

THE ALLIANCE OF SPECIAL EFFECTS & PYROTECHNIC OPERATORS, INC.

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May 1, 2023

Jesse Noel, President J.D. Streett, Vice President Clark James, Secretary Timothy B. Graham, Treasurer

Additional Board Members:
Anthony Simonaitis
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Sandra Stewart
Margaret Goll
Alex Hill

RE: Senate Bill 735 - Opposition

Motion Picture Productions: Safety: Firearms: Ammunition

To the California Senate Appropriations Committee:

The Alliance of Special Effects and Pyrotechnic Operators (ASEPO) is an international motion picture industry advocacy group based in California that maintains committee seats and close relationships with numerous government and industry institutions, and represents its members' interests in regulatory conversations and actions. All of these relationships are cooperative in nature and highly valuable to industry workers. These institutions include:

- California State Fire Marshal (CSFM)
- CalFire Special Effects Advisory Committee (SEAC)
- CalFire Fireworks Advisory Committee (FWAC)
- Bureau of Alcohol, Tobacco, Firearms & Explosives (ATFE)
- US Department of Transportation (DOT)
- National Fire Protection Association (NFPA) (4 committees)
- Entertainment Services & Technology Association (ESTA) (ANSI standards development)
- Safety Advisory for Fire & FX in Entertainment (SAFFE)
- IATSE Local 44 Executive Board (special effects craft)
- CSATF Special Effects Qualifications Committee (SEQC)

ASEPO is not a political body and rarely becomes involved on a legislative level. We represent motion picture industry labor, not the studios that produce the pictures. Our board of directors are all volunteers employed in the industry as special effects professionals, and ASEPO does not hire lobbyists. Our primary mission is two-fold – sharing and distributing information regarding safe practices, and protecting our community from unintended regulatory overreach.

It is ASEPO's position that SB-735 poses a clear threat to California's motion picture industry and the employment it brings to California, as detailed in our <u>letter of opposition</u> to the Senate Labor Committee (linked and attached). In 1995, Canada offered a 35% tax credit, setting off a flood of American productions heading north of the border, followed by generous subsidies from other countries across the globe. Individual states had no choice but to offer competitive subsidies. California's incentives have kept the state competitive and provided a net positive economic impact in California that benefits labor in numerous industries while also filling our coffers with more tax dollars.

SB-735 achieved support from the California IATSE Council, Entertainment Union Coalition, and the Motion Picture Association due to the motion picture tax credit Program 4.0 (2025-2030) being held hostage over it. The AFL-CIO has indicated it will not support Governor Newsom's proposed extension without something given in exchange for labor, in this case, SB-735. This position appears completely counterproductive to the stated goals of the AFL-CIO. The tax incentives are a net benefit to California's economy, including public employees, while SB-735 will drive motion picture productions to other states and countries, thus reducing available jobs and shrinking our economy, and for no commensurate benefit. These industry organizations know from experience how tens of thousands of jobs will leave California if the incentives are eliminated, so they were forced to join the AFL-CIO in support. It is a pick-your-poison dilemma.

When rank-and-file workers learn of the provisions within SB-735, they become overwhelmingly opposed to it due to the unnecessary burdens it forces onto productions. This was recently demonstrated at IATSE Local 44, the union local that includes motion picture special effects and professional armorers, where its members and executive board representatives voiced opposition in a postcard and letter-writing campaign to the Senate Labor committee. We have seen similar outrage among workers from other IATSE locals with whom we work on productions daily. They agree that SB-735 is bad for labor and jobs, and does very little, if anything, to increase worker safety.

While the initial "pilot program" under SB-735 applies only to those productions benefiting from California tax incentives, the endgame is insurmountable. The bill will require evolving an army of thousands of highly qualified advisors and independent evaluators supported by an infrastructure implemented by the California Film Commission, the Industry-Wide Labor-Management Safety Committee, CalOSHA, and the motion picture producers, all for a program that might or might not be fully implemented state-wide in 2030. If fully implemented, tens of thousands of jobs will leave California. Anyone who claims otherwise is not considering California's history on this matter. A great deal of production has already been lost due to burdensome California regulations and the incentives offered by other states, taking jobs away from the most experienced production center in the country and resulting in many workers having to relocate to other states in order to follow the work.

Why would a labor-supporting organization threaten to kill jobs by requiring passage of a bill that would also kill jobs? We can only surmise there are motivations beyond our current understanding. For this reason, ASEPO continues to remain open to further conversations and enlightenment, and encourages those involved to <u>please reach out to us</u>. We all should be on the same side of this issue.

Meanwhile, ASEPO implores you to support California's tax incentive Program 4.0, and oppose Senate Bill 735. Thank you for your attention.

Sincerely,

The Alliance of Special Effects and Pyrotechnic Operators Studio City, California