

SUMMARY OF THE
2011 Writers Guild of America Theatrical and Television Basic Agreement (“2011 MBA”)

The following is a summary of the amendments that comprise the 2011 MBA. It is a simplified version of the longer Memorandum of Agreement; the language of the Memorandum of Agreement will prevail in the event of any inconsistency. Unless amended in the 2011 negotiations, the provisions of the 2008 MBA remain unchanged.

There will continue to be two MBAs: the 2011 WGA-Network MBA and the 2011 WGA-AMPTP MBA. The limited differences between the two agreements are in three areas primarily affecting long-form television. Each company that signs a WGA Letter of Adherence will be required to choose between the two 2011 MBAs. The differences are described in the Addendum to this summary.

1. Term of Agreement

3 year term – May 2, 2011 through May 1, 2014.

2. Minimums

Minimums to increase by 2% each year, compounded, with the following exceptions: the upset price, excerpt payments and the script publication fee.

3. Increases to the Pension Plan

Increase the contributions to the Pension Plan from 6% to 7.5%. In addition, the Guild will have sole discretion to divert 0.25% from minimums to the Pension Plan in each of the second and third years of the contract. These increases are “decoupled” from benefit accruals in order to help ensure the financial health of the Plan. Pension Plan contributions for writing services on pilots and the first season of one-hour series will remain at 6%.

Increase the base amount upon which pension contributions are made for writers on development deals governed by MBA Article 14.E.2. from \$202,000 to \$250,000.

Amend the Foreign Remake Sideletter to reflect the increased pension contribution rate for deals entered into on or after May 2, 2011.

4. Made-For Pay Television Residuals

Increase pay television residuals by 20% for 30 and 60 minute programs in each of the second, third and fourth “exhibition years” of a pay tv program’s reuse. The new 30 minute annual residual will be \$4,200 and the new 60 minute annual residual will be \$7,200.

5. New Media Reuse - Streaming

Increase residual for first year ad-supported Internet streaming by 2% per year.

6. Committees on the Professional Status of Writers

A. Theatrical

- To help address the problem of “pre-writes,” a senior creative executive from each Company will send a bulletin to his/her creative and business affairs executives stating that it is not permitted to request that writers work on spec.
- Company representatives of the CPSW - Theatrical will facilitate annual meetings between creative executives and writer members of the CPSW-Theatrical.

B. Episodic Television

- Increase the annual AMPTP and Network funding for the Showrunner Training Program to \$200,000.
- Include in the MBA a statement that it is the preferred practice that Studio/Network notes be given in a timely fashion.
- Company representatives of the CPSW - Television will facilitate annual meetings between creative executives and writer members of the CPSW-Television.

7. Freelance Employment – Television

Modify existing freelance employment provisions on television series to provide that requirement may be fulfilled with teleplay rather than story assignments.

8. Sideletter re Electronic Data Transfer

The parties renewed their agreement to discuss the electronic transfer of data on a Company-by-Company basis.

9. Tri-Guild Audit Fund

Funding for Tri-Guild auditing of residuals payments was renewed at the same funding level of \$861,000 for the term of the agreement.

10. Non-Discrimination

Modify the MBA’s non-discrimination language to comply with federal and state law.

11. Arbitrators

Revise arbitrator lists as follows: WGAW arbitrator list: add Ken Perea and Fred Kuperberg; delete Howard Block, Joe Gentile, Joshua Javits, Lionel Richman and John Zebrowski. WGAE list: add Joshua Javits and delete Maurice Benewitz.

12. New Media Inspections

Change the frequency of Guild inspections of Company new media deals from quarterly to semi-annually.

13. Character Payments

The parties agreed to form a committee to discuss ways to simplify the process and rules associated with a writer's eligibility for and the payment of character payments.

14. Freeze Residual Payments for Network Prime Time Reruns

Freeze the current rates for residual payments for programs rerun in network prime time.

15. Location Expenses

Revise travel provisions so that coach class air travel will be permissible for domestic flights that are less than 1,000 airline miles; non-stop flights between Los Angeles and Vancouver; non-stop flights of less than 1,000 miles between the U.S. and Vancouver or Toronto; and for interviews for prospective employment. Company must provide elevated coach class travel (e.g., Economy Plus, Extended Leg Room, *etc.*) when available in each of the foregoing circumstances. Writers who travel by coach class shall be reimbursed by Company for baggage fees and costs of in-flight meals. All other flights shall be business class when available and, if not available, first class.

16. Promotional Uses of Excerpts on Consumer Pay Platforms

Agreed that clips used for promotional purposes on pay websites are exempt from residuals, unless used on an "archival" website for which residuals remain payable.

17. Staff Producers in News with Company Benefits

Companies need not make Pension Plan and Health Fund contributions for staff producers on news shows who perform writing services and who are eligible for Company health and retirement benefits generally available to the Company's staff employees.

18. Program Interruptions

Modify a previously existing sideletter regarding program interruptions for news emergencies and technical failures that prevent the broadcast of a program to apply to program interruptions exhibited on other program services, not just broadcast services.

19. Half-Hour Series in Limited Syndication

Renew long-standing sideletter regarding a residual discount for 30 minute series in markets representing 50% or fewer of U.S. TV households.

20. The CW

Replace references to “WB” or “UPN” with the “CW” allowing CW to use the promo launch provision and the supersized episode sideletter, and requiring CW to pay residuals within 30 days. Guild to withdraw pending arbitration claims asserting that the CW was not allowed to take advantage of the promotional launch provision for new series.

ADDENDUM

Summary of Differences between the 2011 AMPTP and Network MBAs

A. Possessive Credits – Television

In the Network Agreement, each Company agrees to continue its policies regarding possessive credits in a manner consistent with its past practices. There is no such provision in the AMPTP Agreement, but this subject and others are to be addressed in the Committee on the Professional Status of Writers.

B. “Free Rewrites” – Long-Form Television

In the Network Agreement, the Producer must notify the Network when the first draft teleplay is received. In the AMPTP MBA, there is a “Special Company Affirmative Covenant” of timely payment.

Traditionally, the network reviews all drafts for which it issues payment. In the Network MBA, if the employing Company wants to ask for an additional draft without showing it to the Network, it must make an arrangement with the Network that the Network will pay for a draft it does not review. In the AMPTP MBA, it is presumed the Network will pay for a producer’s draft commissioned by the employing Company, whether or not the Network receives such draft.

C. Replacing the Writer of Original Material – Theatrical and Long-Form Television

In the Network Agreement, for both theatrical and long-form TV pictures, and in the AMPTP Agreement for screen only, if the Company contemplates replacing a writer who sells, licenses or is employed to write original material, then a production executive who has read the material must meet with the writer, discuss the Company’s view, and give the writer a reasonable opportunity to discuss continuing with the project. In the AMPTP Agreement, this provision does not apply to the sale of original material for long-form television and, with respect to employment to write an original long-form teleplay, if the Company desires to engage another writer to rewrite the teleplay, it will discuss with the first writer its reason(s) for not continuing that writer on the project after his or her first draft.