#### FAQs: Dynamic A.I. Audio Commercials Waiver

#### 1. What is the Dynamic A.I. Audio Commercials Waiver?

In 2019, the <u>Dynamic Audio Waiver</u> was introduced as part of the 2019 SAG-AFTRA Audio Commercials Contract. This waiver provided terms for the use of digital technology to create personalized, audio-only digital commercials (*e.g.*, ads you hear during a podcast), where customized elements that reflect listener specifics (time of day, weather, location, etc.) are dynamically inserted at the time of delivery to a listener. Examples of customized elements include "good morning," "good afternoon," "good night" and "A rainy day here in NYC," "A spring day here in NYC," "A hot day here in NYC." Like the 2019 waiver, only commercials that are personalized via this specific technology may use the provisions of this Dynamic A.I. Audio Commercials Waiver.

Building on the success of the Dynamic Audio Waiver, a new waiver to the 2022 SAG-AFTRA Audio Commercials Contract was recently approved which provides terms for the use of A.I. technology in the creation of digital voice replicas and the use of these digital voice replicas in personalized dynamic audio ads -- the <u>Dynamic A.I. Audio Commercials Waiver</u>.

**NOTE**: This waiver may not be used in conjunction with the creation and/or use of audio-visual commercials produced under the SAG-AFTRA 2022 Commercials Contract.

## 2. What is the difference in terms between the original Dynamic Audio Waiver and the new Dynamic A.I. Audio Commercials Waiver?

There is little difference between performer compensation under the Dynamic Audio Waiver and the Dynamic A.I. Audio Commercials Waiver. Under both waivers, performers are paid a session fee for each commercial created from a performer's live voice or from the use of the performer's digital voice replica. Under the Dynamic A.I. Audio Commercials Waiver, performers also receive an additional 50% of a session fee for the creation of the customized elements that are dynamically inserted to personalize the commercial. Examples of these elements include "good morning," "good afternoon," "good night" and "A rainy day here in NYC," "A spring day here in NYC," "A hot day here in NYC." Under both waivers, use of the commercial (including all customized versions) is paid as one commercial for use purposes according to the rates set forth in the waiver based on the length of time the commercial is used.

#### 3. Who approved the Dynamic A.I. Audio Commercials Waiver?

The original Dynamic Audio Waiver was created with the input of the Commercials Contracts Standing Committee (CCSC) and approved by this member body. The CCSC is made up of members who regularly work under the Commercials Contracts and who negotiated the terms, conditions, and wages of the current contracts. Likewise, the Dynamic A.I. Audio Commercials Waiver was also vetted and approved by the CCSC. Because this waiver includes terms covering the use of A.I. technology, it was additionally presented to and approved by SAG-AFTRA's National Executive Committee. SAG-AFTRA then worked with The Joint Policy Committee (JPC) to ensure the terms of the waiver aligned with industry needs and the bargaining parties' common goal of increasing union commercial productions.

# 4. What protections are included in the Dynamic A.I. Audio Commercials Waiver? As this waiver falls under the Audio Commercials Contract, all provisions of that contract apply.

A performer must be given prior notice that the intent is to use the performer's voice to create a digital voice replica and provide prior written consent for the creation of that digital voice replica. Performers must also consent before their digital voice replica can be used in a commercial and (as required by the Audio Commercials Contract) must be informed about what product or service will be advertised and how many spots will be created. They will always have the ability to withhold consent for the use of their digital voice replica in new commercials. Each time a new commercial is created using the digital voice replica the performer must be notified and compensated per the terms of the waiver. Producers are restricted from using the digital voice replica in any other manner without notifying and bargaining with the performer and SAG-AFTRA for this additional use. Producers must also commit to taking commercially reasonable steps to ensure the security of the digital voice double and the material used to create it, and to delete the digital voice replica and all materials used to create it when the employment relationship ends.

### 5. What happens if a Producer does not adhere to the terms of the Dynamic A.I. Audio Commercials Waiver?

As the Dynamic A.I. Audio Commercials Waiver is directly connected to the Audio Commercials Contract, and anyone using it must be a signatory to that contract, all of the terms and conditions of the Audio Commercials Contract apply, including the arbitration clause. Claims can be filed, and the employer can be pursued for proper compensation, penalties, and fees.