

US: New Screen Actors Guild leadership caves in to studios

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24 April 2009

Ten months after the expiration of the Screen Actors Guild (SAG) contract with the major Hollywood studios, the union's national board approved a tentative new deal April 19 by a 53 to 47 percent vote. It will be sent to the 120,000 members in early May, with arguments for and against the contract, and the result will be known three weeks later.

The new agreement is almost identical to the one the Alliance of Motion Picture and Television Producers (AMPTP) offered last spring. It is a concessions contract that, if ratified, will result in a substantial decline in the living standards of actors and a worsening of conditions. It would open the way for the studios to make massive profits on new media at the expense of performers.

The past ten months have been characterized by bitter factionalism within the guild's leadership and the failure of any group to offer a way to resist the attacks of the media conglomerates. The newly-formed right-wing majority on the SAG national board, from Unite for Strength, representing the most privileged sections of performers with close ties to management, has made clear its intention to facilitate the efforts of the studios to impose rollbacks on the actors.

The Membership First faction, led by SAG president Alan Rosenberg, rightfully denounces the tentative agreement as a sell-out, but over the course of the past year has been unable to advance any coherent strategy for mobilizing actors and other sections of the entertainment industry workforce against the giant corporations. Its hesitations and impotence—along with its ultimate discrediting—result from the fact that the Rosenberg faction accepts the stranglehold of the conglomerates over film and television, but hopes that union militancy—or, more accurately, threats of union militancy—might wring somewhat better conditions out of the studios.

That strategy has thoroughly failed. There is no way, especially under conditions of a global economic meltdown, of advancing the economic or artistic interests of film workers without taking aim at the private ownership of the

entertainment industry and fighting for a socialist policy in Hollywood, New York and elsewhere.

The very method by which the new agreement was reached, secret backroom talks between SAG's new interim national executive director, David White, and top executives such as Disney's CEO Robert Iger and Warner Brothers' chairman and CEO Barry Meyer, should make it clear that there is nothing positive in this new contract for the average actor. These kind of corrupt negotiations, common in the film industry, work only to the advantage of the studios and the richest stars.

In fact, the only significant "concession" won from the executives was that the new SAG pact would run for two years as opposed to the three demanded by the studios. Guild leaders present this as a victory because the contract will expire in "synch" with other industry agreements. In fact, the studio executives' willingness to give in on this point merely means that they have taken the measure of the various entertainment union leaderships and recognize they have nothing whatsoever to fear.

The proposed agreement, which will be strenuously opposed by many actors, includes a 3 percent wage increase and a 0.5 percent increase in pension and health contributions in the first year of the contract, and a 3.5 percent gain in the second.

The contract provisions are not being applied retroactively to June 30, 2008, the expiry date of the old contract, so actors will lose tens of millions of dollars (\$67 million, according to the AMPTP). The new leadership may well have accepted this onerous provision as a means of teaching the membership, in alliance with the studios, that resistance to the dictates of management comes "with a price."

Furthermore, the force majeure provision of the old contract, which protected actors with compensation if their productions were shut down by a natural disaster or a strike in the industry, have essentially been scrapped and SAG members have been left to fend for themselves individually with producers. This would represent the first major rollback regarding force majeure provisions in over fifty years.

According to one blogger, “SAG contends that the studios owe actors as much as \$10 million in force majeure payments that should have been paid during last year’s writers’ strike. For now, SAG members will have to negotiate with their employers individually to obtain those payments.”

On new media, the SAG leadership has accepted a deal, in its own words, “that tracks those achieved by other industry unions,” i.e., actors will receive a pittance. The studios will have the right to create low-budget programming at will with no SAG jurisdiction and they will undoubtedly find a myriad of ways to avoid paying the minimal increases agreed to.

After all the debate concerning residuals for original and derivative programming streamlined on the Internet, the SAG statement offered no details on the residuals in the proposed agreement. In fact, the jurisdiction over “new media productions that employ at least 1 covered performer” leaves the door open to the hiring of non-union performers, one of the major points of contention between the actors and studios.

Following the SAG board’s approval of the pact, the AMPTP issued its own statement, gloating over the results and, of course, falsifying the situation:

“Because both sides were willing to compromise we now have an agreement that will provide SAG members with meaningful wage boosts, pension increases, first-class health benefits, and a complete set of new media rights and residuals. With this agreement in place, our entire industry can work together to overcome the enormous economic challenges before us.”

The studios have had the upper hand throughout the negotiations, with the aid and support of the media. When Rosenberg’s executive director and chief negotiator Doug Allen proved to be something of an obstacle, the AMPTP and its allies in SAG saw to it that he was fired. After Allen’s departure, the newly constituted majority on SAG’s national board immediately got a slightly altered “Best and Final Offer” from the AMPTP.

Opponents of the deal are issuing dire warnings about its consequences. Actor Scott Wilson has been involved in organizing protests outside AMPTP headquarters. Following the SAG board vote Sunday, he told the Associated Press, “I believe if this should be ratified by membership, it is the end of acting as a profession.”

The AP adds: “Wilson argues that the agreement is dangerous because it allows producers to create Internet-only shows with non-union actors, opening the door to the union’s eventual irrelevance. The agreement also reduces residual payments—checks that actors receive on DVD sales or show reruns—for content that is offered on the Web versus on traditional platforms.

“Wilson said actors’ residual income, sometimes half their earnings, will shrink by millions of dollars because networks are cutting back on TV reruns and more and more movies and TV shows are ending up online.” In turn, if performers’ incomes are cut, there will be no contributions to their health plans, meaning that many actors will be “knocked out of health coverage,” Wilson pointed out.

The SAG leadership is relying on the protracted and frustrating character of the negotiations, management and media propaganda and the state of the economy to wear down its members’ opposition to this rotten deal.

According to Hollywood columnist Nikke Finke, “The SAG National Majority is privately saying it’s counting on the ‘exhaustion’ factor to ensure passage: that SAG members are so tired of how long it’s taken to reach a deal that they’ll ‘Vote Yes’ just to end the prolonged process.”

Even the *Los Angeles Times*, a stridently pro-studio organ, admitted in its April 21 editorial, “The deal falls well short of what SAG’s leadership promised last year...The terms [for new media] are significantly worse than for traditional media.”

Meanwhile layoffs in the film and entertainment industry continue apace, adding up to thousands in April alone: *Variety*, the trade publication, has let go 7 percent of its staff; MGM has cut 4 percent; Warner Brothers, 33 percent; NBC/Universal has shed 500 jobs; Viacom, which owns Paramount, has cut 850 jobs; and Lion’s Gate, 41.

It is widely believed that movie production will drop in 2010 as the studios cut costs by releasing fewer films. Already in 2009 studio releases will drop to fewer than 200, down from 236 films in 2007 and 219 in 2008.

The crisis is being used as a battering ram against SAG members and other film workers. A different perspective and strategy are needed.



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