

EW YORK CITY FOR THE RECORD ENTRAL LABOR COUNCIL AFL-CIO



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Written Testimony of Vincent Alvarez, President New York City Central Labor Council, AFL-CIO

New York City Council Committee on Civil Service and Labor

June 25, 2014

As President of the New York City Central Labor Council, AFL-CIO, it is of the utmost importance to me that our City's economy helps working men and women make ends meet. The future of our city depends on ensuring that workers have access to good jobs with decent benefits, and the workplace protections that are needed to ensure financial security for families, both now and in retirement.

I know that tens of thousands of New Yorkers working in the film and television industry are able to enjoy the fruits of their labor, because their unions have negotiated strong collective bargaining agreements. The recipients of these benefits include on-air talent, writers, and everyone involved in making scripted television shows and movies. These are jobs that make it possible for hardworking New Yorkers to perform work they find meaningful, while also earning reasonable, family-sustaining wages.

Unfortunately, for another part of New York's television industry – non-fiction writer-producers-conditions are much worse. These writer-producers work incredibly long hours without overtime pay, health and pension benefits, paid time off, or union protections. This is the world of reality TV. The Writers Guild of America, East, a New York City Central Labor Council, AFL-CIO, affiliate, has been working with the writer-producers in non-fiction television for several years. These writer-producers report huge pressures to work 10, 12, and 14 hours a day, sometimes for 6 or 7 days a week, to get the shows made. Writer-producers do not get employer-provided health benefits, and the workers certainly cannot afford to buy open market health insurance for themselves or their families. They work from job to job, sometimes employed by production companies for just a few weeks at a time.

This kind of television industry cannot do its part to help sustain a strong middle class in New York. The Writers Guild is making progress, negotiating several collective bargaining agreements and organizing additional production companies, but more needs to be done. We have joined with the Guild in call upon the City to insist that the relevant parties – the cable networks, the production companies, and the employees and their representatives – do their part to improve industry-wide working conditions.

Non-fiction TV companies generate a great deal of revenue. Investors are pouring hundreds of millions of dollars into reality TV companies, and networks are bringing in enormous revenues from cable companies and advertisers. The time has come for this wealth to be shared by the men and women who make it all possible by crafting the shows enjoyed by audiences around the world.

Thank You.

Anonymous Testimonials from Nonfiction Produce ROB Associate Producers 6/25/14

On several occasions I've been asked to work on weekends without pay or any kind of compensation. The excuse the production company gave was "the episode needs to be finished to meet deadlines". I was NOT getting paid but the video editors I worked with were making double their pay while the responsibility for completion fell on me. I once stayed with an executive producer until 3:45am working on an episode of a show to meet a deadline and was expected to return to work at 10am the same morning. Again, I was NOT compensated or even offered transportation home. These is just two examples of countless times production companies have relied on "free labor" for overselling their ability to complete projects with unrealistic expectations on producers. I know that if story producers/producers were to be compensated and production companies forced to create realistic budgets within realistic time frames to pay for the hours we're expected to work it would drastically improve the working conditions.

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On multiple occasions, involving various series and production companies, I've worked 14-16 hrs + without a meal break. And on one series in particular, I was on call 24-7, involving countless days over 18-20 hours, and countless turnarounds less than ten hours while working for a flat weekly rate. I worked on this series for four years continuously at one point.

When I worked in this industry, I felt that my welfare was not a concern; I was not provided with healthcare or overtime and received few vacation days. Despite a high quality of work that my coworkers would attest to, I was summarily fired without warning. I had seen many of my talented coworkers receive the same treatment prior to my termination. After my experiences at this organization, I chose to pursue another career, doubting that there were any long-term prospects in the field of non-fiction television.

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When I've worked freelance I often 70-80 hour a week during active production - and when you're freelance it's almost always active production. There is little to no regard for people's well being and we're often put into difficult positions where it's either our safety and well being or our job. I've had to go against my bosses when there are PA's who have worked since 5am and are about to get in a car at midnight and drive 3 hours through a thunderstorm because there's no budget for their overnight. Instead I booked them into a hotel and incurred the wrath of the extra expense. And it's always so hypocritical.. Probably the worst situation I encountered was working an entire month with only 1 true day off, every other day I was either on set (5am through 5pm then working till 10pm on the next days shoot), in the office prepping a team of 25 for travel and all the shoot details, traveling or at home being bombarded with phone calls "the truck is wedged in a snow drift and you have to organize a tow truck", "we can't film because the mayor won't let us, you have to sort this out", "the crew have had a car accident and we need to get the police report and file an insurance claim", the list goes on!

I recently worked on a home renovation show where I was working 18 hours in the field, an additional 3 at home at the end of my shift and working conditions were poor. There were no safety precautions taken and we were working in homes that were completely dilapadated. People went through the floor regularly, things were constantly falling and if you complained you were fired. Plus everyone was barely sleeping which added to the number of accidents

that were occurring. It is not acceptable to be expected to work all hours of the day and night 7 days a week and not be compensated or allowed to do anything about it.

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As an AP I had to drive very fast to have us catch our plane on a COMPLETELY ice covered road during a snowstorm. We passed several cars that had either pulled over because the conditions weren't drivable or had WRECKED because of the snow/ice. I begged them to let us wait for the next flight, but they refused. We got to the airport and our flight had been cancelled (well, of course). I was then instructed to drive the 15 passenger van from Ohio back to New York. It was already dark by then, and I drove through the night. My call time that morning had been 8am. We arrived when it was light outside. A job recently required me to have 3 literal all-nighters while in post. My EP gave me a different directive that completely changed my entire episode at 5:30PM and expected me to still have it in to her by noon the next morning. That happened several times. She also would scream at the top of her lungs at all of us, and I left her office in tears multiple times.

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My worst experience was working for a company called Red Line Films where we worked for around 18 hours without a break and with inadequate food and hydration in 100 degree heat. I began throwing up after a few days of this and eventually demanded to be taken to the emergency room where I was given 3 litres of IV fluids. I requested to leave the shoot (at risk of my career) and was flown back to NYC. There was a general vibe that I was weak, older and just couldn't tough it out enough. Because of the budget on the show, the production co had decided to not do location scouts. This meant that we had to not only shoot our footage but do pre scout on the same day, hence the insanely long days.

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While working at Leftfield Pictures there was a point when we were told we would be receiving overtime pay, however, we were later pulled (individually) into the COO's office and told that wod no longer be the cast for Associate Producers and PAs. While working in the field I was on-call 24/7 and usually worked at least 6 days a week, sometimes 7, anywhere from 12-14 hours a day. There was one day where call time was 6:30am and they didn't wrap PAs or APs until 3am the next day (camera, audio, anyone who got overtime was sent home). Despite wrapping at 3am my call time was still 6am that day.

True Entertainment had me working 16-18 hour days no break no OT, pre-filled out time cards; Little Pond pre-filled out cards, crazy hours; Yoh for Peacock though they off-set hours of OT by giving you \$12 for dinner and a cab home.

Working a 14 hour day and the having to be driven back to production office in the middle of the night by a fatigued production assistant. Working in the field in another state, wrapping at 2am and having to be up and on a flight by 8am because the production company doesn't want to pay more for a later flight and or doesn't want to pay for late check out. Being told at 6pm that you have to make more changes to your edit and not leaving the production office until 2am only to have to be back in the office at 10am. Having a field producing job in which you are in the field for weeks on end but don't get paid for days worked but get comp days for weekend or holidays worked and then being reprimanded for not using them right away and told you can't cash them out. Also on the subject work comp time for weekends, being told that working Saturday and Sunday is only equal to one comp day

I worked 12 days in a row and was forced to change my time card. The company not only said my weekly rate was based on a six day week (I never worked more than five), they also told me that they would not pay for a seventh day. When I asked to see where I agreed to this in my employment agreement, I was reported to my supervisors.

I was expected to work overtime until 10 or 11pm constantly, without them even offering to pay for my dinner. We often were asked to come in an hour earlier than other staff in the office because my boss liked to show off to the other exec producers that his team worked more hours. he said we need to show to everyone we're the A team so we have to come in early (this put us into overtime every day). One time in one of these early meetings he told a joke which stated that he negotiated all our rates for peanuts. Another associate producer quit the next day. Twice convicted sex offenders / pedophiles and multiple times convicted felons were cast on this show and shot for episodes without letting our field crew know. They had no one doing background checks until it was too late. No one cared. A job I just completed as field AP negotiated a rate with me without letting me know the intensity of the work schedule. I then was pushed into a schedule that consisted of 7 day weeks and 20 hour days. I was getting emails and calls I was required to take from 7am all day and then all through the night until 3am the next morning. There wasn't a time that I wasn't working, no life other than the job. I tried to negotiate a new rate after being asked to work a 7 day week because it was too low to be working that many hours, and they told me it was too bad and that's just the way it was because i was a weekly employee, there's a lot more i have to say about this.. those are just a few details...

Just two weeks ago, I was wrapping up a week long shoot, which was seven days straight and at least 16 hours a day. Preparing a 12 hour shoot day requires work from the producers beforehand and after. Our last shoot day that week started at 4:30AM at a landfill outside of Philadelphia and our story required us to go into overtime, finishing our shoot at 6PM. After wrapping up the gear from the week, bringing the crew to dinner and taking them back to their hotel I had to return to New York City at 9PM. There was no room in the budget for additional help and if I demanded it, it would reflect poorly on my skills. I found myself with all the windows down in the car, using the fresh air, a loud stereo and guzzling energy drinks to stay awake. Aside from driving the vehicle, I was responding to text messages, e-mails and using a navigation app on my phone to get home, where I had to store the company's gear. My day ended at midnight, twenty hours after I started. The rest of the crew had a 13 hour day, three hours of which they received overtime for. The comical war stories between fellow producers and pats on the back from executives are little comfort. If nothing changes in this industry I'm confident I will have to find another job in this city to have a personal life, stay healthy, and provide for a family or myself as I get older.

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Instances which I've gotten hurt while at work: , I was an Intern/PA on set for a NYC Comedy show. We did a field shoot on the docks in Red Hook in the middle of February. I was responsible for keeping the talent wet in-between takes, and also responsible for using gaffer tape and general PA responsibilities. I got mild frost bite on my fingers from not being able to wear gloves, it took months for the skin on my hands to recover from being ripped apart by the gaff tape on exposed cold skin. 4 of my fingernails got infected as they recovered from the frostbite. My thumbnail fell off, but I was able to get medical treatment after seeing a very expensive nail specialist at Columbia Pres Hospital and being put on a drug that they had to monitor my blood levels every month to make sure it wasn't causing liver failure. My thumbnail eventually grew back. I had to pay for all of that with my insurance and never reported it to the company. In 2005-2006ish, I was a PA, striking a set at VH1. I am a 5'4, 120 lbs female, btw-- so I was striking a set by myself, which included having to lift a prop television. I lifted it and herniated a disc in my back, L5/S1. I was too

scared to report it to HR, as I was a young freelancer, and was scared that they would never hire me again. I stayed at work, crying, and in pain, and didn't mention it to anyone. Eventually, I thought maybe it would go away. Almost a year later, I was in so much pain that I was crying every day and miserable, I finally went to a Doctor at HSS and started PT treatment. Because I had waited so long, I needed intense physical therapy to not only correct the original injury, but to correct the mountain of compensation injuries that piled up from a herniated disc. I finally contacted the HR department at VH1 and told them that I had a massive amount of PT to do, and since there was a limit on PT visits, I needed to make sure all of it was covered. After reporting it, they told me I should have reported it immediately, but I had no way of knowing they would have helped me out. I went on to fill out Ergonomic Assessment forms and they were nice enough to get someone to the building to make sure my workspace was correct for my injury, which I am thankful for. It's almost 10 years later, and I still do PT every week to help this injury, because if I stop doing PT for more than 4 days, I am in constant physical pain. Now I have freelancer's insurance, because MTV/Viacom stripped insurance from all their "permalancers" in 2008. It is \$600/mos for the plan, thousands of dollars in deductibles, and I still go to PT every week (I got a concussion and hurt my neck in a non-work related accident, so I have even more PT on top of my lower back maintenance) -- I found a PT place who were nice enough to accept my copay as my payment, because freelancers insurance has decided I don't need PT anymore, even though all the Doctors agree that I do. In June of 2013, I was at work (Segment Producer at MTV) and thought I had food poisoning. It got worse throughout the day, but I stayed, and worked, even though I was turning green and was in incredible pain. I had deadlines to meet that night and I didn't want to piss off my boss. At 8:30PM I knew something was seriously wrong with me, it wasn't like any other sort of food poisoning I ever had before-- I still stayed and prepared all of my work and asked my AP to plug in the last information when the Editor was finished (he stayed until 4AM to do so). I told my boss I was really sick and he rolled his eyes. I said, "no, I'm really sick. I need to go to the hospital. I have to leave now." and he was pissed off, but I left and went to the ER. My appendix had burst. I was in the hospital for 2 days--- I WORKED FROM MY HOSPITAL BED, SO MY BOSS WOULDN'T GET MAD AT ME. I was back in the office the following week. The boss apologized for getting mad at me for leaving. I explained to him that I never would have left if I didn't think something was seriously wrong. Yes, I fucking apologized for my Appendix bursting, Lessons of this story: TV folks get injured on the job, but most don't speak up. You don't want to piss people off, leave a bad impression, or not get hired again. Health Insurance is expensive. Even through freelancers insurance (the good plan), my Appendectomy cost me over \$3000 in out of pocket costs. I work hard. I spend so much money for health insurance. It's depressing and a burden. And all I want to do is make people laugh.

Well the short and skinny of it is I work just as hard as anyone in America, just like all my co-workers, and we do not get paid vacation, paid sick days, health insurance, paid holidays or 401K. I don't see why this industry isn't regulated like any other business. I've worked 16 hour days followed by a 8 hour turn around, worked weekends with out extra pay and really only get my paycheck for compensation for anything. Reality tv is a cash cow and the people who actually make it do not get taken care of well.

I have worked very long hours my entire career, but thinking about a couple of specific jobs, I worked a 120 hour week without overtime, and on the same project regularly worked 18 hours a day without overtime. On other projects I would start work at 9.30 but not finish until 10pm each night over a period of many months. I did not receive time in lieu or overtime as I was supervising editors and writers instead of being on shoot (for which I have received days in lieu but never overtime). This definitely affected my life, I rarely saw my husband on my more busy projects, and to meet the tight and unrealistic deadlines imposed by the network and the production companies you had no choice but to work those hours.

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On most of the shows I have worked on in the past 10 years as a Field Producer I have never filled out a time card with my actual hours. I don't believe I ever received Over Time Pay. Some shows were scheduled well some were not. On many shows the Field Producers were treated like rental equipment. In many instances we are used until we break then replaced.

I have been working as a Producer (Associate, Segment, Challenge/Games and Field Producer) since 2003. The long hours, lack of benefits, poor pay relative to the large amount of work, time commitment, poor conditions, etc... have made potentially enjoyable projects pretty difficult to sustain. In 2011 I was diagnosed with brain cancer and thankfully had my own insurance thru the Freelancers Insurance Company. I have not been able to find another job similar to the jobs that I had prior to my diagnosis due to the poor working conditions and unfair time demands. Also, the STRESS involved with production jobs in the Reality/Non-fiction world have made it counter-productive from a health standpoint (trying to keep the tumor from progressing) to continue work in this industry. After taking the necessary time to heal after my surgery, chemo and radiation, the show I was working on at the time of diagnosis had already restaffed, making it impossible for me to return to working on the successful project. It's been my dream and long term career goal to climb the ladder to the Executive Producer level in the TV/Film business... and while I may have been on the right path it was at the expense of my health, self-respect, sanity and freedom to enjoy life while also maintaining a career. Nonfiction/reality TV takes advantage of their employees' desire to succeed in a number of negative ways. It's a soul sucking and depressing business. That's hard for me to say b/c this was the industry that at one time I was so passionate about.

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I've missed many crucial life events (weddings, funerals, anniversaries and birthdays) due to the unpredictability of shoots, and have had no say in their scheduling, nor additional compensation for many last minute changes that have completely compromised my personal life. I've worked on shoots in very dangerous situations (prison settings, massive crowds, mountaineering) with no security or emergency contingency plans or staff in place. I've been asked to rig cameras in very dangerous positions with no concern for my safety or that of our subjects should the camera fall. I've been told that my weekly rates covers 6 days a week, and been refuses compensation for additional day worked beyond 6. I routinely work 20 hour days in the field and receive no additional compensation. I've ha to renegotiate rate to secure the same wage for the same position on the same show despite handshake promises that I would receive a raise on my next project if I accepted a low rate initially. This is the reality of work in the non-fiction industry today, and I know that we can do better.

I have worked on several shows that were budgeted unrealistically to save a buck—which makes the networks happy and keeps the production companies contracted with sustained show deals, but is not sustainable on a human level. Because I am a Story Producer my complaints are mostly in Post-Production, where I routinely see shows that should be scheduled with 9-10 week edits (by everyone's admission, including my superiors) are condensed to 5-7. The result is almost literally that I am forced to work double-time. Often, 2 editors are brought in to work side-by-side and make the otherwise unfeasible schedule possible, and I am then expected to ramp up hours to work with these editors accordingly. I have often worked jobs that routinely kept me in the office for AT LEAST 12 hour days, more often than not—but that frequently kept me working into the wee A.M. hours as well: often until 2:00 or 3:00 in the morning, and on several occasions until sunrise. None of these hours are compensated, because we are paid on a "flat" weekly rate. The same is true for weekend days, of which there are many—all unpaid. You are discouraged from recognizing any of these conditions as they truly are—which is to say: as egregious instances of "wage-theft"—because the grind is so commonplace. Additionally, I have occasionally encountered contracts (and been forced to sign these contracts as part of my essential "start paperwork") that state that I acknowledge that a customary workday will constitute 12-hours—which further normalizes this a-normal and inhumane grind. On such jobs, I (and

all other producers) were instructed to fill out our timecards each week as if we had worked a 10-6 job. But of course, nothing could be less accurate.

When I was working making the series for Sundance, my shortest days were 12-14 hour days. I worked through 2-4 weekends at a row at one point, and while I was paid for 2 weekends of work, I didn't have a day off for over 20 days. The worst day was a Friday where I got to the office at 10am and worked until 8am Saturday morning. I went home and slept, but was woken up by a call from my boss saying that the Sundance Network Executive had watched the show and sent notes that we had to start immediately. I returned to the office around 3-30pm that afternoon and worked until midnight. I would have probably been asked to work beyond midnight, but at that point I physically couldn't stop my body from shaking and was unable to continue working. I returned to the office the next day (Sunday) and worked from 10am-10pm. The hours caused me to experience panic attacks, emotional breakdowns in the office and at home. At one point I begged my boss to fire me as I felt mentally unfit to continue on the project. I was told that I couldn't quit because no one else knew the material for my show. I continued, finished my episode and then was not asked to work on any additional projects at Sharp. When I worked for RDF (now Zodiac) on the show Wife Swap for ABC our shoot days in the field averaged between 14-17 hours a day for 12 days straight. After working multiple 20 hour days in a row, I complained that my driving ability was hampered and felt that I was endangering the lives of the crew members I was responsible for transporting. While working there I did a short stint as a casting producer in the field, alone. My first shoot was scheduled to include multiple 18-20 hour days of travel and work. The office added one more day to the schedule and I asked for a day off after the shoot as I was going to be physically and mentally drained from the work load. I was told that I would have the rest of the day I returned to NY (after a full work day and a red-eye flight from Salt Lake City, Utah) but would be traveling the day after for another shoot. When I complained that the working conditions were unsafe and that if I were to get into an accident while driving 3 hours to my hotel that night (after working a 16+ hour travel/work day) no one would know I was hurt until the tapes didn't show up Tuesday morning (it was Saturday) the Executive Producer told me "This is the job. This is what you signed up for." These are only a few of the stories of unsafe working conditions, long hours and mistreatment that are prevalent in our industry.

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In the field, we are on call all the time and constantly working. Because it's reality and story is constantly changing, I still work on my "days off" either working on documents or sending emails or making phone calls. We put in just as much work as scripted producers and writers, yet we don't receive residuals or fair pay. Also, as I often times travel in the tri-state area for work between NYC, NJ, Westchester, and Long Island, I am killed at the end of every year for taxes. I don't have the ability to request time off and miss out on my life events. If I'm called for a gig, often times even just asked for a weekend off for a friends wedding in the middle of production causes issues and they will look to someone else with better availability. Sickness or injuries causes lack of work. It's a difficult industry to maintain life in.

Testimony by David Van Taylor Freelance Nonfiction Producer 6/25/14

I've been making nonfiction television for over 25 years. For two decades, I was called "a documentary filmmaker." I helped run a small independent production company that won awards and made documentaries shown around the world. A few years ago, funding from foundations and broadcasters started to dry up, and my wife was diagnosed with cancer. Now I'm called a "nonfiction producer," and I work for a series of much larger production companies, on freelance gigs that usually last about three months each.

I'm starting with what sounds like a personal history because it is in fact part of a much larger trend. Fact-based, story-driven TV, once a labor of love by dedicated indies, is now a big business, where each week brings news that a large New York-based company has been acquired by an even larger global corporation in a multi-million dollar deal.

In a market-based economy, the obvious question is: what "business model" accounts for this transition?

I can assure you that large companies have not supplanted indies because they do a bang-up job of keeping down overhead. Their offices are usually quite comfortable—as are their executive salaries.

What these big companies have figured out, rather, is how to squeeze the most out of their employees. These companies contract to make programs on ever-shorter schedules, which means the producers, associate producers, editors, and crews have to work ever-longer hours. These companies don't pay overtime for these longer hours. Often, they don't give paid holidays; I'll either work on July 4, or see my paycheck reduced by 1/5. When I work on the weekend to meet these ever-tighter deadlines, which happens frequently, there's no extra pay for that either.

If I don't make the deadline, I'll get the reputation of someone who "doesn't deliver"—and remember, I have to find a new gig every 12 weeks, so that reputation would be very very dangerous to my livelihood.

And here's one more big savings for these companies: as a freelancer, I usually don't qualify for their benefit plan. So I'm currently paying \$1600 a month out of pocket on COBRA to insure my family, including my wife's cancer treatment. When my COBRA eligibility runs out in 8 months, I'm not sure *what* I'm going to do.

I love making non-fiction television. It's creative. I've been fortunate to make programs that are meaningful. But (to use a New York metaphor) that and \$2.50 will get me on the subway. The current business model of non-fiction television—which depends on squeezing freelancers beyond the limits of the law and their endurance—is not sustainable for me, for my colleagues, or for New York City.

I hope the Council will do what it can to enforce the law and ensure a sustainable future for its creative workforce.

Testimony of Lowell Peterson, Executive Director, Writers Guild of America, East

Before the Civil Service and Labor Committee

New York City Council

June 25, 2014

Good morning, Chair Miller and members of the Committee. I am Lowell Peterson,
Executive Director of the Writers Guild of America, East, AFL-CIO. The WGAE represents the
men and women who write the dramas and comedies we all enjoy on broadcast and cable
television. Our members write broadcast news, public television shows, feature films, and
digital media programs.

Today you will hear the tale of two television industries. Most of our members work in the part of the industry that provides good benefits, good pay, good middle class careers. Today you are investigating the other part of the industry – nonfiction or "reality" TV, which is almost entirely nonunion. People in that part of the industry work brutally long hours without overtime pay, without health or pension benefits, without paid time off, without the basic protections they deserve.

It's not that this television industry, the reality TV part, is weak and impoverished. To the contrary, more and more hours of cable and network TV are filled with nonfiction, "reality" shows. The industry is booming. Profits are ballooning. Smart investors and production company executives are placing heavy bets that the profits will continue to grow. As you will read in the report we submit this morning ("The Real Reality; Working Conditions in the Nonfiction and Reality Television Industry in NYC"), there have been hundreds and hundreds of millions of dollars in mergers and acquisitions in recent months. For example, the British media

giant ITV recently bought Leftfield Entertainment for \$360 million, plus another 20% if certain targets are met.

What does this have to do with the City of New York? Everything. Nonfiction television production is growing rapidly in New York. For example, both Leftfield and ITV's US reality TV arm are in the City. We estimate that there are about 15,000 New Yorkers working in nonfiction television.

Of those, more than 2000 are writer-producers. We are in communications with most of them. In fact, the WGAE has been working with these men and women in an industry-wide campaign to improve working conditions for about four years. In our view, collective bargaining is the only proven method by which working people can improve their compensation and benefits, win greater dignity on the job, and build sustainable careers. That certainly has been the case in the traditional television industry. We have had some important successes – three collective bargaining agreements, one negotiation still underway, and two National Labor Relations Board representation proceedings still underway.

But there is far more work to be done. The 2000+ writer-producers tell us of exhausting work schedules, of intense fears that, if they speak up for themselves, they will be fired – or, more likely, will not be hired for their next gig. (This is all freelance employment; people work for a few weeks or months for one company on one show, then face unemployment until they are hired by another company to work on another show.)

You might wonder why I call these creative professionals "writer-producers". Not everyone realizes that reality TV is actually written. The shows we watch don't just unfold in real time while the camera runs. Instead, writer-producers carefully craft the story lines. They

write the narrative arcs of each episode and season. They write the story beats and the narration.

And, yes, sometimes they write the "dialogue".

Is the nonfiction television industry good for the New York economy? The answer really depends on whether the production companies – and the networks that buy the shows these companies produce – are willing to share some of the wealth with the men and women who create the shows. We know from experience that paying employees adequate compensation, providing reasonable benefits, enabling people to build sustainable careers, is actually good for business. Creative professionals who enjoy their work and have the ability to keep doing it while raising families and paying the rent are in the best position to do their best work.

We urge this Committee, and City Council as a whole, to listen carefully to the writerproducers who describe the awful working conditions they endure. We urge the City to take the
production companies and the networks to task. If the City, the companies, the networks, and the
employees come together to hammer out basic standards, to craft a Code of Conduct that requires
reasonable budgets and work schedules, adequate staffing levels, respect for employees' right to
bargain collectively, and basic benefits, the reality TV industry and the people of New York will
all prosper.

Testimony of Lowell Peterson City Council June 2014

Testimony of Jeremy Pikser, Vice President Writers Guild of America, East

I am Jeremy Pikser, Vice President of the Writers Guild of America, East. This morning you are hearing the tale of two television industries. You are hearing from men and women who toil in the nonfiction, reality show part of the industry, where people work excruciating hours for substandard pay and no benefits. I want to spend a few minutes describing the other television industry, the one where writers and writer-producers are represented by the Writers Guild.

I am a screenwriter. I have written feature films, including *Bulworth* and *War*, *Inc.*, as well as some work in television for nearly 30 years. I work under the same national collective bargaining agreement as the people who write scripted dramas and comedies for broadcast and cable television. This contract is the product of decades of effort by thousands of film and television writers and their union, and it provides real protections for people who earn their living crafting the motion pictures and television programs that people love. And, actually, the ones they don't love, too.

In particular, once a writer earns a certain amount of Guild-covered compensation (which is based on the pay for writing one TV episode), he or she gets health benefits for a full year. These are very good benefits, with relatively low deductibles. And they are completely free, zero premium. To cover one's entire family – spouse and children – costs just \$600. For the entire year. And if you work enough years you get lifetime medical benefits after you retire.

We also have a very strong defined benefit pension plan. Employers are required to contribute to this plan on our behalf, and our benefit formula is very generous. In other words, people who have devoted themselves to crafting scripted television programs or feature films can retire with dignity and with income.

The Guild has also negotiated solid initial compensation terms, enough for writers to earn a good middle-class living. When our programs are rebroadcast or sold as DVDs or streamed on the internet, the Guild contract requires the producers to pay us residuals. These residuals are an important source of income that continues through the ups and downs of employment inherent in free lance work, and continue long after our initial work on the shows has been completed.

If for some reason a production company fails to pay the initial compensation that is required by the contract, or is late with residual checks, or misses a payment to the health and pension funds, the Guild stands ready to intervene. Writers in scripted TV and film have a voice on the job.

We recognize that the economics of reality TV are not the same as those of the big network shows, but the fact is that ratings, advertising revenues, and profits continue to grow, and the writer-producers who create the nonfiction programs are receiving none of the benefits of this expansion. The WGAE is committed to continue its work with these men and women as they organize to improve their working conditions. We hope that, with City Council's help, this part of the television industry can become one where people can build sustainable careers doing creative work.

The Real Reality

Working Conditions in the Nonfiction and Reality Television Industry in NYC

Report to the Civil Service and Labor Committee Of the New York City Council June 25, 2014



A Tale of Two Television Industries

The filmed entertainment industry is robust and provides tens of thousands of jobs to New Yorkers. One of the fastest-growing segments of that industry is nonfiction television, also known as "reality TV". In many ways, this is a tale of two television industries. One is high-budget scripted television — primetime dramas and sitcoms and late-night comedy-variety shows. In this part of the industry, employees earn solid middle-class incomes with union protections and generous benefits. The other television industry is nonfiction — the reality shows that appear mostly on basic cable channels (although they increasingly fill schedules on broadcast networks, as well). This part of the industry is almost entirely nonunion, and employees work very long hours without overtime pay, without health or pension benefits or other basic protections. It is very difficult for New Yorkers to build sustainable careers nonfiction TV. It is this part of the industry that City Council is investigating today.

The Council's concerns about working conditions in reality television are very timely. The industry is booming. The most visible manifestation of this is the profit bets being placed by savvy investors and by nonfiction executives — an unprecedented wave of major mergers and acquisitions. Among the most optimistic companies is ITV Studios, which is based in the UK and which has a major nonfiction production entity in Manhattan. Its year-long buying binge culminated in its recent acquisition of New York production company Leftfield for \$360 million (plus another 20% if certain targets are met), making ITV the largest nonfiction production company in the United States. Companies don't make these kinds of bets unless they are bullish that there are major profits to be made.

These profits, unfortunately, come at the expense of the men and women who work so hard to create the shows that generate enormous revenues for the production companies and networks alike. There is no excuse for the substandard working conditions in nonfiction TV; there is plenty of money in this part of the television industry, and people have the right to earn a reasonable living.

TV Production Is Booming in NYC – in Particular, Reality TV

Jobs in New York's filmed entertainment sector (TV, film, and commercials production) grew 20% from 2001 through 2011. Jobs in the rest of the local economy declined 5% in the period.

- There were about 30,000 people employed in TV production in 2011, representing about 22,000
 FTE (full time equivalent) jobs up 76% from 2002.
- About 12,000 of the 22,000 total TV production jobs (about 15,000 people employed) were in unscripted TV production (reality, talk shows, and other).

The employment growth since 2002 was driven by a boom in reality and talk shows. An estimated 1,500 more episodes of reality and talk shows are filmed in NYC today than in 2002. New production companies have sprung up, and cable networks' presence in NYC has also grown.²

¹ "Evaluating NYC media sector development and setting the stage for future growth," Boston Consulting Group report, May 2012.

Most of these employees are freelance, working short-term jobs on a project basis.

Reality TV Is an Important Part of the Programming Landscape

Since the first hit reality TV show (*Survivor*) appeared in 2000, the genre has achieved ratings success that rivals or beats scripted and live programs. Reality is often more profitable for networks, because it is much cheaper to produce, largely due to lower labor costs. Since 2000, the cable network industry has also grown tremendously, taking a big bite out of broadcast ratings, often with reality-based programming. Reality programming has captured a solid share of airtime on both broadcast and cable networks.

In the summertime, when many scripted shows are on hiatus, reality shows can account for as much as 40% of primetime broadcast network programming.³ Over the past few years, reality and game shows have typically ranged from about 12 to 18% of broadcast primetime shows year-round.⁴

Meanwhile, the mix of ratings and buzz has shifted to cable. A&E garnered huge ratings for a recent episode of the docudrama *Duck Dynasty*, which, at the time, beat every broadcast reality series since the 2012 *American Idol* finale. ⁵

The majority of top cable networks (57%) rely on reality shows for a sizable part of their programming schedules.

30% of the top networks – including Discovery, Bravo, and TLC – rely heavily on reality programs, in some cases almost 100%. Another 27% - including Syfy and CNN – air reality programs for something like 20 – 50% of primetime programming. The other 43% of top cable networks, who air few or no reality programs – including ESPN and ABC Family - are primarily news, sports, or scripted.⁶

Reality and Cable TV Are Profitable - and Growing

Profits

Analysts describe the profit margins in this industry as "eye-popping," causing investors to "flock to the sector." (Discovery's stock was up more than 50% in 2013.) The average margin is almost 40%.

² Ibid.

³ Writers Guild of America study, 2012.

⁴ SNL Kagan report, 2014.

⁵ "What's Behind the Broadcast Reality Exec Purge?", Lacey Rose, Hollywood Reporter, 9/25/13.

⁶ Source: SNL Kagan, Top 30 Cable Networks by gross ad revenue, 2012.

Reality shows are so much cheaper to produce that even shows with relatively lower ratings and income than mega-hits and sports programming, they can return a higher percentage of revenue to the bottom line (as profit).

TLC and Discovery rely heavily on reality programming. In 2012, the TLC network, ranked #24 in ad revenue, led all cable networks in profit margin, with a lofty 60%. The Discovery network, ranked #10 in ad revenue, was right behind TLC in profit margin, at 58%.

There are, of course, many cable networks. However, the top 30 networks are the big money-makers. In 2012, the top 30 networks took in about \$19 billion in gross advertising revenue. The next 20 networks rounding out the top 50 only brought in another \$3.3 billion.⁷

Even much lower-rated reality-focused networks, below the top 30, had high profit margins. For example, National Geographic (ranked #38) at 52%, and Investigation Discovery (ranked #37) at 35%.

Revenue Growth

Cable network industry revenue is also enormous, and has grown steadily over the years, as cable networks took more and more audience from broadcasters. The industry's total revenue (advertising plus license fees) was \$52.3 billion in 2012, up 5.3% from 2011.8 Revenue has grown nearly 10% per year on average, every year since 2005.9

The British Are Coming, and They See Profits Ahead

A majority of the top reality production companies are owned by foreign conglomerates. According to a recent article in the Los Angeles Times, British media giants ITV, FremantleMedia and Tinopolis are doing much of the buying of US companies¹⁰. ITV spent \$360 million (plus another 20% if certain economic targets are met) to purchase New York company Leftfield Entertainment. In the past 18 months ITV has also acquired Los Angeles-based Gurney Productions (*Duck Dynasty*), Thinkfactory Media (*Marriage Boot Camp*) and DiGa Vision (*Celebrity Home Raiders*), as well as Denver-based High Noon Entertainment (*Cake Boss*), in the US, as well as UK producers So Television, The Garden and Big Talk.¹¹

⁷ Source: SNL Kagan, Top 30 Cable Networks by gross ad revenue, 2012.

^{8 &}quot;Cable Network Revenue Up 5.3% In 2012, Cash Flow Virtually Flat," Derek Baine, SNL Kagan, 4/30/13.

⁹ SNL Kagan, Cable Network Comparison, 2012.

¹⁰ "Reality TV Production Deal Prices Escalate Amid Consolidation Wave," Joe Flint, Los Angeles Times, June 3, 2014.

¹¹ "U.K. Broadcaster ITV to Buy Majority Stake in 'Pawn Stars' Producer Leftfield," Leo Barraclough, Variety, 5/6/2014.

The ITV-Leftfield deal will make ITV's U.S. production arm, ITV Studios U.S. Group, the largest independent unscripted producer in the U.S. It will also put Leftfield, one of the largest and most successful locally-owned production companies in New York, under a foreign banner.

Last month Discovery/Liberty Media purchased British production conglomerate All3Media for £550 million. The Discovery-All3Media deal would affect operations at New York subsidiaries Optomen Productions and Lion Television. Both companies were UK-based before the Discovery acquisition, but both have agreements with the Writers Guild for their New York operations.

It is critically important that the non-U.S. corporations that are coming to dominate reality TV production understand the importance of abiding by U.S. labor laws, of respecting employees' right to organize and to bargain collectively, and of offering the men and women who create the shows the ability to build sustainable careers. Thusfar the track record of reality TV employers has not been good, as will be discussed further below¹².

The ITV and All3Media transactions are part of an enormous escalation in mergers and consolidations in nonfiction television production. Last month 21st Century Fox reached a tentative agreement to combine its reality company Shine with Endemol (the largest global independent reality production company) and Core Media, which are controlled by the private equity firm Apollo Global Management. If that deal closes, it would create an unscripted global juggernaut. FremantleMedia recently picked up 495 Productions (*Jersey Shore*). Tinopolis has acquired LA-based A. Smith (*Hell's Kitchen*) and Magical Elves (*Top Chef*).

What this merger mania demonstrates is that <u>producers are bullish on reality TV</u>. Savvy investors and production company executives are betting heavily that profits in nonfiction TV will continue to skyrocket.

Or to put it another way, there is absolutely no economic reason for reality TV production companies to shortchange their writer-producers. There is plenty of revenue – and profit – to provide reasonable work schedules, health and other benefits, paid time off, and other basic protections.

Who Are the Writer-Producers of Reality TV?

Writers Guild research shows that about 15% of a typical reality show's staff are writers and producers.¹³

Not everyone who watches nonfiction, reality shows recognizes that they are written. In fact each episode is carefully structured, with a narrative arc and story beats created by writer-producers (most of whom are classified by their employers as "producers" or "associate producers"). These employees also craft interview questions and write narrator voice-overs. And sometimes even the dialogue is written

¹² And see the WGAE white paper, "The Real Cost of Reality TV", November 2013.

¹³ Other titles include editor, production assistant, talent (host, judge, contestant, business owner, family member, etc), director, camera operator, audio tech, makeup, gaffer/grip, logger. Excludes upper management, legal and accounting staff. We estimate there are approximately 15,000 New Yorkers working in reality television, in total.

out in advance. As with "scripted" police procedurals and comedies, there would be no reality TV without writer-producers.

In a given year, about 2,200 people are working as writers and producers in the reality sector in NYC. The Writers Guild did a survey of writer-producers in 2013, with a sample of 315 taken from our database of more than 2,000 writers and producers in the sector. Here is a general snapshot from our survey of what that workforce looks like.

- 43% are 25-34
- 41% are 35-44
- 10% are 45-54
- 5% are 55+
- The workforce is slightly more female than male, 52% to 47%
- 87% are white

What Do Writer-Producers Say about Working Conditions?

The long days and long weeks of work are difficult enough. Producers and APs often work 12, 14, 16 hours or more per day. 8-hour days are rare. They often work weeks or even months without a day off. 5-day weeks are also rare. And 88% of producers and APs said they were "never" paid overtime on their current jobs.

When coupled with periods of unemployment between jobs, and no paid time off (vacation or sick leave) allowed while on a job, these exhausting work schedules lead to severe burn-out. Working under these conditions simply isn't sustainable over the long term.

Most of these workers are young, and find it hard to imagine combining these working conditions with raising a family. For older workers, the lack of retirement benefits is crippling. The lack of employer-paid health insurance is a serious problem. Some higher-paid workers pay huge amounts of money for very limited coverage on the individual market; others just go without.

In spite of the demands placed on them, and the ever-growing revenues and profits the industry enjoys, the workers have to fight to even maintain their current pay levels. Many workers say they not only have trouble getting raises or increased pay with promotions, they are offered less than what they made before when signing new contracts. There is a wide range of pay levels for the same job title from company to company.

Here are some quotes from workers who took our 2013 survey.

"Last month, I worked 18 days straight without a break. Each of these days averaged about 13-14 hours, including one day where I worked from 10am on Friday until 8 am on Sat, and was back at work from 3:30pm Sat until midnight.... It was one of the most miserable experiences of my life and I felt lucky

when I got paid regular time for the two weekends I worked straight through. If I had to drive to work, I probably would have fallen asleep at the wheel at some point."

"I had a child this past year and do not feel I can work in the field as there is no job security, no benefits, and basically the hours are too long. I feel I wouldn't be hired unless I could be available 24/7 and would be discriminated against as a mother, or would have to be available 24/7."

"My first producing job I worked 111 hours in one week. When I drove home one night it felt like I was driving drunk because I was so tired."

"I have been fired from a job after not eating for over 8 hours and refusing to drive, fearing I was not in a condition to... When I told my coordinator that I had a vision issue she attempted to say that I was "slow" in general... I have worked every type of production and know that if I can handle 18 hour days on an Indie film and not be told I am slow, what she was saying was BS."

"I don't have a life. I work all the time. When I don't work I don't get paid. Being a field producer you travel all the time. You don't live in your own apartment, you don't see family and friends. It's a tough job."

What Are the Largest Reality Production Companies?

The 50 largest reality production companies account for nearly 75% of all the reality shows on the major broadcast and cable networks.

While the six largest media conglomerates, such as CBS, do own major production companies, those companies are primarily in the scripted TV and feature film businesses. The reality production companies are relatively independent, and <u>not</u> owned by the big six (CBS, Fox, Viacom, Disney, NBC Comcast, and Time Warner). That's not to say they are all *small* companies. Many are outposts of major foreign media conglomerates, many headquartered in the UK or elsewhere in Europe.

The Top 50 in terms of ownership:

- 52% are owned by foreign-based media conglomerates
- 30% are US-based independents, mostly in Los Angeles
- 18% are owned by US-based media conglomerates

The Top 50 in terms of location:

- Eighteen companies (36%) have a location in New York City
 - Nine companies have locations in New York only (in the US; they may have locations outside the US)

NYC companies are a mix of local, independently-owned companies and outposts of foreign media conglomerates.

In the lists below *New York Market Companies* do a significant amount, or all, of their production in NYC; and *Non New York Market Companies* do some production in NYC, but with the majority of their production being done elsewhere.

New York Market Companies (listed alphabetically)

Some key shows made by each company listed in parentheses. Foreign-owned companies are marked with an asterisk.

- Atlas Media (Hotel Impossible)
- Half Yard (Say Yes to the Dress)*
- Hot Snakes Media (Breaking Amish)
- ITV Studios (Rich Kids of Beverly Hills, Four Weddings)*
- Left/Right (Mob Wives)*
- Leftfield Pictures/Leftfield Entertainment (Pawn Stars)*
- Lion Television (Cash Cab)*
- Magilla Entertainment (Moonshiners)
- North/South (Say Yes to the Dress: Atlanta and Bridesmaids)
- Optomen Productions (Worst Cooks in America)*
- Original Media (Swamp People, Dual Survival, Ink Master)*
- Peacock Productions (Everest Jump)
- Sharp Entertainment (Doomsday Preppers)
- True Entertainment (Real Housewives of Atlanta)*
- Zodiak New York (Wife Swap)*

Non New York Companies (listed alphabetically)

- Cineflix (American Pickers)*
- Fremantle Media N America (America's Got Talent)*
- High Noon (Cake Boss)*

There are also dozens of other, smaller, production companies in NYC. At least eleven of those had at least one reality show on the air in the 2013-14 season.

Recommendations

People should be able to build sustainable careers working in nonfiction basic cable television. As this report documents, cable networks generate rapidly increasing revenues producing and broadcasting more and more hours of nonfiction content.

If basic standards can be established across the industry, men and women can earn a reasonable living without burning out on 15-hour workdays, and can enjoy the health and retirement benefits everyone needs to live a healthy, productive life and to raise a family if they choose.

This is not just a fundamental human right; our experience representing writers and writer-producers elsewhere in the television and film business suggests that it is also good business. Having a stable, experienced, committed workforce would enable the networks and production companies to produce quality content that viewers want to watch, so audiences will expand and deepen and revenues will continue to increase.

The networks must agree to more reasonable budgets and production schedules. This isn't rocket science; there must be enough money to hire enough people to do the work, and they must have enough time to accomplish it. The pressure to burn people out with insane hours, overwork, low pay, and no benefits begins at the top.

History demonstrates that the sure way to build a floor of reasonable compensation, benefits, and working conditions is with collective bargaining. Collective bargaining empowers the employees themselves to come together to figure out what works best and wand we anticipate that, just as the Guild and other unions have done with decades of work in the broader entertainment industry, we can raise standards to the point that people can make a living doing the work they care about.

Therefore, we call upon the networks and production companies to agree, at the minimum, to a Code of Conduct that would provide for

- Reasonable production budgets and production schedules
- Adequate staffing levels
- Guarantees that employees will not be require to work excessive hours, and that all wage and hour laws are honored
- Paid time off
- Basic benefits including company-paid health coverage
 - A commitment to honor the right of employees to select representatives for collective bargaining and to negotiate reasonable agreements



TESTIMONY OF SARAH LEBERSTEIN NATIONAL EMPLOYMENT LAW PROJECT

ON
WORKING CONDITIONS IN THE NONFICTION AND REALITY TELEVISION INDUSTRY IN NEW YORK CITY

BEFORE THE NEW YORK CITY COUNCIL

JUNE 25, 2014

NEW YORK, NEW YORK

National Employment Law Project 75 Maiden Lane, Suite 601 New York, NY 10038 212.285.3025 X313 sleberstein@nelp.org Good afternoon Councilmembers, and thank you for the opportunity to testify today on working conditions in the nonfiction and reality television industry in NYC. My name is Sarah Leberstein, and I am a staff attorney at the National Employment Law Project (NELP), a non-profit research and advocacy organization based in New York with offices across the country. NELP has a 45- year history of promoting policies to ensure that workers are properly paid and treated fairly on the job, and that they have access to unemployment insurance benefits when they are separated from their jobs. We partner with federal, state and local lawmakers to accomplish these goals.

Through our work to raise and enforce standards for vulnerable workers, we have seen how strong legal protections for workers, combined with robust and strategic labor enforcement can go a long way towards ensuring workers get paid what they are owed, while simultaneously encouraging greater compliance throughout the affected industries, returning millions of tax dollars to state coffers, protecting law-abiding companies, and bolstering the state's economy.

Unfortunately, our work with worker centers and unions has shown us that a growing number of occupations are plagued by endemic wage theft — that is, shortchanging workers of the wages they are owed. Wage theft takes many forms, including being paid less than the minimum wage for all hours worked, working "off-the-clock" without pay, getting less than time and half for overtime hours, and being misclassified as an independent contractor instead of an employee.

Wage theft in New York is not incidental or rare, committed by a few rogue employers. And increasingly, it plagues what are supposed to be middle-income, growth professions. Film and television production now employs a workforce of 130,000 in New York, having added 30,000 jobs in the past decade. But the industry's potential to provide promising careers and its ability to attract and retain talented young professionals is undermined by these abuses.

Among the most common forms of wage theft in the nonfiction and reality television industry are overtime violations. A 2013 survey by the Writers Guild found that 84% of writers and producers work more than 40 hours a week almost every week, 60% work more than 8 hours every day, and 85% never receive overtime pay; significant numbers of workers also experienced violations of record-keeping requirements that enable wage theft and employer tax evasion. These findings show that certain wage and hour abuses may be even more prevalent in this industry than with workers in low-wage sectors. A seminal 2009 report by NELP and our partners on low-wage workers in New York City found that, of the surveyed workers who had worked over 40 hours in the previous workweek, 77 percent were not paid the legally required overtime rate by their employer.

Employers are taking advantage of legal loopholes and lax enforcement to squeeze as much labor as possible from workers while their profits skyrocket. The overtime rules that establish the 40-hour workweek have eroded over time, leaving millions of salaried workers without the protections of overtime or sometimes even the minimum wage. And even when workers are entitled to overtime, they often believe the employer's claim that they are not, and never

challenge their classification or the violation. Lax enforcement further encourages abusive employer behavior.

The federal government has recently recognized the urgent need to remedy overtime abuses. On March 13, President Obama directed the Secretary of Labor to begin the process of strengthening the so-called "white collar" overtime pay protections in the DOL's regulations.\(^\text{V}\) The stated goals are to ensure that more workers who have stepped up and are working harder and longer than ever should be paid for that work. Updated rules will also help combat the extreme overwork with which many writers and producers struggle, and will encourage work spreading, increasing the number of jobs available.

Combatting wage theft will not only help workers, but will also provide a much-needed boost to local economies and law abiding businesses, and to taxpayers. When employers rob workers of their wages, bills go unpaid and housing situations are unstable. Workers are not able to spend as much money to support local business in their communities. Law-abiding employers are at a competitive disadvantage as compared with firms that illegally depress labor costs. And when employers fail to pay workers' wages, they also fail to pay the required taxes on those wages, draining millions of dollars from city, state and federal coffers. In just this industry alone, wage theft drained an estimated \$240 million in unpaid overtime wages from workers in a six year period. Remedying wage theft in this industry alone would therefore be a huge benefit to the city on many levels.

CONCLUSION

Workers in what used to be promising, stable, and middle-income jobs are now increasingly facing the same abuses the plague low-wage work in New York City and beyond. Like fast food workers, carwash workers and domestic workers, producers in the reality television industry are being cheated out of the wages they have earned and stripped of the basic workplace protections that they should be able to depend. While they are organizing unions to advocate for themselves, their employers continue to fight their attempts, sometimes breaking the law to do so. Improving and enforcing labor standards in the nonfiction and reality television industry will help ensure that these jobs are good jobs that can attract and retain talented workers and bolster the city's burgeoning creative sectors.

Writers Guild of America East, The Real Cost of Reality TV: How the Nonfiction Television Industry Steals tens of Millions of Dollars from New York Taxpayers (2013), available at http://www.scribd.com/doc/185243231/Writers-Guild-of-America-East-White-Paper, page 2.

ii Id., pages 12-13.

III Annette Bernhardt et al., Working Without Laws: A survey of Labor and Employment Law Violations in New York City, Center for Urban Economic Development at the University of Illinois-Chicago, Nat'l Employment Law Project & UCLSA Institute for Research on Labor and Employment (September 2010), available at http://nelp.3cdn.net/990687e422dcf919d3 h6m6bf6ki.pdf.

^{iv} The so-called "white collar" overtime regulations at the federal level permit workers earning as little as \$23,660 a year to be exempted from overtime pay, for example.

V White House, Office of the Press Secretary, Fact Sheet: Opportunity for All: Rewarding Hard Work by Strengthening Overtime Protections, (March 13, 2014), available at http://www.whitehouse.gov/the-press-office/2014/03/13/fact-sheet-opportunity-all-rewarding-hard-work-strengthening-overtime-pr.

vi The Real Cost of Reality TV, page 13.

TESTIMONY

Of

The Actors Fund

Before the

New York City Council Committee on Civil Service and Labor

Oversight – The Real Reality – Working Conditions in the Nonfiction and Reality Television Industry in NYC.

June 25, 2014

Presented by:

Renata Marinaro, Director of Health Services, Eastern Region

Joseph P. Benincasa

President & CEO

My name is Renata Marinaro and I'm the Director of Health Services for the Eastern Region of The Actors Fund.

THE ACTORS FUND is a national human services organization that helps all professionals in performing arts and entertainment. It was founded in 1882 to address the human services needs of performing arts workers who faced economic insecurity because of their working conditions and discrimination because of their profession. 132 years later, the stature of entertainment workers is no longer an issue. In fact, the performing arts and entertainment industries are major drivers of New York City's economy, but New York City's entertainment professionals, who fuel this economic engine, still face a greater level of economic insecurity than other individuals with their levels of education and training. To address this, The Fund offers a broad spectrum of programs, including comprehensive social services, health services, supportive and affordable housing, employment and training services, and skilled nursing and assisted living care, as well as emergency grants for essential needs.

Many professionals in entertainment are self-employed or sole-proprietors and thus don't have the benefit of regular salaries, paid leave, pension plans like 401k or 403b's, and employer-offered health insurance. Professional unions and guilds such as Screen Actors Guild/AFTRA offer health and pension plans, but most performing artists do not qualify. This means that many professionals must either purchase their own health insurance, get it through a spouse or partner, or go without, leaving them vulnerable to penalties, illness and financial ruin.

in 1998, we created the Artists Health Insurance Resource Center to help our clients identify affordable insurance options. Since 2010, we have been actively educating our community about the Patient Protection and Affordable Care Act and helping them enroll in these plans. We are the only organization certified in the State of New York as Navigators for the arts and entertainment industry, and are uniquely qualified to understand their needs.

Since The Actors Fund last testified in 2012, the health insurance landscape has changed dramatically, losing some features and gaining others. The Affordable Care Act (ACA) has brought some welcome and necessary changes to the system: the ability to purchase a comprehensive health insurance plan that meets an individual's or a family's needs on a competitive Exchange regardless of pre-existing conditions, a system of tax credits to make premiums affordable to poor and lower-income workers, caps on the maximum amount of money a consumer must pay for medical expenses in a year, and the expansion of Medicaid, have had a significant positive impact on our industry.

Those who benefit most from the ACA are those whose incomes are below the premium tax credit threshold of approximately \$46,000/year (individual) or \$62,000/year (couple). However, these numbers are based on the Federal Poverty Level and do not take into account the higher cost of living in New York City. The higher cost of housing, food, and utilities leaves less discretionary income for the New Yorker and thus makes health insurance less affordable as well, even with the tax credit.

Many writers working in non-fiction television earn more than the subsidy limit and must purchase full-cost plans as individuals either on or off the Marketplace/Exchange. (Sole proprietors are no longer considered small businesses and are ineligible for small business insurance). Although the State did a

good job of mandating comprehensive benefits, deductibles are high, and plans can be quite expensive. The average full cost of a Bronze level plan, which is the lowest level of coverage and has a \$3000 deductible, is in the mid \$300 per month range for a single person, and roughly double that for a couple. That is a significant additional monthly expense for coverage that will likely only be used for preventive screenings and in the case of a serious health crisis, since the high annual deductible will probably never be met. Gold level plans have a much lower deductible - \$600 per year — but premiums run between \$395-\$759 per month for a single person, and \$791-\$1519 per month for two people. For coverage that is comparable to a union plan, the worker would have to choose Platinum level coverage; most Platinum plans run in the high \$500s to low \$600s monthly, but can be as much as almost \$900 per month (single), or up to \$1792 per month for a couple. For a writer making \$1000 per week, such premiums are simply unaffordable.

Compared to most union coverage, Marketplace/Exchange plans generally have smaller networks and no out-of-network benefits. For those who must travel for work or who tour, this can be a serious drawback. For example, a field producer with a Marketplace plan who regularly goes on shoots outside New York would be effectively uninsured except in the case of a life-threatening emergency.

In addition, many freelancers and sole proprietors find it difficult to complete the Marketplace application. Those with sporadic or variable income are asked to fill out a revenue and expense report for the prior 3 months, which is then used to estimate yearly income. However, as anyone with knowledge of the entertainment industry knows, what you made in the last 3 months is not a reliable indicator of what you will make this year. Writers may work on a show for a few months and then not book another show again for a year, or more.

Other options that existed in 2012 no longer do: Healthy NY, a program heavily utilized by our community, has been phased out; Family Health Plus is also no longer enrolling new patients. The arts service organizations TEIGIT and Fractured Atlas no longer offer health insurance to new members, and the Freelancers Union has had to raise premiums and restructure some plans.

To recap: although the Affordable Care Act has brought many welcome and significant changes to the health insurance system, freelancers in the entertainment industry in New York are still faced with hurdles to getting affordable, comprehensive insurance, including the relatively low subsidy threshold in relation to New York's cost of living, limited networks, no out-of-network coverage, a confusing application, and high full-cost plans.

Conclusion

We thank the City Council for the opportunity to testify. We hope our testimony has given you some insight into the challenges facing freelance writers seeking insurance coverage and thank you for your efforts on behalf of this community.



TESTIMONY FROM THE ASSOCIATION FOR A BETTER NEW YORK BEFORE THE NEW YORK CITY COUNCIL REGARDING REALITY TELEVISION PRODUCTION IN NEW YORK CITY

June 25, 2014

Thank you for the opportunity to speak here today in support of unscripted and reality TV production in New York City. ABNY is a 43-year old civic organization in New York and our membership represents a broad base of companies, non-profits, labor unions, educational institutions and healthcare providers in New York. We advocate for the policies and programs that make New York a better place to live, work and visit, and we support economic development and job creation in all five boroughs.

Unscripted and reality TV production create thousands of well-paid jobs in New York City - the kind of professional and creative jobs we want in our NY.

These productions also create thousands more indirect jobs for small businesses throughout our city, driving employment in catering, transportation, hotels, restaurants, dry cleaners, coffee shops and more.

We should be championing film and television production as an industry that has been a tremendous boon to New York's economy fueling the creativity, and creating jobs for across the economic spectrum.

These productions also drive millions of impressions around the country and around the world, and are a significant driver of tourism, with shows like Sex & the City and Girls, attracting tourists who want to experience the neighborhoods they've seen on the screen. And the visitors keep coming for years and years after the shows are done.

The "Made in New York" brand has been successfully used to showcase the talent and creativity of productions made here.

It's gained global recognition as strong and meaningful brand because our city is home to the best talent, the latest technology, and the most recognizable scenery.

In short, New York is the greatest city in the world and we must continue to support the TV production industry and its workers.

Good morning, and thank you so much in advance for making the time to hear these stories. My name is Lauren Veloski and I'm a producer with 10 years experience in the reality television industry—specifically, for the past 7 years I've been working as a freelance Story Producer.

I've had a full spectrum experience with several different production companies, and while my time in reality production has not been exclusively negative: I have seen and lived enough in what's indisputably a beleaguered, exhausted, overworked—and by all measures, *powerless*—contingent to see that things MUST change. I know first-hand some of the most troubling conditions under which my fellow Associate Producers and Producers toil, and I feel obligated to speak to you today on their behalf.

What I've witnessed in reality television is a systematic budgeting of time and salary that assumes reality producers will silently endure inhumanely long days, accept ballooning hours with no additional pay (even when on-the-job hours commonly push upwards of 80 hours a week), and shoulder an agenda that is profit-oriented, company-protective, and worker exploitative—all under the guise of the "production hustle." Make no mistake about it: producers are a uniquely driven tribe—and they must be. Production is often unpredictable, chaotic, and full-throttle demanding. A good producer is dedicated and tireless—trained to go above and beyond in service of the show. But this willingness on all our parts to go the extra mile has pretty clearly been repurposed over the years as a quick route to exponentially boosted company profits. The boss-employee barter is egregious: we give maximum effort, with no hope of even basic benefits or sustainable workloads. Too often, our instinct to give 200% is exploited beyond all common decency. Too often, the conditions in reality television put producers at risk of personal peril-incurring sickness, injury, incredible stress, forsaking any semblance of a work/life balance, or any hope of health care coverage. Maybe most egregiously, many of us suffer rampant, indeed systematic, "wage theft"—but we are told to be loyal, we are told this is "normal," and we're intimidated into maintaining allegiance to a timecard that almost never tells the truth.

Let me give just a couple simple examples from my own work history, if helpful. On more than one occasion—and on established, long-running shows—I've been required to sign contracts my very first day on the job that say I agree a typical workday is a 12-hour workday. The exact language from one: "due to the nature of production work, you should anticipate that your work day will typically be 12-hours in duration."

If 12-hour workdays, Monday through Friday, are in fact the "norm"—well, that pace alone is brutal. But what's more brutal still is that so often my hours and my fellow producers' hours far exceed even 12—pushing to 14,16, 18, recurringly. On several occasions: I've had to take cabs home from the office at 3:00 or 4:00 AM—or as the sun was rising. On one job I incurred more than \$600 in total cab transportation, after two months of getting home from the office after the subway had gone to sleep for the night, in a desperate effort to keep an unwieldy episode on track—without adequate staff, support, or resources. And, certainly: to the serious detriment of my own physical health. None of these late hours are compensated, because we are paid on a "flat" weekly rate. The same is true for weekend days, of which there are many—all unpaid. On this particular show, the workload insanity was the direct result of a editing schedule

that should have been slated for 9+ weeks, but was condensed to only 6 weeks. After the show was locked, the company I worked for refused to reimburse more than 50% of my cab rides home. Which meant I was out over \$300, in addition to the ordeal of working such a demanding schedule week after week after week. Keep in mind that on the most egregious of these late nights—"the sunrise exits"—I had worked a 19-hour day.

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What's more: in the "12-hour standard" jobs—and in the sunrise exit example I just gave—my colleagues and I were simultaneously told to fill out weekly time sheets as if we had worked from 10 AM to 6 PM, everyday. Nothing could be further from the truth. And this falsifying of time cards is standard practice. When I've raised concern or confusion about this discrepancy on the job, I've been told that reporting 10 AM to 6 PM on the sheets was non-negotiable. Indeed, most fellow producers just kept their heads low on this and all points of intimidation—you learn quickly to not push back. Such rampant abuses fuel a culture of fear. And I have been heartbroken to see, on several shows, an implicit, hushed understanding that we are each highly disposal—and can be immediately replaced.

I hope this is painting an effective portrait of how reality television so savvily pulls in such monstrous profits—and why the pressure remains for them to continue to schedule such impressively "lean" shows. It's great for the Network, so the Network orders more shows! It's great for production companies, who continue to lock deals. But it's terrible for the humans. And, frankly, it's unconscionable.

At this point, the tendency toward exploitation to keep costs low and results speedy is SO entrenched, so "normalized," that labor abuses not only go unchecked—they go unrealized. "Wage theft" is legally defined—a genuine offense. It is theft, unqualified. But the typical reality producer has been skillfully coached to not recognize her or his own exploitation, and here is where awareness raising—and the bolster of <u>your</u> support today and ongoing, of common decency labor laws—is so essential. Production companies, eager for network deals, are the engines of this abuse. These are not bad people, but these are wholly bad business practices. The end result? Everyone suffers.

Perhaps the fact that reality television does not connote much culture cachet makes us a little less sympathetic. Some of the shows are frivolous and throw-away, sure. But there is nothing frivolous or throw-away about the people breaking their backs to make those shows happen. These are hard working people. With families. With dreams. Without recourse. Without health care. Without voice. We are here in earnest need of your urgent support.

In the grand scheme of poor reality television working conditions, my own experiences are really not so bad. In fact, I've been lucky to work with some production companies that were great—that went out of their way to create humane conditions, keep communication channels open, adjust schedules, or even pay retroactively for overtime hours. So I know it's possible—a sustainable model *does exist*. Let's make that our goal: standardized work conditions beyond the reach of threat or intimidation. The alternative cannot continue.

I'd love to share with you some excerpts from other producers, many of whom have encountered more harrowing work conditions than I ...

ANONYMOUS TESTIMONY EXCERPTS:

There is little to no regard for people's well being and we're often put into difficult positions where it's either our safety and well-being or our job. I've had to go against my bosses when there are PA's who have worked since 5am and are about to get in a car at midnight and drive 3 hours through a thunderstorm because there's no budget for their overnight. Instead I booked them into a hotel and incurred the wrath of the extra expense.

From another person ...

I recently worked on a home renovation show where I was working 18 hours in the field, an additional 3 at home at the end of my shift and working conditions were poor. There were no safety precautions taken and we were working in homes that were completely dilapidated. People went through the floor regularly, things were constantly falling and if you complained you were fired.

And another ...

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As an AP I had to drive very fast to have us catch our plane on a COMPLETELY ice covered road during a snowstorm. We passed several cars that had either pulled over because the conditions weren't drivable or had WRECKED because of the snow/ice. I begged them to let us wait for the next flight, but they refused.

And another ...

My worst experience was working for a company called Red Line Films where we worked for around 18 hours without a break and with inadequate food and hydration in 100 degree heat. I began throwing up after a few days of this and eventually demanded to be taken to the emergency room where I was given 3 liters of IV fluids. I requested to leave the shoot (at risk of my career) and was flown back to NYC. There was a general vibe that I was weak, older and just couldn't tough it out enough.

And another ...

I worked 12 days in a row and was forced to change my time card. The company not only said my weekly rate was based on a six day week (I never worked more than five), they also told me that they would not pay for a seventh day. When I asked to see where I agreed to this in my employment agreement, I was reported to my supervisors.

And another ...

On most of the shows I have worked on in the past 10 years as a Field Producer I have never filled out a time card with my actual hours. I don't believe I ever received Over Time Pay ... On many shows the Field Producers were treated like rental equipment. In many instances we are used until we break—and are then replaced.

And another ...

... my shortest days were 12-14 hour days. I worked through 2-4 weekends at a row at one point, and while I was paid for 2 weekends of work, I didn't have a day off for over

20 days. The worst day was a Friday where I got to the office at 10am and worked until 8am Saturday morning. I went home and slept, but was woken up by a call from my boss saying that the Sundance Network Executive had watched the show and sent notes that we had to start immediately. I returned to the office around 3-30pm that afternoon and worked until midnight. I would have probably been asked to work beyond midnight, but at that point I physically couldn't stop my body from shaking and was unable to continue working. I returned to the office the next day (Sunday) and worked from 10am-10pm. The hours caused me to experience panic attacks, emotional breakdowns in the office and at home. At one point I begged my boss to fire me as I felt mentally unfit to continue on the project.

And another ...

In 2011 I was diagnosed with brain cancer and thankfully had my own insurance thru the Freelancers Insurance Company ... the STRESS involved with production jobs in the Reality/Non-fiction world have made it counter productive from a health standpoint (trying to keep the tumor from progressing) to continue work in this industry. After taking the necessary time to heal after my surgery, chemo and radiation, the show I was working on at the time of diagnosis had already restaffed ... It's been my dream and long term career goal to climb the ladder to the Executive Producer level in the TV/Film business ... and while I may have been on the right path it was at the expense of my health, self respect, sanity and freedom to enjoy life while also maintaining a career. Nonfiction/reality tv takes advantage of their employees' desire to succeed ... It's a soul sucking and depressing business. That's hard for me to say because this was the industry that at one time I was so passionate about.

Thank you so much for your time.

Hearing of the Committee on Civil Service and Labor on the non-fiction, reality television production industry

June 25, 2014

Written Statement of Atlas Media Corp., Leftfield Pictures and Original Media

We appreciate the opportunity to submit this written statement for the record in the referenced matter. It is submitted on behalf of Atlas Media Corp., Leftfield Pictures and Original Media (collectively, the "Companies"), each of which was invited to participate in the hearing. For several reasons, these Companies believe that a written statement is the best, most succinct way to introduce the New York non-fiction television production industry to the Committee. The Companies take the Committee's investigation very seriously and are committed to addressing any of its concerns and fostering a dialogue with members of the Committee.

What is the New York non-fiction television production industry?

We create and produce thousands of hours of non-fiction television annually for cable networks and other outlets. We produce documentaries, biographies, reality shows, game shows, lifestyle shows and many other factual or non-fiction programs. Over the past ten years, more and more of this work has been done in New York City. Each of the Companies, and virtually every other non-fiction production company in New York City, was founded over the last two decades or so - many in the last 5-10 years: Although more and more non-fiction production companies are calling New York home, the work performed by these companies can be done anywhere because almost every non-fiction television series is filmed outside the State of New York, in locations throughout the country and world.

Unlike scripted television production companies, which produce major network shows and generally are paid for the original episode and syndication of their series domestically and internationally - - think <u>Seinfeld</u> or <u>The Simpsons</u> - - nonfiction television operates under a much different business model because in most cases the company does not own the intellectual property and is paid a small portion of the overall budget (referred to as a "Production Fee," generally around 10% of the budget) to produce the idea it created and sold. The company, because it doesn't own the property, has little ability to generate more revenues from the show.

Ours is an extremely competitive business, and because the work can be done anywhere (and is), we are competing not only against companies here in New York, but companies located all over the country and outside the country.

The Companies and others in our industry are many things.

We are hard working entrepreneurs. We are creative artists. We are storytellers.

We are mostly small businesses made up of developers, producers and creators who worked their way up in the industry and who pay very good wages to even entry-level employees. It is not uncommon for individuals to be promoted every couple of years - from production assistant to associate producer to producer, to senior producer and so on (showrunner, executive producer, vice president, etc.)

Many of us grew up in this business and saw it go from where it was 15 years ago to where it is today. We are a vital, homegrown New York industry that brings enormous financial and cultural benefits to the City.

So in addition to some of the testimony the Committee will hear today, we also would like it to know:

We provide a vibrant, creative workplace for thousands of ambitious, often young men and women--with opportunity for rapid advancement.

We create jobs -- We are running exciting companies filled with thousands of innovative artists and professionals who throw themselves into the creative process and are rewarded for their hard work. Salaries vary by department, experience and skill set and are fair, competitive, and commensurate with the creative work performed.

We do it on our own. We applaud the work the Legislature has done to promote the television and film industry in New York, but unlike our sister industries, the film and scripted television industries, we are not the recipient of millions of dollars of tax rebates and incentives.

We take care of our employees and provide a range of competitive salary and benefit packages. We pay well above minimum wage for entry level employees, including overtime for all non-exempt employees. Most producers to supervising producers make on average between \$2,200-\$3,500 a week while many showrunners make on average-between \$3,500-\$5,000 a week. It's more than common for these individuals to move up the ranks much more quickly than in other industries and to be producers by their mid to late twenties and supervising producers or showrunners by their early to mid-thirties. Most of our companies already provide health care benefits while the rest are preparing to institute the Affordable Care Act.

We inject tens of millions of dollars into the local economy, purchasing everything from office space to catering... wardrobe to engineering consultants.... tech services to makeup. Every one of our non-fiction television projects, no matter the size, no matter the genre, patronizes the stores, vendors, specialists and consultants of New York.

We help New York culturally. In an age when Hollywood is successfully maintaining its reputation as the world's entertainment capital, and when the hottest businesses in media -- online news and entertainment -- are settling in to

places like San Francisco and Seattle, we, the non-fiction television producers of New York are a vital, homegrown and expanding industry that is helping to maintain our hometown, New York, as the media capital of the world.

We promote New York businesses nationwide. New York-based producers have taken pride over the years to see how our cameras fuel other industries by capturing for national broadcast a dazzling number of New York businesses from bakeries to tattoo parlors...from restaurants with their world renowned chefs to the premiere fashion icons of our time. People see these establishments on our TV shows and flock to New York to visit their favorite restaurant or attraction.

We do it despite the challenges of New York as an "outlier" location in our industry. It is a fact: Los Angeles is the bigger, more prominent home to our industry. However, New York, which was for a long time a "second city outpost" of the non-fiction television industry, has made huge strides to close the gap with Los Angeles. We would like to see this trend continue.

We treat our employees fairly and provide unparalleled opportunities to many. Because our work depends entirely on cable networks' programming needs, some of our employees are hired on a freelance, or project-by-project, basis. This is true even with individuals employed on successful shows because there may be a period of several weeks, even months, between the end of production on one season of a show and the beginning of production on a subsequent season. Moreover, we should note that most of the individuals engaged to perform production work by the Companies undoubtedly are creative professionals, and therefore are exempt employees within the meaning of applicable wage and hour laws. Others, including production assistants at each of the Companies, are paid overtime, in accordance with federal and state laws.

In conclusion, we welcome a fair, thoughtful, and thorough look at our industry. We are confident you will find hard working New Yorkers who thrive on the challenge of informing, entertaining, and educating television viewers. We are confident you will find companies who work tirelessly to promote the non-fiction television industry in New York, and opportunities for the thousands of individuals employed in the industry.

WE CHOOSE TO BE IN NEW YORK. THIS IS WHERE WE CALL HOME.

Despite that the Companies and others in the New York production community could be headquartered anywhere -- Connecticut, New Jersey or even Los Angeles, where there is already a strong and cost effective infrastructure for our industry - we believe New York and its creative, hard working people have much to contribute to our world.

We hope that New York continues to buzz with the excitement of "lights, camera, action" and that creative New Yorkers continue to find jobs and an outlet for their unique voices. Thank you for your time and your service to our hometown.

THE COUNCIL THE CITY OF NEW YORK

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