



ANIMATION
GUILD AND
AFFILIATED
OPTICAL
ELECTRONIC AND
GRAPHIC ARTS,
LOCAL 839
I.A.T.S.E.

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It's time again for the wage survey

Last week we mailed the 2013 edition of the questionnaire for the Guild's wage survey — our annual check of where rates of pay have been ... and where they're going. Please read it over, complete it and return it to us, by mail or online.

In addition to the mail version, the wage survey questionnaire is available online at animationguild.org/wage-survey-2013. To fill out the online questionnaire, enter your name, home e-mail address and the last four digits of your SSN. This will only be used to ensure that all respondents are members and that there are no duplicates; your name will not be attached to or associated with your online answers. To ensure absolute anonymity, return the mailed version of the questionnaire in paper form. The data will be processed the same regardless of how it was submitted.

It takes less than five minutes to complete the questionnaire. Please return it to us by July 26. The results will be published in The Peg-Board, on our website, on the [tag839] e-mail list and on the TAG Blog.

It's important that everyone — writers, artists and technicians, traditional animation and CGI, employed or unemployed — give us accurate statistics of wages in the business. Low participation results in inaccurate or misleading results.

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PAT KOCHAKJII
PETE MICHELS
BAO NGUYEN

at Gallery 839
opens July 12

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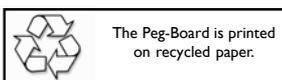
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5 pm and pick up current or recent back copies of *The Peg-Board*, free of charge.



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WAGE SURVEY

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We're especially interested in increasing the survey participation of animation writers and freelancers, as well as those who may be working non-union. If you're currently unemployed or not working in animation or visual effects, please give us information about your most recent animation job.

Under Section 232 of the California Labor Code, you have the absolute right to share wage information without employer discipline or discrimination.

Remember: This is information that the producers know already. By participating in this survey, you allow yourself and your fellow Guild members to negotiate with employers on a more equal footing.



The next membership meeting ...

... on July 30, will feature **TOM SITO**, president emeritus of the Animation Guild and author of *Moving Innovation: A History Of Computer Animation*. He will be interviewed on the topic and he will also autograph copies of his book.

The meeting takes place at 1105 N. Hollywood Way, between Chandler and Magnolia in Burbank. Pizza and refreshments at 6:30 pm are followed by the meeting starting at 7 pm.



From the President *Up from GMAdom*

Are you a **GMA**?

A **Genetically Modified Artist** whose organic talent has been restructured over the years to be resistant to quality in order to create more tripe for the entertainment-starved masses? Are we the artificial sweeteners of animation?

It's in our DNA to be artists and writers. We were born that way. That doesn't mean we're stupid or ignorant or gullible, any more than anyone in any other profession. We are what we are and we do what we do because grandma and grandpa had similar genetic abilities, and their grandparents before them.

Writers, artists and cartoonists are perfectly suited for animation. In no other skill set, craft or profession (except maybe music and acting) will you find such a vast array of children with fertile minds and adult responsibilities creating so much magic out of nothing on a daily/monthly/yearly basis, putting to paper or monitor screen characters and worlds that exist only in someone's head and can be seen by others only when marks are made on some surface that allows them to see what exists only in some artist's or writer's brain.

I don't know where those cranial images come from, nor can I understand someone not having the ability to create such images. But they're out there, using us to create for them the images they don't have in their heads, which is, indeed, a challenge.

Every day I can feel our organic skill-sets being eaten away by the **GMA (Generic Mundane Atrophy)** that has contaminated the creative process that already suffers from shorter deadlines, lower budgets and myopic wannabes.

It's not much of a challenge to knock 10% off a budget and a week off the schedule, but it's a definite challenge to produce the same results with less time and fewer dollars. It's always a surprise when something great gets done in spite of all the obstacles.

— *Bob Foster*



From the Business Representative *Interns*

Earlier this month, a Federal judge ruled that two unpaid interns employed by Fox Searchlight were in fact employees, and can represent a class in a lawsuit for back wages.

Years ago, I found an unpaid “intern” doing production animation work on a commercial. The crime occurred at a small, union animation studio. I put a stop to it, but there was probably more crap going on elsewhere that I didn’t catch or put a stop to. (I often feel like a man slapping a damp towel on hot flames as the forest fire rages around me.)

I’m glad the court ruled like it did. Wish that companies would just *pay* the people who do the work. If Rupert (or whatever CEO you care to talk about) makes five thousand dollars less at the end of the fiscal year, is it really a calamity? The end of capitalism as we know it? I think not.

— Steve Hulett

In memoriam

Background artist **ERIC HESCHONG**, who worked for Hanna-Barbera, Ruby-Spears and Universal from 1978 to 1992, died on June 4. He also worked for Landmark Entertainment and for Disney Imagineering.

TAG member **MAX GRAENITZ**’s book, *The Human Form; Study and Handbook for Artists’ Anatomy, is for sale. An extremely comprehensive guide to drawing the human form and anatomy for artist and animators. Hardcover 1995; 474 pages and hundreds of color illustrations. Condition: Very good, with dust jacket and protective sleeve. Asking price: \$85. Please contact Max at 323.540.4629 or sleepydrawings@gmail.com.*

Getting screwed in the Canadian VFX industry

Tales of a veteran visual effects artist

The following comes from TAG member Dave Rand.

On May 25, 2007 an article came out by David Cohen of *Variety*: “**Blockbuster Films Take Toll on VFX shops**”.

Little did I know how that would soon be affecting my life. Up until then, I'd lost about five grand in comp time when Rainmaker went belly up in Burbank in 1996 but otherwise it had been pretty smooth sailing. I just wanted to put headphones on and get cool shots. I had no interest in VFX politics.

Then came October 2007. I'd been in Montreal for a year working on *Journey to the Center of the Earth* as the fx lead. Then our paychecks stopped. This was followed by a series of promises, excuses, and delays.

Finally we were asked to just deliver and the whopper check that came from delivery would pay us for the 3 months of back pay and overtime with a bonus for waiting, the bonus promise was for those who balked. They made the mistake of putting me in front of the group to explain the finances of one of our deep pocket owners, I had been a broker at one of the top firms on Wall Street, I understand balance sheets. Surely the conglomerate of family networks, Discovery Holding's Co., worth in excess of 8 billion with 200 million in cash would honor our pay. After all it was Christmas.

We delivered just before Christmas. We were all used. I was owed **\$22,000**.

Many VFX shop owners regularly borrow against contacts they bid on, taking a lump sum up front, using the Fox, Universal, Warner, or like contract as collateral. Magically the banks become the culprits at that point because they “will not release the funds!” or “they suddenly just kept the delivery check!” Like it's a surprise and not the owners' fault. You can't have their personal money, but yours is up for grabs. You should ask if this type of borrowing

has been done with your current studio contracts. This can make delivery paychecks disappear.

Discovery bankrupted the studio, after claiming the bank kept the delivery check (as described above), and it reopened under a new name two weeks later under new conspicuous ownership and doing work for the former owners. It was now called Lumiere Studios. Two years later Lumiere would screw over the same artists the same exact way, string them along without pay and finally falter. Does any of this sound familiar yet?

It would be two years before we saw a fraction of our money from Meteor. In the beginning, we were told by the labor department, Les Normes, not to expect more than what we could recover from the payroll insurance policy Meteor had in place. I called the insurer and that policy would cover less than 10% of the \$1.3 million owed over 130 people....and the agent added it was all under investigation. I gladly told them everything I knew about the situation in return for this information.

It was then we decided that we needed to take charge of our own lives. We started a multi-pronged campaign. I had plenty of help. I took on relations with the Press. I decided to use my real name from that day forward. On every blog and every article.

It's harder to rob someone in the daylight. And the press was the main reason we got most of our money. At first all the major Hollywood publications did not think it was newsworthy. (We've come a long way from that day as evidenced by a union sponsored OT lunch at Rhythm & Hues this year...it made the *Hollywood Reporter* the same afternoon, and I never had to contact anyone.) Times and awareness are changing, thanks to the artists that have come forward.

The Governor General of Canada did not think our plight was worthy of even a response to my many letters and phone calls. Surprising, as she was raised in Haiti and was an award winning director. Les Normes told me the company was bankrupt and had no money and to basically get over it, their payroll insurance was our only recourse. It was only because of our efforts to make this known that Discovery eventually cut a check. I called Brendan

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GETTING SCREWED IN VFX

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Fraser's agent and publicists. Brendan was the star and executive producer on *JCE*. They decided to not even mention it to him. So I did my own press release.

From there we began to get considerable attention, starting with the *New York Post* and a call from Brendan Fraser himself. (Brendan called me immediately and began taking meetings and making calls on our behalf.) Then *Playback* magazine (the *Variety* of Canada) made it their cover story. The Governor General contacted me immediately, informed me she was making it a priority case with the Labor Department. Les Normes contacted me the next day to let me know they were "on it" and it was now a priority case. Finally it hit mainstream USA entertainment magazines, blogs, and went viral. (You can browse through the articles on the press tab of my website, daverand.com.)

Lots of people got very embarrassed as they should, and we got to see some of our money, but most importantly it raised the consciousness of artists and Hollywood that their prized asset, Visual Effects, was coming of age and willing to take a stand. Not only did we max out the tiny payroll insurance policy, we got Discovery to pony up the rest to make the 70% settlement. Thanks to the attention and press this situation got.

To this day the Canadian Labor Dept. has had a poor track record of recovering money from fallen VFX shops that have coerced artists to work without pay, gone belly up, and reopened under new names. The Canadian government has recently stepped up to offer up to \$3k of taxpayer cash to those who end up unpaid from bankruptcies in Quebec. Keep that in mind.

DAMFX was the next stop for me, I was still spinning from the Meteor situation. In my interview that was my main concern. I went there under the promise that "what happened at Meteor would never happen at DAMNFX". I was told by Josee they had some problems in the past, but now they had money to last for seven months whether they got a show or not.

DAMNFX missed my first two paychecks. I was told the money was wired, check with my bank, it takes three days....check again. Sound familiar? I went home to an eviction notice and discovered

that Meteor had not paid my rent for 6 months (even though they took it out of my check) and that DAMNFX was now late paying as well.

I stopped going to work until I got my money. I eventually did, but I never returned. I'd had enough. If you can't pay me don't spin bullshit on top and add insult to injury. Josee's partners separated themselves from her and began talking to a new partner Mark Cote. Josee started New Breed.

Following Meteor's lead, Mark encouraged the DAMNFX management to go bankrupt and wipe past debts like that pesky back payroll they owed the artists and re-open as RED FX to please the client they had for the film *Red Cliff*. They did a midnight raid on the joint and took all the hardware and software until the bank asked for it all back. This gave them enough time to copy over the custom code, and the work done on the show. RED FX was born and eventually was bankrupted screwing the exact same artists the exact same way. New dog, old tricks. They reopened under FAKE studios and then this happened, basically the same crap.

Is any of this starting to show you a pattern? Because it should. Will this just keep happening as it has for years now? You have to realize that these occurrences happen for one main reason....it is the one thing that just about every VFX artist is lacking in the very controlled world of VFX films:

LEVERAGE

Leverage is what ultimately runs everything in our business, and all businesses. Sadly it's rarely about ethics or fair play. Almost every labor law was created because of labor unions and the exposure they gave to injustices like these. Our government labor departments have been weak when it comes to getting lost wages. Bankruptcy laws protect owners from losing their "personal money". Only your personal money is at stake. That is what incorporation is all about, their protection and not necessarily yours.

There is absolutely no excuse for these practices to continue. You

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GETTING SCREWED IN VFX

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did not sign up to share in the risk or the reward of that business, and you certainly did not sign up to be lied to and manipulated into doing free work for projects that American studios will do quite well with while you go broke under much duress. We are not picking bananas in Guatemala, we are creating very profitable imagery. There is competition, yes, but talent is rare and that is why, not matter what country you go this job in, your often surrounded by imported talent.

Of course I'd recommend you all walk out. That's hard to do, yes. VFX artists are very passionate about their work...you can take away our paychecks but don't take away our shots! Sadly this is also why you are so easily exploited, but it's actually the only thing that will generate your pay, and all of it, and almost overnight. In every situation where my check stopped if we'd all left immediately a far different solution would have been considered. Moving the show cost more than simply paying the existing artists what they are owed. Not to mention the attention the press would give to your exploitation. Important news for the entire VFX community and your fellow artists to consider.

This is why a union can be so helpful. It takes a little time to form and may not be able to solve your immediate needs but your taking action begins to increase your leverage instantly. Signing rep cards getting the news out will certainly begin to get your employer and the client to think about a better strategy. What makes the most sense is to simply make sure **you get paid**.

It would forever be understood that when checks stop work stops. I think that is very reasonable. I can not imagine anyone who would not. Every few years the contracts are renegotiatedwe can start by pushing back with this simple and righteous effort and we can do it with the only factor understood in our business. **LEVERAGE**.

Then, maybe the crap can start rolling back up the hill. Personally I feel I owe it to my industry AND to myself. While unions in America are in decline...they are not where talent is concerned like in entertainment and sports. These unions are growing quite nicely and so are the industries that they work with.... Disney, a

union shop for 75 yrs. Not only are it's entertainment divisions thriving, it's stock at an all time high and it gets half it's revenue from ESPN. It's all about talent. Hard to find, easy to exploit, but with balance it's soon realized it's better to nourish rather than to exploit, because if you take care of your talent.... everyone wins. Think about that.

You're the only one in the credit list that is not organized and none of the others above you have to deal with this shit because they got tired of it 75 years ago, and everyone thrived, talent and studios alike.

What's far worse is that we are all too often ending up at the bottom of the creditor's list ...and in Canada that has occurred more than anywhere else per square mile of talent... a place where the American studios are already getting more than half off, artists suffer the worst history in our business. These practices spread like cancer unless people stand up. We've seen it recently in Los Angeles with DD and Rhythm and Hues. DD was inches away from missing payroll on several occasions. R&H artists were not so lucky. Hundreds of them worked towards delivery and are now owed millions. The last offer was for 17 cents on the dollar, the lawyers will get a third of that, and it looks like it will be tied up in court for some time.

If you want to begin to do something, sign a rep card online at www.vfxunion.info - a hard copy will be mailed to you shortly. With that you've taken a great step.

Next, I'd encourage you to follow a path that has been the number one influence to date in getting artists paid... Tell your story to the press, put some light on the injustice. Your fellow artists are behind you. It's actually fellow artists that responsible for hiring you. HR relies on them for recommendations. I've never had trouble getting a job since I became vocal. I'm respected and you will be too.

I hope you all get paid this time round... but beware that this is nothing new and will most likely it will merely wash, rinse, and repeat as it has for almost ten years now. The VFX community is counting on these kinds of stories being put into the light. Only then will we get real change.

— *Dave Rand*

The dues and don'ts of union dues

by Ann C. Hodges and Ellen Dannin

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If you want to start a lively discussion, bring up the subject of either taxes or union dues. In fact, the two are very similar.

Many of us complain about paying taxes, but deep down we know that if we don't pay taxes, many of the things we depend on every day will fall apart. Taxes pay for things that improve our quality of life and protect our democracy. Taxes are about being good citizens of our country, not about how we as individuals benefit directly from payment. Like our parents and grandparents before us, we pay taxes to strengthen America. Our taxes pay for roads, weather information and assistance when weather turns bad, protection of our food supply, schools and much more.

Union dues are similar. The dues we pay take money from our paychecks, but they return benefits both immediately and over the long term. By law, employers cannot deduct dues from employees' paychecks unless employees agree. In fact, however, there are good reasons that Congress authorized agreements allowing unions to charge dues to all who benefit from what they buy and why employees and employers agree to charge those dues.

Every organization needs funds to operate, and unions are no exception. Before talking about the law relating to union dues, it is important to know what union dues buy. Union-negotiated benefits are not limited to the union's members. The benefits are available to everyone in the workplace unit a union represents. In addition, by law, a union must fairly represent everyone in the bargaining unit, even those who choose not to become full members of the union. The most common actions that involve union representation are negotiating, enforcing and administering collective bargaining agreements.

Collective bargaining agreements (CBAs) are contracts between unions and employers for the benefit of the employees the union represents. Unlike non-union workplaces, employees who are represented by a union typically have the right to vote on the terms

of their employment set forth in collective bargaining agreements. Collective bargaining agreements are not ordinary contracts. They provide equal protection and due process rights to workers. In fact, CBAs are more like legislation than ordinary contracts. CBAs govern the workplace and are often referred to as “the law of the shop.”



CBAs set basic rights for all covered workers, such as wages, sick pay, vacations, benefits, freedom from discrimination and safe working conditions. CBA terms include employee rights to file grievances over working conditions and unfair treatment, including discipline and discharge without good cause. If grievances are not settled, employees can appeal to higher levels and even take their grievances to arbitration before a neutral arbitrator paid for by the union. The grievance process and arbitration decisions become part of the “law of the shop.”

This sort of representation costs money. Benefits can include complex legal rights, such as pension and benefit plans. Representation when negotiating a contract or bringing a grievance can be expensive, often requiring lawyers, accountants or actuaries to assist the union. Union dues are the only source of funds available to unions to pay these costs of representation.

Because all employees covered by the contract benefit from union representation, Section 8(a)(3) of the National Labor Relations Act (NLRA) allows unions and employers to include “union security” clauses in collective bargaining agreements, except where banned by state law. Union security agreements require all covered employees to pay union dues, even if they choose not to join the union as full members. This prevents “free riders”: those who would accept the benefits negotiated by the union while leaving others to pay the costs. A system that allows free riders will eventually disintegrate as there will be no incentive for anyone to pay dues if the benefits seem to be available for free.

The analogy to taxes is obvious. We are required to pay taxes because we all benefit from the public goods our taxes buy - bridges, fire and police protection, and courts, for example. While we may

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DUES AND DON'TS

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object to some of the ways our taxes are used, if anyone could opt out of paying for these public goods, eventually, none of us would have these benefits.

If we fail to pay our taxes, we face criminal charges. Workers who like the benefits of working in a union-represented workplace but do not want to pay dues may be discharged. While being fired seems harsh, as discussed earlier, freeloaders have negative effects on workplaces.

As citizens, we have a remedy for taxes we don't like: the ballot box, where we elect our representatives. Unions are also democracies, and union members have a right to vote out representation they don't like. Unions are required by law to hold regular elections of officers with guarantees of a secret ballot and equal treatment for candidates. Union members also have rights of free speech and due process within the union.

Congress carefully structured a system to balance the rights of workers, employers and unions. Unions must represent all workers in the unit, even those who choose not to join the union. But the union and employer can negotiate a union security agreement that requires all represented workers to pay the cost of representation. At the same time, workers are guaranteed democratic rights both to change their representatives and to influence the actions of those representatives. This workplace governance system resembles our political system in many ways.

Despite the careful balance struck by Congress, union dues have been under attack for years by groups following in the footsteps of the American Liberty League. As a result, judicial amendments and state legislation have restricted unions' ability to collect dues, reducing the resources of unions and limiting their ability to balance the power of corporations.

The more union dues shrink, the less unions are able to protect and advocate for the workers they represent - a responsibility that grows increasingly crucial as corporate influence looms ever larger. Though no one loves paying taxes - or dues - both are vital to the survival of our democracy.

HAPPY 4TH!



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