WGA CONTRACT 2007 PROPOSALS

SUBJECT AREA	WGA PROPOSAL	CURRENT PROVISION/PRACTICE	BACKGROUND
Home Video (Videocassettes and DVDs) Residuals	**We propose to double the home video residual formula from 0.3% to 0.6% for the first $1 million in reportable gross and from 0.36% to 0.72% over $1 million.**	Members currently receive 0.3% of the distributors' gross for the first $1 million and 0.36% thereafter. This amounts to less than 5 cents per unit for a typical videocassette or DVD.	The 0.3% and 0.36% home video residual formula was negotiated in 1985, when the cost of manufacturing and distributing videocassettes was a significant factor in the cost structure for the studios. The AMPTP companies argued that they "needed a break" in order to develop this "unproven business model." In the years since, as the cost of manufacturing and distribution declined to become a negligible factor, and the business model proved to be one of the most profitable of any of the segments of the entertainment business, the companies have fiercely resisted any change in this formula. Industry analysts predict that home video will continue to be a very important revenue stream for years to come, and it is clearly long past time for an improvement in the home video residual formula.
Non-Traditional Media Residuals	**We propose all TV and theatrical content earn a residual payment of 2.5% of the distributor's gross for re-use on non-traditional media, including the Internet, cellular technology and any other delivery system not already covered in the MBA.**	The WGA position is that the MBA residual formulas for pay TV and basic cable apply to content streamed or downloaded via the Internet and cellular technology. These formulas are 1.2% for features whether streamed or downloaded, 1.2% for TV product when the viewer pays, and 2.0% for post-1984 TV product or 2.5% for pre-1984 TV product when it is free to the viewer. The studios are refusing to pay anything for streaming that is free to the viewer (and ad-supported), and they are paying the 0.3% home video residual when the viewer pays. This dispute is the subject of claims filed against the studios by the WGA (and by SAG and DGA as well).	The companies seek to do to new media what they did 25 years ago to home video, and worse. As stated in our "Declaration of Principles," we will insist that re-use of our content in any medium must be fairly compensated. We are simply seeking a small percentage of the revenues earned by the re-use of our content on the Internet or other non-traditional media. This is the simplest and fairest way of compensating our members for their creative contribution, and permits the companies maximum flexibility in the development of this business model. We have researched the growth of revenue streams from the re-use of our content on non-traditional media, and we know that the AMPTP companies are taking in billions of dollars in new media revenues. We will not accept the arguments about "unproven business model" that were used in the home video negotiations to deprive us of a fair share of revenues from this incredibly lucrative exploitation of our work.
Jurisdiction and Terms for-Made-For New Technology	**Minimums for Internet and other New Tech writing are the TV minimums, pro-rated down to two-minutes for short form. Otherwise, TV provisions apply.**	A Sideletter to the Minimum Basic Agreement (MBA) negotiated in 2001 permits a "pension and health only" deal that has no minimums, separated rights, credits or residuals. Since then the Guild has negotiated minimums, residuals, separated rights and credits for made-for-Internet projects relating to the series Lost and two daytime serials that follow the same model in our proposal.	Our philosophy is that the Internet IS television. Our approach is to minimize the differences between how writing for television is covered under the MBA and how writing for the Internet is covered. As the two merge, the more the terms start out the same, the easier the transition.. We also seek to treat all the emerging digital technologies the same, an approach consistent with how the companies have suggested we approach this area, at least in terms of defining it.
Jurisdiction and Reality Television	**Add a new Sideletter clarifying that the definitions of comedy-variety, quiz & audience participation and "other non-dramatic programs" include reality programs, and provide examples. Also, add "Story Producer" and "Supervising Story Producer" to lists of acceptable forms of credit in the MBA.**	All the sub-genres of reality programming can be covered by existing categories of programs in the MBA, mostly in "Appendix A."	We propose a Sideletter that states all the sub-genres of reality programming can be covered by existing categories of programs in the MBA and that "Story Producer" and "Supervising Story Producer" are appropriate writing credits for the writers of these programs.
Jurisdiction and Animation	**Modify the definitions of "television motion picture" and "theatrical motion picture" to expand coverage of the MBA to all theatrical and TV animation except those that are covered by other labor organizations.**	The overwhelming majority of network primetime animation, some other television animation and some animated features have been covered by the Guild MBA.	In 2004 and 2005, 100% of animated films in the top 100 were written by at least one WGA member. The WGA represents writers on all network primetime animations shows. Our members are writing scripts for both live action and animated features, but live action is currently covered and animation is not, even though the work of writing is the same. We are seeking recognition and full MBA coverage for all animated television motion pictures and all animated theatrical motion pictures except those already covered by another collective bargaining agreement.
Jurisdiction and Subcontracting	**Add a new article requiring companies to remain neutral with respect to the unionization of unrepresented writers. Companies will grant recognition upon verification of majority support, without recourse to NLRB election procedures.**	A union standards provision prevents a signatory employer from subcontracting work to another employer that does not provide economically equivalent terms and conditions of employment at least equal to those provided in MBA.	Creates a level playing field for all employers, re: labor costs not used as a bartering tool; Consistent with Federal law, the proposal is union neutral. Avoids needless conflict over organizing, and avoids cumbersome NLRB certification procedures.
Jurisdiction and Work Preservation	**Add addendum to article requiring Companies to give Guild notice of impending sale of part or all of its operations, and requires assumption of the MBA by purchaser as a condition of the sale. In addition, notification of change in company form, (name change) and require accretion under the MBA of any new operation/facility.**	As noted in background – extension of Article 4.C.1 and Article 4.A.1.	Seeks to preserve for MBA-covered employees work traditionally performed. The proposal is an extension of, and improvement upon .an already existing Article 4.C.1 and 4.A.1 of the MBA.
Enforcement Proposals	**We seek a specific fair market value definition, electronic reporting, expanded auditing and expedited arbitrations.**	There are a wide range of provisions that specify what information the companies need to report routinely and related to enforcement activity. There are arbitration rules and an existing audit fund (with SAG and DGA) that receives significant funding by the studios. None of these useful tools solve all our enforcement problems, which are getting more challenging as distribution evolves. We need some new enforcement tools.	When we negotiate a residual, we need to be able to enforce payment. We want a specific fair market value standard when there are non-cash deal elements or related-party transactions. We seek more detailed specification of the information the companies are required to provide the Guild and an expedited arbitration when they refuse to provide records. We want to expand the tri-guild audit program and to get residuals data and work-list data reported electronically. We seek an expanded list of arbitrators to hear Guild cases.
Product Integration	**Writers should be consulted about potential product integration into a script and have effective participation in decisions.**	There is no provision for writer involvement in decisions about product integration in the current Guild agreement.	Product placement has existed for a long time, first unpaid and more recently paid placement. Most recently, advertisers seek to have the product mentioned in dialogue, often in the scenes preceding a paid 30-second spot. These product mentions can be clumsy and disruptive to the creative goal of a script. This infringes the creative purview of the writer and defeats the very viewer-engagement the advertisers are counting on. Writers are critical to guarding the creative integrity of the script. If products are integrated, it should be in a way that doesn't detract from the script.
Rates and Contract Term	**We seek to increase minimum pay rates generally and to set a new contract term.**	These rates are increased routinely in each negotiation and a new term set.	We seek a general increase in minimums and a new contract term, with specifics to be determined in the course of negotiations.
Pension & Health	**We seek to adjust the pension cap for features and long form TV projects to $225,000 ($450,000 for a team of three). We seek to raise the health contribution cap for long-form TV scripts to $250,000 ($500,000 for a team of three.)**	The pension contribution ceiling for a feature film and long-form TV projects is $200,000; $400,000 for a team of three. The health contribution ceiling for a feature film and long-form TV projects is $200,000; $400,000 for a team of three.	The pension cap needs to be adjusted to permit writers to benefit fully from IRS rule changes. The long-form TV health cap needs to be adjusted upward to conform with the theatrical ceiling.
Showrunner Training Program	**We seek annual funding of $200,000 to continue the newly-established Showrunner Training Program, and $125,000 supplemental funding for the January 2008 cycle to add new features.**	Companies contributed $200,000 for two cycles of the Program.	As a result of funding negotiated in the current MBA agreement, the third Showrunner Training Program is scheduled to begin in January 2008. The program was created to help promising writers develop effective showrunning skills. Five graduates of the program have already gone on to become showrunners. The program is so successful we would like to establish funding for an annual program, as well as fund new features.
Made-for-Basic Cable	**Provide that MBA provisions apply to all made-for-basic cable programs, not only to high-budget dramatic programs.**	The MBA automatically covers high budget dramatic programs, but not low budget dramatic and other shows.	Basic cable is no longer the outpost of television. Since it is in nearly every respect just like free television, it should be compensated like free television.
Program Fees	**We seek to expand program fees for hyphenates beyond those at ABC, CBS, NBC, and Fox.**	Program fees are paid only to hyphenates on network prime time series.	Hyphenates on high budget dramatic series other than network prime time should also receive program fees. Program fees should also be paid for programs made for non-traditional media when they are based on a series.
Network Prime Time Minimums for the CW	**Apply network prime time initial compensation rates to the CW.**	Compensation rates for the CW are not on par with the networks.	The CW should have been treated as a network from its inception. The majority of programs on the CW at the time of its launch were hits from the WB and UPN. The Fall 2007 line up continues to include shows that built significant audiences while running on the CW's predecessor networks.
Quiz and Audience Participation Programs	**Eliminate the new series discount for quiz and audience participation programs.**	There is a new show discount for quiz and audience participation programs.	The quiz and audience participaton minimum rates are already low. It is ridiculous to apply a reduction to this already too low rate.
Daytime Serial Compensation	**Further increase breakdown minimums and add the breakdown minimum to the script minimum where no breakdown is provided to the script writer.**	The current breakdown minimum is approximately 50% of the script minimum, but there is no requirement that a breakdown be provided to the script writer.	Breakdowns are more important to the process then they used to be, yet compensation still lags significantly behind that paid for scripts. In addition, a Company should not be able to realize a financial gain by eliminating the breakdown and have the additional work be performed by the script writer without further compensation.
CW and MYNETWORK TV Residuals	**Make CW on par with networks for residual purposes. Apply 1995 Fox percentages to MyNetwork TV, and pay residuals within 30 days.**	Both CW and MyNetwork TV pay syndication, a significant discount compared to network television.	Production values and advertising revenues are comparable to those for some network programming. The residuals should be comparable as well. However, we are not proposing full network residuals for MyNetwork TV at this time. Instead we propose starting MyNetwork TV on the residual escalator scale that Fox was on beginning in 1995.
Made-for-Pay-TV Residual	**Increase residuals for made-for-pay-television programs by adopting the current DGA formula.**	Made-for-pay-television residuals pay a low fee of a few thousand dollars for each year of reuse after the first year.	There is no reason that the WGA formula should not at least match the DGA formula in made-for-TV. The DGA formula pays after the initial telecast and results in tens of thousands of dollars with a subscriber-sensitive fixed residual.
Ringtones	**We seek to clarify that ringtones are covered by the merchandising provisions.**	Ringtones are covered by the merchandising provisions, but some companies dispute that fact.	There is a large market for ringtones including ringtones using covered material. This market is expected to grow, and we want to ensure that writers are compensated for the use of their material in ringtones.
Arbitration	**Expand all arbitrator lists.**	There is a mutually-approved list of arbitrators for use when a dispute over the contract arises.	Access to MBA-approved arbitrators has declined due to the retirement or other unavailability of arbitrators. Therefore, the arbitration process has been slowed to a crawl, defeating the purpose of the arbitration agreement.
Work-lists	**Modify the work-list procedures so that Companies provide employment data in a useful form.**	There is an unfulfilled Sideletter promising the Company and Guild would work together to replace existing work-lists with employment notices.	Unions have the right to information from companies in order to enforce bargaining agreements. An employment list, i.e. a list showing who is working where and when, is a key piece of information.
Union Support	**Prohibit discipline of writers who honor picket lines of other entertainment unions.**	Writers currently have no right to honor union picket lines beyond the rights specified by law.	The right to honor other unions' picket-lines is key to union strength and solidarity. Writers should be able to follow their own conscience and beliefs when they encounter a picket line. There are other entertainment unions who have honored our picket lines, and Guild members should have the right to return that show of solidarity without company reprisal.

The table above is a summary. It does not reflect the actual language of contract proposals, which is authoritative.