



**SCREEN ACTORS GUILD  
AMERICAN FEDERATION OF TELEVISION AND RADIO ARTISTS**

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July 25, 2007

**BY U.S. MAIL AND E-MAIL**

Claudio Marcus  
Executive Vice President  
Visible World  
537 W. 34<sup>th</sup> Street, Floor 6  
New York, NY 10001

**Re: Visible World Waivers**

Dear Mr. Marcus,

As you are aware, the SAG-AFTRA Commercials Contract Standing Committee ("the Committee") has granted two trial waivers to the unions' Commercials Contract bargaining partner, the ANA-AAAA Joint Policy Committee on Broadcast-Talent Relations ("JPC"), regarding how JPC signatories may pay for commercials that use Visible World's automated digital editing and household addressable services. This letter will set forth the terms of those two waivers.

**AUTOMATED DIGITAL EDITING WAIVER**

**1. TERM**

Beginning on the date of this letter through October 1, 2008.

**2. JURISDICTION**

The terms of the waiver apply to commercials created using Visible World's automated digital editing technology that air on local cable systems totaling not more than 4 million subscribers in the aggregate for the purposes of testing Automated Digital Editing. The specific markets for the trial are San Francisco/San Jose/Oakland, Miami/Ft. Lauderdale and Detroit (altogether 3.897 million households).

**3. EDITING RIGHTS**

Use under this waiver allows the producer to create one alternate version of a base commercial for each editing fee paid (*i.e.*, if the producer creates eight additional versions, eight editing fees must be paid) for each cycle of use. Dealer identifications, offer tags, legal

disclaimer or other factual information changes would be treated in accordance with the description in Section 26 of the Commercials Contract.

These editing rights apply to commercials made for one designated advertiser, and for products of the same type and class, and that are advertised under the same brand name, in accordance with the description in Section 26 of the Commercials Contract. If more than one product or service is featured in the same commercial, additional compensation for exclusivity must be paid, regardless of whether or not the Producer elects to cover it.

#### 4. COMPENSATION TO PERFORMERS

Each performer must receive an additional editing fee (set forth below) for EACH additional version of the commercial in which they appear. These fees are to be paid in addition to the applicable use fees and the session fee(s) for the base commercial. The Producer must obtain written consent from each performer to apply this waiver. If any version of the commercial created under this waiver is subsequently moved over to broadcast, national cable, or any other platform, the full contract terms will apply.

#### **Fees to be Paid For Each Version (each edit):**

Number of Edits	Principals		On-Camera Groups			Off-Camera Groups			Extra
	On	Off	3-5	6-8	9+	3-5	6-8	9+	
1-2	\$567.10	\$426.40	\$415.15	\$367.55	\$303.95	\$240.50	\$208.70	\$170.20	\$309.30
3-25	\$283.55	\$213.20	\$207.58	\$183.78	\$151.98	\$120.25	\$104.35	\$85.10	\$154.65
26-50	\$141.78	\$106.60	\$103.79	\$91.89	\$75.99	\$60.13	\$52.18	\$42.55	\$77.33
51+	\$56.71	\$42.64	\$41.52	\$36.76	\$30.40	\$24.05	\$20.87	\$17.02	\$30.93

#### 5. EXCLUSIVITY

Exclusivity must still be paid according to the rates set forth in Section 16 of the Contract. In exchange for exclusivity on one to three noncompetitive products, 150% of all session, use, and editing fees (including the rates set forth above) would be due. For four or more noncompetitive products, 200% of the session, use, and editing fees would be due. These fees must be paid if additional products, brands, or services are included in any version of the commercial, regardless of whether or not the Producer elects to cover them.

#### 6. REPORTING

Visible World must provide the unions detailed reporting on how each commercial is used, including:

- Number of Versions Produced
- Media Type
- Method of Deployment
- Cable Operator/MSO
- Number of Households
- Number of Cable Zones
- Which Performers are in each version
- Breakdown of how frequently each version airs

- Brief description of the factors that differentiate each version (i.e., narration, text, product appearance, etc)
- Visible World must also share with SAG and AFTRA all qualitative results of the test.
- The JPC must provide to SAG and AFTRA all documents reflecting any of the above-referenced information provided to the JPC by Visible World.

#### 7. TERMINATION OF WAIVER

Unless there is an agreement by SAG and AFTRA to extend this waiver, when the waiver terminates on October 1, 2008 the Commercials Contract then in effect shall apply to all SAG and AFTRA commercials that utilize Visible World to the same extent as it otherwise would had no waiver ever been granted, including to those commercials that were previously paid under the terms of this waiver.

### **HOUSEHOLD ADDRESSABLE WAIVER**

#### 1. TERM

Beginning on the date of this letter through October 1, 2008.

#### 2. JURISDICTION

The terms of the waiver apply to commercials created using Visible World's automated digital editing technology that air on local cable systems as part of Household Addressable advertising trials, and to no more than one million subscribers in aggregate.

#### 8. EDITING RIGHTS

Use under this waiver allows the producer to create one alternate version of a base commercial for each editing fee paid (*i.e.*, if the producer creates eight additional versions, eight editing fees must be paid) for each cycle of use. Dealer identifications, offer tags, legal disclaimer or other factual information changes would be treated in accordance with the description in Section 26 of the Commercials Contract.

These editing rights apply to commercials made for one designated advertiser, and for products of the same type and class, and that are advertised under the same brand name, in accordance with the description in Section 26 of the Commercials Contract. If more than one product or service is featured in the same commercial, additional compensation for exclusivity must be paid, regardless of whether or not the Producer elects to cover it.

#### 9. COMPENSATION TO PERFORMERS

Each performer must receive an additional editing fee (set forth below) for EACH additional version of the commercial in which they appear. These fees are to be paid in addition to the applicable use fees and the session fee(s) for the base commercial. The Producer must obtain written consent from each performer to apply this waiver. If any version of the commercial created under this waiver is subsequently moved over to broadcast, national cable, or any other platform, the full contract terms will apply.

**Fees to be Paid For Each Version (each edit):**

Number of Edits	Principals		On-Camera Groups			Off-Camera Groups			Extra
	On	Off	3-5	6-8	9+	3-5	6-8	9+	
1-2	\$567.10	\$426.40	\$415.15	\$367.55	\$303.95	\$240.50	\$208.70	\$170.20	\$309.30
3-25	\$283.55	\$213.20	\$207.58	\$183.78	\$151.98	\$120.25	\$104.35	\$85.10	\$154.65
26-50	\$141.78	\$106.60	\$103.79	\$91.89	\$75.99	\$60.13	\$52.18	\$42.55	\$77.33
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**10. EXCLUSIVITY**

Exclusivity must still be paid according to the rates set forth in Section 16 of the Contract. In exchange for exclusivity on one to three noncompetitive products, 150% of all session, use, and editing fees (including the rates set forth above) would be due. For four or more noncompetitive products, 200% of the session, use, and editing fees would be due. These fees must be paid if additional products, brands, or services are included in any version of the commercial, regardless of whether or not the Producer elects to cover them.

**11. REPORTING**

Visible World must provide the unions detailed reporting on how each commercial is used, including:

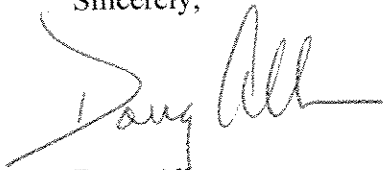
- Number of Versions Produced
- Media Type
- Method of Deployment
- Cable Operator/MSO
- Number of Households
- Number of Cable Zones
- Which Performers are in each version
- Breakdown of how frequently each version airs
- Brief description of the factors that differentiate each version (i.e., narration, text, product appearance, etc)
- Visible World must also share with SAG and AFTRA all qualitative results of the test.
- The JPC must provide to SAG and AFTRA all documents reflecting any of the above-referenced information provided to the JPC by Visible World.

**12. TERMINATION OF WAIVER**

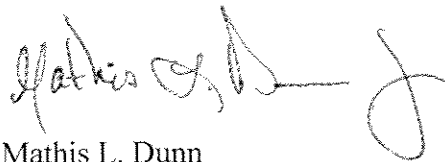
Unless there is an agreement by SAG and AFTRA to extend this waiver, when the waiver terminates on October 1, 2008 the Commercials Contract then in effect shall apply to all SAG and AFTRA commercials that utilize Visible World to the same extent as it otherwise would had no waiver ever been granted, including to those commercials that were previously paid under the terms of this waiver.

We look forward to hearing about the results of your experimentation with these waivers and wish you luck.

Sincerely,

A handwritten signature in cursive script, appearing to read "Doug Allen".

Doug Allen  
Screen Actors Guild  
National Executive Director

A handwritten signature in cursive script, appearing to read "Mathis L. Dunn".

Mathis L. Dunn  
American Federation of Television & Radio Artists  
Assistant National Executive Director

cc: Douglas J. Wood, JPC  
Elhanan C. Stone, JPC