

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;
Revised as of July 1, 2017

Russell Hollander
National Executive Director
Directors Guild of America, Inc.
7920 Sunset Boulevard
Los Angeles, California 90046

Re: “Supersized” Episodes

Dear Mr. Hollander:

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:

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.

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:



Russell Hollander

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)
7/1/17	30 Min.	\$27,076	7	\$3,868	\$4,835
	45 MIN.	36,529	10	3,653	4,566
	60 Min.	45,981	15	3,065	3,831
	75 MIN.	61,309	20	3,065	3,831
	90 Min.	76,636	25	3,065	3,831
7/1/18	30 Min.	27,482	7	3,926	4,908
	45 MIN.	37,077	10	3,708	4,635
	60 Min.	46,671	15	3,111	3,889
	75 MIN.	62,229	20	3,111	3,889
	90 Min.	77,786	25	3,111	3,889
7/1/19	30 Min.	27,894	7	3,985	4,981
	45 MIN.	37,633	10	3,763	4,704
	60 Min.	47,371	15	3,158	3,948
	75 MIN.	63,162	20	3,158	3,948
	90 Min.	78,953	25	3,158	3,948

- (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 in their second or subsequent season with a budget of \$1,525,000 or more and of 60-minute programs made for basic cable with a budget of \$2,700,000 or more (\$2,800,000 or more effective on or after 7/1/18)) and Article 24.

	Running Time	Minimum Compensation	Guaranteed Days	Compensation for Days Beyond Guarantee	Daily Rate (Where Permitted)
7/1/17	30 Min.	\$11,813	6	\$1,969	\$2,461
	45 MIN.	17,715	9	1,968	2,460
	60 Min.	23,617	12	1,968	2,460
	75 MIN.	29,527	15	1,968	2,460
	90 Min.	35,436	18	1,969	2,461
7/1/18	30 Min.	12,108	6	2,018	2,523
	45 MIN.	18,158	9	2,018	2,523
	60 Min.	24,207	12	2,017	2,521
	75 MIN.	30,265	15	2,018	2,523
	90 Min.	36,322	18	2,018	2,523
7/1/19	30 Min.	12,411	6	2,069	2,586
	45 MIN.	18,612	9	2,068	2,585
	60 Min.	24,812	12	2,068	2,585
	75 MIN.	31,021	15	2,068	2,585
	90 Min.	37,230	18	2,068	2,585

- (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 first season and with a budget of \$2,700,000 or more (\$2,800,000 or more effective 7/1/18).

	Running Time	Minimum Compensation	Guaranteed Days	Compensation for Days Beyond Guarantee	Daily Rate (Where Permitted)
7/1/17	30 Min.	\$14,900	7	\$2,129	\$2,661
	45 MIN.	19,604	10	1,960	2,450
	60 Min.	24,308	12	2,026	2,533
	75 MIN.	29,872	17	1,757	2,196
7/1/18	30 Min.	15,273	7	2,182	2,728
	45 MIN.	20,095	10	2,010	2,513
	60 Min.	24,916	12	2,076	2,595
	75 MIN.	30,619	17	1,801	2,251
7/1/19	30 Min.	15,655	7	2,236	2,795
	45 MIN.	20,597	10	2,060	2,575
	60 Min.	25,539	12	2,128	2,660
	75 MIN.	31,385	17	1,846	2,308

- (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 at \$2,700,000 or more (\$2,800,000 or more effective 7/1/18).

	Running Time	Minimum Compensation	Guaranteed Days	Compensation for Days Beyond Guarantee	Daily Rate (Where Permitted)
7/1/17	30 Min.	\$17,394	7	\$2,485	\$3,106
	45 MIN.	25,585	10	2,559	3,199
	60 Min.	33,775	14	2,413	3,016
	75 MIN.	34,606	17	2,036	2,545
7/1/18	30 Min.	17,829	7	2,547	3,184
	45 MIN.	26,224	10	2,622	3,278
	60 Min.	34,619	14	2,473	3,091
	75 MIN.	35,471	17	2,087	2,609
7/1/19	30 Min.	18,275	7	2,611	3,264
	45 MIN.	26,880	10	2,688	3,360
	60 Min.	35,484	14	2,535	3,169
	75 MIN.	36,357	17	2,139	2,674

Supersized Episodes

2. Residual Compensation - Basic Agreement

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

Running Time	7/1/2017	7/1/2018	7/1/2019
30 Min.	\$13,254	\$13,254	\$13,254
45 Min.	19,109	19,109	19,109
60 Min.	24,963	24,963	24,963
75 Min.	31,200	31,200	31,200
90 Min.	37,436	37,436	37,436

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

Running Time	7/1/2017	7/1/2018	7/1/2019
30 Min.	\$15,135	\$15,513	\$15,901
45 Min.	21,820	22,365	22,924
60 Min.	28,504	29,217	29,947
75 Min.	35,626	36,517	37,429
90 Min.	42,747	43,816	44,911

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

Running Time	7/1/2017	7/1/2018	7/1/2019
30 Min.	\$15,278	\$15,431	\$15,585
45 Min.	21,445	21,659	21,876
60 Min.	27,611	27,887	28,166
75 Min.	33,777	34,115	34,456
90 Min.	39,943	40,342	40,745

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
7/1/17 - 6/30/20	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	7/1/2017	7/1/2018	7/1/2019
30 Min.	\$13,577	\$13,713	\$13,850
45 Min.	19,125	19,317	19,510
60 Min.	24,673	24,920	25,169
75 Min.	30,796	31,104	31,415
90 Min.	36,919	37,288	37,661

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

Running Time	7/1/2017
30 Min.	\$365,000
45 Min.	547,500
60 Min.	730,000
75 Min.	1,295,000
90 Min.	1,860,000