

## **Hollywood ends the year just the way it started -- with labor problems.**

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In January, members of the Writers Guild of America entered their third month of a walkout against the major studios after negotiations failed to produce a new contract. The strike ended in February, just weeks before pickets would have disrupted the Academy Awards.

Now it is the Screen Actors Guild turn to threaten a work stoppage as it asks its members for a strike authorization and once again puts the annual awards season into jeopardy.

Even without the labor situation, 2008 has been a challenging year for the entertainment industry as it has been for other industries.

NBC Universal, for instance, has made staffing cuts and continued to move away from scripted programming by giving a prime time hour to Jay Leno after he ends his run as host of *The Tonight Show* in the spring.

The question remains whether NBC sticks with the move even after the economy improves.

After talks between SAG and the studios represented by the Alliance of Motion Picture and Television Producers failed to produce a new contract, the industry entered into a period of a de facto strike that in particular slowed down film production and that in turn took away business from vendors and suppliers already struggling from the loss of business from the screenwriters strike.

What filming that did continue had to be well thought out and able to respond in the event that the actors did walk out.

"The studios were very careful of what films went into production," said Marty Shindler, a consultant from Encino with clients in the entertainment industry.

While big blockbusters ruled the summer movie season, especially the superhero franchise of "The Dark Knight" and "Iron Man," box office revenues were up only a half-percent year-over-year and the number of tickets sold had dropped for the second year in a row.

The industry, however, did see a growing interest in 3D as more films in that format were released and pulled in audiences. All the major studios will release 3D films in 2009.