

IATSE, PRODUCERS ANNOUNCE NEW LOW BUDGET AGREEMENT

New York -- In a groundbreaking move, the IATSE has announced the successful conclusion of negotiations for a Low Budget Theatrical Motion Picture Agreement, covering production in both the United States and Canada.

The new three-year agreement increases monetary limits of the existing low-budget agreement, and for the first time in history expands coverage to Canada. The pact becomes effective Jan. 1, 2007.

The first Low Budget Agreement was negotiated after Convention Delegates in 1995 granted the IATSE bargaining rights for motion picture production outside of established production centers.

“This change allowed us to centralize our motion picture operations for coordinated organizing and bargaining that have resulted in term agreements for every conceivable type of product” said IATSE President Thomas C. Short.

Negotiations for the new pact began in Los Angeles in October. Over 140 independent producers and production companies are signatories to the current contract. A number of prominent producers negotiated the renewal of the agreement. The producers’ negotiating committee was chaired by lawyers Howard Fabrick, a partner in the firm of Akin Gump Strauss Hauer & Feld, LLP, and Richard Kopenheffer of McDermott, Will & Emery, LLC. The producers group included representatives of Lionsgate, Focus Features, Bob Yari Group and Lakeshore Entertainment. Over 300 motion pictures have been made subject to the terms of the 2003-2006 contract.

The principal objective of the producers committee was to preserve the terms of the contract and increase the budgetary limits of the agreement. The IA sought to expand its coverage to include low budget theatrical motion picture production in Canada. As a result, the current budget cap of roughly \$9 million will be increasing by approximately 4.1% per year. The increase in the budget cap correlates with the wage and benefit increases achieved by the Union. The IA now has uniform working conditions across the US and Canada. The Union will be offering the agreement to companies through March, 2007. After that date, companies will be addressed on a case by case basis and the IA will seek more favorable terms.

As technology has changed in the past several years, and continues to do so at an ever-increasing pace, major studios have come to rely more and more on big budget productions. Low budget projects have given filmmakers more freedom to take chances on material and talent considered too risky for high stakes investments. The IATSE Low Budget Agreement ensures that both producers and film workers reap the benefits of new talent, new technology and more unconventional forms of film financing.

When current IA President Thomas Short took office, one of his priorities was to bring the independent and low budget film world into the purview of the IA, giving producers terms appropriate to lower budgets and giving workers commensurate pension and health care benefits. The new 2007-2009 Low Budget Agreement accomplishes those goals throughout the IATSE's jurisdiction. "I am proud to have secured this historic agreement providing similar security to the Canadian members as that afforded through this agreement to those in the United States" said Short.

Howard Fabrick of Akin Gump added, "This agreement provides opportunities for new talent, as over 400 films are expected to be produced under this new deal, and will have a significant impact on independent producers."

The IATSE is an International Union that represents members employed in the stagecraft, motion picture and television production, and trade shows industries throughout the United States, its Territories, and Canada.

(For background information on the International Alliance of Theatrical Stage Employees: www.iatse-intl.org.)

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