

Actors' strike negotiations "hit a snag": Yes, the companies are offering nothing

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Representatives of the major film and television studios, networks and streaming services, organized in the Alliance of Motion Picture and Television Producers (AMPTP), broke off secret talks Wednesday night with the Screen Actors Guild-American Federation of Television and Radio Artists (SAG-AFTRA). The billion dollar companies, in a statement, claimed that "the gap between the AMPTP and SAG-AFTRA is too great, and conversations are no longer moving us in a productive direction."

Renewed talks between the conglomerates and the actors' union, which called its members out on strike July 14, began October 2, after the AMPTP had wrapped up a deal, now ratified, with the Writers Guild of America (WGA). The companies' strategy was to quickly come to an agreement with SAG-AFTRA based on the WGA model.

As various headlines noted, that plan "hit a snag" this week. Essentially, on the most critical questions the companies are offering nothing and the union feels that it is hard to sell this to a restive, angry membership, which is already mistrustful. Rank-and-file actors should first of all demand an end to the behind-closed-doors talks and complete transparency in the negotiating process.

SAG-AFTRA officials, in a letter to their members Thursday, expressed "profound disappointment" that "industry CEOs have walked away from the bargaining table after refusing to counter our latest offer." The union is "disappointed" that ruthless executives who have expressed the desire to starve writers and actors and make them lose their homes and apartments have turned out to be less than cooperative.

SAG-AFTRA leaders further explained that although they have negotiated in "good faith," the CEOs last week "presented an offer that was, shockingly, worth less than they proposed before the strike began."

Once more, we have to point out: The corporations are on the warpath, determined to lower costs, eliminate jobs and continue making use of various technologies to do both. Either the union officials are feigning their "disappointment" and "shock," or they are idiots. In either case, they shouldn't be running an organization of 161,000 men and women.

Real wages for actors have fallen, and according to *Variety*, an estimated 50 percent of SAG-AFTRA's members each year

"won't earn a penny for acting; only 5-15% of members earn enough to qualify for the health care threshold of \$26,470." Only two percent of the union's membership "safely earn a middle class wage," and the "workforce is becoming ever more precarious, gig-like and uncertain."

Throughout the course of the strike, actors (and writers) have made a particular point of the fact that the companies have robbed them blind through streaming. With the indispensable help of SAG-AFTRA (and the WGA), the companies over the past 15 years have whittled the payment of residuals down to a fraction of what it once was. They insist on concealing viewership figures, and the unions, respectful of the corporate set-up and capitalist "business secrets," refuse to demand that the companies open their books.

SAG-AFTRA initially raised the demand for a two percent share of streaming revenue, a miserable amount, but the AMPTP rebuffed that out of hand. Then the union, according to the *Los Angeles Times*, proposed "that streaming services pay actors on a per-subscriber basis, an idea that the studio leaders considered an overreach. ... The AMPTP said such a concession would cost the companies more than \$800 million per year and 'create an untenable economic burden.' Studio sources suggested that the actors guild had essentially asked the companies to pay \$1 per subscriber a year." Ted Sarandos of Netflix, speaking at a media industry conference, called the guild's request a "levy" on every streaming subscriber.

According to this outlook, the billions in corporate revenue are inviolable. A share of the wealth going to a section of workers who actually generate the earnings is a burdensome "levy." This is the world turned upside down.

There is hardly an occupation or a field more parasitic than this one. What possible social use are Sarandos, Bob Iger of Disney, Warner Bros. Discovery CEO David Zaslav, NBCUniversal Studio Group Chairman Donna Langley and the rest? These people are an onerous, unaffordable burden, who play a disastrous role both economically and culturally.

Instead, the AMPTP offered SAG-AFTRA "a first-of-its-kind success-based residual" for subscription-based streaming productions. As the *Times* noted, such language "suggests a deal similar to that of the performance-based streaming bonus system won by the writers, which allows scribes to earn

additional payment if 20% of a service's domestic subscribers watches their program during the first 90 days of release."

"Won by writers" is an inappropriate euphemism. "Imposed on them through misrepresentation" by the WGA would be a better way of describing the process. The "bonus scheme" was a means by which the writers' union leadership avoided fighting for decent residual payments for all, much less making up for past thieving by the companies, while claiming it had made "exceptional" gains. The vast majority of writers will see no improvement in residual payments, except through the below-the-rate-of-inflation raises included in the new deal.

The temporary impasse in the AMPTP-SAG-AFTRA talks does shed light on the character of the deal reached with great fanfare by the WGA. The latter's leadership did not win genuine gains for rank-and-file writers. All they accomplished in five months was convincing the companies to make enough *verbal* concessions to allow the union officials to make a case before their members.

As we have argued, on the two critical issues, the WGA betrayed cravenly. In addition to the cave-in on residuals, the guild obtained language on Artificial Intelligence that the companies will sidestep and circumvent with ease. No one who thinks about the matter seriously will believe that these gigantic firms are going to give up their plans to introduce AI at the expense of every section of film workers.

In regard to the latter, which is an even more pressing issue for actors, many of whom can expect to have their futures wiped out by digital simulations, the companies have again refused to budge. As the union explains, in its Thursday letter, the studios and networks, while "claiming to protect performer consent," continue "to demand 'consent' on the first day of employment for use of a performer's digital replica for an entire cinematic universe (or any franchise project)."

The AMPTP's proposal is full of references to no "digital replicas" being used without the performer's "consent." This, of course, is preposterous, considering the power imbalance between giant companies and individual actors. As though there will not be enough performers in the current desperate economic conditions who will feel obliged to give "consent," essentially with a gun to their head. Those who refuse such "consent" will simply form a body of permanently unemployed through a new kind of blacklisting.

The employers' offer to SAG-AFTRA apparently includes the same miserly minimum rate increases it offered the Directors Guild of America (DGA) and the WGA (5 percent, 4 percent and 3.5 percent over the course of the contract), which will leave actors fortunate enough to find work worse off in three years' time than they are now.

In their letter this week, SAG-AFTRA officials insist, "Our resolve is unwavering." The record argues otherwise. As is well known, only a grassroots campaign by actors prevented a sellout in June, when the union officialdom was making loud noises about reaching a deal. A thousand or more actors signed

an open letter insisting they were prepared to make sacrifices on the picket line even if the leaders were not.

"This is not a moment to meet in the middle," the letter stated, "and it's not an exaggeration to say that the eyes of history are on all of us. We ask that you push for all the change we need and protections we deserve and make history doing it."

The SAG-AFTRA leadership is no more capable or interested than the WGA bureaucracy in doing that. Officials are desperate for the companies to provide them with *something* they can take to their members. So far, for its own reasons, the AMPTP has refused. But a "meeting of minds" is inevitably in the making. There is immense pressure on the unions to see production start up again.

Because they accept the economic and cultural status quo, the entertainment unions, along with the rest of the AFL-CIO, do nothing to prepare workers for the attacks looming. This is one of their greatest betrayals.

As the *Wall Street Journal* has warned, "A Different Hollywood Is Coming," with the companies reining in spending due to a "combination of debt-laden mergers, mounting losses in streaming, and the fast-shrinking cable TV bundle." The *Journal* writes that the streamers "will have to find a way to pay increased talent costs ... without adding to their overall production costs. That will likely mean that companies will make fewer new shows and cancel even more that are on the bubble." The contraction "in spending means there will be less work to go around." One veteran television producer "predicted the number of scripted shows Hollywood produces could fall by one-third in the next three years."

The situation can only be addressed on the basis of a resolute struggle against the financial oligarchy's grip on film and television production. There is no time to lose.

The suspension in talks will not last. Actors should demand an end to secret negotiations, the opening of the books so that an honest system of residuals can be worked out, a 25 percent minimum rate increase in the first year and a ban on Artificial Intelligence affecting actors' performances. Rank-and-file actors need to build their own democratically controlled committees and take the strike out of the hands of the officials who will inevitably accept, in one form or another, what the companies say they can afford rather than what actors need.



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