

ARTICLE 31.

PROGRAMS MADE PRIMARILY FOR THE BASIC CABLE MARKET

SECTION A. **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 one-half (½) hour or more in length which are made primarily for the basic cable market:

1. 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 7/1/11	Effective 7/1/14
30 minutes	\$ 476,749	\$ 550,000
60 minutes (but more than 30)	893,904	1,200,000
61 - 120 minutes	2,383,744	2,750,000
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

*The “high budget” figure in effect as of July 1, 2011 shall remain in effect for those dramatic programs at or above such budget figures as of June 30, 2014.

2. Initial Compensation and Included Days - Directors

- (a) Effective July 1, 2014, initial compensation for directors employed on half-hour dramatic programs made for basic cable with a budget of \$1,325,000 or more 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 half-hour dramatic programs made for basic cable.

The following shall apply with respect to episodes of single-camera one-half hour television series:

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 photography and participates in a table read that occurs outside the four (4) day prep period, or if the Director of an episode is

[†] See text of footnote on page 24.

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-hour dramatic programs made for basic cable with a budget of \$2,200,000 or more shall be \$27,405[†] (\$28,227 effective July 1, 2015 and \$29,074 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-hour dramatic programs made for basic cable.
- (c) Initial compensation for Directors of two (2) hour high budget dramatic programs made primarily for the basic cable market shall be set at \$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 that the 15 prep days are guaranteed actual prep days.⁸
- (d) All other minimums, including the base rates for computing residuals, will be as provided in Article 6 of this Agreement for programs produced for syndication.

[†] See text of footnote on page 24.

⁸ The 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.

3. Initial Compensation - Other Employees

On those one-half (½) hour prime time dramatic programs budgeted at \$825,000 or less (\$849,750 or less effective July 1, 2016), those one (1) hour dramatic programs budgeted at \$1,219,590 or less (\$1,256,178 or less effective July 1, 2016), those two (2) hour dramatic programs budgeted at \$3,880,513 or less (\$3,996,928 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 \$3,880,513 (\$3,996,928 or less effective July 1, 2016) plus an additional \$1,219,590 (\$1,256,178 or less effective July 1, 2016) for each hour or portion thereof in excess of two (2) hours or less, all compensation for DGA employees other than the Director shall be 83.5% of the minimums provided in Article 10, Part 2. of this Agreement. However, series in existence as of June 30, 2014 that exceeded the budget test set forth in Article 31, Section A.3. of the 2011 DGA FLTTA shall not be eligible for the discount under this provision, even if the budget of the series falls below the budget test set forth above.

4. Residual Compensation⁹

- (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 Base
2nd	17.0%
3rd	12.0%
4th	11.0%
5th	10.0%
6th	6.0%
7th	4.0%

⁹ See modifications to this Article 31.A.4. in Sideletter 10 re: Second or Subsequent License of High Budget Dramatic Programs Made for Basic Cable to a Different Basic Cable Service and in Sideletter 18 re: License of Free Television, Basic Cable or Pay Television Motion Pictures to Secondary Digital Channels.

Run	Percentage of Residual Base
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, 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 the program’s initial exhibition on basic cable, the residuals for such free television runs must be paid according to the percentages contained in Article 7.B.3. of this Agreement. The first run of the program on domestic free television shall be deemed the second run under Article 7 of this Agreement.
- (d) The term “Employer’s gross,” as used herein, is defined in the same manner as that term is used in Article 24 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) As an alternative to the foregoing, for licenses of a high budget dramatic program made for the basic cable market for exhibition in syndication only in Canada, Employer shall have the option to elect to pay to the Director thereof four percent (4%) of the “Employer’s gross” (as defined in Article 24 with respect to the pay television exhibition of a free television program) 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 31. The foregoing applies to television motion pictures, whether produced under this FLTTA or any prior FLTTA, as to which free television residuals would otherwise be payable.
- (g) 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 B. TERMS AND CONDITIONS FOR LOW BUDGET
DRAMATIC PROGRAMS ONE (1) HOUR OR LONGER
MADE PRIMARILY FOR THE BASIC CABLE MARKET**

The provisions of Sideletter 6 of this Agreement shall apply to dramatic programs one (1) hour or longer made primarily for the basic cable market under budgets less than the “high budget” figures provided in Section A.1.

**SECTION C. 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 31) shall be subject to the provisions of Sideletter 6 of this Agreement.