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To: House Committee on Revenue  
Representative Phil Barnhart, Chair  
[Rep.PhilBarnhart@state.or.us](mailto:Rep.PhilBarnhart@state.or.us)  
CO: Edward Klein, Committee Assistant  
[lro.exhibits@state.or.us](mailto:lro.exhibits@state.or.us)  
Da: 4-27-15  
Re: HB 2072 supports Oregon Independent Filmmakers

Dear Chair Barnhart and Members of the House Committee on Revenue:

I appreciate the House Committee on Revenue's consideration of HB 2072. The impact of Oregon's film and television industry on Oregon's economy is staggering. I am sure that you are briefed on the 300%, \$90 million per year growth of the industry over the last few years.

Increasing the fund to \$20 million as HB 2072 calls for will effectively double that growth over the next 18 months, such as we have seen the impact of previous increases to OPIF.

My interest, from my personal experience, is in supporting the provision for **Oregon-based finance and distribution** of media products and content, as called for in **Section 5**. These are powerful clauses that call for the development of task forces to take up the issue of developing Oregon's independent filmmaking community into an even more productive industry, economic driver and job creator.

In 2009, Oregon independent filmmakers worked with the Oregon legislature to create the Indigenous Oregon Production Investment Fund (I-OPIF). I-OPIF now offers Oregon filmmakers the same incentive that big-budget projects from out of state receive. Oregon filmmakers, outside of the studio system, typically don't target a return a profit on a \$1 million+ project, which is the minimum budget for the OPIF program. The lower budget I-OPIF program has been successful at developing independent filmmakers by offering this incentive for projects starting at \$75,000.

Since I-OPIF's inception, at least 38 Oregon filmmaker projects have been approved for funding, participating in approximately \$1.85 million of I-OPIF fund availability, funded at an average of 15% of the project budget. That represents approximately \$12.3 million of spending on Oregon's economy by our independent filmmaker community since 2010. Developing financial resources as called for by HB 2072 bridges Oregon's creative culture with our Creative Economy.

My colleagues from both Oregon film and video game production have attested that our industry is hampered by the difficulty of accessing local financing and distribution to market their products. Currently, many of these project producers successfully find finance and distribution from sources outside of our state.

Section 5 of HB 2072 offers a two-pronged approach to further develop Oregon's indigenous industry, by marketing products beyond Oregon's borders, and financing the production of that product. When investment comes from Oregon, the return on investment remains in Oregon.

In my experience only a few percent of the projects that are bootstrapped by Oregon filmmakers and video

game producers find some sort of distribution, and therefor some opportunity for a return on the financial investment. I would like to see an increase in the percentage of startup video game, film and video producers who break out with profitable products. Oregon's rich history attests that we have no shortage of talent. What we're missing is an Oregon-based institution dedicated to the financial development of media projects.

And we need a distribution and marketing system that offers cooperation between Oregon-based individuals and companies, each skilled at the various aspects of their craft, each lending marketing and distribution resources, and each sharing knowledge with their colleagues.

Oregon has already proven that we can produce world-class product. By working together as called for by the Section 5 provisions of HB 2072, we can increase Oregon's profit from these productions.

Sincerely,

A handwritten signature in black ink that reads "Tom McFadden" with a horizontal line extending to the right.

Tom McFadden