

US ad agencies demand actors unions capitulate

Cory Johnson
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The top negotiator for the advertising agencies fired a shot across the bow in the three-month-old strike by commercial actors, warning that if the leaderships of the Screen Actors Guild (SAG) and the American Federation of Television & Radio Artists (AFTRA) did not accept the industry's demands for rollbacks in contracts representing 130,000 striking actors, they face the possibility of being excluded from the production of commercials for TV, cable and the Internet.

“If they fail to join with the industry in our attempt to modernize this contract,” warned negotiator Ira Sheppard, “they may be ending a productive partnership that has brought them prosperity in the past and can continue to bring them prosperity in the future. The choice is theirs. We trust they will come to their senses sooner rather than later.”

The unions have insisted that they will not retreat from the “pay per play” formula in contracts covering network television production, whereby actors receive residuals every time a commercial airs during a 13-week period. The advertising industry wants to scrap this clause and substitute a one-time flat-rate fee as currently exists under cable TV compensation.

The strike has prompted advertisers to further globalize their production of commercials by establishing either new relationships outside the United States or adding to the volume of international production. This was confirmed when another top negotiator for the advertising industry, John McGuinn, declared that a “product of the strike has been that the industry has become more comfortable in working with nonunion talent.”

While striking members of SAG and AFTRA have conducted their picketing of nonunion commercial production with great determination, the results of this are limited. Areas such as Los Angeles have shown a

drop in the number of commercial shoots. Strikers have also followed struck work outside of the traditional metropolitan areas. But the union leadership has not been able to counteract the ad agencies' moves to globalize production during the strike.

The unions have sought to appeal to companies to sign interim agreements based on the unions' demands in order to shoot commercials during the strike with the hopes that this will cause advertisers to make concessions. In addition they have appealed to important celebrities to refrain from shooting commercials. The upcoming fall television season and the opening of the Summer Olympics has placed pressure on the industry to produce commercials using market celebrities to add gloss to their brand name products.

But the honoring of the strike by celebrity talent received a blow this past week when golf superstar Tiger Woods broke ranks with the union to shoot a commercial for General Motors in Canada modeled on Olympic themes and scheduled to be broadcast to US audiences.

Woods, through his spokesperson, had early on declared his support for the strike and has passed up endorsements for companies like Nike with which he is contracted. General Motors evidently had been waiting to shoot the commercials, hoping that the dispute would be resolved. But the collapse of both mediated talks and last week's face-to-face negotiations between union and management moved GM to ask Woods to honor his contract. Woods declared in a statement, “It was an extremely tough situation, but I have relationships to uphold with my sponsors who have supported me over the years. This is in no way a stance against the union.”

The most SAG President William Daniels could say was “it is regrettable that General Motors thought it

more important to persuade [Woods] to break rank than allow him to keep his integrity by honoring his previous commitment to SAG to stand alongside his fellow union members, both in this country and in Canada.”

SAG has said it will ask Woods to explain his actions before a judicial committee.



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