



**TESTIMONY ON BEHALF OF
MOTION PICTURE EDITORS GUILD, IATSE LOCAL 700
AND THE POST NEW YORK ALLIANCE
PRESENTED BY
PAUL MOORE
EASTERN EXECUTIVE DIRECTOR, IATSE LOCAL 700**

**TO THE SENATE COMMITTEE ON FINANCE,
THE SENATE COMMITTEE ON COMMERCE, ECONOMIC DEVELOPMENT AND
SMALL BUSINESS, AND
THE SENATE COMMITTEE ON INVESTIGATIONS AND GOVERNMENTAL
OPERATIONS**

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Good morning Chairs Krueger, Kaplan, and Skoufis, and distinguished committee members. My name is Paul Moore, and I am the Eastern Executive Director of the Motion Picture Editors Guild, IATSE Local 700, and I present this testimony today on behalf of both Local 700, which represents post-production professionals, and the Post New York Alliance (“PNYA”), which represents over 60 post-production facilities and individuals working in the post-production sector. Thank you for your longstanding support for our industry, and for this opportunity to provide testimony illustrating the success of the Empire State Film Post Production tax credit.

The state allocates \$420 million annually in tax incentives towards the Empire State Film Production tax credit. The Post Production incentive is a \$25 million dollar sub-allocation of the larger production incentive. This framework divides the overall program into two components: a production tax credit that provides an incentive for productions in New York, including subsequent in-state expenses on post production; and a post production tax incentive that incentivizes

productions sited outside New York to conduct its post production work, including Visual Effects (“VFX”) and animation, in New York.

This policy has been a significant economic boon for our sector. In 2004, at the inception of the general production tax credit, virtually all post-production work went to California, Canada and the UK. Beginning when the Post Production incentive was introduced in 2010 (and truly kicking into gear after the incentive was recalibrated in 2012 and 2013), New York has since seen a massive expansion in post-production facilities, with dozens of editorial facilities throughout the state representing companies of all sizes. For a recent example, “Phase 2” of the ongoing expansion of the Lionsgate Studio in Yonkers includes a new post-production facility. The Post Production incentive also attracted world class Visual Effects companies which now have a significant footprint in New York.

An economic impact report commissioned by Empire State Development calculated that, in 2019-20, the post-production ecosystem accounted for over \$391 million in direct spending and another \$420 million in indirect and induced spending, was responsible for 4,500 direct and indirect jobs that collectively earned approximately \$293 million, and contributed \$93 million in tax revenues for a positive 1.03 return on investment. These numbers are irrefutable proof of the employment success of the post-production sector. And our own audited numbers illustrate this growth: Local 700 calculated that 299,535 pension hours were contributed at the onset of the program in 2010-11 (before the 2012-13 recalibration). By contrast, 521,576 pension hours were contributed in 2018 alone, and 985,814 pension hours were contributed in 2019-20. This growth is an amazing accomplishment illustrating the power of the Post Production tax incentive.

I want to take a moment to reiterate that last number – nearly one million pension hours were contributed even when factoring in the wholesale global disruption during the original pandemic emergency. Unlike other sectors or industries, there was no post-production revenue or job loss as a result of the COVID-19 shutdowns. Workers were successfully running remotely from home, telecommuting into servers in New York, within 24 hours of the original shutdown. Facilities continued hiring, paying wages and leases, and meeting their contract obligations. Simply put, there was never a pause in the post-production sector.

In addition to this stability, jobs in Post Production are coveted career tracks. The Local 700 contract pays post production professionals a salary of \$2,003.22 per 40 hour work week. To be clear, anyone entering into editorial work has entered into a world with great salaries and benefits, and an opportunity to work with cutting edge technology. Local 700 and the PNYA are constantly working with our public and private partners to build out a workforce pipeline that reflects the diversity of New York. These programs have emphasized creating opportunities underrepresented communities and expanding recruiting and training regardless of race, gender, or educational attainment.

For example, the Brooklyn Workforce Initiative’s “Made in NY” Post Production program has enrolled 143 individuals over the past five years. This program has a 98% graduation rate and a 76% placement rate. The most recently placed graduates are earning average wages of \$20.62/per hour. This program is also focused on the long-term success of graduates, providing continuing support for two years after graduation. 73% of placed graduates from last year have reached six-

month job retention or are on track to do so. This year, the “Made in NY” program is on track to enroll 45 new jobseekers into training. In another example, nonprofit Reel Works launched a Post Coordinator Training program for BIPOC young adults, in partnership with companies including HBO Max, Netflix, Amazon Studios, CBS Studios, Starz, and A24. The program has produced 62 graduates thus far, of which 80% are now working in post-production, including 60% as Post Coordinators. These examples only scratch the surface.

In summation, all film and television, regardless of production location, requires post-production work. The question that was asked is: who should be doing that work? New York answered decisively through the Empire State Film Production and Post-Production tax credits, which have supported the creation of thousands of jobs and billions of dollars in wages and economic activity. As a result, New York has gone from a post-production outpost to a true international hub, where award winning artists, editors, and engineers make their home.

I thank you for this opportunity to testify on behalf of the post-production sector, and I look forward to answering any questions the panel may have.