



February 26, 2004

## 2004 Extension Agreement for the SAG/AFTRA Television & Basic Agreements SUMMARY & BALLOT

**DEAR SAG and AFTRA MEMBERS:**

On February 20, the Joint SAG/AFTRA National Board of Directors voted overwhelmingly, 79% to 21%, to recommend a one-year Extension Agreement of the 2001-2004 SAG Basic and Television Agreements and AFTRA's Exhibit A to the Network Code which would be expanded to cover all prime time dramatic television (including sitcoms). If approved by SAG and AFTRA members, this extension will cover the period between June 30, 2004 to June 30, 2005.

### *Here's What We Gained In this One-Year Extension Agreement:*

- **FOR THE FIRST TIME IN THE HISTORY OF TELEVISION, ALL ACTORS WILL BARGAIN TOGETHER FOR MINIMUM TERMS RELATING TO ALL PRIME TIME DRAMATIC WORK INCLUDING THE WB AND UPN**

Previously limited to programs broadcast on prime time network (ABC, CBS and NBC), this represents an unprecedented and historic achievement allowing our unions to capitalize upon the leverage and the power of both unions working together.

- **SALARY INCREASES OF MORE THAN 50% AND SUBSTANTIALLY IMPROVED WORKING CONDITIONS FOR FREELANCE ACTORS, GUEST STARS, STUNT PERFORMERS AND DANCERS WORKING ON NEW DIGITAL SHOWS FOR WB AND UPN**

*Please review the enclosed "What This One Year Extension Means to You."*

- **ALL WAGE MINIMUMS INCREASE 2.5% ON JULY 1, 2004, WHICH ALSO INCREASES RESIDUALS BASED ON THE CONTRACTUAL MINIMUMS**  
We are positioned to take advantage of any positive changes in the economy at our upcoming negotiations despite remarkable lows in inflation. In addition, this Extension Agreement includes extraordinary increases in minimums for new WB and UPN digital programs.
- **BACKGROUND ACTORS ON NEW WB AND UPN DIGITAL SHOWS GET THE BENEFITS OF EXHIBIT A OF THE NETWORK CODE WHICH INCLUDE COVERAGE OF ALL BACKGROUND ACTORS UNDER UNION CONTRACTS, THE SIXTEEN-HOUR RULE, NIGHT PREMIUM AND MORE**
- **MORE JOBS FOR BACKGROUND ACTORS**  
The number of covered background actor jobs in TV increases for the first time since 1989. Jobs on SAG television programs produced in the west coast zones will increase from 15 to 16 per day per show.

- **CONTRIBUTIONS TO THE SAG AND AFTRA HEALTH PLANS INCREASE BY 0.5% AS OF JULY 1, 2004 AND SEPTEMBER 1, 2004, RESPECTIVELY—MATCHING THE HIGHEST INCREASES IN THESE CONTRACTS SINCE 1989.** This is a vital infusion of funds to our health plans.
- **STUNT COORDINATORS WORKING ON NEW DIGITAL SHOWS FOR WB AND UPN GET FULL UNION COVERAGE**

### *Why Extend the Contracts?*

#### **The one-year extension provides:**

- ✓ Prevention of the massive production slow down that occurred in 2001.
- ✓ Permanent adjustment of the bargaining calendar—moving the TV and Basic Agreements out of the same negotiating year as the Commercials Agreement —ensuring appropriate focus on each.
- ✓ Opportunity to mount a campaign to build support around our negotiating priorities.
- ✓ Time to conduct critical research to support our contract campaign and the negotiations.
- ✓ Substantial foundation for the full three-year agreement to be negotiated this fall.

#### **We will build on these achievements in full-scale negotiations this fall where we will focus on:**

- ◆ *Completing the unification of the terms for dramatic television work*
- ◆ *Increasing residuals, including those for DVDs, pay television and made for basic cable*
- ◆ *Improving and expanding job opportunities for background actors*
- ◆ *Protecting and preserving the health and pension benefits provided by the unions' plans.*

Your Presidents recommended and the Joint National Board agreed to include the enclosed Con Statement in order to provide you with the benefit of the full range of debate.

## **WE URGE YOU TO VOTE YES TO APPROVE THIS ONE-YEAR CONTRACT EXTENSION AGREEMENT**

### THE JOINT SAG/AFTRA NATIONAL BOARD

Melissa Gilbert  
SAG President

John Connolly  
AFTRA President

A. Robert Pisano  
SAG National Executive Director/CEO

Greg Hessinger  
AFTRA National Executive Director

# CON STATEMENT

## **Extension? NO, it's a One Year Contract.**

The producers asked for it. But WE will be paying for it!

1) A 2.5% raise in minimums (scale) is an historical low.

<u>Recent Minimums Gains</u>	1989 – 1992	4%	4%	4%
(per year)	1992 – 1995	4%	4%	4%
	1995 – 1998	3.5%	3.5%	3.5%
	1998 – 2001	3%	3.5%	3.5%
	2001 – 2004	3%	3%	3.5%

('01 & '02 only 3% because .5% was added to P&H)

Minimums are now maximums in today's scale plus 10% world. *Millions will be lost in allowing this historically low increase.*

2) Pension and Health – A .5% increase in P&H doesn't cure the problem of actors paying premiums for health insurance for the first time in history. This .5% is half of what actors gained in last year's commercials contract. *Millions lost for another year.*

3) Residuals – No increase, no changes possible until July 2005. *Tens of millions in potential gains lost for another year.*

a) DVD: **We cannot allow what happened in cable to happen in DVD.** We've been fighting for 21 years to fix our bad cable deal. Over 50% of revenues earned in the TV/Theatrical business today are in DVD/Home Video. Yet, our residuals are less than 1% of industry revenues in the most lucrative bonanza in entertainment history.

b) WB and UPN continue to pay 60% to 95% less in residuals than the other four networks.

c) Made for Basic Cable residuals: No increase! Meanwhile WGA and DGA have already negotiated higher rates. Cable residuals are often less than the price of the stamp.

4) Joint Negotiations in Primetime is not a gain. We've jointly negotiated with AFTRA since 1981.

This one-year contract weakens us. Real gains cannot be realized before July 1st, **2005**. This allows producers to leisurely stockpile product for an entire year and undercut our bargaining leverage.

We currently have a proposal package, addressing all of the issues above, drawn from member input and voted up unanimously by the Joint Board. Let's negotiate that.

**Your NO vote does not mean strike.**

It empowers our negotiators to go back and negotiate a fair, three-year contract.

CON STATEMENT WAS LIMITED TO 350 WORDS

# What This One-Year Extension Means to You

A freelance performer\* on a new digital show for The WB or UPN

## Your original salary:

	On a Current ½ Hour Series	On a New ½ Hour Series
5 lines or less	\$ 317 ( <b>category eliminated</b> )	\$ 695
3 day	943 ( <i>program fee + overtime</i> )	1,757
Weekly	1,393 ( <i>program fee + overtime</i> )	2,411
Major Role	1,393 ( <i>no such category, paid as weekly</i> )	3,736
Stunt (weekly)	<i>Paid program fee plus overtime</i>	2,588
Dancer (solo/duo)	653 (10.5 hours over 2 days)	695 (8 hrs)
Stunt Coordinator	No category	3,126 (flat weekly)

**“Crediting”** means that if you or your representative bargain a deal above the union minimum, the producer may apply any money they pay you above the minimum against the overtime, premiums, etc., that the producer would otherwise owe you. For example, if scale is \$653 (the program fee) and you are being paid \$1000, then the producer may credit up to \$347 of the overtime payment that you might have otherwise earned. In this example, you will only get paid for any overtime if you work more than \$347 worth of overtime at \$20 or \$30/hour.

## Your overtime:

	On Current Series <b>All creditable above scale</b>	On New Series <b>No crediting</b>
5 lines or less	\$ 20 or 30 per hour	\$130 per hour
3 days	20 or 30 per hour	109 per hour
Weekly	20 or 30 per hour	82 per hour
Major Role	20 or 30 per hour	127 per hour

## Your rest period violations:

On Current Series	On New Series
\$15 per hour	Day’s pay up to \$950

## Your late fees:

On Current Series	On New Series
\$4 per day up to \$120	\$10 per day up to \$200

## Your holiday pay:

On Current Series	On New Series
No extra pay	A day’s pay as premium

## Your meal period violations:

	On Current Series	On New Series
Total for ½ hour	\$25 maximum	\$ 25
Total for 1 hour	regardless of	60
Total for 1 ½ hours	the length of the	110
Total for 2 hours	violation	160

**\* Important objectives for the negotiation to commence in the fall include improvements for singers and series performers and residuals for all performers in all areas.**

**EXTENSION AGREEMENT for  
2001 Screen Actors Guild Codified Basic Agreement,  
2001 Screen Actors Guild Television Agreement,  
2001 Screen Actors Guild Television Animation Agreement,  
2001 Screen Actors Guild Network Side Letters,  
Exhibit A of the AFTRA National Code of Fair Practice  
for Network Television Broadcasting, and for  
Prime Time Dramatic Programming under the AFTRA Code of Fair Practice  
for Network Television Broadcasting**

1. **Purpose:** The purpose of this Extension Agreement is to provide a one-year period of stability for the motion picture and television industry during which production and employment can continue without interruption. At the same time, the one-year extension period will provide the bargaining parties with an opportunity to establish a bargaining schedule for a full Agreement which will enable them to conduct negotiations within a time frame conducive to a full and fair consideration of all bargaining issues.
2. **Bargaining Schedule:** The bargaining parties shall agree upon beginning and end dates for negotiations as part of this Extension Agreement, with a target date for commencement that is not later than the fall of 2004.
3. **Term:** This Extension Agreement shall be effective as of July 1, 2004. The termination date for the 2001 Screen Actors Guild Codified Basic Agreement (hereinafter “the Codified Basic Agreement”), the 2001 Screen Actors Guild Television Agreement (hereinafter “the SAG Television Agreement”), the 2001 Screen Actors Guild Television Animation Agreement (hereinafter “the Television Animation Agreement”), the 2001 Screen Actors Guild Network Side Letters, Exhibit A of the AFTRA National Code of Fair Practice for Network Television Broadcasting (hereinafter “Exhibit A of the AFTRA Network Code”) shall be extended to and including June 30, 2005.

A sideletter shall be added to Exhibit A of the AFTRA Network Code under which the parties agree to negotiate all terms and conditions for all prime time dramatic programs covered by the AFTRA Network Code in conjunction with the bargaining for the successor agreements to the Codified Basic Agreement, the SAG Television Agreement and Exhibit A of the AFTRA Network Code which shall expire on June 30, 2005.

4. **Salary Rates:** The minimum initial salary rates for all performers (including the rates for stunt coordinator in Section 2 of Schedule K, Parts I, II and III) and for background actors under the Agreements mentioned above shall be increased by two and one-half percent (2.5%) effective July 4, 2004.

5. **Health Plan:** The Health Plan contribution rate shall be increased by one-half percent (0.5%) for motion pictures produced under the Codified Basic Agreement, the SAG Television Agreement or the Television Animation Agreement, the principal photography or recording of which commences on or after July 1, 2004. The Health Plan contribution rate shall also be increased by one-half percent (0.5%) for television motion pictures produced under Sideletter G of the SAG Television Agreement, for television programs produced under Exhibit A of the AFTRA Network Code and for those prime time dramatic programs produced for the WB or UPN which are covered under item 6. below, the principal photography or recording of which commences on or after September 1, 2004.

Contributions to the SAG IACF and to the AFTRA ICF shall be maintained at the existing rates for the term of the Extension Agreement.

The impact of the caps on contributions to the Pension and Health Plans in connection with work on television motion pictures and television programs shall be studied during the term of the Extension Agreement. The parties agree to exchange all relevant information necessary to conduct such study.

6. **Prime Time Dramatic Programs :**

As to new prime time dramatic series<sup>1</sup> produced on or after July 1, 2004 in digital format (currently 24P) for the WB or UPN for the 2004-5 television season under Sideletter G of the SAG Television Agreement or under the AFTRA Network Code, the terms of Exhibit A of the AFTRA Network Code shall apply, except as hereinafter provided:

- (1) Paragraph 69, "Supplemental Markets; Pay Television; Basic Cable" and Exhibit D of the AFTRA Network Code shall apply in their entirety, except that the unit formula for series produced under Sideletter G shall be changed to 3-2-1.
- (2) Paragraph 73, "Replay of Recorded Programs," of the AFTRA Network Code shall apply in its entirety, with the following exceptions:
  - (a) For purposes of computing residuals under Paragraph 73, the residual base for both domestic and international replays shall be the applicable program fee under the AFTRA Network Code. For example, the residual for a principal performer who is engaged to work for one week on a one-half hour program at the rate of \$2,411 shall be based on a program fee of \$653. In the case of a performer who has been informed at the time of employment that the

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<sup>1</sup>A series shall be considered a "new" series, regardless of the fact that a pilot or presentation or one (1) or more episodes may have been produced prior to July 1, 2004 subject to the 2001 Agreements, so long as the series is intended for exhibition in the 2004-5 television season.

engagement is for five (5) lines or less, the program fee for residual purposes shall be the applicable five (5) lines or less program fee unless the performer is upgraded to principal performer. In the case of a background actor who is upgraded to an actor category, the program fee for residual purposes shall be the applicable five lines or less program fee or principal performer program fee, as applicable.

- (b) In lieu of the crediting provisions contained in the fifth paragraph of Paragraph 73.B.(4), in Paragraph 73.F.(2)(a)(ii) and (iii), and in Paragraph 73.F.(2)(d), the following shall apply:

The Producer may, subject to the consent of the performer at the time the original engagement is made, credit overscale payments in excess of the applicable minimum initial compensation paid to the performer towards monies due the performer for domestic and/or international replays of any recording. For purposes of this provision, “applicable minimum initial compensation” means the minimum salary rates referred to in Section 1 of Exhibit A of the AFTRA Network Code.

- (c) The provisions of Paragraph 73.D. which allow excerpts to be used without the consent of the performer upon applicable payment, if any, shall be limited to use in:

- (i) other episodes (including compilation programs) of the same series; and
- (ii) awards programs.

It is understood that an excerpt from one part of a multi-part program may be used in another part of the program without the consent of the performer upon applicable payment, if any.

- (3) The terms of the AFTRA Network Code shall apply to singers and to any principal performer who would otherwise be considered a “series contract” performer within the meaning of the SAG Television Agreement.

- (4) Paragraphs 10, 59 and 88 of the AFTRA Network Code shall apply.

Consistent with the above, an Exhibit shall be prepared and attached hereto specifying the terms and conditions of the SAG Agreement and AFTRA Network Code which shall be applicable to such programs.

7. **Background Actors**: The number of covered Background Actors on television motion pictures shall be increased to sixteen (16) in Schedule X, Part I as of July 1, 2004.

## INFORMATIONAL MEETINGS

Currently paid-up members of SAG and/or AFTRA may attend joint informational meetings held in these cities prior to the voting deadline. You must present a paid-up SAG or AFTRA membership card for admission. Plan to attend the informational meeting in your area.

### NEW YORK

Wednesday, March 3 at 6 p.m.  
AFTRA Headquarters - Board Room  
260 Madison Avenue, 7th Floor

### CHICAGO

Monday, March 8 at 6:30 p.m.  
Kaufherr Members Resource Center  
1 East Erie, Suite 660

### LOS ANGELES

Friday, March 12 at 6 p.m.  
SAG Headquarters - James Cagney  
Board Room  
5757 Wilshire Boulevard

### SAN FRANCISCO

Wednesday, March 10 at 7:30 p.m.  
SAG/AFTRA Headquarters  
350 Sansome Street, Suite 900  
(Street parking after 7 p.m.)

## **AFTRA/SAG OFFICES**

Arizona/Utah (SAG)	800-SAG-0767	New Mexico (SAG)	800-SAG-0767
Atlanta (AFTRA/SAG)	404-239-0131	New Orleans (AFTRA)	866-236-2941
Boston (AFTRA/SAG)	617-262-8001	New York (AFTRA)	212-532-0800
Chicago (AFTRA/SAG)	312-573-8081	New York (SAG)	212-944-1030
Cleveland (AFTRA)	216-781-2255	North Carolina (SAG)	800-SAG-0767
Dallas/Ft. Worth (AFTRA)	214-363-8300	Philadelphia (AFTRA)	215-732-0507
Dallas/Ft. Worth (SAG)	800-SAG-0767	Philadelphia (SAG)	800-SAG-0767
Denver (AFTRA/SAG)	720-932-8193	Phoenix (AFTRA)	602-265-2712
Detroit (AFTRA)	248-213-0264	Pittsburgh (AFTRA)	412-281-6767
Detroit (SAG)	248-213-0272	Portland (AFTRA)	503-279-9600
Florida (SAG)	305-670-7677	Portland (SAG)	800-SAG-0767
• Central Florida (SAG)	407-788-3020	San Diego (AFTRA)	858-278-7695
Hawaii (AFTRA)	866-634-8100	San Diego (SAG)	800-SAG-0767
Hawaii (SAG)	808-596-0388	San Francisco (AFTRA/SAG)	415-391-7510
Houston (AFTRA/SAG)	713-686-4614	Seattle (AFTRA)	206-282-2506
Kansas City (AFTRA)	816-753-4557	Seattle (SAG)	206-270-0493
Los Angeles (AFTRA)	323-634-8100	St. Louis (AFTRA)	314-231-8410
Los Angeles (SAG)	323-954-1600	Tri-State (AFTRA)	513-579-8668
Miami (AFTRA)	954-920-2476	Twin Cities (AFTRA)	612-371-9120
Nashville (AFTRA)	615-327-2944	Washington/Baltimore (AFTRA/SAG)	301-657-2560
Nashville (SAG)	800-SAG-0767		
Nevada (SAG)	800-SAG-0767		

or 702-737-8818

