

# Writers' Guild of America reaches deal with major studios

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The Writers' Guild of America (WGA) reached a tentative agreement with the Alliance of Motion Picture and Television Producers (AMPTP) in the early hours of Tuesday morning, preventing a strike by 12,000 movie and TV writers on the West and East coasts. The new three-year deal must be ratified by union members.

The WGA made it clear throughout the negotiations that it had no desire to launch a strike, although its members had overwhelmingly authorized a walkout against the Hollywood studios and major broadcast and cable TV networks. While trying to mollify the anger of writers—who have faced years of stagnant or declining incomes—the WGA conceded to a deal that minimizes the financial impact on the entertainment giants.

The six largest studios—Paramount Pictures, Sony Pictures, Twentieth Century Fox, Universal Pictures, Walt Disney Pictures and Warner Bros. Pictures—collectively reported more than \$50 billion in operating profits in 2016.

In a statement announcing the deal, the WGA wrote, “Did we get everything we wanted? No. Everything we deserve? Certainly not. But because we had the near-unanimous backing of you and your fellow writers, we were able to achieve a deal that will net this Guild’s members \$130 million more, over the life of the contract, than the pattern we were expected to accept.”

Just a few weeks ago, the Guild announced its initial demands would cost the producers \$178 million over three years.

While the full details are still unknown, several reports say the AMPTP planned to increase its contribution to the union’s depleted health care fund by up to \$90 million, leaving little else to meet the writers’ other demands.

The deal reportedly includes a 15 percent increase in Pay TV residuals, roughly \$15 million in increases in High-Budget SVOD (Streaming Video on Demand) residuals, a 2.4 coefficient on episodic fees and residuals

for comedy-variety writers in Pay TV.

This is a drop in the bucket, in an industry that is quickly shifting towards SVOD. The deal solves none of the issues that caused writers to suffer an average 23 percent decline in living standards in 2015-2016. It also fails to establish any provision that would guarantee substantial residuals in the utilization of new media.

There is another significant factor in the context of this contract renewal: unlike in 2007-2008, outfits like Netflix and Amazon now represent a major alternative to the traditional TV programming system, in fact becoming its rivals.

Preparing for the possibility of a writers’ strike, the streaming giants, who are not signatories of the AMPTP-WGA deal, found themselves in a privileged position. An unnamed executive from one of the streamers stated two weeks ago, “Most of our series in the pipeline to debut in the next six months are already deep in post, so we’re good there.”

Additionally, had a strike occurred, the Netflix/Amazon/Hulu streamers would likely see an instant increase in subscriptions, since Hollywood programming would be affected by the strike and possibly come to a halt. Rumors that Netflix was pursuing a side deal with the WGA were echoing throughout Hollywood’s executive circles during the recent strike vote.

The AMPTP was fully aware of this and relied on the WGA’s services to avoid a scenario where the traditional broadcasters’ competitors would have exploited the strike to gain substantial audiences.

Despite “the pitchforks out among the writers” and “a bigger stick to take back to resumed talks with AMPTP,” as the Editors’ Guild described the situation before the tentative deal was reached, the WGA proceeded in the opposite direction, accommodating the media giants’ demands and, in fact, laying the foundation for even

worse future deals.

Writers, like other sections of workers, find themselves caught in the crossfire of major contradictions. As technological advancements offer the possibility of progressive new forms of content distribution, competition among massive corporations in the pursuit of profits determines the course of events.

The WGA, like other unions, accepts and operates within this capitalist framework, ultimately imposing upon its members whatever the corporate giants deem necessary to improve their profitability and competitiveness.

The AFL-CIO, which limited strike activity during the eight years of the Obama administration to the lowest level in modern history, is doing everything possible to suppress the class struggle once again as the unions cozy up to Trump based on their shared outlook of economic nationalism.

Despite overwhelming votes to authorize strikes—at AT&T West, AT&T wireless, UPS aircraft mechanics and other locations—growing anger by teachers and other public sector workers over Trump’s attack on public education, and logistics workers living and working in horrifying conditions, the unions’ watchword is “no strikes.” The labor bureaucracy fears the eruption of the class struggle because it would undermine the corporatist relations it enjoys with the corporations and lead to a direct confrontation not only with Trump and the Republicans, but the unions’ allies in the Democratic Party.

Writers should reject the current sellout agreement and organize rank-and-file committees to mobilize workers throughout the industry and beyond to fight the entertainment corporations. But broader political questions must be raised if a serious struggle is to go forward. The fight for the political independence of the working class and international unity of workers must be the point of departure for a strategy to overthrow the corporate control over culture and every aspect of life.



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