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**2013 SAG-AFTRA
TELEVISION AND RADIO COMMERCIALS
CONTRACTS SUMMARY
April 1, 2013 through March 31, 2016**

The new three-year commercials collective bargaining agreements, negotiated by the ANA-4A's Joint Policy Committee on Broadcast Talent Union Relations (JPC) with SAG-AFTRA, have been tentatively agreed to and will now be forwarded by the Union to its Board and members for ratification.

This summary is provided for general information only.

SAG-AFTRA TELEVISION COMMERCIALS CONTRACTS

1. **Term:** 3 years: from April 1, 2013 through March 31, 2016.
2. **Compensation Rate Increase:** Compensation rates for performers are increased by 6% for all wages on which P&H is paid, *e.g.*, network, cable, Wild Spot, *etc.* but not on allowances. This rate will remain stable for the 3-year term and equates to approximately a 2.9% average annual increase over the life of the Contract.
3. **Pension + Health Contributions:** The new P+H contribution rate is 16.8%. The previous P+H rate was 15.5%. By contrast, the rate for television programming and motion pictures is currently 17%.

4. **When Do I Start to Pay the New Rates?**
 - a. Continue to operate under the current Contract and make retroactive payments of the new rates once the Union Board and members ratify the new Contract. All retroactive payments must be made not later than thirty (30) days following such ratification; or
 - b. Pay the new rates now and run the risk that the new Contract will not be ratified and refunds might be required. Getting refunds for overpayments from actors is often very difficult; therefore, you should weigh the risk associated with paying the new rates against the benefits of avoiding additional accounting.
 - c. Each signatory must make its own determination regarding the two options above.
5. **Waivers:**
 - a. The “Late Night Waiver” is now officially a part of the Contract.
 - b. The waiver previously granted to BounceTV and MeTV is now officially a party of the Contract under the ION TV (formerly PAX TV) provisions.
 - c. In the event that the Union either grants or denies a waiver request from another network to receive the rates it now provides to ION TV, BounceTV, and MeTV, the Union will contemporaneously send a copy of the grant or denial to the JPC.
6. **Editing:** Changes in Section 26:
 - a. 26.A - Second Lift. Producers may now edit a commercial to produce a second mechanical lift, either shorter or longer, upon payment of a session fee to each principal performer appearing in the second lift.
 - b. 26.J - Factual Information. Commercials may now include URLs, QR codes or similar Internet, mobile and digital media identifiers, and such changes will be paid at the tag rates.
 - c. 26.K - Special Offers and Promotions: The Union has agreed to an editing waiver for multi-brand retailers:
 - i. This waiver covers advertisers that sell consumer products directly to the public (*e.g.*, supermarkets, toy stores, department stores, discount retailers) but excludes advertisers that predominantly or exclusively sell their own products (*e.g.*, fast food restaurants and single-brand retailers).

- ii. This waiver allows a Producer to edit a commercial to reference new products, whether branded or not, subject to the following terms and conditions:
 - 1. Performers making the changes will be paid separate session fees for each change;
 - 2. Principal performers not required to render actual services for such additional variations will be paid a session fee for the first variation (*i.e.*, the second commercial) and 150% of a scale session fee for every 4 additional variations (*e.g.*, 150% of a scale session fee for the 3rd, 4th, 5th and 6th commercial and another payment of 150% of a scale session fee for the 7th, 8th, 9th and 10th commercial).
 - 3. The variations are limited to product/item changes advertised within the retailer and will be considered one commercial for use purposes;
 - 4. Only one variation may run in the same market at the same time and is subject to a 2-week promotional limitation; and
 - 5. Performers must be fully advised of the terms of this waiver both at the time of audition and hire. In the event that a performer notifies the Union that he/she was not fully informed, this waiver will not be applicable to that employment. With respect to the time of hire, such notice may be made in the Special Provisions section of the applicable employment contract.

7. **Dealer Cycle:** In addition to the option for a 6-month dealer cycle, Producers may now opt for an 8-week dealer cycle at 50% of the 6-month rate.

8. **New Provisions with Respect to Made-Fors:**

- a. User-Generated/Crowd-Sourced Commercial Contests: Producers may now solicit, accept and display via the Internet user-generated/crowd-sourced commercials as entries to a contest.
 - i. Such contest entries may be exhibited via the Internet during the contest period without triggering any application of the Contract including, without limitation, Ad Lib or Creative Session Call fees for the entry.
 - ii. If a contest-winning commercial is exhibited on any media platform after the expiration of the contest period, such commercial will be subject to the rates, terms and conditions of the Contract.

- iii. Non-winning contest entries must be pulled down from the Internet or New Media upon declaration of the winner. Should Producer choose not to cease exhibition of the non-winning entries, such entries will be subject to the rates, terms and conditions of the Contract.
- b. A Producer may film or record activities of persons in public without covering such persons under the Contract, provided such persons are neither scripted to speak any dialogue nor cast for the commercial(s), as follows:
 - i. **Live Events** – “Live Events” are events attended by at least 20 persons who are neither hired nor cast by Producer to attend the event. An individual(s) appearing in such footage will not be a Covered Person(s) for purposes of the Contract. However, such Live Events (1) may not be staged for the purpose of producing a commercial(s); and (2) non-covered participants at the live event may not receive individual direction but may be directed as a group.
 - ii. **Man on the Street Commercial** – A “Man on the Street Commercial” means a commercial(s) where an interviewer interviews people on the street, at public venues, or at live events and asks them questions or makes statements or gestures to elicit a response or reaction from them. An individual(s) appearing in such footage will not be a Covered Person(s) for purposes of the Contract. The interviewer is a Covered Person for purposes of the Contract whether or not they appear or perform in the commercial(s).
 - iii. **Hidden Camera Commercials** – A “Hidden Camera Commercial” means a commercial(s) comprised of footage captured by a hidden camera(s) without direction to the individual(s) being filmed. An individual(s) appearing in such footage will not be a Covered Person(s) for purposes of the Contract. Any person(s) appearing in the capacity of an interviewer, however, will be a Covered Person whether or not they appear in the commercial.

As a condition of this waiver, Producer must notify the Union that it has used the waiver and provide the Union with an electronic or physical copy of the commercial(s) within 60 days of the first exhibition of the commercial.

If a commercial produced pursuant to this waiver is subsequently exhibited other than on the Internet or New Media where such use is otherwise covered by the Contract, anyone qualifying as a principal in the commercial as subsequently exhibited will be a Covered Person under the Contract and compensated accordingly.

9. **PSAs:** The Sideletters regarding PSAs have been incorporated into the Contract with the addition of allowances for advertiser logos on PSA charity websites and the process for waivers of the payment of session fees by celebrities.

10. **Foreign Use of Commercials:**

- a. A commercial that is televised in multiple foreign language versions within a single foreign use territory will be deemed one commercial for the purpose of the foreign use payment, provided such language versions are translations and are not new material.
- b. Foreign use in Asia-Pacific Zone has been increased from one session fee to two session fees.

11. **Cable:**

- a. The cable cap has been raised from 2,000 units to 3,000 with the units from 2,001 to 2,500 at \$0.71 (inclusive of the 6% overall wage increase) per unit and units from 2,501 to 3,000 at \$0.16 (inclusive of the 6% overall wage increase) per unit.
- b. The Local Cable Waiver has been made a part of the Contract.

12. **Internet and/or New Media: “Move Overs”:**

- a. Cycles may be either 8-weeks or one-year, in any combination. They need not be consecutive, provided holding fees are paid.
- b. The maximum period of use is 21-months from service (defined in Section 31.).
- c. Rates:

Eight Week Cycle: Increased from 133% to 150% of the applicable session fee; and

One Year Cycle : Increased from 350% to 400% of the applicable session fee.

13. **Internet and or New Media: “Made Fors”:**

- a. Cycles may be either 8-week or one-year. Cycles must be consecutive, *i.e.*, a break in payments is not permitted unless a Producer negotiates with a performer to pay holding fees (not less than one session) for the right to have non-consecutive 8-week or one-year cycles.
- b. The maximum period of use is 21-months from session.
- c. Rates remain at 133% for the 8-week cycle and 350% for the one-year cycle.

- d. Provisions regarding free bargaining for unlimited editing remain unchanged.
14. **Spanish Language Contract (Schedule C)**
- a. Puerto Rico will no longer be considered Foreign Use but is now Wild Spot at 17 units.
 - b. Increase rates in Section 2.A (Program Fees) by 10% and in Section 2.B (Wild Spot) by 5%, in addition to the general wage increase.
15. **Dancers:** The Group Dancers 6 to 8 and 9 or more are combined into one group of 6 or more, all paid at the 6-8 rate.
16. **Allowances:**
- a. Meal allowances are revised as follows:

Breakfast	from \$10.95 to \$15.00
Lunch	from \$16.40 to \$25.00
Dinner	from \$30.25 to \$40.00
 - b. The per diem during travel was increased from \$71.70 to \$80.00.
17. **Liquidated Damages:** There are no longer liquidated damages for meal violations during unsupervised travel.
18. **Which Commercials – Which Rates?** The rates, terms and provisions of the 2013 Commercials Contract apply to:
- a. All original commercials produced on or after April 1, 2013;
 - b. All new or additional versions of commercials originally produced under prior contracts for commercials that are integrated on or after April 1, 2013 under the Section 25, *Integrating of Commercials into Different Commercials*; and
 - c. All commercials that are edited and aired after April 1, 2013 other than as expressly permitted under Section 26, *Editing of Commercials*.
 - d. All terms and provisions in any existing performers' contracts of employment which are more favorable to the principal performer than the terms and provisions of the agreement remain in effect.
19. **Notice to Renegotiate at End of MPU:** The new Contract provides that copies of the notices to renegotiate will be sent to the Union electronically, and for the Union to provide a copy of the notice to Producer upon request in the event of a dispute. However, whether or not the notice was sent by the performer or his agent to the Union will not be

deemed conclusive evidence of whether the notice was sent in compliance with the Contract.

20. **Time Bar on Claims for Disputed Payments:** Claims regarding audition, travel or production-related session claims (*e.g.*, overtime, wet pay, smoke pay, meal periods, etc.) must now be submitted no later than 6 months from the date of such audition, travel or session, or, if a claim is related to such payment, 6 months from the date the payment is made.

21. **Exclusivity:** In the event of a violation of exclusivity, an arbitrator may consider, among other possible remedies, the loss of future holding fees and residuals that would otherwise be due the performer for the balance of the MPU.

22. **Administrative Maintenance Fund:** One quarter of one percent (.25%) of the 16.8% contribution to the P&H fund will be rebated to the “Administrative Maintenance Fund” or “AMF” and applied as follows:

- a. The Commercial Services Fee (CSF) is terminated effective on March 31, 2013. All unreported payments of the CSF through March 31, 2013 should continue to be processed and paid to the ANA.
- b. The AMF is effective April 1, 2013 and replaces the CSF.
- c. The AMF will be utilized in support of the JPC including, but not limited to, Contract administration and negotiation, legal fees, consultant fees, staff costs, labor relations, and disputes and grievances between the JPC and the Union.
- d. Monies in the AMF will not be used to support non-Union productions, discourage or undermine membership in the Union, or fund any actions or activities, other than those taken in connection with the administration or negotiation of the Contract, that are adverse to the interests of the Plans, the Union or the Union’s members including, but not limited to, litigation, administrative proceedings, lockouts or strikes, and legislative activities.
- e. The Plans will distribute the AMF to the Association of National Advertisers:
 - i. All AMF funds will be held in a segregated account by the ANA and administered as determined by the ANA.
 - ii. In the event any Producer is delinquent in submitting the required contribution to AMF, the ANA will have the authority to recover any contributions, along with any attorney fees, court costs, interest at one percent (1%) per month from the delinquent Producer.
 - iii. The enforcement for the delinquent contributions to the AMF will not be the obligation of the Union.

- iv. The AMF will be audited annually and a copy of the audit will be provided to the Union.

23. **Electronic Reporting:** No later than March 31, 2014, talent payroll reports filed with the Plans and Union must be filed electronically.

24. **Ad-ID Commercial Coding:** Effective immediately, all commercials produced under the Contracts must use Ad-ID[®] as the sole commercial identifier. Commercials include those produced for television, radio, and digital platforms. To assure smooth transition, a grace period through March 31, 2014 to convert to Ad-ID is provided in the Contract.

25. **Exhibits A-1 and A-2 (Standard Contracts):** The standard employment contracts will now include lines for the following information: _

A field for Ad-ID[®]; and

The number of tags (A-1 only), demos, and commercials.

26. **Extras:**

- a. An Extra must now provide the name of his/her agent on Exhibit A-2 or other employment contract form. Extras will only be entitled to receive the agent's commission if the extra is actually represented by an agent and the agent procured the employment.
- b. Liquidated damages for late payment is increased from \$2.50 per day to \$3.60 per day and the time period is reduced from 30 days to 25 days. (An identical increase was made to liquidated damages for late payment for principal performers.)

27. **Stunt Coordinators at Auditions:**

- a. If during an audition, performers are required to perform a stunt, a stunt coordinator must be present.
- b. However, if a performer performs a stunt during an audition, such stunt audition services are not citable in determining whether the performer performed a stunt during production. Such determination will be based solely on the services performer provides for the actual commercial production.

28. **Non-Discrimination and Affirmative Action:** Section 14.A. is amended to include, "Black/African American, Latino/Hispanic, Asian/Pacific Islander, South Asian, Native American Indian, or Arab/Middle Eastern." (Emphasis added to reflect amendment in the provision).

29. **Special Projects:**

- a. GRP and Clearinghouse. The JPC and Union will continue the Clearinghouse Project and the analysis of the adoption of the GRP-E compensation model.
 - b. Internet and New Media Model Study. The JPC and Union will update the Internet and New Media Model Study to reflect industry and technological changes.
30. **Sideletters:** Sideletters have been either amended or deleted to reflect the revisions to the Contract.

SAG-AFTRA RADIO RECORDED COMMERCIALS CONTRACT

1. **Term:** 3 years: from April 1, 2013 through March 31, 2016.
2. **Compensation Rate Increase:** Compensation rates for performers are increased by 6% for all wages on which P&H is paid, *e.g.*, network, cable, Wild Spot, etc. but not on allowances. This rate will remain stable for the three year term and equates to approximately a 2.9% average annual increase over the life of the Contract.
3. **Health and Retirement Fund Contributions:** The new H+R contribution rate is 16.8%. The previous H+R rate was 15.5%. By contrast, the rate for television programming and motion pictures is 17%.
4. **When Do I Start to Pay the New Rates?**
 - a. Continue to operate under the current contract and make retroactive payments of the new rates once the Union Board and members ratify the new Contract. All retroactive payments must be made not later than thirty (30) days following such ratification; or
 - b. Pay the new rates now and run the risk that the new Contract will not be ratified and refunds might be required. Getting refunds for overpayments from actors is often very difficult; therefore, you should weigh the risk associated with paying the new rates against the benefits of avoiding additional accounting.
 - c. Each signatory must make its own determination regarding the two options above.
5. **Which Commercials – Which Rates:** The rates, terms and provisions of the 2013 Recorded Radio Commercials Contract apply to:
 - a. All original commercials produced on or after April 1, 2013;
 - b. All new or additional versions of commercials originally produced under prior contracts for commercials that are integrated on or after April 1, 2013; and
 - c. All commercials that are edited and aired after April 1, 2013 other than as expressly permitted under Section 24, *Editing of Commercials*.
 - d. All terms and provisions in any existing performers' contracts of employment which are more favorable to the principal performer than the terms and provisions of the agreement remain in effect.
6. **Preference Zones:** Revised to match television preference zones and to add language from the SAG Contract regarding procedure for creating a new preference zone if/when the Union opens a new office.

7. **Other Provisions Same as Television:** Notice to Renegotiate at End of MPU, Editing/Factual Information, PSAs, Internet and New Media Rates for Made Fors and Moveovers, 8-week Dealer Cycle, Administrative Maintenance Fund, Electronic Reporting/Ad-ID, Time Bar on Claims for Disputed Payments, Late Payment Liquidated Damages, Allowances, and Sideletters,