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## Entertainment Industry Could Be Headed for a Scary Sequel

By Jonathan Handel

Is the entertainment industry headed for a second strike? That's what everyone's wondering. When the Screen Actors Guild negotiations with the studios collapsed last week, the possibility suddenly seemed even more real. Come June 30, when the union contract expires, SAG might indeed strike.

But what if Hollywood's asking the wrong question? This time, instead of seeing a strike by workers, we may see a lockout by management. Indeed, a de facto lockout has already begun: Feature production starts have virtually ceased, and television and feature production will soon end altogether, as contract expiration looms. Work is slowing even without action by the union — and, as it turns out, SAG may have no stomach for a strike, for two reasons.

First is inter-union rivalry. When the studios stopped negotiating with SAG, they picked up the next day with the American Federation of Television & Radio Artists. Those talks are expected to result in a primetime television deal within two to three weeks. AFTRA is a smaller union whose jurisdiction partially overlaps with SAG's. Both unions organize actors on cable shows; SAG organizes films and virtually all primetime shows; and AFTRA covers a few primetime shows and also has jurisdiction over all daytime shows, under a contract that was revised and renewed last month.

In the past, the two unions negotiated with the studios jointly on the primetime and film contract, but no more: Charges and countercharges

have done in that 27-year-old arrangement. Each union says the other is poaching television shows from the other. SAG also says AFTRA undersells, cutting deals for actors' services on the cheap. AFTRA denies it, and counters that SAG takes unreasonable positions that lead studios to produce in Canada, or in the U.S. with non-union labor. And, fundamentally, SAG says AFTRA's 50 percent representation on the joint negotiating committee was too great, considering how few primetime programs the smaller union represents.

While the fur flies, management sits back and enjoys the show. The industry now faces an odd spectacle: The actor's union that represents almost no primetime television is alone negotiating a deal in exactly that area. When SAG talks resume, guild negotiators will find on the table a copy of the AFTRA agreement and a yellow sticky note that says "sign here." SAG's overplayed its hand. Further talks will likely go nowhere unless the union yields on most points.

The other problem for SAG is that it's divided geographically and economically. SAG's Hollywood branch takes assertive positions, while the New York and regional branches hew closer to AFTRA's more moderate approach. Meanwhile, most SAG members work as actors less than a day a year, and have little to fear from a strike — after all, an actors work stoppage has little effect on people who aren't working as actors anyway. High-profile stars, on the other hand, have much to lose and would likely resist a strike.

If further talks fail, the next step for the union would normally be to seek a strike authorization vote from the members. That would allow SAG leadership to call a strike at any time after June 30. But a strike authorization vote requires 75 percent approval to pass, and SAG may not get that, or might just squeak by. After all, it would have to persuade members that there's a realistic chance of bettering the AFTRA deal. That's a tough sell.

What's more, in the key area of new media, SAG leadership would have to argue that the existing template — the deal that was done by the directors, writers, AFTRA (in its daytime agreement), and AFTRA again (in the now-in-progress primetime agreement), and that was endorsed by the union that represents technical and craft workers — is nonetheless so sub-par that it's worth enduring a second Hollywood strike. Talk about swimming upstream. Salmon have it easy by comparison.

The risk of seeking a strike authorization vote is that a failed vote would crush what little bargaining power SAG still has. Even a successful vote, if the margin is small, will signal that a strike might not hold — for instance, that high-profile members might opt for "financial core" status, amounting to a withdrawal from the union, and allowing them to cross picket lines. And, in any case, a strike means that AFTRA would be free to organize new primetime shows without competition from SAG. Meanwhile, dual-cardholders

— the many actors who are members of both unions — might find themselves working on an AFTRA show one day, then walking a SAG picket line the next.

SAG Hollywood leaders may not want to face these risks, and New York and regional leaders don't appear to want a strike at all. Thus, the SAG board might not even call for a strike authorization vote, while still declining to endorse the AFTRA deal. Instead, SAG might offer to continue working under the expired contract after June 30 and hope to continue negotiations. Does that mean work would resume?

No, because a cloud of uncertainty would remain: The union could still take a strike authorization vote, and potentially call a strike, at any time. If feature and television production were resumed, productions in progress could then be interrupted mid-stream, with costly consequences. The studios are unlikely to take that risk. Instead, production will probably remain halted.

Sporadic contract talks would no doubt take place, but workers would remain idled for a second time in less than a year. That's good for no one. The Writers Guild won some gains in its strike, but even purportedly successful motion pictures often result in dubious sequels. Let's hope last year's work stoppage doesn't yield a bad sequel as well.

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