



To: All JPC Authorizers

From: Stacy Marcus, Chief Negotiator, JPC  
Kim Stevens, Director of Industry Relations, JPC

Date: April 9, 2018

**Re: American Federation of Musicians – Information regarding notice of withdrawal of JPC authorization and notice to AFM of intent to terminate signatory status**

---

The current collective bargaining agreement between the American Federation of Musicians (“AFM” or the “Union”) and the ANA-4A’s Joint Policy Committee on Broadcast Talent Union Relations (the “JPC”) that covers Union musicians’ services in connection with commercials (the Commercial Announcements Agreement, hereinafter the “Contract”) is set to expire on **June 4, 2018**. Last year the AFM and JPC agreed to extend the Contract for one (1) additional year. The AFM and JPC may elect to extend the current Contract again for an additional period of time, to be determined by the bargaining parties (the “Extension”). The JPC will provide notice of the Extension, if any, once it is finalized.

In light of this, this memorandum details options regarding the expiring Contract and the Extension, if any. As always, the JPC, ANA, and 4A’s strongly advise that members seek guidance from their own legal counsel when assessing the impact of the options set forth below. If you are unsure whether you are an authorizer for the AFM Contract, please contact Kim Stevens, JPC Director of Industry Relations, at [kstevens@jointpolicycommittee.org](mailto:kstevens@jointpolicycommittee.org).

### **Current JPC Authorizers to the AFM Contract**

#### **Option 1:**

If you wish to remain a JPC authorizer signatory to the current AFM Contract, including the Extension, if any, and any successor AFM Contract, you do not need to do anything.

## **Option 2:**

**Withdrawing JPC Authorization for the AFM:** If you are a JPC authorizer and no longer wish to be represented by the JPC in collective bargaining with the AFM, you must provide timely notice to the AFM and the JPC in order for your withdrawal of authorization from the JPC to be effective. Notice must be submitted to the AFM and the JPC no later than **May 4, 2018**. We can provide you sample notice letters upon written request. Failure to provide notice to the JPC as provided herein will constitute your authorization for the JPC to collectively bargain on your behalf and bind you to the successor Contract following the expiration of the Extension, if any.

**Withdrawing Signatory Status:** If you wish to terminate your status as a signatory to the current AFM Contract upon its expiration date of June 4, 2018, you must provide the AFM with advance written notice. This notice must be sent to the AFM, with a copy to the JPC no later than **May 4, 2018**. We can provide you sample notice letters upon written request. Failure to provide the foregoing notice in the stated time period will result in your remaining signatory to the current Contract, as extended by the Extension, if any. You may be obligated to separately bargain with the AFM prior to being released from your obligations under the current Contract.

**Please Note:** Recent decisions by the National Labor Relations Board impose greater requirements on employers who wish to terminate their obligations under union contracts. Under the National Labor Relations Act, if you withdraw your authorization for the JPC to negotiate on your behalf and notify the AFM that you intend to terminate your status as a signatory under the Contract, the AFM can then demand that you negotiate with it directly. There is no set time frame in which the AFM must notify you of its demand for direct negotiations. If the AFM makes such a demand, you must bargain until such time as you and the AFM either agree to terms and conditions on a new collective bargaining agreement for or you and the AFM bargain to impasse. During such period of negotiation, you remain bound to the terms and conditions of the Contract. This includes being responsible for contractual and statutory liabilities created as result of the Contract—for example, payments, pension and health contributions, and compliance with audit requirements. If the AFM does not demand that you negotiate, you may be released from further liability under the Contract, but it is strongly recommended that you consult with your legal counsel before making that assumption.

Should you terminate the Contract or should the AFM abandon the contracts, you may also be liable for withdrawal liability from the AFM's pension fund (*i.e.*, the American Federation of Musicians and Employers' Pension Fund). In addition, if you continue to produce commercials through a signatory agency or other signatory entity, you may continue to be bound to the Contract as a "Joint Employer" and remain responsible for all of the obligations and potential liabilities under the new Contract.

If you have questions regarding withdrawal from the JPC, pension withdrawal liability and/or possibly being deemed a Joint Employer, we strongly advise that you consult with your legal counsel.