

Summary of Proposals In Key Areas By WGA And ATA 4/12/19

| Subject | WGA Proposal | ATA Proposal |
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| Sharing of confidential client financial information with WGA | <p>All agencies are required to provide client contracts and other financial information to the Guild, even if the agency's clients instruct them not to provide the information.</p> <p>Agencies must make quarterly reports demonstrating all compensation received on behalf of writers, all commissions received by the agent, and all other compensation the agency has received for any financing or sales services. The agencies must also provide all client contracts for writing services (as described above) and all feature film financing and sales services entered on behalf of writers.</p> | <p>ATA offered that agencies will provide writer client contracts and other financial information to the Guild as the default, but the client has the right to opt out. However, we also respect the privacy of writers. If our clients ask us not to share something, we will protect their personal and financial information at their request.</p> <p>We offer to work with the WGA to develop an automated reporting system that would provide the WGA with key information regarding client's work start dates and client compensation (assuming the client did not ask that compensation not be provided). This automated system would be designed to commercially reasonable and not impose undue costs or burdens on smaller agencies.</p> <p>Why this is good for writers.</p> <hr/> <p>Writers know that their agent is working closely with the WGA, assisting with enforcement and collections, and generating data for negotiations, while also protecting client privacy concerns.</p> |
| Diversity Reporting | <p>Agents shall provide the Guild with an annual report summarizing agent's diversity efforts and reflecting, through anonymized data, the employment history of all writers represented by agent, broken down by membership in statutorily protected classes.</p> | <p>We offer to establish a working group to collaborate with the Guild and other industry leaders to enhance initiatives respecting multiculturalism, diversity, and the inclusion of historically underrepresented groups, and to consider new initiatives in this regard. The working group would advise the Guild as to the systematic efforts currently undertaken by agents, and the Guild would advise the working group respecting the work currently being undertaken by the Guild. ATA members would provide meaningful financial and human resources in support of such working group's efforts and this collaboration.</p> |

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| | | <p><u>Why this is good for writers:</u></p> <p>The collaboration of the ATA agencies and the Guild has the potentially to transform the industry and substantially increase the opportunities for, and advancement of, historically underrepresented writers.</p> |
| Affiliates | WGA proposal includes an outright ban on any affiliate relationship in which the affiliate is involved in production <i>or</i> distribution. | <p>The ATA listened to the WGA’s position on affiliate relationships, but believes we can address the concerns raised. We propose broad disclosure, protections and consent obligations for all affiliate work including:</p> <ul style="list-style-type: none"> • informing all writer clients about the affiliate relationship; • advising clients that they will never have any obligation to work with the affiliate; • advising clients that they have the right to have their work submitted simultaneously to competitors of the affiliate, and; • obtaining client’s informed consent before any submission is made to an affiliate. <p>In addition, agencies would not be permitted to be in affiliate relationships unless they were physically and legally separate, with different management teams from the agency, different day-to-day employees from the agency, and a written conflicts policy.</p> <p>Finally, we offered to provide regular data to the WGA on affiliate deals and allow the WGA to reopen mid-term if the Guild found problematic issues related to affiliates.</p> <p><u>Why this is good for writers:</u></p> |

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| | | <p>Affiliated entities in the production space are shown to bring in more work, projects and exposure for writers, and these entities often offer better terms than traditional studio deals.</p> |
| Film Finance | <p>WGA initially sought to ban agencies from providing sales or distribution services in the film finance area. They modified the proposal to permit such services, but only if the budget of the film is less than \$20 million. Films with greater budgets must be submitted to the WGA for approval before the agency may provide services. Agents must provide quarterly reports of all film sales or distribution services provided to writers, and WGA has a right to audit.</p> | <p>We believe in supporting growth in the independent film industry.</p> <p>We propose permitting agencies to continue providing distribution-related services in connection with the independent film industry.</p> <p>When a writer engages an ATA agency for these services, the agency will provide the writer with information regarding the fees to be charged, and the writer will have the choice to use the services or not. Reports will also be provided to the Guild regarding these services.</p> <p>Even if the writer is <i>not</i> the client who retained the services, the agency will nevertheless provide full disclosures if the agent was retained prior to the writer's engagement on the project.</p> <p><u>Why this is good for writers:</u></p> <p>Agencies' work in this space enables more than two hundred independent films to get financing and distribution each year. An agreement that allows agencies to continue to contribute to the growth of the independent film industry is critical.</p> |
| Packaging | <p>WGA proposal bans television packaging outright.</p> | <p>The ATA listened to the WGA about the concerns it raised about packaging - the lack of transparency and potential for misalignment between agency and client.</p> <p>We have offered and agencies have implemented more robust disclosures to all content owner/creators. Owner/creators will make an informed choice as to whether their material is part of a package-represented show. Disclosures to the owner/creators include the material terms of the agency's package agreement.</p> |

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| | | <p>All writers are provided the choice of whether to work on an agency packaged-represented show prior to submission.</p> <p>Agents continue to waive commission for <i>all</i> writer clients on all agency package-represented shows.</p> <p>Profit sharing: a share of revenue on the back-end will be split into a fund for emerging and mid-level writers and a share will be invested in a diversity/inclusion fund for historically under-represented writers. We also propose to pre-fund the diversity and inclusion initiative so it would begin immediately.</p> <p><u>Why this is good for writers:</u></p> <p>The intent of package-represented shows was and remains in the best interest of writers. The record is clear that shows have a better chance of pick-up, and longevity – while saving writers \$49 million annually in commission savings. With total transparency and informed consent, we will continue to this model that has worked in our industry for years. And the new revenue sharing will directly align the interests of agencies and writers.</p> |
| Arbitration | WGA proposal calls for expedited arbitration before a single arbitrator who is from a WGA-chosen list. There are no appeals, even for loss of agency franchise. ATA cannot participate in arbitrations initiated by the Guild against agents. | <p>We believe any dispute should be heard and handled fairly.</p> <p>In the case of arbitration, we propose neutral arbitrators to be mutually chosen, or chosen through a neutral process. Simple disputes would be subject to expedited arbitration with a single arbitrator, while more complex disputes would have three arbitrators and an optional appeals process. Franchise could only be lost in specific, severe circumstances.</p> <p><u>Why this is good for writers:</u></p> <p>A fair and neutral process, that parties can trust, is best for all.</p> |

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| Standing Committee | WGA counterproposed a standing committee that would meet less often and only monitor compliance. The WGA's proposal was also weighted so that it would always have a majority over ATA members. | <p>ATA believes communication is a problem-solver.</p> <p>We propose a standing committee for both sides to meet regularly both to monitor compliance with the agreement <i>and</i> address any ongoing issues of concern or changes that should be made.</p> <p><u>Why this is good for writers:</u></p> <p>Meeting often between our parties with equal representatives will allow us to better understand each other's perspectives and work through issues together.</p> |
| Term | WGA proposal calls for a three-year term, that rolls into annual terms that can be terminated by either side 90 days before the end of the term. | <p>We propose a four-year term, that can thereafter be terminated by either side on 180 days' notice. Our proposal provides that, during the term, neither side can take action to undermine the other side's rights.</p> <p><u>Why this is good for writers:</u></p> <p>A longer term, during which each side must treat the other fairly and honestly, will enable the agencies and the writers to rebuild our relationship through trust and cooperation.</p> |