

# Tentative agreement reached in US commercial actors strike

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24 October 2000

Negotiators representing 135,000 striking commercial actors reached a tentative agreement with US advertising agencies Sunday evening to end the longest talent strike in Hollywood history. The walkout by members of the Screen Actors Guild (SAG) and the American Federation of Television and Radio Artists (AFTRA), which began May 1, centered on the industry's 50-year-old pay-per-play formula, which compensates actors each time one of their commercials airs on television.

The ad industry, represented by the American Association of Advertising Agencies and the Association of National Advertisers, retreated from its demand to do away with residuals for network television. Advertisers, however, took a hard line against union proposals to extend the pay-per-play system to the booming cable television market, which airs two-thirds of all TV commercials. SAG and AFTRA agreed to the advertisers' demands for a flat fee for unlimited use of cable ads, set at a maximum of \$2,460 in the third year of the contract. In ads made exclusively for the rapidly expanding Internet market, while advertisers agreed to employ union actors, they refused to budge on the union's demands to establish a new pay structure.

The new contract, which will take effect after the agreement is ratified, will be extended from two years to three. The joint SAG/AFTRA board of directors is expected to ratify the agreement at its meeting on Saturday, October 28 and to approve sending members back to work before they ratify the deal, which will be sent out by mail.

Unlike celebrities who earn six- and seven-digit salaries for commercial spots, lesser-known actors earn a minimum of about \$478 for a day's work, plus residuals of roughly \$50 to \$120 each time a spot airs

on network television. The average annual income of a SAG member is between \$5,000 and \$7,000 and the majority of commercial actors are forced to work other jobs—including temping, waiting tables, driving taxis and bartending—to make ends meet. According to the *Los Angeles Times*, of the 40,000 SAG members who make commercials, only 5,000 get enough work to earn a living.

The new settlement increases fees by about 10 percent, slightly more than the 7 percent the industry had been offering. But the ad agencies were determined to hold the line in the cable TV market, where the unions accepted flat fees when the cable industry was just beginning. Cable TV has since taken off with highly profitable channels such as ESPN and Nickelodeon, but actors have not been correspondingly compensated.

The ad agencies were able to weather a long strike because they had the backing of the media and entertainment conglomerates, which own networks, cable channels and movie studios. These companies were particularly anxious to hold down costs because contracts for tens of thousands of theatrical actors and writers in all media expire the middle of next year. Many of the same issues—including maintaining flat fees for cable TV and the foreign TV market—will be revisited in that contract dispute.

During the nearly six-month strike, actors in Los Angeles, New York and Chicago had limited success blocking the shooting of commercials with nonunion actors, despite many celebrity actors lending their support. But the actors' unions and the AFL-CIO leadership pursued the same tactics of boycott campaigns, appeals to corporate clients and big business politicians that have produced decades of defeated strikes for American workers in recent years.

The ad agencies, meanwhile, were able to avoid picketing actors by shooting commercials in Canada, Europe and Australia. The AFL-CIO's "American-first" nationalism blocked any possibility of an international joint struggle by actors.

Now the Hollywood studios, producers and TV networks are expediting productions and stockpiling scripts in anticipation of a possible strike next year.

Robert Litz, an actor and writer, told the WSWS, "This is not like the old days when an entertainment company just owned film and TV companies. Now we are facing huge conglomerates that take a corporate approach to bargaining. Even though residuals to actors are only a tiny piece of the advertisers' costs, they could afford to hang tough against us. A company like Disney, which owns ABC TV, makes more money with its theme parks and there was not a lot of incentive for them to end the strike.

"We got a slight bump in wages but none of the fundamental issues were addressed. I still cannot survive unless I take all kinds of work that is not covered by union agreements, all of which pays flat fees. In a profession with such a high level of unemployment the advertisers will always have an advantage. A long strike next year would really hurt. The length of this strike will have a chilling effect and the companies know that will make the theatrical actors and writers more malleable to their demands.

"The Internet is the new medium and the companies are saying the same thing they did when cable was new—give us a chance, let's see if its viable. Now we see Fox and Turner making billions.

"We are not facing national, but international conglomerates. They go anywhere to undercut production costs and get away from union contracts. The only way we can protect ourselves is to follow the multinationals and carry out unified bargaining."



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