



**ANA-AAAA  
Joint Policy Committee on  
Broadcast Talent Union Relations**

April 28, 2008

**SAG AND AFTRA TELEVISION AND RADIO  
COMMERCIALS CONTRACTS - 2008 NEGOTIATIONS**

As a reminder, the SAG and AFTRA Television and Radio Commercials Agreements will expire on October 29, 2008. Negotiations for successor agreements may begin in a few months. Notification letters and authorization forms will be sent to primary contacts of all Association of National Advertisers (ANA) and American Association of Advertising Agencies (AAAA) members prior to the commencement of negotiations.

The industry remains optimistic that we will have a successful conclusion to these negotiations without disruption. However, in order to provide for prudent production planning prior to the expiration of these agreements, signatory employers, both agencies and advertisers, are advised to review and consider the following information as it may pertain to them.

1. New Production: Consider re-scheduling production planned for October 30, 2008 through January 2009 to a date well prior to October 29, 2008. This is of particular concern if you are planning production for the roll-out of a new campaign or are planning a celebrity production.
2. Commercials with 21 month Maximum Periods of Use (MPU) due to expire within six months after October 29, 2008: Consider initiating negotiations for new MPUs for these commercials prior to October 29, 2008, in order to ensure that broadcast rights are maintained in the event of a work stoppage (i.e., a strike). The last strike was six months.
3. Celebrity Contracts/Term Agreements: As new contracts are entered into or existing contracts renewed, it is recommended to include the

following provisions wherever possible and to review these provisions with legal counsel:

- a. Suspensions and Extensions:
  - (i) Provide for Quarterly payments throughout the term of the agreement with suspension of quarterly payments in the event of a work stoppage and/or other disaster (force majeure clause) which interferes with production.
  - (ii) Provide for the ability to extend the term of the agreement by the same period of time as any work stoppage.
  - (iii) Note that if you do not require the celebrity's services during a strike and continue to run the advertising previously produced, a suspension or extension may be difficult to obtain since the celebrity will argue you have suffered no delay or damages.
- b. Ensure that the celebrity performer has no right to withdraw permission to use a commercial in the event of a work stoppage. No affirmative contract language is necessary; just make sure that the celebrity has not affirmatively reserved such right in his/her term agreement. (Note: Scale performers do not have such right under the SAG or AFTRA Commercials Agreements.

It is advised that you review the above information with the appropriate broadcast production, business manager, and talent payment personnel in your company, together with your legal counsel.

Should you have any questions regarding your planning, please feel free to call Douglas J. Wood, the JPC's Lead Negotiator, at (212) 549-0377, email: [dwood@reedsmith.com](mailto:dwood@reedsmith.com) or his colleague and JPC Senior Counsel, Elhanan Stone, at (212) 549-0370, email: [estone@reedsmith.com](mailto:estone@reedsmith.com). You can also write to them at Reed Smith LLP, 599 Lexington Avenue, New York, NY 10022.

With proper planning, we can all be prepared for whatever lies ahead.