

Broadcast Free Market Agreement Act Pennsylvania Senate Committee on Labor & Industry June 10, 2021

Statement of Mary E. Cavallaro Chief Broadcast Officer, SAG-AFTRA

My name is Mary Cavallaro, and I serve as Chief Broadcast Officer for the Screen Actors Guild – American Federation of Television and Radio Artists (SAG-AFTRA). I am also a Pennsylvania resident. Thank you for the opportunity to address this Committee regarding the need to provide employees in the broadcast industry with relief from the use of non-compete agreements.

As the labor union that represents many employees of television and radio stations, SAG-AFTRA has seen the unfortunate impact of non-competes and restrictive covenants for decades. I began my career with the union in our Philadelphia office in 1995, and noncompete clauses were already standard in every employment contract that I reviewed.

Non-compete clauses in employment contracts have the effect of limiting or restraining employee mobility and individual worker entrepreneurship. They artificially restrict an individual's ability to market his/her talents, services and skills in a free market resulting in wage and salary stagnation.

These agreements, once limited to very highly compensated, high-profile employees have become "standard boilerplate" / "non-negotiable" for many employees, regardless of pay, who appear in front of a camera, behind a microphone and even for some who work behind the scenes. These clauses are enforced even in cases of termination or lay-off.

I have spoken to young professionals starting their career in TV or radio making as little as \$11.00 / hour who have had to pass up opportunities to earn more money because of these clauses. I know so many others who have built their careers in the industry only to lose their job and be prevented from finding employment in the same city. And, I have had countless conversations with employees who have achieved success in a town where they would like to start a family and/or establish their career, only to lose any real ability to negotiate for better pay, because their employer knows that these clauses take away their options.

It is often argued that many non-competes provisions may not even be enforceable based on the applicable state law and individual circumstances. However, employers include these clauses in employment contracts, knowing that the employees would have to bear the burden of knowing the law, hiring an attorney, and prohibiting enforcement of these clauses.

SAG-AFTRA has been addressing the issue of non-compete clauses for well-over twenty years. In response to the employer's consistent use of these provisions in the media industry, SAG-AFTRA continues to propose limitations on these agreements through collective bargaining. However, employers continue to resist any limitations on these clauses. We have supported legislation limiting their enforcement in our industry in several states (New York, Washington, DC, Illinois, Massachusetts, Connecticut, Maine, Arizona and Washington), and we hope that Pennsylvania will soon move towards ensuring a free market for workers in our industry.

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