

Maximizing Value with Union Talent

Prepared for
ANA Advertising Financial Management
Conference

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Agenda

- **About the JPC**
- **Impact on Advertisers**
- **Maximizing Value and Minimizing Costs**
- **Live Productions during COVID**
- **Discussion and Q&A**





THE JOINT POLICY
COMMITTEE, LLC

Who we are

- The JPC is the multi-employer collective bargaining unit that negotiates the \$3 billion SAG-AFTRA Commercials Contract on behalf of the advertising industry against SAG-AFTRA every 3 years.
- The JPC also negotiates the Commercial Announcements Agreement against the American Federation of Musicians.



What we do



- **The JPC provides:**
 - Free advice regarding contract interpretation
 - Free training seminars for advertisers and agencies
 - Guidance regarding IUSC and claim resolution
 - Facilitation of all waiver requests under the Commercials Contracts
 - Advice regarding Global Rule 1 issues and producing under the correct union CBA, such as the New Media Agreement and Podcast Agreement
- The JPC has responded to **nearly 4,000** emails regarding commercial productions since the start of the pandemic, many of which relate to waivers and other cost-saving measures
- This year, the JPC has done 6 **free trainings** and will conduct over 6 **Town Halls** updating the industry on JPC activities

The Union

- Talent union collective bargaining agreements (CBAs) cover movies, theatre, TV, radio, commercials, interactive (i.e., video games), digital entertainment (i.e., “new media”), sound recordings, and corporate/educational/non-broadcast videos (i.e., “industrial”)
- Most celebrities (even athletes and singers) are SAG-AFTRA members
- Increasingly, influencers are members too
- SAG-AFTRA represents 160,000 “rank-and-file” members



Impact on Advertisers

If you:

- Are a signatory to the SAG-AFTRA Commercials Contract OR
- Work with union talent (**including actors, athletes and singers**) OR
- Work with a signatory advertising agency

then union obligations will likely apply.



Maximizing value and minimizing costs



Waivers under Section 8.D



- The “My Creative Doesn’t Fit in Any Waiver” Waiver

If a Producer needs a waiver for other creative executions that necessitate non-professionals that are not otherwise covered under the employee waiver, live event/man-on-the-street/hidden camera, and/or testimonial waivers, the union will in good faith consider granting such a waiver to Producer.

- Since April, the JPC obtained 30 waivers under Section 8.D for ANA members
- With JPC involvement, these waivers saved ANA members approximately **\$4 million**
 - \$3 million savings on talent costs (session + use)
 - \$1 million additional savings on P&H, payroll tax, etc.

Case Study: Waivers

Advertiser Category	Confections
Creative	Use of real people with personal stories
Spot Information	2 spots
Cost of Talent without Waiver	\$200,000
Cost of Talent with Waiver	\$0

Case Study: Waivers

Advertiser Category	QSR
Creative	Use of employees' stories
Spot Information	3 spots
Cost of Talent without Waiver	\$300,000
Cost of Talent with Waiver	\$0

Case Study: Waivers

Advertiser Category	Financial Services
Creative	Use of small business owners
Spot Information	2 spots
Cost of Talent without Waiver	\$350,000
Cost of Talent with Waiver	\$0

Case Study: Waivers

Advertiser Category	Consumer Goods
Creative	Use of real people with personal stories beyond the scope of the Testimonial Waiver
Spot Information	1 spot
Cost of Talent without Waiver	\$100,000
Cost of Talent with Waiver	\$0

Case Study: Waivers

Advertiser Category	Technology
Creative	Individuals providing personal stories
Spot Information	1 spot
Cost of Talent without Waiver	\$100,000
Cost of Talent with Waiver	\$0

Claim Resolution

- In the last 6 months, the JPC has navigated advertisers through multiple claims from SAG-AFTRA for commercial productions
- Claims range from issues with versioning, performer classifications, and integrations
- JPC successfully resolved 9 claims over this time period
- JPC's involvement saved these advertisers **over \$600,000**



Case Study: Claims

Advertiser Category	Car Company
Claim/Issue	Editing/versioning
Amount Sought	\$35,000
Amount Paid	\$5,000
Total Saved	\$30,000 in savings

Case Study: Claims

Advertiser Category	Financial Services
Claim/Issue	Social media integration
Amount Sought	\$90,000
Amount Paid	\$0; claim withdrawn
Total Saved	\$90,000 in savings

Case Study: Claims

Advertiser Category	Insurance
Claim/Issue	Improper use of Employee Waiver
Amount Sought	\$200,000
Amount Paid	\$50,000
Total Saved	\$150,000 in savings

Case Study: Claims

Advertiser Category	Telecommunications
Claim/Issue	Improper use of Employee Waiver
Amount Sought	\$100,000
Amount Paid	\$0; claim withdrawn
Total Saved	\$100,000 in savings

Case Study: Claims

Advertiser Category	Telecommunications
Claim/Issue	Use of Stock Footage
Amount Sought	\$150,000
Amount Paid	\$5,000
Total Saved	\$145,000 in savings

Case Study: Claims

Advertiser Category	Consumer Goods
Claim/Issue	Improper hire under Low Budget Digital Waiver
Amount Sought	\$25,000
Amount Paid	\$0; claim withdrawn
Total Saved	\$25,000 in savings

Production during COVID-19 lockdown

- Stay-at-Home and similar government orders halted new live commercial productions
- JPC was in constant communication with SAG-AFTRA

Three methods of production available:

1. Employees
2. Stock Footage
3. User Generated Content



Unofficial Expansion of Employee Waiver

- Commercial messaging and inability to cast talent = **increased use of employees**
- Issue is whether the Employee Waiver extends to filming employees at home **who may not be performing their typical duties**
- JPC taking a more **liberal view** of the employee waiver, depending on the content and context of the creative



User Generated Content

- Two kinds of UGC: 1) Unsolicited UGC; and 2) Solicited UGC
 - 1) JPC and SAG-AFTRA are in agreement that unsolicited UGC (i.e., it was pre-existing) was NOT shot for an advertising purpose and is, therefore, waived under the Commercials Contract
 - 2) Solicited UGC—that is, where you ask people to create specific content that you will use in the commercial—is made for an advertising purpose and is, therefore, covered under the Commercials Contract



Temporary Stock Footage Waiver

- Must make P&H contributions on scale for each individual who appears in stock footage
 - Blanket payment based on session and residuals for OCPs only
 - No payment to talent required and no SSN needed
- The stock footage must be sourced from an independent, third-party stock footage house and must have been produced on or before February 1, 2020
- The commercial must include at least one Union VO
- SAG-AFTRA will be free to pursue a claim on behalf of that individual if the individual who appears in the footage approaches SAG-AFTRA to pursue a claim. SAG-AFTRA will not search out or otherwise solicit claims.

gettyimages

shutterstock

vimeo

Resumption of live commercial production

- Pre-production safety calls are attended by SAG-AFTRA and JPC representatives
- Focus is on COVID safety measures, including:
 - ✓ Social distancing
 - ✓ Testing or temperature taking
 - ✓ PPE
 - ✓ COVID coordinator and other safety guidelines
- To date, SAG-AFTRA and JPC have cleared approx. **750** commercials



Contact Us/Q&A

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