

April 11, 2019

Dear ATA Members,

As you know, we've been working diligently to reach a deal with the WGA. Thanks to all of you who attended our membership meeting this week – we deeply appreciate your input, guidance and overwhelming support as we work through these negotiations as a unified front. As we discussed, the WGA's Code of Conduct is a threat to agency business operations – whether two agents or 2,000.

The past several days have been a rapid crescendo to this pivotal moment in our negotiations. We have now presented the WGA with comprehensive counterproposals that address their issues.

We've listened and heard meaningful feedback this week from WGA leadership, and in our own agency meetings and townhalls with writer clients during the past few months. Those meetings helped us further understand and reflect upon the fundamental issues of concern, including calls for greater transparency, deeper understanding of agency operations, increased support for lower- and mid-level writers, and ultimately better alignment in agent/writer compensation. Our goal throughout the discussions to date has been to avoid a destabilizing industry fallout.

Outlined below is a summary of our draft counterproposals:

- **Partnering With The Guild:** Agents are, and always have been, on the side of the writer and are committed to protecting writers against free rewrites and late payments. The WGA has requested access to client contracts and invoices so they can intervene directly with studios/employers to rectify situations on behalf of writers. While WGA already has authority to collect that information from its Guild members and studios are also required to submit to the Guild, collection has been problematic. Agencies have agreed to provide the Guild with copies of writers' executed contracts and financial information for writing services within the Guild's jurisdiction – with the writer's ability to opt out of sharing his/her confidential information.
- **Sharing Success:** When a packaged show does well, writers will now share in the success and receive a share of the agencies' packaging fees. Specifically, agencies will provide a percentage of their back-end profits to writers – 80% of which will be shared amongst a show's writers not participating in the profits of the series, regardless of which agency represents them. The remaining 20% will be invested in industry initiatives and programs to foster and expand inclusion of historically underrepresented writers. This is a meaningful investment in the writer community.

- **Jumpstarting Inclusion:** Agencies will also advance \$2 million per year for three years (\$6 million total) to jumpstart an industry-wide fund to foster and encourage inclusion, making a significant investment in today's creative community.
- **Transparency in Film Financing.** Agencies will be permitted to perform motion picture consulting, financing and sales services, and will fully disclose any fees and arrangements to the writer.
- **Transparency in Affiliates.** Agencies have committed to providing safeguards and transparency to clients working with agency affiliates. Further, agencies will share anonymized data and summaries (*e.g.*, aggregated financial terms, form contracts, initiatives) about deals made on behalf of agent-affiliated production entities that engages writers. The parties will meet on a quarterly basis to evaluate how the affiliate production companies are benefitting writers. If, at any point after the first two (2) years of the initial term of this agreement, WGA determines that the affiliate production companies are not benefitting Writers, WGA may give 90 days' notice of intent to reopen this agreement on this limited issue.
- **Commission.** Maintain all of agents' current rights with respect to commissions.

At this critical juncture, we are committed to getting a deal across the finish line. We are intensely focused on ensuring that it's a long-term solution — one that meets a dual-purpose of protecting the best interests of all writers while creating alignment between the goals of our two organizations.

I'll continue to keep you updated and thank you for your support.

Sincerely,

Karen Stuart
Executive Director