



September 23, 2019

To: Current JPC Authorizers

**Re: AMERICAN FEDERATION OF MUSICIANS COMMERCIAL ANNOUNCEMENTS AGREEMENT  
NEGOTIATIONS**

The current collective bargaining agreement between the American Federation of Musicians ("AFofM") and the advertising industry that cover the services of union musicians in commercial announcements (i.e., the Commercial Announcements Agreement, referred to herein as the "Contract") will expire on December 4, 2019. The industry is represented in these negotiations by The Joint Policy Committee, LLC (the "JPC").

The JPC and the AFofM have agreed to extend the Contract from December 4, 2019 up to and including March 31, 2020. During this extension period, base wages will increase by one-half percent (0.5%) for services provided on or after December 4, 2019, provided all payments under the Contract (e.g., use and re-use cycles) will continue to be based on their current ratio to the applicable session fee.

This memorandum outlines various options for JPC authorizer signatories with respect to the expiring Contract and the upcoming negotiations between the JPC and the AFofM over the successor Contract. As always, the JPC strongly advises entities to seek the guidance of legal counsel when assessing the options outlined below.

**Option 1):**

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

**Option 2):**

- a) If you are a JPC authorizer and no longer wish to be represented by the JPC in collective bargaining with AfofM, you must provide timely notice to the JPC in order for your withdrawal of authorization from the JPC to be effective. Such notice must be submitted to the JPC no later than **October 4, 2019** if you do not wish to be bound by the extension and any successor agreement.
- b) If you also wish to terminate your status as a signatory to the current Contract following its expiration on March 31, 2020, you may be obligated to separately bargain with the AFofM prior to being released from your obligations under the current Contract. As you will be bound by the terms of the current Contract for a period of at least sixty (60) days after you provide notice, the terms of the current Contract may be extended beyond the March 31, 2020 expiration date if you provide notice after January 31, 2020 (e.g., if you provide written notice on February 1, 2020 of your intent to terminate your status as a signatory to the



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Contract, you would be bound by the terms of the current Contract through at least April 1, 2020.)

**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 AFofM that you intend to terminate your status as a signatory under the Contract, the AFofM can then demand that you negotiate directly with them. There is no set time frame in which the AFofM must notify you of its demand for direct negotiations. If the AFofM makes such a demand, you must bargain until such time as you and the AFofM either agree to terms and conditions on a new collective bargaining agreement or you and the AFofM bargain to impasse. During such period of negotiation, you remain bound to the terms and conditions of the current Contract. This includes being responsible for contractual and statutory liabilities created as a result of the Contract; for example, residual payments, pension and health contributions, and compliance with audit requirements. If the AFofM 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 such an assumption.

Should you terminate the Contract or should the AFofM abandon the Contract, you may also be liable for withdrawal liability from the AFofM's pension plan. In addition, if you continue to produce commercial announcements through a signatory, 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. Currently the AFM Pension is underfunded and we encourage any withdrawing signatory contact the pension plan office and obtain a copy of their potential withdrawal liability.

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.

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If you have questions regarding the information presented above and/or you would like us to provide you with sample forms for the notification and withdrawal process or further information regarding the JPC and forms for authorization to the JPC, please feel free to contact Stacy Marcus, the JPC's Chief Negotiator, at (212) 549-0446, email: [smarcus@jointpolicycommittee.org](mailto:smarcus@jointpolicycommittee.org); or Kim Stevens, JPC's Director of Industry Relations, at (617) 233-7672, email: [kstevens@jointpolicycommittee.org](mailto:kstevens@jointpolicycommittee.org).