

ARTICLE 23

Programs Made Primarily for the Basic Cable Market

Section 23-100 TERMS AND CONDITIONS FOR HIGH BUDGET DRAMATIC PROGRAMS ONE-HALF HOUR OR MORE IN LENGTH MADE PRIMARILY FOR THE BASIC CABLE MARKET

The following terms and conditions shall be applicable only to high budget dramatic programs made primarily for the basic cable market which are one-half (½) hour or more in length:²¹

23-101 High Budget Figures

The term “high budget” shall mean programs whose budgets equal or exceed the following amount:

	“High Budget” Figures		
Length of Program	Effective 7/1/08	Effective 7/1/11*	Effective 7/1/14**
30 minutes	\$ 476,749	\$ 550,000	\$ 550,000
60 minutes (but more than 30)	\$ 893,904	\$1,000,000	\$1,200,000
61 - 120 minutes	\$2,383,744	\$2,750,000	\$2,750,000

(continued)

²¹ See Article 24 for terms and conditions applicable to multi-camera prime time dramatic pilots, presentations and series, which programs are “high budget” programs within the meaning of Paragraph 23-101 and are one-half hour or more in length.

(continued)

	“High Budget” Figures		
Length of Program	Effective 7/1/08	Effective 7/1/11*	Effective 7/1/14**
More than 2 hours	\$2,383,744 for the first 2 hours plus \$1,191,872 for each additional hour or portion thereof	\$2,750,000 for the first 2 hours plus \$1,375,000 for each additional hour or portion thereof	\$2,750,000 for the first 2 hours plus \$1,375,000 for each additional hour or portion thereof

*The “high budget” figures in effect as of July 1, 2008 shall remain in effect for those dramatic programs at or above such budget figures as of June 30, 2011.

** Prior to the start of the season of a high budget dramatic basic cable series, the Employer shall provide the Guild with the pattern budget amount in lieu of providing the budget information in the Director’s Deal Memorandum (Television Exhibit “C-2”). The “high budget” figure in effect as of July 1, 2011 shall remain in effect for a one-hour dramatic series in existence as of July 1, 2014.

23-102 Initial Compensation and Included Days -- Directors

- (a) (1) Effective July 1, 2014, initial compensation for Directors employed on one-half (½) hour dramatic programs made for basic cable with a budget of \$1,525,000 or more but less than \$2,000,000 shall be \$13,703[†] (\$14,114 effective July 1, 2015 and \$14,537 effective July 1, 2016) with a guarantee of three (3) preparation days and four (4) shooting days. The foregoing shall not apply to the first season of one-half (½) hour dramatic programs made for basic cable.

[†] See text of footnote 3 on page 39.

Effective July 1, 2014, initial compensation for Directors employed on one-half (½) hour dramatic programs made for basic cable with a budget of \$2,000,000 or more shall be \$15,996[†] (\$16,476 effective July 1, 2015 and \$16,970 effective July 1, 2016) with a guarantee of three (3) preparation days and four (4) shooting days. The foregoing shall not apply to the first season of one-half (½) hour dramatic programs made for basic cable.

- (2) Table Reads The following shall apply with respect to episodes of single-camera one-half hour television series made for basic cable:

The Employer shall notify the Director of the date, time and place of any table read as soon as the Employer has scheduled the table read, but in no event less than seventy-two (72) hours prior to the table read, except in the event of an unplanned change to the scheduling of the table read, in which case the Employer will notify the Director as soon as possible.

If the Director of an episode is guaranteed three (3) days of preparation and participates in a table read that occurs outside the guaranteed prep period, the Director shall be paid the full *pro rata* daily salary.

If the Director of an episode is guaranteed four (4) days of preparation consecutive with the first day of principal photography (including when a scheduled hiatus intervenes between prep and the commencement of principal photography) and participates in a table read for the episode that occurs on the business day immediately preceding the four (4) day prep period, the Director shall receive no additional payment.

If the Director of an episode is guaranteed four (4) days of preparation not consecutive with the first day of principal

[†] See text of footnote 3 on page 39.

photography and participates in a table read that occurs outside the four (4) day prep period, or if the Director of an episode is guaranteed four (4) days of preparation consecutive with the first day of principal photography and participates in a table read that occurs more than one (1) business day prior to the start of the four (4) day prep period, the Director shall be paid a “table read fee” equal to 25% of the applicable *pro rata* daily salary.

A Director of an episode who is guaranteed five (5) days of preparation need not be paid any additional fee for participating in a table read that occurs outside the guaranteed prep period.

This provision does not prohibit the Employer from utilizing one preparation day as a non-consecutive day, and the Director shall not receive the “table read fee” for any day which is already included in the guaranteed prep period or for which he or she is paid the full *pro rata* daily salary.

- (b) Effective July 1, 2014, initial compensation for Directors employed on one (1) hour dramatic programs made for basic cable with a budget of \$2,500,000[†] (\$2,700,000 effective July 1, 2016)²² or more but less than \$3,600,000 shall be \$28,573[†] (\$30,684 effective July 1, 2015 and \$32,951 effective July 1, 2016) with a guarantee of seven (7) preparation days and seven (7) shooting days. The foregoing shall not apply to the first season of one (1) hour dramatic programs made for basic cable.

Effective July 1, 2014, initial compensation for Directors employed on one (1) hour dramatic programs made for basic cable with a budget of \$3,600,000 or more shall be \$31,059 (\$31,991 effective July 1, 2015 and \$32,951 effective July 1, 2016) with a guarantee of seven (7) preparation days and seven

[†] See text of footnote 3 on page 39.

²² However, the Employer shall not reduce the terms and conditions of employment previously provided to DGA-represented employees on a program or series in existence as of June 30, 2016 that is in its second or subsequent season with a budget of \$2,500,000 or more but less than \$2,700,000.

(7) shooting days. The foregoing shall not apply to the first season of one (1) hour dramatic programs made for basic cable.

- (c) Initial compensation for Directors of two (2) hour high budget dramatic programs shall be \$77,875[†] (\$80,211 effective July 1, 2015 and \$82,617 effective July 1, 2016), for which there will be 42 included days (27 shoot days and 15 prep days, provided the 15 prep days are guaranteed actual prep days).²³
- (d) All other minimums, including the base rates for computing residuals, will be as provided in Article 10 of this Agreement for programs produced for syndication.

23-103 Initial Compensation -- Other Employees

On those one-half (½) hour film dramatic programs budgeted at \$825,000 or less (\$849,750 or less effective July 1, 2016), those one (1) hour dramatic programs budgeted at \$1,450,000 or less (\$1,493,500 or less effective July 1, 2016), those two (2) hour dramatic programs budgeted at \$4,500,000 or less (\$4,635,000 or less effective July 1, 2016), and those dramatic programs exceeding two (2) hours in length budgeted at a figure which is the sum of \$4,500,000 (\$4,635,000 effective July 1, 2016) plus an additional \$1,450,000 (\$1,493,500 effective July 1, 2016) for each hour or portion thereof in excess of two (2) hours, all compensation for Employees other than the Director shall be 83.5% of the minimums provided in Article 13 or Article 24 of this Agreement. However, series in existence as of June 30, 2014 that exceeded the budget test set forth in Paragraph 23-103 of the 2011 DGA Basic Agreement shall not be eligible for the discount under this provision, even if the budget of the series falls below the new budget test set forth in the 2014 DGA Basic Agreement.

²³The parties recognize that circumstances may not permit the director to actually prep for fifteen (15) days. In that case, the Employer nevertheless would be responsible for paying the Director for all fifteen (15) guaranteed prep days.

23-104 Residual Compensation²⁴

- (a) Residuals for basic cable re-use in the United States and Canada will be the following percentages of the applicable residual base:

Run	Percentage of Residual Base²⁵
2nd	17.0%
3rd	12.0%
4th	11.0%
5th	10.0%
6th	6.0%
7th	4.0%
8th	4.0%
9th	3.5%
10th	3.5%
11th	3.0%
12th	2.5%
Each run thereafter	1.5%

- (b) If the program is run on “domestic” syndicated free television after the ten (10) runs and after one (1) year following its first exhibition on basic cable, then the residuals for such free television runs shall be two percent (2%) of the “Employer’s Gross” derived from the distribution of the Program on domestic free television.
- (c) If the program is run on “domestic” syndicated free television (excluding the first sale in Canada) before the program has had ten (10) runs on basic cable or sooner than one (1) year following

²⁴ See modifications to this paragraph in Sideletter No. 34 re License of Free Television, Basic Cable or Pay Television Motion Pictures to Secondary Digital Channels and Sideletter No. 41 re Second or Subsequent License of High Budget Dramatic Programs Made for Basic Cable to a Different Basic Cable Service.

²⁵ Applicable to television motion pictures, the principal photography of which commences on or after July 1, 2014.

the program's initial exhibition on basic cable, then the residuals for such free television runs must be paid according to the percentages contained in Paragraph 11-101(b)(3) of this Agreement. The first run of the program on domestic free television shall be deemed the second run under Article 11 of this Agreement.

As an alternative to the foregoing, if an Employer licenses a high budget dramatic motion picture made for the basic cable market for exhibition in syndication only in Canada, it shall have the option to elect to pay to the Director thereof four percent (4%) of the 'Employer's gross receipts' (as defined in Paragraph 11-108) derived therefrom, in lieu of any other compensation required under this or any prior Agreement, as applicable, and such exhibition shall not count as a "run" for purposes of calculating residuals under this Article 23. The foregoing applies to programs, whether produced under this Basic Agreement or any prior Basic Agreement, as to which residuals would otherwise be payable.

- (d) The term "Employer's gross," as used herein, is defined in the same manner as that term is used in Article 18 of this Agreement with respect to the pay television exhibition of a free television program, but only to the extent of the "Employer's gross" derived from the distribution of the program on domestic free television.
- (e) No residuals shall be due for the "first sale" of a program in Canada. The first sale is limited to the first license agreement (which may not exceed five (5) years), except that the DGA shall not unreasonably withhold a waiver of the five (5) year limitation in the event of an outright sale (rather than a license of a program) with a Canadian broadcast service (which may be a free television, pay television or basic cable service).
- (f) All other reuse payments will be in accordance with the provisions of this Agreement. Except as provided herein, these programs will be treated in all respects as programs made for syndication with all terms and conditions as per this Agreement.

**Section 23-200 TERMS AND CONDITIONS FOR LOW BUDGET
DRAMATIC PROGRAMS ONE (1) HOUR OR LONGER
MADE PRIMARILY FOR THE BASIC CABLE MARKET**

The provisions of Paragraph 1-102(b)(1) shall apply to dramatic programs one (1) hour or longer made primarily for the basic cable market produced in the United States under budgets less than the “high budget” figures provided in Paragraph 23-101.

**Section 23-300 TERMS AND CONDITIONS FOR OTHER
ENTERTAINMENT PROGRAMS MADE PRIMARILY
FOR THE BASIC CABLE MARKET**

All other entertainment programs made primarily for the basic cable market (*i.e.*, entertainment programs made primarily for the basic cable market other than those covered by this Article 23) shall be subject to the provisions of Paragraph 1-102(b).