

ALLIANCE OF MOTION PICTURE AND TELEVISION PRODUCERS
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Carol A. Lombardini
President

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As of August 1, 2018

Matthew D. Loeb
International President
International Alliance of Theatrical Stage Employees and
Moving Picture Technicians, Artists and Allied Crafts
of the United States, its Territories and Canada
207 West 25th Street, 4th Floor
New York, New York 10001

Re: Virtual MVPD Services

Dear Matt:

During the course of the 2018 negotiations, the parties discussed how the landscape of the free television marketplace has evolved from the past - when the exhibition of a given television program was only available to the viewer in the home on a television set on a linear channel at a specific scheduled time - to the current marketplace, commonly referred to as “TV everywhere” where the viewing public, in addition to viewing a program on a linear channel at a scheduled time, is also provided the time-shifted option to view the same program on a variety of digital devices on a video-on-demand (“VOD”) basis. In addition, in the past, the bargaining parties agreed that television exhibitions on a linear channel provided through an MVPD, whether such channel was a free television channel or a basic cable channel, were considered exploitation of free television rights even though the consumer paid a monthly fee to access such programming.

Consistent with the above, the bargaining parties agree that with respect to new internet delivered “virtual MVPD” services, such as Sling TV and Sony's PlayStation Vue, and other like services, such as CBS All Access, (collectively referred to hereafter as “vMVPD Services”), any VOD rights which are associated with exhibition of the motion picture or episodes of the series (collectively and alternatively “Programs”) on a linear channel on the vMVPD Service (commonly referred to as “stacking rights”) shall be considered exploitation of free television rights and not a form of pay or subscription television and, therefore, Paragraph 1(a) (“If the Consumer Pays”) of the Sideletter re: Exhibition of Motion Pictures Transmitted Via New Media which governs licenses to consumer pay new media platforms for a limited period or fixed number of exhibitions, shall not apply to such exhibitions. Such exhibitions and associated “stacking rights,” regardless of whether current or past season episodes are exhibited and regardless of whether such VOD exhibition contains advertisements, shall be treated the same as if such programs were exhibited on traditional MVPDs. Any VOD rights related to a motion picture shall not be deemed “associated with” the right to exhibit it on a linear channel of that vMVPD Service subsequent to the date on which the right to exhibit the motion picture or episodes on the linear channel terminated.

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By contrast, when the Company licenses the right to exhibit a covered television motion picture, or one or more episodes of a covered television series, on an on-demand basis on the vMVPD Service, and such rights are not associated with the right to exhibit the motion picture or episodes of the series on a linear channel on the vMVPD Service, the parties agree that Paragraph 1(a) of the Sideletter re: Exhibition of Motion Pictures Transmitted Via New Media, which governs licenses to consumer pay new media platforms for a limited period or fixed number of exhibitions, shall apply.

When a program is made exclusively for on-demand availability on an vMVPD Service, it shall be treated as having been made for a subscription consumer pay new media platform subject to the provisions of the Sideletter on Productions Made for New Media.

It is understood that in order to qualify as an "vMVPD Service" under this Sideletter, such service must include at least one free television or basic cable linear channel that is non-exclusive to that service and is generally made available for exhibition on other traditional and/or virtual MVPD services.

Sincerely,



Carol A. Lombardini

ACCEPTED AND AGREED:



Matthew D. Loeb
International President