



EUC

Entertainment Union Coalition

**CALIFORNIA ASSEMBLY COMMITTEE ON THE
ARTS, ENTERTAINMENT, SPORTS, TOURISM, AND INTERNET MEDIA
FEBRUARY 2, 2021**

SUBMISSION FROM THE ENTERTAINMENT UNION COALITION

Thank you for the opportunity to submit this written testimony on behalf of the Entertainment Union Coalition (EUC) and for your concern about the critical situation faced by that arts and entertainment organizations, unions, and their members here in California. The EUC members are the California IATSE Council, Directors Guild of America, Laborers/LIUNA Local 724, Teamsters Local 399, and SAG AFTRA. Joining us in this submission is Actors Equity. Combined we represent just over 163,000 working women and men in the film, television, streaming, and live entertainment industry here in California.

Like other Californians, our members have been hard hit by the pandemic. In March 2020 we went from close to 100% employment to nearly 0 % employment in a matter of days, as all live venues and film and television production shut down instantaneously. California, the home of the motion picture industry, has been hit particularly hard. Now, slowly, the entertainment industry is getting back to work. For live entertainment, the situation is much bleaker because the public cannot, and is not ready to, return to venues with live performances. This sector of the entertainment industry, and the people who work in it, will be among the very last to return to work and when that will happen remains unknown. And it is quite likely that some of the films, TV series, and performances that had been planned may never return.

The devastation goes well beyond the loss of income; the near total work stoppage is also impacting our health insurance coverage and pension security. To date, this sector has lost an estimated \$14.1 billion in economic activity due to the pandemic. These losses can be expected to continue as many theatres, soundstages, and performance venues remain dark well into 2021. Thus, it is imperative to address the problems faced by those who work in entertainment and the arts.

There are many unique aspects of this industry, which often get overlooked when policy decisions are made. First, it is a freelance economy, where workers go from job to job and employer to employer, which creates challenges for many who struggle to qualify for programs such as paid sick and family leave, unemployment insurance, and similar social safety net programs. After leaving our work model out of the initial relief bill, the federal CARES Act and Omnibus Appropriations and Emergency Coronavirus Relief Act took the freelance nature of our industry into account. It is critical that this approach be retained going forward. Although our members have access to strong health and pension plans that we have secured through years of collective bargaining, with over 10 months of little to no work the burden on those plans is great



especially as they work tirelessly to ensure that participants retain health care coverage during a health care crisis. Protecting these multi-employer plans that secure access to comprehensive health coverage and a secure retirement is critical.

Unions and guilds, which have worked hard to help members access the federal and state benefits to which they are entitled, have also suffered financially due to the loss of member dues. As a result we have furloughed staff and cut costs but we have not had access to the Paycheck Protection Program (PPP), which was made available not only to small businesses, but to many non-profit organizations, including local chambers of commerce and trade associations but not unions. This oversight must be rectified in the next stimulus legislation.

Finally, we want to get as many of our members safely back to work as possible. Federal assistance, in the form of tax incentives to cover the costs of personal protective equipment, testing, and other necessary supplies to fight COVID as well as support for a production interruption insurance will be critical to this effort.

We recognize that most of the problems we have laid out and the solutions we have proposed rest with the Federal Government and Congress to address. We present them to this Committee because of the outsize importance of the arts and entertainment industry to California and the critical role that California's elected officials will play in devising solutions to these issues nationally.

Specifically, some of the proposals we are calling on the Biden Administration and Congress to implement are:

- Extend and expand COVID-19 economic support programs such as PUA, PEUC, and PUA.
- Subsidize 100% of a person's COBRA costs for one year and extend COBRA eligibility to 36 months.
- Provide economic support for multi-employer health plans that are waiving cost-sharing or keeping ineligible members on their plans for reasons related to the COVID-19 pandemic.
- Allow multi-employer pension plans to freeze zone status for at least one year and smooth investment and contribution base rate losses in the development of the actuarial value of assets.
- Extend PPP access to 501(c)(5) organizations in line with chambers of commerce and trade associations and other non-profits with existing PPP access.



- Create a non-refundable tax credit for businesses to cover the costs of COVID-19 workplace safety compliance, including expenses for sanitation, personal protective equipment (PPE) and testing.
- Provide federal support insurance programs that cover production interruptions due to COVID-19.

These measures would begin to address the issue that is the subject of the February 2nd Arts, Entertainment, Sports, Tourism, and Internet Media Committee Hearing.

The California Congressional delegation will have a large voice as President Biden's *American Rescue Plan* moves through Congress. We would ask for this Committee's support for the entertainment Unions and Guilds efforts to restart entertainment, filmed and live, in our state. An expression of that support to the California Congressional delegation would strengthen our efforts.

Again, we thank you for the opportunity to submit these comments and look forward to our continued work with this Committee in 2021.

