

SIDELETTER NO. 26

As of July 1, 2005;
Revised as of July 1, 2008;
Revised as of July 1, 2011;
Revised as of July 1, 2014

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)
7/1/14 [†]	30 Min.	\$25,145	7	\$3,592	\$4,490
	45 MIN.	33,923	10	3,392	4,240
	60 Min.	42,701	15	2,847	3,559
	75 MIN.	56,935	20	2,847	3,559
	90 Min.	71,169	25	2,847	3,559
7/1/15	30 Min.	25,899	7	3,700	4,625
	45 MIN.	34,941	10	3,494	4,368
	60 Min.	43,982	15	2,932	3,665
	75 MIN.	58,643	20	2,932	3,665
	90 Min.	73,304	25	2,932	3,665
7/1/16	30 Min.	26,676	7	3,811	4,764
	45 MIN.	35,989	10	3,599	4,499
	60 Min.	45,301	15	3,020	3,775
	75 MIN.	60,402	20	3,020	3,775
	90 Min.	75,503	25	3,020	3,775

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

- (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 \$1,525,000 or more or of 60 minute programs made for basic cable with a budget of \$2,500,000 or more (\$2,700,000 on or after 7/1/16)) and Article 24.

	Running Time	Minimum Compensation	Guaranteed Days	Compensation for Days Beyond Guarantee	Daily Rate (Where Permitted)
7/1/14 [†]	30 Min.	\$10,863	6	\$1,811	\$2,264
	45 MIN.	16,291	9	1,810	2,263
	60 Min.	21,718	12	1,810	2,263
	75 MIN.	27,153	15	1,810	2,263
	90 Min.	32,587	18	1,810	2,263
7/1/15	30 Min.	11,189	6	1,865	2,331
	45 MIN.	16,780	9	1,864	2,330
	60 Min.	22,370	12	1,864	2,330
	75 MIN.	27,968	15	1,865	2,331
	90 Min.	33,565	18	1,865	2,331
7/1/16	30 Min.	11,525	6	1,921	2,401
	45 MIN.	17,283	9	1,920	2,400
	60 Min.	23,041	12	1,920	2,400
	75 MIN.	28,807	15	1,920	2,400
	90 Min.	34,572	18	1,921	2,401

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

- (c) "Supersized" episodes of: (1) 30 minute programs made for basic cable in their second or subsequent season with a budget of \$1,525,000 or more but less than \$2,000,000; or (2) 60 minute programs made for basic cable in their second or subsequent season and with a budget of \$2,500,000 (\$2,700,000 effective 7/1/16) or more but less than \$3,600,000.

	Running Time	Minimum Compensation	Guaranteed Days	Compensation for Days Beyond Guarantee	Daily Rate (Where Permitted)
7/1/14 [†]	30 Min.	\$13,703	7	\$1,958	\$2,448
	45 MIN.	21,138	10	2,114	2,643
	60 Min.	28,573	14	2,041	2,551
	75 MIN.	30,580	17	1,799	2,249
7/1/15	30 Min.	14,114	7	2,016	2,520
	45 MIN.	22,399	10	2,240	2,800
	60 Min.	30,684	14	2,192	2,740
	75 MIN.	32,125	17	1,890	2,363
7/1/16	30 Min.	14,537	7	2,077	2,596
	45 MIN.	23,744	10	2,374	2,968
	60 Min.	32,951	14	2,354	2,943
	75 MIN.	33,762	17	1,986	2,483

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

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

	Running Time	Minimum Compensation	Guaranteed Days	Compensation for Days Beyond Guarantee	Daily Rate (Where Permitted)
7/1/14 [†]	30 Min.	\$15,996	7	\$2,285	\$2,856
	45 MIN.	23,528	10	2,353	2,941
	60 Min.	31,059	14	2,219	2,774
	75 MIN.	31,823	17	1,872	2,340
7/1/15	30 Min.	16,476	7	2,354	2,943
	45 MIN.	24,234	10	2,423	3,029
	60 Min.	31,991	14	2,285	2,856
	75 MIN.	32,778	17	1,928	2,410
7/1/16	30 Min.	16,970	7	2,424	3,030
	45 MIN.	24,961	10	2,496	3,120
	60 Min.	32,951	14	2,354	2,943
	75 MIN.	33,762	17	1,986	2,483

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

Supersized Episodes

2. Residual Compensation - Basic Agreement

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

Running Time	7/1/2014	7/1/2015	7/1/2016
30 Min.	\$12,739	\$12,994	\$13,254
45 Min.	18,367	18,734	19,109
60 Min.	23,994	24,474	24,963
75 Min.	29,988	30,588	31,200
90 Min.	35,982	36,702	37,436

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

Running Time	7/1/2014	7/1/2015	7/1/2016
30 Min.	\$13,918	\$14,336	\$14,766
45 Min.	20,066	20,668	21,288
60 Min.	26,213	26,999	27,809
75 Min.	32,762	33,744	34,757
90 Min.	39,310	40,489	41,704

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

Running Time	7/1/2014	7/1/2015	7/1/2016
30 Min.	\$14,258	\$14,686	\$15,127
45 Min.	20,014	20,614	21,233
60 Min.	25,769	26,542	27,338
75 Min.	31,524	32,469	33,443
90 Min.	37,278	38,396	39,548

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
7/1/14 - 6/30/16	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	7/1/2014	7/1/2015	7/1/2016
30 Min.	\$12,671	\$13,051	\$13,443
45 Min.	17,849	18,384	18,936
60 Min.	23,026	23,717	24,429
75 Min.	28,740	29,603	30,491
90 Min.	34,454	35,488	36,553

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

Running Time	7/1/2014
30 Min.	\$365,000
45 Min.	547,500
60 Min.	730,000
75 Min.	1,295,000
90 Min.	1,860,000