



ORGANIZER



July 2004

HBO NEGOTIATIONS CONCLUDE WITH STRONG GAINS

HBO and quality television are synonymous these days. Original programming like *The Sopranos*, *Six Feet Under* and *Curb Your Enthusiasm* not only are the best reviewed shows each new season, but also they are often front and center at the Emmy Awards, the industry's highest distinction for cable, network, and satellite based programming. President Tom Short was among the first union leaders in our industry to recognize the potential of HBO's innovative approach to television: in 1995 he spearheaded an organizing drive that resulted in a first-ever cycle of contracts negotiated with HBO in the area of long-form programming.

Nearly a decade later, in late May of this year, Short, along with IATSE representatives Matt Loeb, Joe Aredas, Mike Miller, Lyle Trachtenberg, Leo Geffner, Dale Short, Thom Davis, and local reps John Ford, George Palazzo and Rosemary Levy, concluded negotiations with HBO business affairs and labor relations executives for a new 3-year stand-alone contract in the area of original programming, effective January 1, 2005. IATSE gains made at the bargaining table were far-reaching and, in at least two instances, unprecedented. Among the many key points written into the new HBO contract:

- ▶ Rest period increased to ten (10) hours.
- ▶ Improved contract language regarding "walking meals" to ensure producers provide a "reasonable opportunity" for IATSE crews to sit and eat.
- ▶ Mileage rate increased to mirror current IRS rate (an increase of \$.30 to \$.37 per mile). Rate is applicable in both directions for all "outside the zone" transport, which is of particular note for California crews who must drive to distant locations. This mileage tie to the IRS rate has never been agreed to by any Hollywood studio or production entity.
- ▶ Maximum travel deduction time placed on rest period, resulting in a guaranteed eight (8) hour rest period between calls on distant locations.
- ▶ Clarification that IATSE jurisdiction includes aerial/balloon lighting.
- ▶ Recognition of marine department in the classifications of marine coordinator, boat handlers, and on-set picture boats.
- ▶ Wage increase percentages based on scale rates: 3% in Y1, plus 3% in Y2, plus 3.5% in Y3, compounded.
- ▶ Benefits to track the Hollywood Basic Agreement, including IAP increase from current level of 4% to 4.5%, August 1, 2004, and 5% July 31, 2005.
- ▶ Wage increases gained for costumers: 8% in Y1, 5% in Y2 and 3% in Y3, compounded.
- ▶ Confirmed agreement to cover multi-camera half-hour sitcoms, which HBO has expressed interest in producing.

- ▶ Beginning with January 1, 2005, IATSE will receive the same formula for payments for Pay TV products going into supplemental markets as used by SAG (Screen Actors Guild). That formula excludes the first 100,000 units sold, with payments to equal 6% of the employer's gross thereafter. With HBO this would essentially apply to video and DVD rentals and sales. Supplemental market payments are made to IATSE Pension and Health Plan.
- ▶ A \$75,000 one-time settlement payment into the actives section of the Motion Picture Health and Welfare Fund with respect to past-due supplemental markets from Pay TV.

The issue of supplemental and new residual-bearing markets has been a contentious one with both HBO and the industry as a whole. Getting Hollywood's largest pay cable producer to recognize IATSE's participation in existing supplemental markets and those which will develop in the future through new technologies, was an industry precedent. IATSE negotiators also ensured that all supplemental market modifications would also apply to HBO Films, even though that contract does not expire until August 31, 2005. HBO Films produces such critically acclaimed long-form programming as *Miss Evers' Boys*, *Angels in America*, and *Iron Jawed Angels*.

"The improvements we were able to get in this contract will most certainly lay out a pattern for future discussions on the HBO Films contract, as well as for contracts with other Pay Cable producers looking to do original programming," noted President Short. "The gains we made in the supplemental markets issue is one of the big stories of this HBO contract. The future of television programming will almost certainly include new technologies like On-Demand, and multiple producers looking to replicate HBO's success. IATSE members deserve to share in those revenues."

Loeb added that with as many as four original shows currently in production on the West Coast – *Carnivàle*, *Curb Your Enthusiasm*, *Six Feet Under*, and *Deadwood* – as well as other long-form series, "it [supplemental market revenues] is an area that's of concern to our West Coast membership."

LOW BUDGET PACT SEES REST PERIOD AND WAGE INCREASES

The first agreement IATSE negotiated with producers of low budget films took place in 1995 with MPCA (Motion Picture Corporation of America). Prior to that, IATSE had no agreements for low-budgeted films, resulting in a healthy chunk of the market shooting under non-union conditions. Using the MPCA agreement as a template, IATSE organizers aggressively went after low-budget producers in the ensuing six years, resulting in 38 companies signing onto the National Low Budget Theatrical Agreement. That list includes some of the busiest companies in the industry: Miramax, New Line, Bob Yari Films, Crusader Entertainment, Icon, Jersey Films/TV, Lakeshore, Silver Pictures, and Lionsgate.

In December of 2003, IATSE reps concluded a series of talks on modifications to the National Low Budget Theatrical Contract. Those changes took effect on January 1, 2004 for a 3-year period. Highlights include:

- ▶ Updated language referring to the Multi-Employer unit to track the current Basic Agreement that incorporates benefits and motion picture plans with recent IAP percentage increases to 4%, 4.5% and 5%.
- ▶ Rest Period increased from nine (9) to ten (10) hours.
- ▶ Wage rate increases compounded via the following schedule: January 1, 2004: +3%, January 1, 2005: +3%, January 1, 2006 +3.5%.
- ▶ New Job Classifications to include: (A) Digital Imaging Technician at Operator Rate; (B) Camera Utility at Key Rate; (C) Digital Utility at 3rd Rate; (D) First Set Costumer at Best Boy Rate; (E) Marine Coordinator; (F) Boat Handlers and (G) On-set picture boats - all as negotiated.
- ▶ New Budget Brackets (rounded to nearest \$50,000) that include a Tier 1 increase in Year 1 from 0-3 million to 0-3.5 million, Tier 2 increase in Year 1 from 3-5 million to 3.5-6 million and a Tier 3 increase in Year 1 from 5-7 million to 6-8.5 million. Year 2 increases for Tiers 1,2 and 3 were increased to 0-3.6, 3.6-6.2, and 6.2-8.75. Year 3 increases for all tiers were adjusted upwards as follows: Tier 1: 0.-3.75, Tier 2: 3.75-6.4, Tier 3: 6.4-9.05.

One significant note to the new low-budget tier rates is that IATSE reps had locked in tiers, in 1995, to ensure “low-budget” was defined by terms that would protect the flow of work for IATSE members. The 2003 tier increases came as a timely response to a narrowing of the low-budget market due to inflation. These tier increases will help producers maximize their budgets, while still protecting IATSE work rolls in the low-budget category.

PRODUCER CONTRIBUTIONS INTO IAP BOOSTED

An important component of both the HBO and low-budget agreements was to ensure producer contributions into the IAP (Individual Account Plan) continue to closely track the Hollywood Basic Agreement. Recent changes to producer contributions to the IAP include a rise from 4% to 4.5% on August 1, 2004, and to 5%, on August 1, 2005.

What exactly is the IAP? They are monies, calculated on a percentage of an employee’s basic payroll rate. IAP funds are paid by producers into the Motion Picture Industry Plan and are above and beyond working payroll. IAP percentages apply to all members covered by the Hollywood Basic Agreement, which went into effect August 1, 2003 for a three-year period. Payments by producers into the IAP are not pooled but directed toward each individual. Much like a large pension fund, IAP monies are invested in securities or other high-interest bearing products until an employee retires or selects early retirement and chooses to liquidate his or her account. IAP monies are vested, i.e., they cannot be revoked or changed after one year of paying into an employee’s account.

Safety Pass Training Program Update

A little more than a year ago, a new program that offered safety training for IATSE members who work in the Motion Picture and Television Industry began in June 2003. Since that time, the program has evolved in many different ways. The program is now officially called the Safety Pass Training Program. It has a new home that is located in Glendale, California and is close to both Walt Disney Studios and Warner Brothers Studios. The program currently has seventeen different classes that are offered to IATSE members. Based upon each Local, courses were designed specifically for the type of training required for those classifications. For a member to continue to be eligible to work, they must complete the training that is required for his/her classifications. The number of classes that are required by classification will vary from Local to Local. Some classifications may have only one course while other classifications from a different Local may have as many as eleven. To begin the training process, time lines were developed that would enable the training to occur over the two year time period and yet, not have all of the Locals finish their training at the same time. When a Local's time line has passed, payroll companies and the producers can go on line to the Contract Services Administration Trust Fund's (CSATF) web site to check the status of a potential employee. If he/she has not completed the necessary training, they will not be allowed to work until they have completed the necessary training for their classification. Since some of the Local's have completed their training time lines, some members are going to have trouble getting on their next show.

As of June 30, 2003 the following seven Local's time lines have expired:

IATSE Local 892	Costume Designers Guild – All Groups
IATSE Local 767	First Aid Employees – All Groups
IATSE Local 816	Scenic, Title and Graphic Artists – All Groups
IATSE Local 729	Painters – All Groups
IATSE Local 700S	Story Analyst – Only
IATSE Local 44	Affiliated Property Craftsmen – All Groups
IATSE Local 80	Grips/Craft Service – All Groups

The following Locals are to have their training completed by August 31, 2004

IATSE Local 728	Studio Electrical Technicians
IATSE Local 683	Film Technicians– All Groups
IATSE Local 876	Art Directors – All Groups

As of May 31, 2005 all of the remaining Locals will have passed their time lines and the first stage of the training will be complete. It is the hope that the training will not only travel to other major cities in the United States but also establish new training classes that go beyond the "Basic ABC's", such as Working Around Camera Cranes, Filming on Insert Cars, Handgun Safety, Prosthetics and Application to Actors to name just a few.

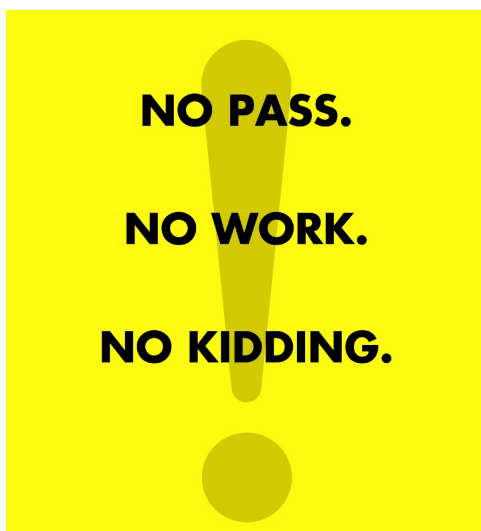
Members who have not taken the safety training may still enroll and take the training by simply going on-line and signing up over the Internet or by calling the Safety Center's main number. Currently, due to the extreme

high volume of telephone calls the Safety Center is receiving from members trying to register, it is suggested that they use the Internet to ease the problem of not being able to speak to a "real person".

Here are some numbers on how the training is progressing:

Local	Total Persons	Completed	%	In progress	%	None completed	%	Deadline
892	602	312	52%	N/A	N/A	290	48%	12/31/2003
767	285	189	66%	83	29%	13	5%	5/31/2004
729	1293	701	54%	214	17%	378	29%	5/31/2004
700s	267	124	46%	N/A	N/A	143	54%	5/31/2004
816	145	106	73%	28	19%	11	8%	5/31/2004
44	9235	3201	35%	2620	28%	3414	37%	6/30/2004
80	3085	845	27%	1245	40%	995	32%	6/30/2004
683	1538	228	15%	80	5%	1230	80%	8/31/2004
728	2178	727	33%	938	43%	513	24%	8/31/2004
876	1214	136	11%	289	24%	789	65%	8/31/2004
600	4571	576	13%	749	16%	3246	71%	12/31/2004
695	2379	264	11%	229	10%	1886	79%	3/31/2005

Numbers in *bold/italic* indicate the time line has already passed.



Starting now, major studios will suspend* any union member who has not completed the Safety Pass Certification as outlined in the collective bargaining agreement between the parties.

*Suspension do not mean removal from Roster.

**NO PASS. NO WORK. NO KIDDING.
WWW.CSATF.ORG**

SAFETY PASS

ORGANIZING UPDATE: 2003 - 2004

12 Dogs of Christmas	Forty Shades Of Blue	Phil of the Future
2001 Maniacs	Glory Days	Red Riding Hood
30 Days Until I'm Famous	Hard Time	Seat Filler
Around the World in 80 Days	Havoc	Sexual Life
Ask The Dust	Heart Of Summer	Shopgirl
At Last	Huff	Sideways
Beauty Shop	Ice Harvest, The	Silver City
Beauty Shop	Just Go For It	Smile
Big Brother	Kinsey	Soaptalk
Californians, The	Laws Of Attraction	Stuck In The Suburbs
Charm School	Loverboy	The Amityville Horror
Cloud 9	Lucky 13	The Wine Comes First
Comic View	Mall Cops	The Good Humor Man
Cruel Intentions 3	Motive	The Ortegas
Dark Water	Mrs. Harris	The Last Run
Deal or No Deal	My Best Friend Is A Big Fat Slut	This Is Real
Deep Attack	Next Action Star	Three Way Split
Dirty Deeds	Oceans 12	Vegas Vamps
Elvis Has Left The Building	Performing As...	When Do We Eat
Employee of the Month		Whiplash

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