

Using NewsHour Extra Feature Stories

STORY

Hollywood Strike Could Redefine Who Makes Money Online, 01/31/08

http://www.pbs.org/newshour/extra/features/arts/jan-june08/strike_1-31.html

Estimated Time: One 45-minute class period with possible extension

Student Worksheet (reading comprehension and discussion questions without answers)

PROCEDURE

1. WARM UP

Use initiating questions to introduce the topic and find out how much your students know.

2. MAIN ACTIVITY

Have students read NewsHour Extra's feature story and answer the reading comprehension and discussion questions on the student handout.

3. DISCUSSION

Use discussion questions to encourage students to think about how the issues outlined in the story affect their lives and express and debate different opinions.

INITIATING QUESTIONS

1. What is a strike? What happens during a strike?

2. What is a union? What is the purpose of a union?

3. What are your favorite TV programs? How have they been impacted by the Hollywood writers' strike?

READING COMPREHENSION QUESTIONS – **Student Worksheet**

1. Who is striking in Hollywood? What do they want?

ANSWER

The Writers Guild of America (WGA) strike that began Nov. 5 has crippled shows across the television schedule, forcing the networks to air reruns and reality shows, costing the California entertainment industry millions of dollars per day and threatening the popular Feb. 24 Oscars awards show.

The more than 12,000 members of the WGA are protesting the fact that they aren't paid anything when someone watches their work on the Internet.

At the heart of the show-stopping disagreement between Hollywood writers and the companies they work for is how to share money made from DVD sales and online advertising. Any final deal will help define how actors and creators are paid as entertainment shifts from TVs and movie theaters to hard drives, iPods and cell phones.

2. What are residuals? Why are they important to the strike?

ANSWER

Writers receive initial fees for their scripts. If their programs are re-played or re-sold to cable channels, they get additional royalties known as "residuals," payments that often sustain them between projects.

For instance, if a writer drafted an episode of "Lost" they would receive an initial fee for the episode and a residual fee (about \$20,000) if the show plays as a re-run.

3. What is the AMPTP's argument about new media?

ANSWER

The networks and studios, represented by the Alliance of Motion Picture and Television Producers (AMPTP), said new media is just too new and uncertain to make a substantial three year commitment (the length of the contract) to all the different people who put together a show.

"Their position is absolutely that it's too new to set any kind of formula that they are going to stand by for the next three years. And because of that, they proposed having a study to take place over the next three years and then bring it up at the next bargaining session every three years," Thom Taylor, a former entertainment journalist who now works at a global investment bank, told the NewsHour.

4. What did the AMPTP offer writers? How did the writers respond?

ANSWER

However, the AMPTP did acknowledge writers are owed some residuals for online distribution. It offered writers a flat fee of \$250 for each hour-long program streamed over the Internet. The writers countered with 2.5 percent of the producers' gross revenue.

5. What deal did the Directors Guild of America make with AMPTP?

ANSWER

Meanwhile, the Directors Guild of America entered contract talks with the AMPTP in January and quickly came to an agreement.

The preliminary deal doubles the residuals rate that was paid for decades when films and television programs were resold on DVDs and requires Hollywood studios and production companies to pay a residual when advertising-supported programs are streamed for free over the Internet.

The residual kicks in after a 17-day time period, and is pegged at about \$600 per episode of a one-hour network prime-time drama, for 26 weeks (\$350 more than what was offered to the writers).

DISCUSSION QUESTIONS (more research might be needed)

1. What do you think? Do you agree with the AMPTP that it is too soon to make a three-year contract based on new media? Why or why not? How would you attempt to settle this strike? Explain your reasoning.

2. Define some examples of new media. How do you think new media is impacting the ways in which you view and interact with entertainment? Compare these changes with the way entertainment was experienced ten years ago? What do you imagine it will be ten years from now? Do you think these changes are for the best? Why or why not?

3. Research the impact of the strike on Hollywood (a good place to start might be the Los Angeles Times www.latimes.com). What other jobs have been impacted? What do you think this will do to the California economy? Do you think the writers are responsible for this? How does this impact your opinion of the decision to continue strike?

Extension Activity

Have students write a 300-500 word essay on this topic providing clear examples. Send your completed editorial to NewsHour Extra (extra@newshour.org). Exceptional essays might be published on our Web site.