



Association of National Advertisers | Est. 1910

# *Joint Policy Committee Update*

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**Advertising Law & Public Policy Conference**

**March 19, 2013**

**Douglas Wood**

**Stacy Marcus**

# The Players



- The JPC is the multi-employer bargaining unit established by the Association of National Advertisers and the American Association of Advertising Agencies.
- Each of the ANA and 4A's appoints fifteen members.
- The ANA appoints the Lead Negotiator and legal counsel.
- ANA and 4A's member companies appoint the JPC to represent them in negotiations with SAG-AFTRA and the AFofM.

## American Federation of Musicians

- Current contract expired October 2012.
- AFofM and the JPC signed an MOU agreeing to a 1% increase in pension plan contributions (no wage increase) and an extension through December 31, 2013.
- AFofM may be back-tracking but we expect to clear up the differences.
- Regardless, AFofM has little impact on the advertising business so any risk in an impasse can be managed.

- The Screen Actors Guild (SAG) and the American Federation of Television & Radio Artists (AFTRA) merged and are now one union – SAG-AFTRA.
- The merger has little impact on JPC's relationship with the union as the JPC always dealt with the two unions together.
- The JPC and union work together on a variety of projects of joint interest and have an excellent, albeit sometimes contentious, relationship.

- The SAG-AFTRA CBA is one of the largest union agreements in the United States.
- >\$1 billion per year spent on session, usage and benefits for actors in television, radio, and digital media commercials.
- Current CBA expires on March 31, 2013.
- Negotiations on new CBA began February 14, 2013 and will run through April 5, 2013.

Currently a press blackout on progress of negotiations but JPC remains cautiously optimistic.

**WELCOME TO THE  
MEDIA BLACKOUT**



**(THIS IS NOT HAPPENING)**

But there are some things we can talk about...





# Joint JPC/Union Projects



# Digital Advertising Measurement Project (the “New Media Study”)

SAG-AFTRA and the JPC jointly engaged Booz & Co. to study potential methodology and metrics that can be used to measure exposure in digital media. This study is ongoing.

## GRP-E & Clearinghouse

- The GRP-E works and if adopted will provide real value to the industry by linking talent payments to ROI in the same way it is measured for media, i.e., the gross rating point.
- Lack of a common indicator for media, programming and commercials remains a challenge.
- SAG-AFTRA and the JPC engaged PwC to evaluate feasibility of establishing a Clearinghouse that would identify and establish standard indicators for media, programming and commercials.
- First phase of the Clearinghouse study is complete. If continued, Clearinghouse could begin integration into the mainstream during Q3 2014.

# Evergreen Issues



# What is a Commercial?

- Short advertising or commercial messages made as motion pictures, 3 minutes or less in length, and intended for showing over television
  - include any narration, dialogue, songs, jingles, or other matter which depict or mention the advertiser's name, product, or service
  - include program openings and closings which mention the advertiser's name, product, or service.
- Messages over 3 minutes in length shall be subject to separate negotiations between the Union and Producer.
- Also includes short advertising messages intended for showing on the Internet and/or New Media which would be treated as commercials if shown over television and which are capable of being used on television in the same form as on the Internet and/or New Media.

# What is a Commercial?

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# What is a Commercial?





# What is a Commercial?

- Advertiser ID?
- Product ID?
- Call to action?
- Interactive?
- Flash?
- Length?
- Network clearance?
- Branding?





# What is a Commercial?



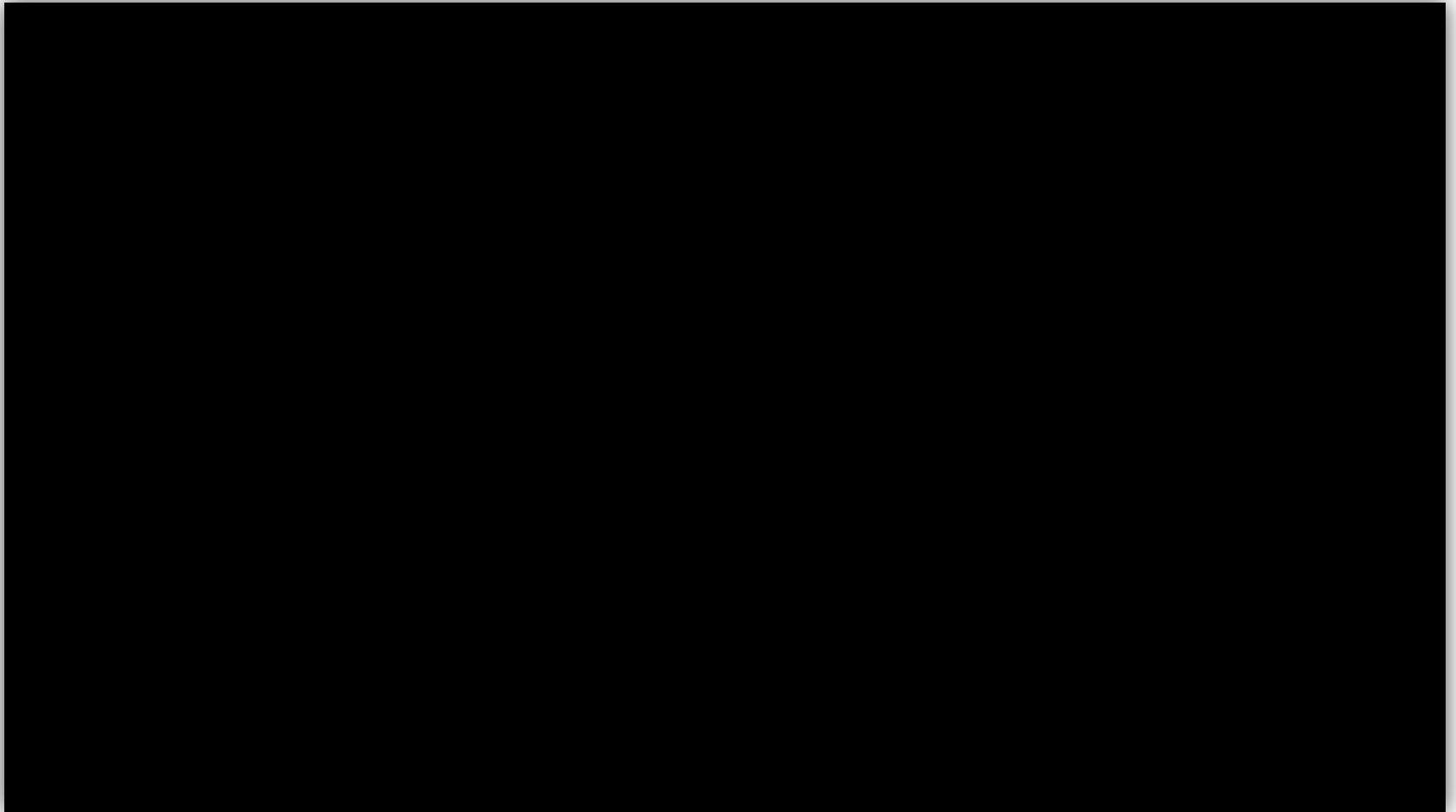
# What is a Commercial?



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# What is a Commercial?



# Resolving Disputes



- Membership: 5 Industry Representatives and 5 Union Representatives
- Meetings 3 or 4 times per year
- Purpose: “To discuss, investigate and make recommendations as to the solution of problems arising in the construction, interpretation and administration of this Contract, and as to any abuses or grievances, which arise during the term hereof affecting performer-Producer relationships generally and for which no remedy is provided hereunder.”
- Jurisdiction: 22 subsections outline more specific issues the IUSC will address.
- Decisions are non-binding.



“If a dispute arises as to whether material used on the Internet or New Media qualifies as a commercial ... either party may submit the dispute to a joint committee established by the Joint Policy Committee and the Union. The joint committee shall consist of an equal number of persons appointed by the Joint Policy Committee and by the Union. If the joint committee fails to resolve the dispute within thirty days, either party may submit the dispute to arbitration.”





- General Arbitrations: “All disputes and controversies of every kind and nature whatsoever between any Producer and the Union or between any producer and any principal performer and extra performer arising out of or in connection with this Contract, and any contract or engagement (whether overscale or not and whether at the minimum terms and conditions of this Contract or better) in the field covered by this Contract as to the existence, validity, construction, meaning, interpretation, performance, nonperformance, enforcement, operation, breach, continuance, or termination of this Contract and/or such contract or engagement, shall be submitted to arbitration...”
- American Arbitration Association Labor Arbitration Rules
- Hearings and written submissions
- Single arbitrator





- Expedited Arbitrations:
  - Allocation disputes
    - Meet and confer
    - Written submissions
    - Optional replies
    - Single arbitrator
    - Arbitration decisions made available to the JPC



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**TIME FOR**

**QUESTIONS**