



**2009 SAG AND AFTRA TELEVISION COMMERCIALS
AND
AFTRA RADIO COMMERCIALS
CONTRACT SUMMARY
4/1/09 – 3/31/12**

The new three-year commercials collective bargaining agreements which were negotiated by the AAAA-ANA Joint Policy Committee on Talent Union Relations (JPC) with the Screen Actors Guild (SAG) and the American Federation of Television Artists (AFTRA) have been ratified and approved by the unions' membership.

Pending finalization of the respective Memorandums of Agreement, the following is a top-line summary of the new terms and provisions of the 2009 Agreements which impact production. This summary is provided for your information. Copies of the Memorandums of Agreement which will contain complete contract language for all of the new terms and provisions will be distributed upon completion.

NOTE: For services performed in commercials made between April 1, 2009 and June 15, 2009, all retroactive payments must be made not later than June 16, 2009.

In addition, there have been some very minor rounding changes to the unions' rate charts previously distributed. Revised rate charts will be distributed under separate cover.

SAG/AFTRA TV COMMERCIALS CONTRACT

1. Term: Three years: from April 1, 2009 through March 31, 2012.

2. Which Commercials – Which Rates: The rates, terms and provisions of the 2009 Commercials Contract apply to:

- all original commercials produced on or after April 1, 2009;
- all new or additional versions of commercials originally produced under prior contracts for commercials that are integrated on or after April 1, 2009 under the *Integrating of Commercials into Different Commercials* provisions; and
- all versions of commercials that are edited and aired after April 1, 2009 other than as expressly permitted under the *Editing of Commercials* provisions.

Any 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.

3. Retroactive Payment Date: For services performed in commercials made between April 1, 2009 and June 15, 2009, all retroactive payments must be made not later than June 16, 2009.

4. Compensation Rate Increases: With the exception of rates for cable units 1-200, Internet rates and New Media rates (details further below), all compensation rates, allowances, adjustments and expense reimbursements for principals and extras are increased by 4.43%.

5. Pension + Health Contributions:

- **Rate:** The new P+H contribution rate is 15.5%.
- **Cap on Pension and Health Contributions:** Effective January 1, 2012, there is a cap on pension and health contributions on behalf of any performer who earns in excess of \$1,000,000 for covered services under a single contract for a single producer in a contract year.
- **P +H: Choreographers:** A choreographer who has had earnings as a dancer in five prior years to the current production and who is working only as a choreographer in the current production, is entitled to payment of pension and health fees on the basis of a principal's minimum session fee.

6. Employees of the Advertiser-Waiver of the Contract: This provision has been expanded to include the following: in the event that it is unusually difficult, disruptive or

unsafe to film employees of the advertiser in the course of their usual employment, signatories may now film such employees at their usual place of employment during non-business hours or at any time at locations (i.e., stages) that are designed to replicate the employees' usual place of business. In either of those two scenarios, employees may be directed as well as directed to speak dialogue. Such direction, however, must replicate the employees' usual working conditions and such dialogue must replicate dialogue actually spoken by the employee while conducting their customary work duties.

7. Executive Officers – Waiver of the Contract: the previous restriction of “delivering Institutional messages” has been eliminated. The contract is waived for executive officers of the advertiser who appear in any commercial. The term “executive officer” is limited to persons who at the time of filming hold one or more of the following titles: Chief Executive Officer, President, Chairman of the Board, or another equivalent title.

8. Non-Discrimination and Affirmative Action: the current Section 14A. is amended to include gender identity. Section 14D. is amended to include Middle Eastern. Section 14G. is amended to preclude discrimination as a result of obtaining documents in connection with the Form I-9 and is amended to include disability.

9. PSA's: 1) the right to unlimited national use for one year includes all media covered by the agreement; 2) the unions have agreed to institute a standard PSA waiver letter; 3) for an experimental 3-year basis, PSA's produced under the aegis of the Ad Council will be allowed to include solicitations for donations. Other public service groups who qualify under the PSA waiver provisions may request a similar waiver regarding donations. Please note: No commercial advertising or commercial sponsorship is permitted within a PSA's script or on the landing page of any website referenced in the PSA.

10. Cable:

- Cable Use Rate Increases: The unit rate for units 1-200 is increased by 6.56%. All other unit rates are increased by 4.43%. **Note:** new cable unit weights apply to all commercials regardless of when the commercials were produced.
- Made for Cable Commercials: With the exception of commercials airing only on local cable systems, holding fees must now be paid for made for cable commercials. In addition, performers must now grant advertisers exclusivity rights.

11. Internet and/or New Media: “Moved Overs”:

Use Cycles: may be either 8 week or one year. Additional 8 week cycles beyond the initial 8 week cycle must be consecutive or the one year cycle rate applies. Unless the performer has withheld internet and/or new media use (as applicable) separate permission from the performer for an eight week cycle payment rate is no longer required.

Use Rates:

- Eight Week Cycle: 133% of the applicable session fee
- One Year Cycle : 350% of the applicable session fee

Note: Provisions regarding unlimited editing remain unchanged.

12. Internet and or New Media: “Made Fors”:

Free bargaining for the production of “made fors” remains in effect until March 31, 2011. **Effective April 1, 2011**, session fees for “made fors” will be the same as for any broadcast commercial and use fees for “made fors” will be the same as for “moved overs”:

Use Rates:

- Eight Week Cycle: 133% of the applicable session fee
- One Year Cycle : 350% of the applicable session fee

Note: Provisions regarding unlimited editing remain unchanged.

13. Commercials Made for Foreign Use Only: Session fees may no longer be credited

14. Undisputed Overpayments: Performers must now be notified in writing prior to recoupment, of the overpayment amount, dates, commercial title(s), advertiser, agency, and reason for recoupment.

15. Preference of Employment- Owners of Specialized Vehicles: Owners/drivers of specialized vehicles not readily available in the general market will be exempt from preference of employment penalties. However, such vehicle driver must meet the safety guidelines specified by the stunt coordinator.

16. Spanish Language – Schedule C:

- Wild Spot: the unit weights for certain markets in the wild spot section have been revised as follows:

| Market | From | To |
|-------------------|-------------|-----------|
| Atlanta | 1 | 2 |
| Dallas/Fort Worth | 7 | 8 |
| Las Vegas | 1 | 2 |
| Orlando | 1 | 2 |
| Phoenix | 5 | 6 |
| San Diego/Tijuana | 10 | 11 |
| San Francisco | 7 | 8 |
| Tampa | 1 | 2 |

- Foreign Use: the payments specified in each sub-provision have been increased by one session fee

17. Extras:

In addition to the wage and allowance increases, the following items apply to extras:

- Crowd Work: has been increased from 40 to 45 registered extras
- Extras shall be informed at the time of hire as to the number of commercials being shot, if known.
- Extras shall be paid a flat rate of \$8 per day travelling to work within the studio zone.
- Extras shall be paid \$5.74 per device if asked to bring a portable computer, a portable digital music player, a handheld mobile device, or similar devices.
- Clarification re Cancelled Calls: Schedule D.IV.17.C.4 - Extra performers are not entitled to a ½ check when cancelled before 4PM *only* per Section C.1 (a), (b) or (c) in Schedule D. Section IV.17.C.4. All other cancellations pursuant to C.1 shall require payment of the ½ check: If an extra performer is notified of such cancellation, per Section C.1. (a), (b), or (c) above, before 4 P.M. of the work day previous to the work date specified in such call, or is otherwise employed on the same work date by the same production company, at a rate equal to or higher than the rate applicable to such extra performer as specified in such canceled call, he/she shall not be entitled to such ½ check.”

18. Special Note:

Multi-Service /Special Services/"Celebrity" Contracts: there are several new legal provisions that impact multi-service/"celebrity" type contracts : pension and health allocation guidelines, pension and health cap, assumption agreement requirements, arbitration provisions, confidentiality agreements with fund auditors, designation of multi-service contract status on the P+H//H+R reporting form. Full details concerning these provisions will be included in the memorandums of agreement. Until the memorandums of agreement are completed and distributed, if your company is currently in the process of drafting this type of contract or have executed one effective as of April 1, 2009, please have your legal counsel contact Kathleen Quinn of the 4A's: kathleen@aaa.org or Doug Wood, JPC lead negotiator/lead counsel dwood@reedsmith.com for further information.

19. Commercial Service Fee to Fund the JPC.

Beginning on July 1, 2009, advertisers that are JPC authorizers or that use advertising agencies that are JPC authorizers will pay a one-time flat fee of \$75.00 per new commercial, payable when the commercial is first used, i.e., contemporaneous with the first use payment. Approved by the ANA and AAAA, these fees will be collected by the talent payroll agencies and remitted to the ANA on a monthly basis. The ANA will oversee the funds and the budgeting process for the JPC. The JPC anticipates that the per commercial service fee will decrease in future years as funds raised become sufficient to address short and long term budget requirements. This is the same system used in Canada.

AFTRA RADIO COMMERCIALS CONTRACT

1. **Term:** Three years: from April 1, 2009 through March 31, 2012.
2. **Which commercials:** the terms and provisions hereof shall apply to all commercials produced on or after April 1, 2009.
3. **Retroactive Payments:** for services performed in commercials made between April 1, 2009 and June 15, 2009, all retroactive payments must be made not later than June 16, 2009.
4. **Compensation:** all compensation is increased by 5.35%
5. **Wild Spot Unit Weights:** certain wild spot markets are increased as follows:

| <u>Market</u> | <u>From</u> | <u>To</u> |
|-----------------------|-------------|-----------|
| Atlanta | 5 | 6 |
| Charlotte | 2 | 3 |
| Dallas-Ft. Worth | 6 | 7 |
| Houston | 5 | 6 |
| Orlando-Daytona Beach | 3 | 4 |
| Phoenix | 4 | 5 |
| Raleigh-Durham | 2 | 3 |
| San Francisco | 6 | 7 |
| Tampa-St. Petersburg | 4 | 5 |

6. **Health + Retirement Payments:** the new H+R rate is 15.5%
7. **Provisions The Same As Television Above:** provisions re recoupment of overpayments, non-discrimination/affirmative action, Internet and New Media: both "moved-overs" and "made-fors", PSA waivers, and new provisions regarding multi-service/"celebrity" contracts.

May 28, 2009