



FIONA MA, CPA
TREASURER
STATE OF CALIFORNIA

August 30, 2023

Robert A. Iger, Chief Executive Officer
The Walt Disney Company
500 South Buena Vista Street
Burbank, CA 91521-4873

Re: Urgent Appeal to End Entertainment Industry Strikes

Dear Mr. Robert Iger,

As California State Treasurer and a board member of the nation's two largest pension funds, the California Public Employees' Retirement System and the California State Teachers Retirement System, I write with deep concern regarding your failure to end the ongoing strike with the Writers Guild of America West and Writers Guild of America East (jointly, WGA). My positions as the state's banker and pension fund fiduciary require that I intercede in any matters that threaten the economic wellbeing of California or that jeopardize retirement assets.

Writers have been on strike for more than 100 days now, bringing many TV and film productions to a halt. During this time the major media companies have failed to make any serious efforts to negotiate a fair deal. With the Screen Actors Guild (SAG-AFTRA) joining the strike, virtually all film and television production in this country has come to a full stop. The impact of these two strikes paralyzes Hollywood and reverberates across the state, affecting countless businesses, thousands of pension fund beneficiaries, and millions of Californians.

The WGA is comprised of 11,500 professional writers who are the creative force behind your company's core product of film and television programming. SAG-AFTRA is comprised of 160,000 actors and performers who bring that product to life onscreen. These union members' work entertains audiences worldwide and catalyzes societal dialogue, reflection, and progress. Screen and television writers and actors require fair compensation within the film and television business model; failure to safeguard these elements threatens the strength of the whole entertainment industry and its collective creative output.

The entertainment industry and those adjacent to it account for almost 20% of the Los Angeles area income and across the state over 700,000 Californian's are employed in entertainment jobs. With the rise

of streaming video, media companies like yours have implemented business practices that cut writers' pay, decreased the amount of time they have to do the work, and forced more work onto fewer writers.¹ Actors' ability to make a living has been similarly threatened by the shift of work to streaming platforms and the recent explosion of generative Artificial Intelligence.

Your failure to come to an agreement is threatening the industry's ability to ensure that writing, acting, and other positions are viewed as sustainable careers in California. Since the earliest days of the motion picture industry, workers across the entire production ecosystem, including actors, writers, motion picture tradespeople and craft members, and film and television production suppliers and vendors, have supported an economic system vital to the economy of California. That system is now at significant risk. For example, 15,000 members of the International Brotherhood of Teamsters have been out of work for months as the WGA strike reduced production activity.

In my capacity as a member of public pension fund boards with billions of dollars invested in your and other media companies, I am deeply concerned about the risk that the strike and its growing disruption poses to the long-term stability of the funds' investments. The WGA strike has resulted in significant delays to the production of series and films that form the core of your business as a traditional media company; the actors' strike exacerbates this disruption. The costs of this now industry-wide work disruption are already enormous with some estimating the cost to have well eclipsed the 2007-2008 writers' strike that cost \$2.1 billion in lost economic output for California;² while the reported costs of settling with the Writers Guild—\$429 million annually across the entire industry—are significantly lower than this potential economic harm.³

I urge your company to negotiate fair deals to end the WGA and SAG-AFTRA strikes promptly, allowing the industry to return to captivating audiences worldwide.

Thank you for your attention to this matter.

In Peace & Friendship,

A handwritten signature in black ink, appearing to be 'Fiona Ma', with a stylized, flowing script.

FIONA MA, CPA
California State Treasurer

¹ Writers Guild of America, "Writers are not keeping up," (March 14, 2023), available at: <https://www.wgacontract2023.org/updates/bulletins/writers-are-not-keeping-up>.

² Milken Institute, Writers' Strike of 2007-2008: The economic impact of digital disruption (June 2008).

³ Writers Guild of America, "The cost of settling," (May 16, 2023), available at: <https://www.wgacontract2023.org/announcements/the-cost-of-settling>.