



BULLETIN

TO: Signatories to the Screen Actors Guild ("SAG")
Commercials Contract, the American Federation of Television and
Radio Artists ("AFTRA") Television Recorded Commercials Contract, and the
AFTRA Radio Recorded Commercials Contract

Members of SAG and Members of AFTRA

FROM: SAG, AFTRA and the ANA-4A's Joint Policy Committee on Broadcast Talent
Union Relations ("JPC")

DATE: March 3, 2011

RE: Commercials Made For Internet and Commercials Made For New Media:
Minimum Compensation Effective April 1, 2011

*Note: for the sake of brevity, the following abbreviations are utilized in this bulletin:
(TV) refers to the SAG Commercials Contract and the AFTRA Television Recorded Commercials
Contract; (Radio) refers to the AFTRA Radio Recorded Commercials Contract*

This bulletin serves as a reminder to signatories to the union collective bargaining agreements listed in "To" above that effective April 1, 2011, the following shall apply to any commercial produced for initial use on the Internet or produced for initial use in New Media.

1. Free bargaining with principal performers for session & use fees and with extras for session fees (TV) and with performers (Radio) for made for Internet and made for New Media commercials ceases.
2. Minimum Rates: Principal performers (TV) and performers (Radio) shall be compensated in such amount as shall be agreed by direct bargaining with performer or performer's agent. In no event, however, shall such compensation be less than the following minimum rates for session and use fees.

Session: The minimum session fee payment for a made for Internet or a made for New Media commercial shall be the same as the minimum scale session fee payment for a made for television or made for broadcast radio commercial.

Use Fees: The minimum use fees for Principal performers (TV) and performers (Radio) for either made for Internet commercials or made for New Media commercials are:

Any 8-week Cycle of Use: 133% of the applicable session fee

Any 1-Year Cycle of Use: 350% of the applicable session fee

In order to exercise the 8 week cycle of use option, the initial cycle of use must be 8 weeks and all 8 week cycles of use must be consecutive.

3.(TV and Radio) : Internet session fees may be credited against Internet use but only during the initial Internet use cycle and New Media session fees may be credited against new media use but only during the initial New Media use cycle.

4.(TV): In the event Producer desires to obtain exclusivity from a performer ,the Producer shall obtain the consent from the performer/performer's agent and pay holding fees as would be paid for a made for television commercial. Crediting of such holding fees against any made for Internet or made for New Media commercial use cycles is subject to bargaining between the Producer and the performer or performer's agent.

5.(TV): Extra performers shall be compensated for session at not less than the unlimited use rate applicable to the extra performer's classification as would be paid to an extra for a made for television commercial.

6. (TV and Radio): in addition to the minimum rates for session and use fees, if Producer wishes to obtain extended or unlimited editing rights for made for Internet and/or made for New Media commercials, then Producer shall bargain freely with performer/performer's agent for such rights and shall pay compensation in such amount as shall be agreed by such direct bargaining. Any negotiated editing fee shall be separate and apart from monies negotiated for session and use. Neither the Unions nor Producers will promulgate minimum rates for extended or unlimited editing rights for the Internet or New Media.

7. (TV and Radio) Where a performer's employment contract for a made for Internet commercial or made for New Media commercial terminates on or after April 1, 2011, and Producer chooses to renegotiate for a subsequent contract period commencing on or after April 1, 2011, compensation for use during such subsequent contract period must be at least the minimum use fee rates as specified in paragraph 2 above.

8. The provisions of Schedule A- Working Conditions (TV) and the various equivalent Working Condition Provisions (Radio) shall apply. Allowances and liquidated damages shall be agreed by direct bargaining with the performer or performer's agent.

Producers shall make contributions to the applicable union Pension and Health Funds (SAG) or Health and Retirement Funds (AFTRA.)

9. (TV and Radio):

- a) Payment for session fees will be due not later than 12 working days after the day or days of employment.
- b) Payment for use cycles will be due not later than 15 working days after the date of first use in such cycle.

Examples:

(a) (TV) Producer engages an on-camera principal in a commercial made for initial use on the Internet on **March 15, 2011**. Producer bargains with performer's agent and agrees to pay \$500 for session and \$500 for use for a 21- month maximum period of use. Producer also wishes to obtain extended editing rights for the Internet and separately bargains with performer's agent and agrees to pay an additional \$500 for 5 edits. Performer is paid a total of \$1500 for session, use and 5 edits on the Internet.

Session	\$500.00
Internet Use	\$500.00
Extended editing rights for 5 edits	\$500.00
Total due to performer	\$1500.00

(b) (TV) Producer engages an on-camera principal in a commercial made for initial use on the Internet on **April 3, 2011**. Session: Producer must bargain with performer or performer's agent for not less than the minimum scale session fee as would be paid for a made for television commercial and agrees to pay scale (currently \$592.20.) Producer also wishes to obtain an 8-Week Cycle of Use and negotiates with performer's agent to pay the minimum scale use rate for an 8-week use cycle: 133% of the applicable session fee (\$787.65) Session fee may be credited against the Internet use fee. Producer also wishes to obtain extended editing rights for Internet use and separately bargains with performer's agent to pay an additional \$500 for 3 edits. Performer is paid a total of \$1,287.65 for session, use and 3 edits on the Internet.

Session	\$592.20
8-Week Internet Cycle of Use	\$787.65
Session applied to use	(\$592.20)
Extended editing rights for 3 edits	\$500.00

Total due to performer \$1287.65

(c) (TV) Producer engages an on-camera principal in a commercial made for initial use in New Media on **April 10, 2011**. Session: Producer must bargain with the performer or performer's agent for not less than the minimum scale session fee as would be paid to the performer for a made for television commercial and agrees to pay scale (currently \$592.20.) Producer begins using the commercial in New Media on August 15, 2011 for a 1-year Cycle of Use and pays the performer 350% of the session fee (\$2,072.70) for such 1-year use cycle. Session fee may be credited against the New Media use fee. Producer also wishes to obtain extended editing rights for New Media use and separately bargains with performer's agent and pays an additional \$592.20 for 4 edits in New Media. Performer is paid a total of \$2,664.90 for session, use and 4 edits in New Media.

Session:	\$592.20
1-Year New Media Use	\$2072.70
Session applied to use	(\$592.20)
Extended editing for 4 edits	\$592.20

Total due to performer \$ 2,664.90

(d) (TV and Radio) On May 10, 2010 Producer engages a principal performer (TV) or announcer (Radio) for services in a commercial made for initial use on the Internet. The full term of the performer's employment contract is for a one year period, i.e., the performer's contract terminates on May 9, 2011. Producer chooses to renegotiate with the performer or performer's agent for an additional 8-week Use Cycle from or performer's agent for an additional one-year contract term from May 10, 2011 thru June 29, 2012. Compensation for use for the performer's contract term beginning May 10, 2011 must be at the minimum use fee rates as specified in paragraph 2 above.

If you have questions or concerns, SAG members should contact the SAG Commercials Contract Department in Los Angeles (323)549-6858 or New York (212)827-1454, AFTRA members should contact the AFTRA Commercials Contract Department in Los Angeles (323)634-8163 or New York (212) 863-4239, or JPC authorizers should contact the JPC at smarcus@reedsmith.com or the 4A's at: kathleen@aaa.org. Non-JPC authorizer producers are advised to contact their own legal counsel.