

Latest Guild Negotiations Run Smoothly Despite Sticking Points

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5-6 minutes

As we make final preparations for [Precarious Creativity: Global Media, Local Labor](#), we wanted to take the opportunity to highlight the status of current contract negotiations between the major guilds and the Alliance of Motion Picture and Television Producers (AMPTP). Master contracts expire by the end of June 2014.

Keeping with tradition, the DGA was the first guild to enter contract negotiations with producers. Discussions, which started Nov. 23, lasted for less than 20 days, and reaffirmed the historically hassle-free nature of talks between the directors and producers.

Pattern bargaining essentially establishes the DGA contract as the template for any subsequent negotiations. This year, however, the WGA has claimed a more proactive stance, pointing to a series of conversations its representatives had with their counterparts at the DGA before any negotiations took place. Such collusion is often overlooked when individual guilds reach agreements because each organization is inclined to take

full credit for its success.

Here is an excellent [podcast](#) that offers a rare behind-the-scenes glimpse at the WGA negotiations.



The DGA [deal](#) included some notable gains: wage and residual increases of 2.5 percent in the first year and 3 percent in the second and third years of the contract. By comparison, the DGA only secured a 2 percent yearly wage increase in the last round of negotiations. Producers also agreed to increase employer contributions to pension plans by 0.5 percent and establish certain minimums on new media productions. Affirming its commitment to diversity, the DGA also convinced the major television studios to maintain or establish a Television Director Development Program to increase diversity in the director's chair.

While a [strike](#) was an extremely unlikely prospect this year, the WGA talks were a slightly more protracted process. Media attention initially focused on the threat to cut a total of \$60 million from health and pension plans and wages, but the ultimate [sticking point](#) proved to be a long-standing contract provision that addressed exclusivity rules on TV series.

The rules prevent writers from working on a television series while on hiatus from another show. In the era of 22-episode

seasons, this made sense for producers and writers



alike. Producers didn't have to worry about their writers aiding competition, while writers enjoyed the job security of full season orders. However, with the increased popularity of shorter seasons, along with the advent of new designations like [Limited or Event Series](#), many writers find themselves contractually attached to shows that run for only a few months each year. As a result, writers face longer and longer hiatuses without the ability to earn income.

Talks stalled twice during negotiations, which lasted almost two months before both sides reached an [agreement](#) shortly after the second recess. WGA proclaimed [victory](#), having secured less rigid exclusivity restrictions.

Following the DGA agreement, the WGA also secured 3 percent annual wage increases, 5 percent annual increases in script minimums for hour-long basic cable dramas, and a 0.5 percent increasing in the contribution to the pension fund. Finally, the guild also won increases to payments for ad-supported online streaming, and a shrinking of the free streaming window in which no residuals are paid. WGA members are expected to [ratify](#) the contract before May 1.



Negotiations between SAG-AFTRA and producers will [start](#) May 5. Executive Director David White is expected to lead the negotiations with AMPTP, despite his rumored [departure](#) in June. The outspoken [MembershipFirst](#) faction of SAG-AFTRA, which publically opposed the merger between SAG and AFTRA two years ago, has [criticized](#) the decision to keep White as lead negotiator on the eve of his exit from the organization.

To further complicate matters, this negotiation marks the first post-merger agreement for the guild. In the past, the two guilds often jointly negotiated separate contracts but that system broke down in 2008 when AFTRA [opted](#) to reach its own agreement with producers. The decision sparked a feud between the guilds, a near strike by SAG, and a one-year delay to the eventual SAG agreement. While the current agreement will likely follow the recently settled DGA and WGA contracts, SAG-AFTRA does have some unique [issues](#). In particular, the merged guild must reconcile formerly distinct contracts for its membership, which includes merging separate health and pension plans.

Furthermore, if the guild wants to improve its position beyond what has been achieved in the agreements with the DGA and WGA, producers may ask for concessions in other areas. The SAG-AFTRA contract expires June 30.