



## 2019 COMMERCIALS CONTRACTS

# *We Heard You!*

The union is continually developing innovative solutions to address challenges the advertising industry is facing. We now have a successor agreement that modernizes the Commercials Contracts and are pleased to introduce the Upfront Use Packages that specifically address these concerns.

### Four available use packages\* :

**Upfront Plus / Upfront Flex / Upfront Digital / Audio Flex**

\* EFFECTIVE JUNE 1, 2019

### Upfront Plus

- A one-time payment to principal performers:
  - On-Camera = \$20,000.00
  - Off-Camera = \$15,000.00
- Includes up to 10 Class A uses and unlimited use in all other media.
- Beginning with the 11th Class A use, on-camera performers would receive \$100.00 per use, and off-camera performers would receive \$75.00 per use for the remainder of the maximum period of use (MPU).
- New editing rules apply.
- Exclusivity – added to the session and use payments:
  - First non-competitive product requires an additional 25% of all compensation (scale + 25%)
  - Second non-competitive product requires an additional 15% of all compensation (scale + 40%)
  - Third non-competitive product requires an additional 10% of all compensation (scale + 50%)
  - If there are over three non-competitive products then 200% of all compensation is due
- One-year MPU.

## Upfront Flex

- For a one-year MPU, principal performers are paid an upfront guarantee:
  - On-camera = \$8,000.00
  - Off-camera = \$6,000.00
- Each use type has a set rate for each 13-week use. The rates for an on-camera performer:
  - All Cable and Local Cable: \$3,400.00
  - All Wild Spot and Local Cable: \$2,000.00
  - All Digital (includes Internet, New Media, OTT such as Hulu): \$1,300.00
  - All Spanish Language: \$2,000.00
  - All Other Domestic Use (includes Industrial, Dealer, Unwired, Diginets, Class B and Class C): \$1,000.00
  - Class A: \$100.00 per use
  - Foreign Use for English and Spanish regions is paid at 60% of the traditional contract rate
- Use rates are deducted from the guarantee. Once the guarantee is exhausted, the performer shall be paid for all use from that point forward.
- New editing rules apply.
- Exclusivity – applies to the session and 13-week use payments, not the guarantee:
  - First non-competitive product requires an additional 25% of all compensation (scale + 25%)
  - Second non-competitive product requires an additional 15% of all compensation (scale + 40%)
  - Third non-competitive product requires an additional 10% of all compensation (scale + 50%)
  - If there are over three non-competitive products then 200% of all compensation is due

*For example, a commercial holding one non-competitive product that is used in "All Cable," the guarantee is still \$8,000, but the 125% of \$3,400 (or \$4,250) shall be applied against the \$8,000 guarantee.*

## Upfront Digital

- For a one-year MPU, principal performers shall receive payment for Internet, Over-the-Top (OTT) and New Media as follows:
  - On-camera = \$3,825.00
  - Off-camera = \$2,868.00
- No automatic exclusivity unless bargained for at time of hire. Performer would be paid 4 session fees upfront.
- Foreign use and Industrial use are paid at 60% of the traditional contract rates.
- To move the commercial to television, producer must obtain prior consent from the principal performers and may use either the traditional contract rates or an Upfront Use Package.
- A producer may either freely bargain for edits per the traditional contract or pay one additional session fee to use the new editing provisions.

## Audio Flex

- Audio Flex is based on the "Three Ls"---Listening, Location and Length.
- Session is \$350.00 per 90-minute session, or part thereof, or per commercial recorded, whichever is greater.
- For a one-year MPU, performers shall receive payments for unlimited use on each platform type at the rates for the periods identified in the Audio Flex Toolkit.
- Tags: legal changes, geographic changes, product availability, contact information, different brand names, special offers and promotions. Does NOT include legal language, car details, etc.
- Payments for tags are as follows:
  - Individual Tags = \$100.00
  - Bundle of 10 = \$800.00
  - Bundle of 20 = \$1,300.00
  - Bundle of 30 = \$1,500.00
  - Bundle of 40 = \$1,600.00
  - Bundle of 50 = \$1,750.00
- Mechanical edits (shorter versions) are \$350.00 per edit and use counts as one with the original commercial.



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