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## SAG AND AFTRA REACH TENTATIVE AGREEMENT WITH ADVERTISING INDUSTRY ON NEW COMMERCIALS CONTRACTS

**NEW YORK, (APRIL 1, 2009)**—Screen Actors Guild and the American Federation of Television and Radio Artists announced today that the AFTRA/SAG Joint Negotiating Committee has reached a unanimous tentative agreement with the Joint Policy Committee (JPC) of the American Association of Advertising Agencies (AAAA) and the Association of National Advertisers (ANA) on terms for successor agreements to the AFTRA Television and Radio Commercials Contracts and the SAG Television Commercials Contract, subject to approval by the SAG/AFTRA Joint National Board.

The new three-year agreement contains a more than \$36 million increase in wage rates and other payments for all categories of performers in the first year of the contracts, approximately \$21 million in increased contributions to the SAG Pension and Health Plan and the AFTRA Health and Retirement Fund, establishment of a payment structure for work made for the Internet and other New Media platforms, important new monitoring provisions, and improvements for choreographers, extras, and Spanish language performers.

The new contracts also contain an agreement in principle outlining terms for a pilot study for the purpose of testing the Gross Rating Points (GRP) model of restructuring compensation to performers as proposed by Booz & Co. The two-year study is scheduled to commence on April 15 and will be conducted by a jointly retained consultant engaged by the Unions and the Industry. The results and possible adoption of the study's findings will be subject to negotiation by the parties not later than January 3, 2012.

The unions successfully protected the critical "Class A" payment structure and continued unchanged the editing provisions in the existing contract.

### Highlights of the new agreement include:

- Three-year agreement, term effective April 1, 2009 to March 31, 2012
- **5.5% overall increase in wages and other compensation over the life of the contracts**, including a 4.43% increase, effective April 1, 2009, in Class A, Wild Spot, and basic cable session fees
- For product made for the Internet or in New Media, 1.3 times the minimum session fee for 8 week's use and 3.5 times the minimum session fee for one year's use
- 0.5% increase in the employer contribution rate to the AFTRA H&R and SAG P&H plans bringing the total contribution rate to 15.3%. The agreement provides for a cap on P&H and H&W contributions, but the committee successfully negotiated the industry from their initial demand of \$250,000 to \$1,000,000 per performer, per contract, per year.
- Secured five, new covered jobs for commercial extras, up from 40 to 45
- Established new exclusivity provisions for made-for cable only commercials
- Instituted, for the first time, a contract provision to pay extras a round-trip mileage fee of \$8
- Increased foreign use payments under the Spanish Language section of the contract
- **The across the board increase under the AFTRA Radio Commercials Contract is 5.3%, including contributions to AFTRA H&R and the AICF**
- **All of the unions' proposals regarding diversity issues were addressed in the negotiations**

"The AFTRA and SAG commercials contracts provide our members with the solid foundation they need to sustain their careers and families," observed AFTRA National President Roberta Reardon and AFTRA Chair of the Joint Negotiating Committee. "In this round of negotiations, during the worst economic crisis since the Great Depression, we successfully

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improved wages and expanded benefits to keep our members working now and in the future. This is a major victory for our unions—and a victory for organized labor as a whole—and I applaud the Joint Negotiating Committee for their vision, hard work, and solidarity.”

“I am so proud of the work of our Joint Negotiating Committee. It was a hard-fought negotiation and our greatest victory was in protecting Class A residuals payments. By securing a joint study to research and develop a workable compensation model, our negotiating committee protected every member who works under these contracts across the country,” said Sue-Anne Morrow, Screen Actors Guild Chair of the Joint Negotiating Committee.

“Our Joint Negotiating Committee held together in the face of some very tough issues and they stood firm for our core principles. We have achieved a deal that brings significant improvements to these contracts. Our gains include establishing the first-ever payment structure for made-for-the Internet and new media commercials and significant increases in wages during a very troubled global economy. I am proud to take this tentative deal to our Joint National Board,” said John T. McGuire, Screen Actors Guild Chief Negotiator.

“The Joint Negotiating Committee provided us with clear objectives borne out of the nationwide Wages and Working conditions meetings leading up to the negotiations,” said Mathis L. Dunn, Jr., Chief Negotiator for AFTRA and Assistant National Executive Director for Commercials, Non-Broadcast, and Interactive Media.“ Among the priorities, our members asked us to increase minimum compensation and preserve Class A. We achieved those objectives and more, including agreement on a test study that will allow for a meaningful exploration of how best to adapt our contracts to meet the changing needs of all performers working in the shifting landscape of new technology.”

Formal negotiations between the 26-member AFTRA/SAG Joint Negotiating Committee and the Industry began on February 23 and concluded on the morning of April 1 in New York City.

Details of the new agreement will be submitted to the SAG/AFTRA Joint National Board for approval at a date to be determined, and if approved, will be jointly mailed to the membership of both unions for ratification thereafter.

#### **About SAG**

Screen Actors Guild is the nation’s largest labor union representing working actors. Established in 1933, SAG has a rich history in the American labor movement, from standing up to studios to break long-term engagement contracts in the 1940s to fighting for artists’ rights amid the digital revolution sweeping the entertainment industry in the 21st century. With 20 branches nationwide, SAG represents nearly 120,000 actors who work in film, television, industrials, commercials, video games, music videos and other new media. The Guild exists to enhance actors’ working conditions, compensation and benefits and to be a powerful, unified voice on behalf of artists’ rights. SAG is a proud affiliate of the AFL-CIO. Headquartered in Los Angeles, you can visit SAG online at [www.sag.org](http://www.sag.org).

#### **About AFTRA**

The American Federation of Television and Radio Artists, AFL-CIO, are the people who entertain and inform America. In 32 Locals across the country, AFTRA members work as actors, journalists, singers, dancers, announcers, hosts, comedians, disc jockeys, and other performers across the media industries including television, radio, cable, sound recordings, music videos, commercials, audiobooks, non-broadcast industrials, interactive games, the Internet, and other digital media. The 70,000 professional performers, broadcasters, and recording artists of AFTRA are working together to protect and improve their jobs, lives, and communities in the 21st century. From new art forms to new technology, AFTRA members embrace change in their work and craft to enhance American culture and society. Visit AFTRA online at <http://www.aftra.com>.

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