also the Co-Founder and COO of the Speedvision Network located in Stamford, CT. My tenure with these networks ran from 1995 until 2004. And from 1980 until 1992 I was part of the senior management team of ESPN with the responsibilities for sales and marketing functions. So I have had a successful and long history establishing and growing television businesses in the State of Connecticut.

When Connecticut first introduced these incentives, it attracted a tremendous amount of production work to the state. These credits incentivized my company to keep production work in Connecticut that otherwise would have gone to in New York. This program accomplished your goals of creating jobs and supporting the local economy (restaurants, hotels, etc.) with this influx of television production. This program also allowed my company (and others) to be more competitive with out of state production companies when selling programs to the various networks we deal with on an ongoing basis. In short, I can tell you unequivocally that this program has worked as intended and you should be complemented for its design and implementation. This program helped establish Connecticut as a real source of film and television production for the rest of the country.

Today, the economy has rapidly changed the rules for our industry. Networks have seen a rapid decline of 30% to 40% in advertising revenue. Layoffs are commonplace in the television business. Even ESPN has recently reduced its headcount. These economic pressures have resulted in reduced programming budgets for all television networks. In short, there are fewer dollars to go around in our industry. The tax credit program has now become a real lifeline for the continued existence of this industry in Connecticut. It is basically our life support for the next few years. Without it, we will not be able to compete with production companies in other states that have similar tax credit programs in place or under consideration. The Wall Street Journal recently reported that 31 states now have tax incentives on the books for television and film production and 8 more states have proposed legislation for similar programs. Just last Thursday, Governor Patterson of New York announced he would propose new state funding to continue their tax credit program that is responsible for keeping 19,000 jobs in New York. Even California is now considering such a program in an attempt to bring the business "back home".

Today, this committee is considering Senate Bill 249 which contains a proposal to place a cap on the eligibility of television and digital media tax credits to those entities which conduct at least 50% of productions in studios located in Connecticut and also place a limit on the total amount of tax credits available. For companies such as Wilco, this will place an undo burden on our production business as we are in the business of producing documentary and reality television shows and series. These productions are dependent on the set locations of the programs. For example, we are in development now for a reality series based in Alaska. While the post production work will be done in Connecticut, it would be impossible to limit the out of state

production to no more than 50% of our total production expense due to the high costs associated with sending crews and equipment to Alaska. The current tax credit program provides that a threshold of \$50,000 be met to qualify for the credits and that only expenses incurred in the state count towards these credits. These current rules adequately protect the state while allowing companies such as mine to remain competitive in a national marketplace. With respect to the proposal to limit the total amount of credits available, I can very much understand the concern of not signing a blank check to the film and digital media industry. However, you must remember that each dollar of credits represents over three dollars of actual expenditures in the state of Connecticut. Limiting the amount of credits will only limit the size and health of our industry in the state. SB 249, if enacted, will ultimately have a negative impact on the television production business in the State of Connecticut.

I know you have tremendous pressures with finding the right balance of spending for our state in these troubled times. But I would ask that you please consider keeping intact this important and vital program for our industry. It is a program that worked as planned and ultimately returns to our state many times the cost. Thank you very much.