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JPC - AFM 2014-2017 COMMERCIAL ANNOUNCEMENTS AGREEMENT SUMMARY

June 5, 2014 – June 4, 2017

Subject to Ratification

All rates, terms and provisions of this new Agreement shall be effective June 5, 2014 and shall apply to all music tracks produced on or after June 5, 2014 and all “new” commercials (as defined in the CBA) produced on or after June 5, 2014.. Employers, however, will have sixty (60) days following ratification to comply with the rates, terms and provisions.

1. Term – 3 years (June 5, 2014 – June 4, 2017)
2. Wages – With the exception of the rates specified in provisions #5, #6, #7, #8 and #10 below, base wages are increased 6%. All payments under the CBA (e.g. use and re-use cycles will continue to be based on their current ratio to the applicable session fee.
3. Health and Welfare Fund Contribution – Increase the existing \$17.00 payment to \$26.00 and the current 3% contribution to 6%.
4. Pension Fund Contribution – Increase the existing 14.08% contribution to 16.5% of all earnings (excluding health and welfare payments, cartage fees, late payment penalties and travel, food and clothing expenses) of whatever nature covered by this Agreement computed at scale earnings.
5. 52-week Initial Use Cycle – \$1,245 per side musician per commercial (also applicable to copyist); payable upfront for 52 weeks of initial use in all media covered under the Commercial Announcements Agreement including television, radio, internet non-broadcast and foreign use.

6. 52-week Re-use cycle - \$933.75 per side musician per commercial (also applicable to copyists); payable up-front, for 52 weeks of re-use in all media covered under the Commercial Announcements Agreement including television, radio, internet, non-broadcast and foreign use.
7. Sideline Musicians – Increase base amounts as follows: (i) Side Musician/Orchestra Manager - \$215.00, (ii) Overtime after eight hours - \$10.00, (iii) one person alone - \$250, (iv) one person alone, overtime - \$12.00.
8. Internet/New Media – 8-week, 26-week and one-year cycles need not be consecutive and may alternate under the following terms for each cycle per side musician – (a) 8 weeks - \$100, (b) 26 - weeks - \$200, (c) 52-weeks - \$300. (Applies to both made-for and moved-over to the internet)
9. Mechanical Editing – Use Payments (Including Internet and New Media):– For the payment of two dub fees, a second mechanically-edited commercial is permitted as long as the music tracks of all versions are identical.
10. Cartage – Increase the fixed fees for cartage to \$50,00 for harp, keyboard string bass, timpani, marimba, chimes and vibraphone and \$25.00 for Tuba, all drums, amplifiers, baritone sax, bass sax, cello, accordion, cordovox and contra-bass clarinet
11. Ad ID Code – Revise all reporting forms and relevant documents to specify an Ad-ID Code as the commercial identifier for commercial announcements
12. Regional Commercial Announcements: National Advertisers, Regional Advertisers and First Use in New Region: Addition of 8 week re-use cycles which shall be paid at 50% of the one-hour standard session fee rate.
13. Internet/New Media Commercials Coverage Waiver-- adds coverage waiver for user-generated/crowd-sourced commercial contests and filming or recording activities of "Live Events," "Man on the Street Commercials" and "Hidden Camera" Commercials.
 - (i) A. Coverage waiver sunsets at end of agreement. User-Generated/Crowd-sourced Commercial Contests. An Employer may solicit, accept and display via Internet and/or New Media user-generated/crowd-sourced commercials as entries to a contest to select a winning commercial. Such contest entries may be exhibited via Internet and/or New Media during the contest period without triggering any application of this Agreement for the entries. The context winner(s), if exhibited after the expiration of the contest period, shall trigger the application of this Agreement. The contest entries may not be exhibited on any platform after the expiration of the contest period without coverage and payment under this Agreement.

- (ii) B. An Employer for Made for Internet or Made for New Media commercial(s) may film or record activities of persons in public for the types of commercials set forth below without covering such persons under this Agreement, provided such persons were not cast for the commercial.

(1) Live Events – “Live Events” are events attended by at least 20 persons who are neither hired nor cast by Producer to attend the event. However, such Live Events (1) shall 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.

(2) 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.

(3) 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 Employer shall notify the Union that it has produced under this Article 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 announcement is produced under this provision and is subsequently exhibited other than on the Internet and/or New Media where such use is otherwise covered by this Agreement, anyone qualifying as a member of the collective bargaining unit as defined in Article II.1 of the Commercial Announcements Agreement and who provides services in the commercial announcement as subsequently exhibited other than on the Internet and/or New Media shall be compensated at the rates provided for in this Agreement for such use. The provisions of this subsection B shall expire on June 4, 2017 and shall not be citable or precedential in future negotiations or in the interpretation of any other provision of the Commercial Announcements Agreement.

Increase the number of days that the joint committee has to resolve the dispute from 30 to 90 days.

14. Public Service Announcements (PSAs) –Allows a PSA to be exhibited on the website or branded social media pages of the organization that is the subject of the PSA, and also allows an employer to seek a waiver from the AFM for payment of session fees for celebrities. Such organization shall also be permitted to include an advertiser sponsor’s logo/id on the organization’s website(s). In the event the PSA is broadcast on paid time, reuse payments will be paid at the full contractual rate.

15. Subsidiaries and Controlling Interests – Revise to exclude references to signatories’ parent corporations and other non-signatory subsidiaries of the parent corporations.
16. Hearing and Award: Add requirement that copies of all arbitration decisions be provided to the JPC.
17. Changes required by Law – Delete requirement to submit notice to the AFM.
18. Additional Changes-- Update contract to incorporate agreements in prior MOAs and contract extensions.