

**SUMMARY OF NEW PROVISIONS  
2013 SAG-AFTRA  
RADIO RECORDED COMMERCIALS CONTRACT**

**1. Recognition and Coverage**

This Contract shall now be known as the 2013 SAG-AFTRA Radio Recorded Commercials Contract.

**2. Effective Date and Term**

- a. Three years commencing April 1, 2013.
- b. For services performed in commercials made after April 1, 2013, all retroactive payments must be made no later than 30 days following ratification.
- c. The new working conditions and all other non-economic provisions shall be effective not later than 30 days following ratification by the Union.

**3. Rates**

Increase wages subject to Health and Retirement contributions by 6%.

**4. Health & Retirement Funds**

- a. Health and Retirement contributions increase from 15.5% to 16.8%. The breakdown of the 16.8% is as follows: 16.05% to the H&R Funds, .50% to the AFTRA Industry Cooperative Fund (AICF), and .25% to the Administrative Maintenance Fund (see #12 for details).
- b. Producer or advertising agency shall also become parties to any successor entity of the Funds.

**5. Public Service Announcement/Government Agency Message**

- a. Advertiser logos are allowed on the non-profit's website, principal performer consent is required at the time of engagement.
- b. Celebrities may waive session payment with prior consent from the Union.
- c. Make conforming changes to Exhibit G: PSA Sideletter

**6. Editing**

- a. Factual Information: URLs, QR codes or similar Internet, mobile and digital media identifiers are now included in the list of factual information.
- b. Contact Information: URLs, QR codes or similar Internet, mobile and digital media identifiers are now included in the list of contact information.
- c. Legal Changes: Simplified legal requirements language.

**7. Maximum Period of Use of Commercials**

Copies of the renegotiation letters shall now also be sent electronically to the Union. If requested, the Union will provide a copy of the renegotiation letter to producer, agent or Performer. However, whether or not the notice was sent to the Union shall not be deemed conclusive evidence of whether the notice was sent in compliance with the Contract.

## **8. Internet**

- a. Internet use cycles for both made-for and move-over may either be 8 weeks or 1 year, in any combination.
- b. The maximum period of use for both made-for and move-over Internet commercials is 21-months from the date of first service (session).
- c. Move-over Internet use rates increase as follows:

|                  |  |
|------------------|--|
| 8-Week Use Cycle | Increase from 133% to 150% of applicable session fee |
| 1-Year Use Cycle | Increase from 350% to 400% of applicable session fee |
- d. Made-for Internet use formula remains the same, but the rates increase with the general wage increase.

## **9. New Media**

- a. New Media use cycles for both made-for and move-over may either be 8 weeks or 1 year, in any combination.
- b. The maximum period of use for both made-for and move-over New Media commercials is 21 months from the date of first service (session).
- c. Move-over New Media use rates increase as follows:

|                  |  |
|------------------|--|
| 8-Week Use Cycle | Increase from 133% to 150% of applicable session fee |
| 1-Year Use Cycle | Increase from 350% to 400% of applicable session fee |
- d. Made-for New Media use formula remains the same, but the rates increase with the general wage increase.

## **10. Dealer Use**

In addition to the option for a 6-month dealer cycle, a producer may now opt for an 8-week dealer cycle at 50% of the 6-month rate.

## **11. Liquidated Damages for Late Payment**

- a. Liquidated damages for late payment has increased from \$2.50 to \$3.60 per day up to 25 days (previously 30 days), with an increase in the maximum of \$75.00 to \$90.00. The additional liquidated damage of \$75.00 has also increased to \$90.00.
- b. Liquidated damages for late payment will now increase by the same percentage as any wage increase in future negotiations

## **12. The Administrative Maintenance Fund (“AMF”)**

One quarter of one percent (.25%) of the 16.8% payments made to the H&R Funds will be allocated to the “Administrative Maintenance Fund” or “AMF” and applied as follows:

- a. The AMF shall be utilized solely for the JPC costs (including, but not limited to Contract administration, legal fees, consultant fees, staff costs, and labor relations), and disputes and grievances between the JPC and the Union.
- b. Monies in the AMF will not be used to support non-union productions, discourage or undermine membership in the Union, or fund any actions or activities, other than those taken in connection with the administration or negotiation of the Contract, that are adverse to the interests of the Funds, the Union or the Union’s members including, but not limited to, litigation, administrative proceedings, lockouts or strikes, and legislative activities.
- c. The Funds will distribute the AMF to the Association of National Advertisers:
  - i. All AMF funds shall be held in a segregated account by the ANA and administered as determined by the ANA.

- ii. In the event any Producer is delinquent in submitting the required contribution to AMF, the ANA will have the authority to recover any contributions, along with any attorney fees, court costs, interest at one percent (1%) per month from the delinquent Producer.
- iii. The enforcement for the delinquent contributions to the AMF shall not be the obligation of the Union.
- iv. The AMF will be audited annually and a copy of the audit will be provided to the Union.

**13. Electronic Reporting**

- a. No later than March 31, 2014, all talent payroll company reports filed with the H&R Funds must also be filed electronically with the Union.
- b. Overpayment credit: Producer is also required to report overpayments and recoupments to the Union.

**14. Filing of Session-Related Claims**

Claims regarding audition, travel or recording-related session claims (*e.g.*, overtime, change of performer category at recording session, etc.) must now be submitted no later than 6 months from the date of such audition, travel or session, or, if a claim is related to such payment, 6 months from the date the payment is made.

**15. Arbitration – Special Procedures for H&R Allocation Disputes**

Delete the sunset clause.

**16. Ongoing Studies**

- a. Gross Ratings Point Study (GRP) & Clearinghouse Study: the Joint Policy Committee and the Union agree to continue the Clearinghouse project and further analysis of the GRP-E compensation model.
- b. The Union and Joint Policy Committee agree over the course of this contract period to update the Internet and New Media model study to reflect industry and technological changes.

**17. Ad-ID Commercial Coding**

All commercials must now use Ad-ID as the sole standard commercial identifier. To assure a smooth transition, a grace period for conversion through March 31, 2014 will be provided.

**18. Standard Employment Contract**

- a. Add a field for Ad-ID.
- b. Create an itemized list of work as follows: Number of Tags, Number of Demos, Number of Commercials.

**19. Sideletters**

- a. Amend/delete the Sideletters as follows and renumber the remaining Sideletters:
  - i. Sideletter 1 (Diversity/Casting): Remove. The parties agree to have a single meeting covering diversity issues during the term of the 2013 SAG-AFTRA Radio Recorded Commercials Contract.

- ii. Sideletter 2 (Arbitration Decisions): Remove. Substance of Sideletter added to Section 64, Arbitration.
  - iii. Sideletter 3 (PSA): Remove. The JPC and the Union have agreed to make this waiver a permanent part of the Contract (see Exhibit G and Section 67).
  - iv. Sideletter 4 (Spanish): No change. Renumber as Sideletter 1.
  - v. Sideletter 5 (Streaming): No change. Renumber as Sideletter 2.
  - vi. Sideletter 6 (H&R Deceased Performers): Remove. Substance of Sideletter added to Section 66, AFTRA Health and Retirement Funds.
  - vii. Sideletter 7 (Internet/New Media Study): Remove and replace with the Clearinghouse Sideletter and renumber as Sideletter 3.
  - viii. Sideletter 8 (Monitoring): No change. Renumber as Sideletter 4.
- b. Add a new Sideletter 5 as follows:

Sideletter re: Experimental Coverage Waiver for Made for Internet and Made for New  
Media Commercials

This letter will confirm the Union's agreement to an experimental waiver regarding coverage of persons in Made for Internet and Made for New Media commercials. This waiver shall expire on March 31, 2016 and shall not be citable or precedential in future negotiations or in the interpretation of any other provision of the Contract.

This waiver will not apply with respect to those persons who are cast and/or who are scripted for the commercial(s).

A Producer of a Made for Internet or Made for New Media commercial(s) may record activities of persons in public without covering such persons under the Contract, provided such persons are neither scripted to speak any dialogue nor cast for the commercial(s).

Notwithstanding the foregoing, this waiver is limited to the following:

- a. Live Events – “Live Events” are events attended by at least 20 persons who are neither hired nor cast by Producer to attend the event. However, such Live Events (1) shall not be staged for the purpose of producing a commercial(s); and (2) non-covered participants at the live event may not receive individual direction but may be directed as a group.
- b. Man on the Street Commercial – A “Man on the Street Commercial” means a commercial(s) where an interviewer interviews people on the street, at public venues, or at live events and asks them questions or makes statements or gestures to elicit a

response or reaction from them. The interviewer is a Covered Person for purposes of the Contract whether or not they perform in the commercial(s).

- c. Hidden Recording Commercials – A “Hidden Recording Commercial” means a commercial(s) comprised of recordings captured by a hidden microphone(s) without direction to the individual(s) being recorded. An individual(s) appearing in such recording shall not be a Covered Person(s) for purposes of the Contract. Any person(s) performing in the capacity of an interviewer, however, shall be a Covered Person whether or not their performance remains in the commercial.

As a material condition of this waiver, Producer shall notify the Union that it has applied the waiver and provide the Union with an electronic or physical copy of the commercial(s) within 60 days of the first exhibition of the commercial.

If a commercial produced pursuant to this waiver is subsequently exhibited other than on the Internet or New Media where such use is otherwise covered by the Contract, anyone qualifying as a principal in the commercial as subsequently exhibited shall be a Covered Person under the Contract and compensated accordingly.

**20. Preference of Employment Zones**

- a. Amend the preference zones to include the following cities:

|                            |                               |
|----------------------------|-------------------------------|
| *Atlanta, Georgia          | 100 miles from center of city |
| Boston, Massachusetts      | 100 miles from center of city |
| Chicago, Illinois          | 100 miles from center of city |
| Cincinnati, Ohio           | 100 miles from center of city |
| Coral Gables, Florida      | 150 miles from center of city |
| Denver, Colorado           | 150 miles from center of city |
| Dallas, Texas              | 100 miles from center of city |
| Detroit, Michigan          | 100 miles from center of city |
| Honolulu, Hawaii           | 100 miles from center of city |
| Los Angeles, California    | 300 miles from center of city |
| Miami, Florida             | 100 miles from center of city |
| Minneapolis, Minnesota     | 100 miles from center of city |
| Nashville, Tennessee       | 100 miles from center of city |
| New York, New York         | 100 miles from center of city |
| Philadelphia, Pennsylvania | 100 miles from center of city |
| Pittsburgh, Pennsylvania   | 100 miles from center of city |
| St. Louis, Missouri        | 100 miles from center of city |
| San Francisco, California  | 100 miles from center of city |
| *San Juan, PR              | 100 miles from center of city |
| *Seattle, Washington       | 100 miles from center of city |
| *Tucson, Arizona           | 150 miles from center of city |
| Washington, DC             | 100 miles from center of city |
| Wilmington, NC             | 100 miles from center of city |

- b. The following language will be added to the Preference section: In the event the Union establishes offices in cities other than those listed above, and Producer claims that there is not a sufficiently large professional talent pool in the area of any office hereafter

established by the Union to warrant application of Preference of Employment, or if Producer so claims with respect to any of the 4 (four) cities identified by an asterisk above, the matter shall be submitted to the Industry-Union Standing Committee for determination. The Union shall notify the Joint Policy Committee in writing whenever it establishes an office in any city not listed above. Preference of Employment shall apply in an area within 100 miles of the center of each such city from and after the sixtieth (60<sup>th</sup>) day of such notification.