



Testimony of QVC
Pennsylvania Senate Finance Committee
Pennsylvania Film Tax Credit Program
April 20, 2022

QVC welcomes the opportunity to submit written testimony to Chairman Hutchinson, Minority Chair Fontana and members of the Senate Finance Committee regarding the Pennsylvania Film Tax Credit Program.

Founded in 1986, QVC is a world leader in video commerce, which includes video-driven shopping across linear TV, e-commerce sites, digital streaming and social platforms. QVC empowers its shoppers with knowledge and shares insights in a lively and engaging way. QVC offers an ever-changing collection of familiar brands and fresh new products – from home and fashion to beauty, electronics and jewelry – and connects shoppers to interesting personalities, engaging stories and award-winning customer service.

QVC broadcasts programming more than 20 hours a day, 364 days a year from its worldwide corporate headquarters, known as Studio Park, located in West Chester, PA. In 2021, QVC showcased its broadcast programs to 92 million U.S. households with millions more reached through numerous digital platforms including Roku, Comcast X1 and Xfinity Flex, Amazon Fire TV, Apple TV, YouTube TV, social streaming on Facebook and YouTube, and more.

The company's Studio Park location is home to one of the most technologically advanced television film studios in the country. The 165,000 square-foot broadcast operations center enables the company to produce its live programming which, at one time before the COVID-19 pandemic, attracted more than 22,000 on-air guests annually and showcased more than 1,000 products every week. The studio also has 18 permanent sets and more than 100 portable scenic elements.

QVC directly employs more than 1,000 individuals who are involved in its on-air broadcasts at Studio Park. These include hosts, directors, producers, wardrobe and makeup, technical directors, graphics designers, control room and lighting engineers, broadcast engineers, models, set designers, editors and post-production staff.

Additionally, QVC makes use of various "loan-out" companies in the Philadelphia metropolitan area and surrounding counties to provide stylists, models and other staffing services. In total, it is estimated that each position in the QVC studios alone generates 3.6 indirect and induced jobs in Pennsylvania.

QVC's overall operations throughout the entire Commonwealth are estimated to have an even greater economic and fiscal impact upon the state and local economies. In addition to providing full-time employment to more than 4,000 Pennsylvanians in total, the company supports countless other jobs through taxes, substantial capital investment, purchases from local vendors, and employee spending. Beyond its West Chester footprint, QVC also maintains a state of the art 1.7 million square

foot fulfillment center in Bethlehem that shipped more than 33 million packages in 2021 and employs over 1,200 skilled employees at competitive wages.

QVC & The Pennsylvania Film Tax Credit Program

QVC's broadcast programming is made possible, in part, with the annual support of the Commonwealth's Film Tax Credit Program. The company has valued the partnership it has cultivated with the state which recognizes our significant investments in film and television productions in Pennsylvania. In the last five years alone, and with the assistance of the Film Tax Credit Program awards provided by DCED, QVC has made over \$36 million in capital investments to its Studio Park film studio.

QVC (in addition to promoting substantial capital investment in Pennsylvania) has helped create and maintain permanent Pennsylvania jobs – which speaks to one of the most common concerns regarding the program. The company is currently estimating a total of 732 shoot days in Pennsylvania (based on a standard 7.5 hour work day) that will be broadcast on-air on its flagship QVC network during the period July 1, 2022 through June 30, 2023. Based upon currently available data, these figures well surpass the shoot day totals of past recipients of the film tax credit.

QVC's top priority is to preserve those jobs currently involved in its broadcast operations despite the challenging business environment it is currently confronted with. On average, QVC programs have budgets which can range from approximately \$300,000 to approximately \$2 million annually. In total (pre COVID-19), QVC's Pennsylvania studio has had annual production budgets of over \$52 million for all of its programming.

To provide some additional context to these figures, budgeted costs encompass all costs of production of a particular show and includes the categories of production staff and design, talent, set operations, equipment expenses, wardrobe, makeup and hairdressing, electricity to run the broadcast facility, post production/editing expenses, general and administrative costs, and insurance. However, the majority of these expenses are designated for employee salaries and benefits for the more than 1,000 QVC staff involved in the broadcast operation.

It is worth noting that QVC has a long history of remote broadcasts from outside of Studio Park at various special attractions and events in Pennsylvania including the Philadelphia Flower Show, Linvilla Orchards, the Kennett Square Mushroom Festival and Hershey Park amongst countless others. These additional shows not only help to promote tourism to Pennsylvania but also increase awareness of the Commonwealth to the 92 million U.S. homes where QVC broadcasts can be seen.

QVC also believes in giving back in the communities where we live and work. Local to Pennsylvania, we are active in various charitable and civic organizations including, but not limited to, the Chester County Economic Development Council, Big Brothers Big Sisters of Southeastern Pennsylvania, the Brandywine Valley YMCA, the American Red Cross of Southeastern Pennsylvania, Wings for Success and Delaware County Community College. QVC's West Chester campus also developed and maintains a community garden to support the local Chester County food banks.

In closing, it is QVC's sincere hope the General Assembly and the Administration will continue to support this important program and value the return on investment. Our company and our employees appreciate the opportunity to submit this testimony for today's hearing and look forward to working with the members of this Committee, the General Assembly and the Wolf Administration on this critical program in 2022 and well into the future.