Writers Guild readies for key negotiations

It plans an aggressive effort in writers’ thorny negotiations covering digital distribution.

By Richard Verrier, Times Staff Writer

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As some of Hollywood's biggest screenwriters dined on prime rib and salmon in May at the Beverly Wilshire Hotel, David Young's mind was on pie.

Not the edible kind, but the one full of revenue that Hollywood studios and networks divide up. In Young's view, the companies get the big slices while writers get the crumbs.

"Their pie has been growing and growing, while our share has been slowly shrinking. We cannot let that continue," Young told an audience that included Robert Towne ("Chinatown") and William Goldman ("Butch Cassidy and the Sundance Kid").

Whether Young can deliver that pledge will be put to the test today when he sits down for his inaugural talks as chief negotiator for the Writers Guild of America. Young aims to forge a more lucrative contract with studios and networks to replace one expiring Oct. 31.

The negotiations also effectively serve as a referendum on the strategy Young brought with him when he arrived in 2004 at the Writers Guild, West, which elevated him to permanent executive director last year. Young is trying to bring a more aggressive culture to the guild, borrowing from his two decades of organizing garment workers, carpenters and construction laborers.

Young's first go-round will be unusually complex and volatile compared with past contract talks. Hollywood is grappling with the rise of digital distribution and entertainment on the Internet that promises opportunity for new revenue as well as threat in the form of electronic piracy.

"Clearly, this is a seminal and critical negotiation for us," Young said. "When writers think that their possible income is going to depend 20 years from now on what happens in these negotiations, the stakes and the anxiety level are exponentially increased."

Guild leaders have vowed to secure fair pay for members across all new media. Studios, however, have balked at setting pay rates until business models are more firmly established.

Instead, they proposed a study, an idea the union has already rejected. Studio executives favor overhauling the entire system of residuals, the fees actors, writers and directors get when movies and TV shows are reused, saying pay formulas don't reflect economic reality.

Fearing the two sides could be too far apart, studios and network executives already are making contingency plans for what could be the first walkout in nearly two decades. They included planning for more reality TV shows and fast tracking scripts.

"Put it this way," CBS Chief Executive Leslie Moonves told reporters last week, "CBS is not going to go blank."

Although once-sizzling DVD sales are slowing, securing a bigger piece of home-video revenue remains a top priority for writers. Writers complain that they currently fetch a scant nickel for every DVD sold under a long-standing formula. Studios argue that they need DVD revenue to offset rising production and marketing costs.

Another battleground is the burgeoning reality TV sector. The union has made organizing reality TV shows a top priority, but producers have firmly resisted, viewing...
organizing reality TV shows a top priority, but producers have firmly resisted, viewing the low-cost programs as an important hedge against a possible strike.

"These negotiations are going to be extremely challenging for [Young]," Los Angeles entertainment industry labor lawyer Ivy Kagan Bierman said. "The leadership was elected on a much more aggressive platform, so they're going into these negotiations with high expectations from their members."

Already, there's bad blood between Young and the studios' chief negotiator, J. Nicholas Counter III, president of the Alliance of Motion Picture and Television Producers.

Counter has openly criticized as inappropriate the guild's "blue-collar union" tactics, which has included suing producers for alleged violations of California labor law, disrupting industry conferences and lampooning advertisers over how products are weaved into shows.

For his part, Young has accused Counter of refusing to meet with him to discuss the guild's top issues — a claim Counter disputes — and of attempting to scare the rank and file by portraying him as militant.

Young was tapped nearly two years ago to replace John McLean, a former CBS executive who was fired by guild directors after Patric M. Verrone and his slate swept control of the union on a campaign to step up organizing in such areas as reality TV and cable television while taking a tougher stance in negotiations. Young, the former director of organizing, served as interim director for 10 months before he got the job permanently.

Though he's the chief negotiator on behalf of 12,000 film and TV writers, Young will work closely with Verrone and a negotiations committee whose members include such top writers as Marc Cherry ("Desperate Housewives"), Neal Baer ("Law and Order: Special Victims Unit") and John Bowman ("Saturday Night Live").

"I was a little skeptical because he didn’t come from our business, but he’s really learned fast and he’s proven himself to be a genuine leader," says Bowman, who heads the committee.

Adds Verrone: "He’s less easily impressed by the glamour of show business and the seduction of Hollywood."

In preparation for negotiations, Verrone and Young have participated in dozens of meetings and house parties with small groups of writers, visited sets and hosted special events for A-list talent.

"It's really a kind of classic shop floor approach applied to an industry where we haven't been doing that," Young said.

Supporters say the internal organizing has strengthened the union by mobilizing and informing members who were previously marginalized. To gain leverage in negotiations, Young also has forged closer ties with other Hollywood unions, including the Screen Actors Guild, whose contract expires June 30.

Young's external organizing record, however, has been mixed. The union recently announced a deal extending union pay and benefits to four of Comedy Central's top shows, including "The Sarah Silverman Program" after a successful organizing drive at the Viacom Inc.-owned cable channel. But the union has little to show for its much vaunted campaign to organize reality-TV workers despite pledges to "bring the industry to its knees."

Last year's strike against the CW's "America's Next Top Model" failed to provoke an industrywide walkout. The writers lost their jobs, and the guild found itself in a turf war with another union representing editors.

"I'm disappointed by the results so far," Young conceded. "On the other hand, we showed this town that this organization will fight."

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diversity, even though it nearly proved fatal.