

Talks collapse in US actors strike

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Ten days of negotiations between advertising agencies and unions representing 135,000 commercial actors collapsed September 27 without reaching any agreement in the five-month strike. The failure of talks, the most substantial since members of the Screen Actors Guild (SAG) and the American Federation of Radio and Television Artists (AFTRA) walked out May 1, raises concerns that the strike may drag on for an extended period.

A struggle over compensation formulas for network and cable commercials ignited the bitter strike. The ad agencies want to institute a single payment for ads and end a 50-year-old formula for network television in which actors were paid each time an ad aired. The unions sought to defend this provision while seeking a similar “pay per play” formula for cable television ads that currently only pay actors a one-time fee during a 13-week cycle of unlimited airings of a commercial.

According to negotiators for the advertising firms the demand to scrap the “pay per play” formula for network television was dropped in the most recent negotiations. The unions argue, however, that the surrendering of corporate demands for abolishing “pay per play” is contingent on union acceptance of a vastly inferior pay plan for cable TV.

The two sides disagree on what the advertisers' proposal constitutes. The unions claim the total compensation package amounts to a mere 7 percent over the life of a three-year agreement. The advertisers allege that their offer would increase salaries by 7 percent per year and charge the union proposal is excessive, with a 10.6 percent yearly increase.

Federal mediators, with support from the advertisers, attempted to introduce a 90-day cooling-off period in the talks. The unions rejected this, charging it would allow the ad agencies to stockpile ads.

SAG and AFTRA, despite picketing in the traditional locations near Hollywood where commercials are

normally shot, have been unable to elaborate any strategy to counter the advertisers' turn to markets outside the US. Instead the unions are seeking to pressure ad firms by appealing to corporate advertisers such as Procter and Gamble not to use their services.

The advertising agencies are no doubt being encouraged to take a hard line by the major movie studios and television networks, which are facing possible strikes over similar issues in mid-2001. The industry, which is dominated by such entertainment conglomerates as Sony, Fox, Disney, Warner Brothers and Universal, is resisting demands by actors and writers for residual payments for cable TV and Internet distribution. The networks and movie studios are reportedly rushing their production of films and television series in advance of threatened strikes by 11,000 writers and 135,000 actors in May and June of next year.



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