



## April 7th Posting:

### Difficult negotiations come to a conclusion

We would like to announce that the JPC and SAG/AFTRA have tentatively agreed on terms for a new collective bargaining agreement for commercials commencing April 1, 2009 and ending March 31, 2012. Until the formal agreement is signed (most likely in mid-May following voting by the SAG and AFTRA boards and the union members), business continues under the existing contract. We currently do not know if once the contract is signed, whether the rates will be retroactive.

Below, are some of the highlights of key changes outlined in this agreement.

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#### > **wages:**

The wage package increases compensation in the first year by 4.43% for television and 5.35% for radio. There are no increases in second and third years. The overall wage package totals 5.5% when you add on the other “bumps”, (e.g., increase in Internet Moveover minimums)

#### > **pension & health fund:**

There will be a cap on Pension & Health Fund payments. Advertisers must contribute only on the 1st million allocated to the covered services. The result is that no advertiser will have to pay more than \$150,000 in P&H in any given year for a specific celebrity deal. The new cap is effective January 1, 2012. Conditions of the pension plan and the investment industry have prevented the cap from being implemented sooner.

#### > **public service:**

PSA's can be used in all media covered by the contract and agreement on a standard template for waivers. There will be a three year waiver for the Ad Council, allowing them to produce PSA's that directly solicit contributions. Other producers of PSA's can also ask for the waiver and will most likely get it.

#### > **auditions:**

Agencies and advertisers will no longer have to pay for the third and fourth auditions, provided the call backs are limited to a few of the actors who auditioned in the first two calls.



> **8 week cycle:**

You no longer need separate permission from an actor to opt for the shorter cycle if the actor has not withheld internet rights. It is unusual for actors to withhold such rights when initially hired, so this is a real gain. You now have the right to opt for an unlimited number of successive 8 week cycles, a major improvement over the prior deal.

> **GRP:**

The unions jointly agreed to conduct a two year multi-million dollar pilot on the GRP Payment Model developed by Booz & Company in a 2007 study commissioned by the JPC and the unions. This is a major victory by the industry and will provide a fully operational system in 2011.

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> **CEO's:**

There will be a full exemption for CEO's even when they are not delivering an "institutional message" and liberalization of filming employees at work. Advertisers may now direct them and may even film them off premises on recreated sets in studios where it is impractical to film them at the place of employment.

We hope this provides you with the relevant information you'll need for planning production moving forward. For further updates on these topics, please refer to the JPC's site [http://jpc.typepad.com/joint\\_policy\\_committee/](http://jpc.typepad.com/joint_policy_committee/) or contact your Talent Partners client service representative.