

SIDELETTER NO. 26

As of July 1, 2005;
Revised as of July 1, 2008;
Revised as of July 1, 2011

Jay D. Roth
National Executive Director
Directors Guild of America, Inc.
7920 Sunset Boulevard
Los Angeles, California 90046

Re: “Supersized” Episodes

Dear Mr. Roth:

The parties agree that the following provisions shall apply to any recorded episode of a one-half hour or one-hour prime time dramatic series, the running time of which extends beyond the regular time period of a typical episode of the series.

1. a. Initial compensation for the Director of a half-hour episode which is "extended" to have a running time that is forty-five (45) minutes or less (*i.e.*, the episode has a longer running time than a typical episode of the series, but does not exceed 45 minutes) shall be the thirty (30) minute rate plus fifty percent (50%) of the difference between the half-hour rate and the one (1) hour rate. Three (3) extra days shall be added to the guaranteed period. See attached “Initial Compensation” schedule.

b. Initial compensation for the Director of a one-hour episode which is "extended" to have a running time that is seventy-five (75) minutes or less shall be the sixty (60) minute rate plus fifty percent (50%) of the difference between the sixty (60) minute rate and the ninety (90) minute rate. Five (5) extra days shall be added to the guaranteed period for network prime time programs; three (3) extra days shall be added for non-network and network non-prime time programs. If the running time of the extended episode is more than seventy-five (75) minutes but less than ninety (90) minutes, the episode shall be considered a 61-90 minute program and the Director shall be compensated accordingly. See attached “Initial Compensation” schedule.

c. The running time of an episode shall be determined by the broadcast schedules which are released by the network, or the exhibition schedules which are released by the cable companies and published in viewer’s guides such as *TV Guide*. Commercial time and title sequences, as well as the use of excerpts from previously-recorded programs, shall be considered part of the extended episode when determining running time.

d. If excerpts comprise more than fifty percent (50%) of the running time (excluding commercials and title sequences) of the extended episode, it shall be considered a "compilation program" under Paragraph 11-209 of the BA, except that:

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i. The rate for a compilation program more than thirty (30) minutes but not more than forty-five (45) minutes shall be the rate for a thirty (30) minute compilation program plus fifty percent (50%) of the difference between the rate for a thirty (30) minute compilation program and the rate for a sixty (60) minute compilation program; and

ii. The rate for a compilation program more than sixty (60) minutes but not more than seventy-five (75) minutes shall be the rate for a sixty (60) minute compilation program plus fifty percent (50%) of the difference between the rate for a sixty (60) minute compilation program and the rate for a ninety (90) minute compilation program.

iii. The rate for a compilation program more than seventy-five (75) minutes but not more than ninety (90) minutes shall be the rate for a ninety (90) minute compilation program.

e. The parties understand that there shall be no additional payments for episodes with a running time up to three (3) minutes over the length of a typical episode.

2. a. Residuals for an "extended episode" shall be determined by the residuals schedule attached hereto, except as provided below.

b. Residuals for an "extended" episode of a half-hour series which is shortened after its initial broadcast and run as a half-hour program shall be treated as one-half hour in length for the purpose of calculating the free television rerun payments, both domestic and foreign.

c. Residuals for an "extended" episode of a one-hour series which is subsequently shortened after its initial broadcast and run as a one-hour episode shall be treated as one (1) hour in length for the purpose of calculating free television rerun payments, both domestic and foreign.

d. In the event two (2) or more versions of an episode are delivered as part of a syndication package, each version shall be considered a distinct "television motion picture" for purposes of determining the "run" pursuant to BA 11-101.

e. If an extended episode is sold to a foreign subdistributor (or a foreign distributor affiliated with Employer) and there is a distinct valuation of that episode (*i.e.*, it is sold separately or for an additional fee) the foreign residual (including the "base" and all residuals payments) shall be determined by the episode's delivered length and the Employer shall report to the DGA that an "extended" version was delivered or sold in a foreign territories. In all other cases, the residual shall be based on the typical episode time. This provision shall not imply any obligation to sell such extended episode separately or for an additional fee.

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3. The parties have determined to restrict the application of this Sideletter to “supersized” episodes which exceed the length of a typical episode by half or less because this is the manner in which they have thus far been produced. Should any Employer produce an “extended episode” which exceeds the running time of a typical episode by more than half, the parties agree to negotiate in good faith the rates and conditions applicable to such extended episode.

Sincerely,

Carol A. Lombardini

ACCEPTED AND AGREED:

Jay D. Roth

Supersized Episodes
Initial Compensation Schedule

1. Initial Compensation

- (a) Network Prime Time (Includes FBC) - BA Paragraph 10-101, Paragraph 20-201(a) and Article 24.

	Running Time	Minimum Compensation	Guaranteed Days	Compensation for Days Beyond Guarantee	Daily Rate (Where Permitted)
7/1/11	30 Min.	\$23,580	7	\$3,369	\$4,211
	45 MIN.	31,812	10	3,181	3,976
	60 Min.	40,043	15	2,670	3,338
	75 MIN.	53,392	20	2,670	3,338
	90 Min.	66,740	25	2,670	3,338
7/1/12 [†]	30 Min.	23,993	7	3,428	4,285
	45 MIN.	32,369	10	3,237	4,046
	60 Min.	40,744	15	2,716	3,395
	75 MIN.	54,326	20	2,716	3,395
	90 Min.	67,908	25	2,716	3,395
7/1/13 ^{††}	30 Min.	24,413	7	3,488	4,360
	45 MIN.	32,935	10	3,294	4,118
	60 Min.	41,457	15	2,764	3,455
	75 MIN.	55,277	20	2,764	3,455
	90 Min.	69,096	25	2,764	3,455

[†] See text of footnote 3 on page 38.

^{††} See text of footnote 4 on page 38.

- (b) Non-Network or Non-Prime Time - BA Paragraph 10-101, Article 23 (Basic Cable)
(excluding "Supersized" episodes of 30 minute programs made for basic cable with a budget of \$1,425,000 or more (\$1,525,000 on or after 7/1/13) or of 60 minute programs made for basic cable with a budget of \$2,400,000 or more (\$2,500,000 on or after 7/1/13)) and Article 24

	Running Time	Minimum Compensation	Guaranteed Days	Compensation for Days Beyond Guarantee	Daily Rate (Where Permitted)
7/1/11	30 Min.	\$10,188	6	\$1,698	\$2,123
	45 MIN.	15,277	9	1,697	2,121
	60 Min.	20,366	12	1,697	2,121
	75 MIN.	25,463	15	1,698	2,123
	90 Min.	30,559	18	1,698	2,123
7/1/12 [†]	30 Min.	10,366	6	1,728	2,160
	45 MIN.	15,544	9	1,727	2,159
	60 Min.	20,722	12	1,727	2,159
	75 MIN.	25,908	15	1,727	2,159
	90 Min.	31,094	18	1,727	2,159
7/1/13 ^{††}	30 Min.	10,547	6	1,758	2,198
	45 MIN.	15,816	9	1,757	2,196
	60 Min.	21,085	12	1,757	2,196
	75 MIN.	26,362	15	1,757	2,196
	90 Min.	31,638	18	1,758	2,198

[†] See text of footnote 3 on page 38.

^{††} See text of footnote 4 on page 38.

- (c) "Supersized" episodes of: (1) 30 minute programs made for basic cable in existence as of 1/1/11, previously covered by Paragraph 23-102 of the 2008 BA (i.e., in its second or subsequent season with a budget of \$1,325,000 or more between 7/1/10 and 6/30/11) and with a budget of less than \$1,425,000 effective 7/1/11; (2) 30 minute programs made for basic cable in their second or subsequent season with a budget of \$1,425,000 (\$1,525,000 effective 7/1/13) or more but less than \$1,800,000 (\$2,000,000 effective 7/1/13); (3) 60 minute programs made for basic cable in existence as of 1/1/11, previously covered by Paragraph 23-102 of the 2008 BA (i.e., in its second or subsequent season with a budget of \$2,200,000 or more between 7/1/10 and 6/30/11) and with a budget of less than \$2,400,000 effective 7/1/11; or (4) 60 minute programs made for basic cable in their second or subsequent season and with a budget of \$2,400,000 (\$2,500,000 effective 7/1/13) or more but less than \$3,400,000 (\$3,600,000 effective 7/1/13)

	Running Time	Minimum Compensation	Guaranteed Days	Compensation for Days Beyond Guarantee	Daily Rate (Where Permitted)
7/1/11	30 Min.	\$12,850	7	\$1,836	\$2,295
	45 MIN.	19,275	10	1,928	2,410
	60 Min.	25,699	14	1,836	2,295
	75 MIN.	28,129	17	1,655	2,069
7/1/12 [†]	30 Min.	13,075	7	1,868	2,335
	45 MIN.	19,612	10	1,961	2,451
	60 Min.	26,149	14	1,868	2,335
	75 MIN.	28,622	17	1,684	2,105
7/1/13 ^{††}	30 Min.	13,304	7	1,901	2,376
	45 MIN.	19,956	10	1,996	2,495
	60 Min.	26,607	14	1,901	2,376
	75 MIN.	29,123	17	1,713	2,141

[†] See text of footnote 3 on page 38.

^{††} See text of footnote 4 on page 38.

- (d) "Supersized" episodes of 30 minute programs made for basic cable in their second or subsequent season with a budget of \$1,800,000 (\$2,000,000 effective 7/1/13) or more or of 60 minute programs made for basic cable in their second or subsequent season and with a budget of \$3,400,000 (\$3,600,000 effective 7/1/13) or more

	Running Time	Minimum Compensation	Guaranteed Days	Compensation for Days Beyond Guarantee	Daily Rate (Where Permitted)
7/1/11	30 Min.	\$15,000	7	\$2,143	\$2,679
	45 MIN.	22,500	10	2,250	2,813
	60 Min.	30,000	14	2,143	2,679
	75 MIN.	30,280	17	1,781	2,226
7/1/12 [†]	30 Min.	15,263	7	2,180	2,725
	45 MIN.	22,894	10	2,289	2,861
	60 Min.	30,525	14	2,180	2,725
	75 MIN.	30,810	17	1,812	2,265
7/1/13 ^{††}	30 Min.	15,530	7	2,219	2,774
	45 MIN.	23,295	10	2,330	2,913
	60 Min.	31,059	14	2,219	2,774
	75 MIN.	31,349	17	1,844	2,305

[†] See text of footnote 3 on page 38.

^{††} See text of footnote 4 on page 38.

Supersized Episodes

2. Residual Compensation - Basic Agreement

(a) Network Prime Time Rerun of Dramatic Programs - Paragraph 11-101(b)(1)(i)

Running Time	7/1/2011 to 6/30/2014
30 Min.	\$12,489
45 Min.	18,007
60 Min.	23,524
75 Min.	29,400
90 Min.	35,276

(b) Network Prime Time Rerun of Other than Dramatic Programs - Paragraph 11-101(b)(1)(ii)

Running Time	7/1/2011	7/1/2012[†]	7/1/2013^{††}
30 Min.	\$13,115	\$13,345	\$13,579
45 Min.	18,909	19,240	19,577
60 Min.	24,702	25,134	25,574
75 Min.	30,873	31,413	31,963
90 Min.	37,043	37,691	38,351

(c) Base for Network Non- Prime Time and Syndication Residuals - Paragraph 11-101(b)(2)

Running Time	7/1/2011	7/1/2012[†]	7/1/2013^{††}
30 Min.	\$13,436	\$13,671	\$13,910
45 Min.	18,860	19,190	19,525
60 Min.	24,283	24,708	25,140
75 Min.	29,706	30,226	30,755
90 Min.	35,128	35,743	36,369

[†] See text of footnote 3 on page 38.

^{††} See text of footnote 4 on page 38.

3. Residual Compensation - Basic Agreement and ISA

(a) Foreign Budget Plateaus - Paragraph 11-102 (a), (b) and (c)

All Types	Running Time	First Plateau	Second Plateau
7/1/11 - 6/30/14	30 Min.	\$7,000	\$10,000
	45 Min.	10,000	14,000
	60 Min.	13,000	18,000
	75 Min.	15,500	21,000
	90 Min.	18,000	24,000

(b) Base for Residual Payments for Reruns of New Multi-Camera Prime Time Dramatic Pilots, Presentations or Series Other than in Network Prime Time - Paragraph 24-301

Running Time	7/1/2011	7/1/2012 [†]	7/1/2013 ^{††}
30 Min.	\$11,940	\$12,149	\$12,362
45 Min.	16,819	17,114	17,413
60 Min.	21,698	22,078	22,464
75 Min.	27,083	27,557	28,039
90 Min.	32,468	33,036	33,614

(c) Foreign Budget Plateaus - Paragraph 11-102 (e) and Article 24 programs

Running Time	7/1/2011
30 Min.	\$365,000
45 Min.	547,500
60 Min.	730,000
75 Min.	1,295,000
90 Min.	1,860,000

[†] See text of footnote 3 on page 38.

^{††} See text of footnote 4 on page 38.