

## MEMORANDUM

**To:** Screen Actors Guild  
**From:** Steve Diamond  
**Date:** September 6, 2008  
**RE: HOW TO BREAK THE TEMPLATE**

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As one listens to the interviews of the various candidates running for SAG's National Board, one theme comes through: no one is happy with the so-called "final" offer on the table from the AMPTP.

Those candidates who are supportive of either a merger or at least a closer relationship with AFTRA don't like the deal but leans towards signing the deal because they believe it's the best they can get under the current circumstances.

MF candidates and supporters, of course, vociferously oppose the deal and argue that stretching out the negotiations through the AFTRA ratification, through the National Board election and beyond will give the Guild time to build up support for a possible Strike Authorization Vote that would increase their leverage. But how that will actually happen is never made clear.

Let's start with the premise that the Guild certainly should not accept the principle pushed by the Producers that the Guild, the largest of the industry's unions and arguably potentially the most powerful, must automatically accept the terms and conditions the AMPTP negotiated with the other guilds, and will likely agree with the IA once the SAG negotiations end.

But the Guild has to accept responsibility for the result of their particular, if not peculiar, approach to negotiations. Although the new leadership at SAG engaged in a multi-year effort to establish an alliance with the smaller WGA's new leadership, that alliance did not result in a common negotiating strategy. The WGA went its own way, and on to the streets in a 100-day strike.

SAG supported that walk out aggressively. In many ways one could view the current deal on the table as at least a partial victory already for SAG, by SAG. It does after all create union jurisdiction in new media for the first time - without the requirement of going through a union organizing drive and election - although with the much discussed thresholds limiting it in some ways. Recall that the deal was enough to secure an overwhelming ratification vote from the WGA even though it was not overwhelmingly popular.

But if the general view in SAG is that that deal is not enough, and that would be a reasonable position to take just on the WGA's inability to improve on DVD residuals alone, then SAG leaders have to define a strategy that will actually move the Producers and break the stalemate. None of the candidates I have watched on Jonathan Handel's interview series have come anywhere close to specifying what such a strategy would consist of.

Anne-Marie Johnson hinted at an upcoming education campaign. Presumably the brochure sent out with the controversial bar code post card is what she had in mind. Of course, the bar code controversy is helping to undermine the impact of the brochure and the idea is taking hold that the entire exercise was really an effort for the incumbent Membership First party to engage in some campaigning on the union's dime.

In any case, as any labor educator will tell you (I was one for seven years), a serious education campaign has to be quite a bit more than a brochure that lands in your mailbox from union headquarters, if it is to have any chance of generating real support for a strike.

So let's make two assumptions: One, a very large percentage of the membership would prefer a stronger deal than the one that is on the table; and Two, the membership sees a strike as either unlikely or undesirable.

Clearly that presents a dilemma for any union leadership. It looks like they are "damned if they do and damned if they don't."

It boxes them in because, like any political animal, they are very sensitive to the charge that they did not do enough for their constituents. And this will apply to U4S too if they win power in a couple weeks.

So can we resolve the dilemma of having an unpopular deal but apparently not having a strike weapon either?

I think a determined and disciplined leadership can break the template. How?

1) **Set a deadline.** I would suggest January 30, 2009. Stick to that deadline. If the strategy that you put in place won't budge the Producers by then, then sign. Why? Because you are sometimes better off surviving to fight another day than see rancor and demoralization undermine your ability to come back in 2011. You can also promise the A-listers that you want one really solid shot at this and if it does not work, you will call it a day and move on.

2) **Divide the time** between the conclusion of the SAG election and January 30, 2009 into three equal phases.

A) *PHASE ONE. (September 20 - October 20)* For one month conduct an intensive professional top to bottom education effort with the members. Bring in

several top-notch labor educators to help you prepare the necessary programming and material. In this period you lay out the research that supports your claim for improved DVD residuals (assuming as I hope that the 15% increase is NOT off the table), improved new media, better rights for background, etc. This must consist of face-to-face meetings across the country and with as many members as possible.

This is not just about the leadership pressing the flesh or their case. It is about engaging the membership in argument about the rationale for your contract demands. Those members may be asked down the road to spend months on a picket line for these demands. You need to win their hearts and minds now.

Also, this is a kind of organizing campaign. You are going to turn your members into tribunes for SAG's cause. So they must be persuaded of the argument and then must be willing to make the case themselves when you leave the meeting. They will be the key troops in the second phase.

B) *PHASE TWO. (October 21 - November 21)* For the entire second month, make your case to the public. What do I mean by the public?

There are four key constituencies:

1) *The labor movement*: meet with local labor leaders, with local labor councils, ask for 15 minutes to present the power point that you will develop in the internal education phase. Point out why your demands for working actors are important to other workers. Remind unions of the solidarity SAG has provided in their struggles.

2) *The financial community*: pension funds, private equity funds and hedge funds now have a huge stake in the entertainment industry. The CEO's have promised them a certain rate of return and are arguing that the template is baked into that promise. In other words they are telling your members and the beneficiaries of those funds, many of whom are fellow union members, that if you make more money the rate of return will be lower. You have to undermine that argument.

Contact key fund managers, hold press calls with them, and lay out your argument. Do the same with the hundreds of union trustees that sit on the boards of pension funds with nearly \$4 trillion in assets, like Cal/PERS. The Office of Investment and the Capital Strategies Group at the AFL and CtW, respectively, would be happy to help.

- Point out that the windfall profits the industry earns from DVDs and might earn in new media undermine the very people who are responsible for content creation.

- Point out that a healthy and vibrant actors community is essential to the ability of producers to put together creative projects on short notice in response to a dynamic and competitive consumer market that is now global.
- Point out that US entertainment is one of the country's most important export markets and that a reasonably compensated unionized environment is critical to sustaining that market.

3) *The politicians.* Guys, head's up, this is an ELECTION YEAR. Hollywood is IN. They need the money, they need the attention, NONE OF THEM will want to cross your picket line whether for a strike or just one that is informational.

It is a perfect time to twist their arms. Make appointments with as many as possible up and down the state and across the country. Lay out the same case as you are making with labor and Wall Street. They may or may not pick up the phone to Bob Iger, but guess what you have more votes than Bob Iger and that's what they listen to.

The key here is it puts them on notice: *if we have to strike (see Phase Three) then we want you behind us or at least neutral and if not, look out next time you come calling in this town for money.*

And remember in the Education phase you are going to lay out an argument that your members and the public will believe in because it makes rational economic sense. Politicians always have a finger in the air and so they will know which way the wind is blowing and the entire exercise here is to shift the wind that is now blowing hard in your face.

4) *The public.* In this part of Phase Two you need to carry your argument to the largest, most complex yet most important constituency: the public, *aka* your fans. They know you and love you as performers but do they understand your plight?

No, they do not. Most American workers don't understand the plight of their neighbors or fellow church or synagogue members. So this is a hard task.

But with the education plan in place and with the internal experience of laying out the case and then making it to the rest of the labor movement, you have the raw material to make the case to the public.

How? Op-eds. Television visits. Local radio, national radio, public radio. BLOGS!!! (I get 25,000 hits a day sometimes on my Global Labor blog - it can be a powerful tool). The key is a simple, persuasive and meaningful argument. The "working actor" idea is a great starting point. A simple description of the career of an actor, a moving on line video, a magazine interview. All over the country with as many of the members as possible helping out.

C) *PHASE THREE. ACTION!* (November 22 - December 22).

The argument has been laid out, the members understand it and believe in it, your brothers and sisters in labor get it and Wall Street and the Beltway and Sacramento know they better listen or else. Now what? Now you take action. Any contract that is worth it's salt will require the imposition of some pain on the other party.

The goal here is to send a simple message to the Producers - that you are a) dead serious about this; b) that your members are behind you 100%; c) that your bargaining goals are reasonable; and d) it will only get worse for them if they do not begin to move in your direction.

NONE of this is the case today. But since you now have the entire membership, the labor movement, as well as many on Main Street and Wall Street behind you it will be easier to take ACTION.

What kind of action? First, informational picket lines at theaters. Pick a big weekend opener. Turn out thousands at the major theaters - Westwood, etc. - with leaflets, picket signs, etc. Not a boycott but for informational purposes. Send a signal.

Second, a boycott. Pick a target. Which studio has been the most intransigent? Disney seems a reasonable choice. Or Fox - everyone on labor's side likes to poke a stick at Rupert who, after all, broke the printers unions in England. It doesn't really matter. The point is to make them feel this. So a picket line goes up, ask people to see another movie or go to another theater or SEE A UNION PLAY!

Third, hit their business partners. Wal-Mart sells billions of dollars in DVDs. And then there is Best Buy or Amazon. Organize a one week boycott. Put a chink in the armor of their cash cow.

The number of possible job actions like this are endless. Let the members decide. They will come up with great ideas. Hash them out in weekly meetings at 5757. Get the sharpest and best on the staff to nail down details and come back with tactics. The WGA engaged in some terrific actions. So beg, borrow and steal ideas.

You have a whole month to roll these out. Just make sure they are well organized, respectful of law and order (more or less), and, most importantly, are pitched to appeal to your constituencies. But keep in mind the need to ratchet up the pain level as the month rolls out.

### 3) **End Game.**

Ok, it's December 22. Take a break. Everyone has worked hard. Let's all go home for the Xmas holiday. But we are back in the offices of the Guild on December 27. What now? If the Guild lays out and implements this plan I am certain you will already be back in talks with the Producers and they will be anxious to conclude a deal.

But, if not, January 10 is SAV day. That's when you finally return to the entire membership and say, we have rolled this out, we have made our case, the public is behind us and we have inflicted some real pain on the other side to show that we mean business. But still no movement to break the template. Now, in my view, it is up to the members. Let them decide, democratically. If they back a strike with a 90% SAV - which I think they will at this point - then take one last shot at sitting down with Nick and his minions.

But if he balks, then it is the Producers who have made a strike inevitable and likely their defeat inevitable as well. Because now you have made a reasoned, persuasive argument over three hard months of work to millions of people and they are behind you. You will be joined on the picket line by the thousands of friends the union has made in labor, among politicians, and the general public.

This is the kind of strike SAG will not likely have to call but it is the only kind of strike that has a chance of succeeding.

This is the way to break the template.