

fukunaga2 - Ashley-Jane

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 06, 2012 8:40 AM
To: EDTTestimony
Cc: info@schha.com
Subject: Testimony for SB2741 on 2/6/2012 1:30:00 PM

Testimony for EDT 2/6/2012 1:30:00 PM SB2741

Conference room: 016
Testifier position: Support
Testifier will be present: No
Submitted by: Brandscombe Richmond,Teleco, Media, Product Chair
Organization: SCHHA
E-mail: info@schha.com
Submitted on: 2/6/2012

Comments:



www.niteowlstudio.com

TO: Senator Carol Fukunaga, Chair
Senator Glenn Wakai, Vice Chair
Members of the Committee on Economic Development and Technology

HEARING DATE/TIME:
Monday, February 6th, 2012 1:30pm

PLACE: Conference Room 016, State Capitol

RE: S.B. No. 2741 – Creative Media Development

FROM: Kevin Luttrell, Sole Proprietor/One Man Band
NiteOwl Studio

I am a freelance creator of animation and visual effects in Hawaii and I support S.B. No. 2741 – Creative Media Development.

My work encompasses many aspects of digital media: social games, online entertainment, visual effects, 3D and 2D animation, video and audio pre and post production. By attracting new projects to Hawaii with tax incentives, I will have an opportunity to grow as a freelance business. Individuals like me can benefit from the consistent work potential from new productions attracted to Hawaii rather than scouting for potential clients on the Mainland.

Further, S.B. No. 2741 can also stimulate the growth of projects entirely created within Hawaii by Hawaii residents. As such, I would like to suggest lowering the minimum qualifying amount (Section 2 (d)(2)) from \$200,000 to an amount consistent with production budgets for both local commercials that utilize qualifying VFX and Animation as well as independent films and internet-only productions created by Hawaii residents. These projects are typically produced for well under the \$200,000 qualifying minimum.

Thank You for the opportunity to provide input and support for S.B 2741,

Kevin Luttrell
NiteOwl Studio

fukunaga2 - Ashley-Jane

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 06, 2012 8:41 AM
To: EDTTestimony
Cc: info@schha.com
Subject: Testimony for SB2741 on 2/6/2012 1:30:00 PM

Testimony for EDT 2/6/2012 1:30:00 PM SB2741

Conference room: 016
Testifier position: Support
Testifier will be present: No
Submitted by: Mike Kahikina, Legislative Chairman
Organization: SCHHA
E-mail: info@schha.com
Submitted on: 2/6/2012

Comments:

fukunaga2 - Ashley-Jane

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 05, 2012 6:53 PM
To: EDTTestimony
Cc: rtjioe@islandfilmgroup.com
Subject: Testimony for SB2741 on 2/6/2012 1:30:00 PM

Testimony for EDT 2/6/2012 1:30:00 PM SB2741

Conference room: 016
Testifier position: Support
Testifier will be present: No
Submitted by: Roy Tjioe
Organization: Individual
E-mail: rtjioe@islandfilmgroup.com
Submitted on: 2/5/2012

Comments:

February 12th, 2012

TO: Senator Carol Fukunaga, Chair
Senator Glenn Wakai, Vice Chair
Members of the Committee on Economic Development and Technology

DATE: Monday, February 13th, 2012
TIME: 1:15pm
PLACE: Conference Room 016, State Capitol

Re: SB 2741 RELATING TO RELATING TO CREATIVE MEDIA DEVELOPMENT.

FROM: Todd J. Robertson, President/CEO
Hyperspective Studios, Inc.

Hyperspective Studios, Inc. is in support of the intent of SB 2741 relating to creative media development because we believe that by adding the digital media industry definitions, namely animation, visual effects and productions for internet distribution, a new sector of a thriving industry will be supported to grow in Hawaii. Also, we believe that the extension of the sunset date to January 1, 2020 is very important for new projects, as this industry often requires long-term development to create growth and to stabilize sustainability.

Hyperspective Studios, founded in April 1996, has been headquartered in Hawaii since 1999 and produces digital media projects including animation, visual effects, interactive media and film. The company has produced award winning media for several Hawaii companies as well as large domestic and international projects, with a large portion of it's revenue coming from the export of digital media.

Hyperspective currently employs eight specialists and technicians, is currently hiring two additional positions and regularly hires 10 or more subcontractors annually within the state of Hawaii. The company expects to increase it's workforce by 40% in 2012, with a steady increase of job openings over the next four years.

The digital media production workforce largely overlaps and supports the film industry through visual effects, animation, post-production and stereography and shows the greatest potential for growth within that industry in Hawaii. Digital media workers are those who are highly skilled and talented individuals. The digital media industry not only requires creative development teams to write scripts, create digital artwork and music, but employes technicians who are skilled in 3D technologies, information technology, computer science, engineering and programming.

SB2741 will help develop and grow a new industry with a massive potential for growth



and sustainability. The interactive media/game industry was measured at USD \$10.3 Billion domestically in 2004. The industry has shown rapid growth since then to UDS \$65 Billion in 2011. Fostering growth of this industry in Hawaii has the prospective to create a large volume of high quality jobs within an industry that can become a pillar of Hawaii's economy.

Hyperspective sees important changes that should be made to this bill for it to be beneficial to many new emerging and digital media projects, including lowering the threshold for qualification, definitions of qualified digital media and independent and emerging media projects and removal of all references to exclusion of internet-only distribution. This bill with these proposed changes will help foster and grow a strong digital media industry that will provide opportunities to create high quality jobs within the state of Hawaii.

Thank you very much for the opportunity to testify.

Exhibit A:

The following digital media game projects are a few examples of how small teams with relatively low budgets can create large success, illustrating the need to lower the qualification threshold and addition of independent and emerging media projects:

Title: *Minecraft*

Two-developer team, under one year of development.
1,717,096 sales as of march 28th 2011, USD\$32 million.
Current valuation of property is USD\$84.2 million.

Title: *Amnesia: Dark Descent*

Two-developer team.
391,102 units sold, USD\$7.8 million.

Title: *Terraria*

Two-developer team.
Over 1,000,000 copies sold, USD\$10-15 million.

Title: *Limbo*

Two-developer team.
Over 1 million copies sold, USD\$15 million.

February 12th, 2012

Re: Proposed Amendments to SB 2741 RELATING TO CREATIVE MEDIA DEVELOPMENT.

Hyperspective believes that it is not only important to support the digital media industry with changes proposed in SB2741, but also believes that it would be important to make the following changes and additions to the bill:

1. In **Section 3.d.2**, add the statement [**or \$10,000 for a qualified digital media or qualified independent emerging media project**]
2. In **Section 3.d.4 and 2.d.5**, change the statements to [**Provide evidence that for the first two years of the production, at least fifty per cent, and thereafter, at least sixty per cent, of the positions that make up the production cast and below-the-line production crew, or, in the case of digital media projects, at least seventy-five per cent of the positions, are filled by legal residents of this State, whose residency is demonstrated by a valid Hawaii driver's license or other state-issued identification confirming residency, or students enrolled full-time in a film-and-entertainment-related course of study at an institution of higher education in the State.**]
3. In **Section 3.p** change the statement ["Digital media" means production methods and platforms directly related to the creation of cinematic imagery and content, specifically using digital means, including but not limited to digital cameras, digital sound equipment, and computers, to be delivered via film, videotape, interactive game platform, or other digital distribution media] to ["Digital media" means production methods and platforms directly related to the creation of cinematic imagery and **interactive media content**, specifically using digital means, including but not limited to digital cameras, digital sound equipment, and computers, to be delivered via film, videotape, interactive game platform, **internet, wireless** or other digital distribution media]
4. In **Section 3.p** remove the statement under the definition of "Digital media" [**(excluding Internet-only distribution)**]
5. In **Section 3.p** add the definition [**"Qualified digital media project" means development of animation, graphics, visual effects, post-production, and interactive media for entertainment and/or education that is produced for distribution in commercial or educational markets, including but not limited to a video game or production intended for game platform, physical media, internet or wireless distribution.**]
6. In **Section 3.p** add the statement [**"Qualified independent and emerging media project" means a qualified production of film, video, television, interactive entertainment that is produced for distribution in commercial or educational markets, including but not limited to feature film, short film, television show, television series, a video game or production intended for game platform, physical media, internet or wireless distribution.**]

LATE

February 12th, 2012

TO: Senator Carol Fukunaga, Chair

Senator Glenn Wakai, Vice Chair

Members of the Committee on Economic Development and Technology

DATE: Monday, February 13th, 2012

TIME: 1:15pm

PLACE: Conference Room 016, State Capitol

Re: SB 2741 RELATING TO RELATING TO CREATIVE MEDIA DEVELOPMENT.

FROM: Gabriel Yanagihara, President/CEO

Cinderscape L.L.C

Cinderscape L.L.C. is in support of the intent of SB 2741 relating to creative media development because we believe that by adding the digital media industry definitions, namely animation, visual effects and productions for internet distribution, a new sector of a thriving industry will be supported to grow in Hawaii. Also, we believe that the extension of the sunset date to January 1, 2010 is very important for new projects, as this industry often requires long-term development to create growth and to stabilize sustainability. And most importantly, to support the growth of Hawaii's developing digital media industry, we are in support of creating an additional set of rules for qualified digital media or qualified independent emerging media projects. This is because most of our projects starting out for the first two years are going to be in the \$5k-15k budget range.

Cinderscape L.L.C is a new company focusing on crowd sourced animation and visual effects. It currently has a roster of 21 animators, 3D artists and developers. We hope to extend our services and workforce to neighboring businesses in Hawaii in the animation, film and game design industries on a contract basis to deal with larger projects that their standing workforce would otherwise be unable to fulfill. The majority of our work will be distributed on a global scale via the internet and the

The digital media production workforce largely overlaps and supports the film industry through visual effects, animation, post-production and stereography and shows the greatest potential for growth within that industry in Hawaii. Digital media workers are those who are highly skilled and talented individuals. The digital media industry not only requires creative development teams to write scripts, create digital artwork and music, but employes technicians who are skilled in 3D technologies, information technology, computer science, engineering and programming.

SB2741 will help develop and grow a new industry with a massive potential for growth and sustainability. The interactive media/game industry was measured at USD \$10.3 Billion domestically in 2004. The industry has shown rapid growth since then to UDS \$65 Billion in 2011. Fostering growth of this industry in Hawaii has the prospective to create a large volume of high quality jobs within an industry that can become a pillar of Hawaii's economy. The smaller budget window will also allow the state to support the growth of mobile gaming. For our own purposes, we will be pushing for multiple projects with budgets that range from \$10,000-\$150,000. These games have a similar business plan as the hit Angry Birds which has grossed over \$70 Million in profits to date. Angry Birds was created on a \$140,000 budget with a 4 man team over eight months.

Cinderscape supports other studios that see important changes that should be made to this bill for it to be beneficial to many new emerging and digital media projects, including lowering the threshold for qualification, definitions of qualified digital media and independent and emerging media projects and removal of all references to exclusion of internet-only distribution. This bill with these proposed changes will help foster and grow a strong digital media industry that will provide opportunities to create high quality jobs within the state of Hawaii.

Thank you very much for the opportunity to testify.

Changes:

- In **Section 3.d.2**, add the statement [**or \$10,000 for a qualified digital media or qualified independent emerging media project**]
- In **Section 3.d.4 and 2.d.5**, change the statements to [**Provide evidence that for the first two years of the production, at least fifty per cent, and thereafter, at least sixty per cent, of the positions that make up the production cast and below-the-line production crew, or, in the case of digital media projects, at least seventy-five per cent of the positions, are filled by legal residents of this State, whose residency is demonstrated by a valid Hawaii driver's license or other state-issued identification confirming residency, or students enrolled full-time in a film-and-entertainment-related course of study at an institution of higher education in the State.**]
- In **Section 3.p** change the statement ["Digital media" means production methods and platforms directly related to the creation of cinematic imagery and content, specifically using digital means, including but not limited to digital cameras, digital sound equipment, and computers, to be delivered via film, videotape, interactive game platform, or other digital distribution media] to ["Digital media" means production methods and platforms directly related to the creation of cinematic imagery and **interactive media content**, specifically using digital means, including but not limited to digital cameras, digital sound equipment, and computers, to be delivered via film, videotape, interactive game platform, **internet, wireless** or other digital distribution media]
- In **Section 3.p** remove the statement under the definition of "Digital media" [(**excluding Internet-only distribution**)]
- In **Section 3.p** add the definition [**"Qualified digital media project" means development of animation, graphics, visual effects, post-production, and interactive media for entertainment and/or education that is produced for distribution in commercial or educational markets, including but not limited to a video game or production intended for game platform, physical media, internet or wireless distribution.**]
- In **Section 3.p** add the statement [**"Qualified independent and emerging media project" means a qualified production of film, video, television, interactive entertainment that is produced for distribution in commercial or educational markets, including but not limited to feature film, short film, television show, television series, a video game or production intended for game platform, physical media, internet or wireless distribution.**]

LATE

fukunaga2 - Ashley-Jane

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 12, 2012 1:08 PM
To: EDTTestimony
Cc: tim@igdahonolulu.org
Subject: Testimony for SB2741 on 2/13/2012 1:15:00 PM

Categories: Red Category

Testimony for EDT 2/13/2012 1:15:00 PM SB2741

Conference room: 016
Testifier position: Support
Testifier will be present: No
Submitted by: Timothy Webb
Organization: IGDA Honolulu
E-mail: tim@igdahonolulu.org
Submitted on: 2/12/2012

Comments:

LATE

February 11th, 2012

To: Senator Carol Fukunaga, Chair
Senator Glenn Wakai, Chair
Members of the Committee on Economic Development and Technology

DATE: Monday, February 13th, 2012

TIME: 1:15pm

PLACE: Conference Room 016, State Capitol

Re: SB 2741 RELATING TO CREATIVE MEDIA DEVELOPMENT.

FROM: Gerard Elmore, Filmmaker, Commercial director

I fully support SB 2741 relating to creative media development because I believe that adding the digital media industry definitions that include animation, visual effects and productions for internet distribution. It's a new fast growing sector that should be supported in Hawaii. Also, I believe that the extension of the sunset date to January 1, 2010 is very important for new projects, as this industry and my occupation requires long-term development to create growth and to stabilize sustainability.

As a filmmaker, I wrote and directed a feature film called All for Melissa. It's currently available nationally via Netflix, Hulu, and Amazon.com through internet distribution. It was made with a 100% local cast and crew. The film helped to build my career as a commercial director here in Hawaii.

I have directed commercials for clients such as McDonald's, All State, Oceanic Time Warner Cable, Central Pacific Bank, First Hawaiian Bank, Wet N Wild, Taco Bell, Kanu Hawaii, and many others. I have also directed music videos that have aired nationally on Fuse TV and Country Music Television. Additionally, I have directed the 2008 Hawaii International Film Festival Trailer and I'm the Executive director of a local short film showcase called the `Ohina Short Film Showcase. `Ohina showcases short films made by local directors or films with local subject matter. All the proceeds we raise at the event go to help benefit the Doris Duke Theatre at the Academy of Arts.

I mention all of this because a lot of it would have never happened if I didn't take the high risk bet of making my first feature length movie. It was my first feature film and I was told that I would never get funding to make it. I had no track record, no demo reel, and no proof that I could pull it off. I had a dream and a story to tell and nothing was going to stop me from making it. So, I did what you are never ever suppose to do. I used my own money.

I just wanted a chance.

After massive credit card debt, sleepless nights and a lot of hard work, we made a movie. It premiered at the 2007 Hawaii International Film Festival to a sold out crowd and was very well received.

Not only was the film a huge success, it did what I was hoping it would do, it helped me to get my foot in the door as a local director.

Currently, each commercial I direct employees 12-25 freelance individuals. The positions range from on-set technicians and cameramen to digital artists and editors in post production. The work we have

done recently has attracted the attention of mainland clients and puts us in a position to bring in new sources of revenue, bigger budgets and new opportunities for our local team.

The benefits that SB2111 would bring to Hawaii-based companies, like myself, would be tremendous. Not only will other filmmakers have the incentive to go bigger with projects but it will help filmmakers/digital media artists chase bigger projects here and in the mainland. I definitely see future `Ohina filmmakers working on commercial spots for the next FX heavy Superbowl ad. We can do it and we can build it. We just need to give local talent a chance to succeed.

I succeeded but only after taking a huge risk and I feel there's got to be an easier way. A way that will also help build our infrastructure and create new opportunities.

Every year we put on the `Ohina Short Film Showcase we get to know each of the filmmakers. All of them have stories to tell and a dream just like I had. They always ask what jobs are out there for them and I always tell them the same thing, chase your dreams. Make them happen.

This bill makes important changes for emerging and digital media projects and will create thousands of high quality jobs. I fully support it.

Thanks you very much for the opportunity to testify.

Gerard Elmore

Filmmaker, Commercial director

February 11th, 2012

Re: Proposed Amendments to SB 2471 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT.

I believe that it is not only important to support the digital media industry with changes proposed in SB2471, but I believe that it would be important to make the following changes and additions to the bill:

- In **Section 3.d.2**, add the statement [**;or \$10,000 for a qualified digital media or qualified independent emerging media project**]
- In **Section 3.d.4 and 2.d.5**, change the statements to [**Provide evidence that for the first two years of the production, at least fifty per cent, and thereafter, at least sixty per cent, of the positions that make up the production cast and below-the-line production crew, or, in the case of digital media projects, at least seventy-five per cent of the positions, are filled by legal residents of this State, whose residency is demonstrated by a valid Hawaii driver's license or other state-issued identification confirming residency, or students enrolled full-time in a film-and-entertainment-related course of study at an institution of higher education in the State.**]
- In **Section 3.p** change the statement [**"Digital media" means production methods and platforms directly related to the creation of cinematic imagery and content, specifically using digital means, including but not limited to digital cameras, digital sound equipment, and computers, to be delivered via film, videotape, interactive game platform, or other digital distribution media**] to [**"Digital media" means production methods and platforms directly related to the creation of cinematic imagery and interactive media content, specifically using digital means, including but not limited to digital cameras, digital sound equipment, and computers, to be delivered via film, videotape, interactive game platform, internet, wireless or other digital distribution media**]
- In **Section 3.p** remove the statement under the definition of "Digital media" [**(excluding Internet-only distribution)**]
- In **Section 3.p** add the definition [**"Qualified digital media project" means development of animation, graphics, visual effects, post-production, and interactive media for entertainment and/or education that is produced for distribution in commercial or educational markets, including but not limited to a video game or production intended for game platform, physical media, internet or wireless distribution.**]
- In **Section 3.p** add the statement [**"Qualified independent and emerging media project" means a qualified production of film, video, television, interactive entertainment that is produced for distribution in commercial or educational markets, including but not limited to feature film, short film, television show, television series, a video game or production intended for game platform, physical media, internet or wireless distribution.**]

February 12th, 2012

TO: Senator Carol Fukunaga, Chair

Senator Glenn Wakai, Vice Chair

Members of the Committee on Economic Development and Technology

From: David Hotniansky

I would like to support the intention behind SB 2741 in how it relates to creative media. Digital media is a budding industry with a great deal of potential growth and by adding the industry definitions of animation, visual effects, and productions for internet distribution it will allow this field to not only grow but thrive. Also the I believe by extending the sunset date to January 1, 2020 will help the industry build long term stability and create a sustainable industry.

Digital media overlaps frequently overlaps and supports the film industry through visual effects, post-production, and animation and shows tremendous potential for growth within Hawaii. Digital media workers are highly skilled and talented people that combine a artistic background with technical applications from technology, engineering, and programming.

I am currently working at Hyperspective Studios as the Technical Lead and I am a product of Hawaii. I was born, raised and educated here and I am a graduate of the UH system. I have been working in a professional capacity since 2006 where I've had the opportunity to work on a wide array of projects from local tv commercials to internationally released video games. I have been able to build a career in this field because of the freedom that digital media provides; the ability to work from anywhere there's a computer. This benefit makes digital media a great opportunity for Hawaii to develop a high-tech quality industry with a sustainable model.

SB2741 will help develop a new industry with massive potential growth. The interactive/game industry has show rapid growth over the past 7 years to roughly 65 billion dollars (up from 10.3 billion in 2006). This large industry is something Hawaii has the means to be a part of.

There are a handful of important changes to make this bill beneficial for new and emerging digital media projects. Lowering the threshold qualifications, including the definitions of qualified digital media and independent projects and removal of the exclusion of internet based distribution would allow us to make great use of this bill and promote a strong industry here in the Islands.

Thank you very much for the opportunity to testify.

LATE

ONE THOUSAND ONE STORIES

February 11th, 2012

TO: Senator Carol Fukunaga, Chair
Senator Glenn Wakai, Vice Chair
Members of the Committee on Economic Development

DATE: Monday, February 13th, 2012
TIME: 1:15 pm
PLACE: Conference Room 016, State Capitol

Re: SB 2741 RELATING TO CREATIVE MEDIA DEVELOPMENT.

FROM: Johnathan Walk, COO of 1001 Stories, LLC.

1001 Stories LLC is in support of SB 2741 relating to creative media development because we believe that this measure would allow Hawaii to grow in the newly established media markets emerging via the internet through the means of animation, visual effects and productions for internet distribution.

Many of these industry professionals are looking to stay in Hawaii, but unfortunately there isn't enough jobs created to sustain a living. Providing amendments within the bill which forces outside productions to hire within the state in order to take advantage of the tax credits is a great way to culture local workforce higher and develop skillful below the line cast and crew workers.

Also, because a great deal of work is now internet based through means of social media and other internet based platforms, we must remove all references of exclusion to productions that have internet only distribution. Any internet based distribution is now just as valid as broadcast distribution or other means of delivery.

Other amendments such as lowering the threshold of qualification, additional definitions toward what qualifies as digital media and independent/emerging media projects will help make digital media companies stronger and create an community where our local professionals won't have to leave the state to find jobs.

February 11th, 2012

Re: Proposed Amendments to SB 2741 RELATING TO CREATIVE MEDIA DEVELOPMENT.

1001 Stories believes that it is not only important to support the digital media industry with changes proposed in SB 2741, but also believes that it would be important to make the following changes and additions to the bill:

1. In **Section 3.d.2**, add the statement [**;or \$10,000 for a qualified digital media or qualified independent emerging media project**]
2. In **Section 3.d.4 and 2.d.5**, change the statements to [**Provide evidence that for the first two years of the production, at least fifty per cent, and thereafter, at least sixty per cent, of the positions that make up the production cast and below-the-line production crew, or, in the case of digital media projects, at least seventy-five per cent of the positions, are filled by legal residents of this State, whose residency is demonstrated by a valid Hawaii driver's license or other state-issued identification confirming residency, or students enrolled full-time in a film-and-entertainment-related course of study at an institution of higher education in the State.**]
3. In **Section 3.p** change the statement ["Digital media" means production methods and platforms directly related to the creation of cinematic imagery and content, specifically using digital means, including but not limited to digital cameras, digital sound equipment, and computers, to be delivered via film, videotape, interactive game platform, or other digital distribution media] to ["Digital media" means production methods and platforms directly related to the creation of cinematic imagery and **interactive media content**, specifically using digital means, including but not limited to digital cameras, digital sound equipment, and computers, to be delivered via film, videotape, interactive game platform, **internet, wireless** or other digital distribution media]
4. In **Section 3.p** remove the statement under the definition of "Digital media" [**(excluding Internet-only distribution)**]
5. In **Section 3.p** add the definition [**"Qualified digital media project" means development of animation, graphics, visual effects, post-production, and interactive media for entertainment and/or education that is produced for distribution in commercial or educational markets, including but not limited to a video game or production intended for game platform, physical media, internet or wireless distribution.**]
6. In **Section 3.p** add the statement [**"Qualified independent and emerging media project" means a qualified production of film, video, television, interactive entertainment that is produced for distribution in commercial or educational markets, including but not limited to feature film, short film, television show, television series, a video game or production intended for game platform, physical media, internet or wireless distribution.**]

fukunaga2 - Ashley-Jane

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 12, 2012 5:39 PM
To: EDTTestimony
Cc: john@onethousandone.com
Subject: Testimony for SB2741 on 2/13/2012 1:15:00 PM
Attachments: Johnathan Walk SB 2741 Testimony.pdf

Categories: Red Category

Testimony for EDT 2/13/2012 1:15:00 PM SB2741

Conference room: 016
Testifier position: Support
Testifier will be present: Yes
Submitted by: Johnathan Walk
Organization: 1001 Stories
E-mail: john@onethousandone.com
Submitted on: 2/12/2012

Comments:
(Proposed amendments upload not working, attaching it via comments)

February 11th, 2012

TO: Senator Carol Fukunaga, Chair Senator Glenn Wakai, Vice Chair Members of the Committee on Economic Development

DATE: Monday, February 13th, 2012 TIME: 1:15 pm

PLACE: Conference Room 016, State Capitol

Re: Proposed Amendments to SB 2741 RELATING TO CREATIVE MEDIA DEVELOPMENT.

FROM: Johnathan Walk, COO of 1001 Stories, LLC.

1001 Stories believes that it is not only important to support the digital media industry with changes proposed in SB 2741, but also believes that it would be important to make the following changes and additions to the bill:

1. In Section 3.d.2, add the statement [;or \$10,000 for a qualified digital media or qualified independent emerging media project]
2. In Section 3.d.4 and 2.d.5, change the statements to [Provide evidence that for the first two years of the production, at least fifty per cent, and thereafter, at least sixty per cent, of the positions that make up the production cast and below-the-line production crew, or, in the case of digital media projects, at least seventy-five per cent of the positions, are filled by legal residents of this State, whose residency is demonstrated by a valid Hawaii driver's license or other state-issued identification confirming residency, or students enrolled full- time in a film-and-entertainment-related course of study at an institution of higher education in the State.]
3. In Section 3.p change the statement ["Digital media" means production methods and platforms directly related to the creation of cinematic imagery and content, specifically using digital means, including but not limited to digital cameras, digital sound equipment,

and computers, to be delivered via film, videotape, interactive game platform, or other digital distribution media] to ["Digital media" means production methods and platforms directly related to the creation of cinematic imagery and interactive media content, specifically using digital means, including but not limited to digital cameras, digital sound equipment, and computers, to be delivered via film, videotape, interactive game platform, internet, wireless or other digital distribution media]

4. In Section 3.p remove the statement under the definition of "Digital media" [(excluding Internet-only distribution)]

5. In Section 3.p add the definition ["Qualified digital media project" means development of animation, graphics, visual effects, post-production, and interactive media for entertainment and/or education that is produced for distribution in commercial or educational markets, including but not limited to a video game or production intended for game platform, physical media, internet or wireless distribution.]

6. In Section 3.p add the statement ["Qualified independent and emerging media project" means a qualified production of film, video, television, interactive entertainment that is produced for distribution in commercial or educational markets, including but not limited to feature film, short film, television show, television series, a video game or production intended for game platform, physical media, internet or wireless distribution.]



Tetris Online, Inc.
55 Merchant Street, Suite 2100
Honolulu, Hawaii 96813

February 13rd, 2012

TO: Senator Carol Fukunaga, Chair
Senator Glenn Wakai, Vice Chair
Members of the Committee on Economic Development and Technology

DATE: Monday, February 13th, 2012
TIME: 1:30pm
PLACE: Conference Room 016, State Capitol

Re: S.B. No. 2741 – Creative Media Development

FROM: Dean Hirata, CFO, Tetris Online, Inc.
Michael J.W. Chun, Marketing Manager, Tetris Online, Inc.

Tetris Online, Inc. continues to support the intent of S.B. No. 2741 – Creative Media Development

We would like to suggest the additional changes:

Page 10, Line 4

CURRENT: (excluding Internet only distribution)

PROPOSED: (~~excluding Internet only distribution~~)

For the interactive games market, Internet distribution through social networks continues to grow in size. For Tetris Online, the majority of our customers find us via Facebook distribution. Tetris Online's games engage an audience that has grown to over 4 million daily and 17.5 million monthly unique users in more than 200 countries.

Over the past decade, social networks have emerged as mainstream platforms that enable people to connect with each other and businesses. In 2010, there were approximately 1.0 billion users of social networks globally, according to market research firm IDC, including over 500 million active users on Facebook. IDC forecasts that the number of users on social networks globally will grow to 1.6 billion by 2014.

Thank you very much for the opportunity to testify.