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March 12, 2001

*VIA FACSIMILE AND REGULAR U.S. MAIL*

J. Nicholas Counter, III, President  
Alliance of Motion Picture and Television Producers  
15503 Ventura Boulevard  
Encino, California 91436-3140

Re: Studio Transportation Drivers, Local 399, I.B.T., AFL-CIO; International Brotherhood of Electrical Workers, Local 40; Studio Utilities Employees, Local 724, Laborers International, AFL-CIO and the Alliance of Motion Picture and Television Producers - (Letter of Commitment)

Dear Mr. Counter:

Pursuant to the agreement reached on November 29, 2000 regarding the above-captioned unions, the following sets forth the commitments of Teamsters Local 399, IBEW Local 40 and Laborers Local 724 to minimize grievances and increase cooperation by implementing the following understandings in the areas of concern listed below:

1. Studio Transportation Drivers, Local 399
  - a. **Grouping** - The following procedure shall be applicable to productions produced or financed by the "Studio" members of the AMPTP and shall pertain only to grouping grievances alleging that the Producer failed to give preference to the appropriate seniority group in hiring as provided in Paragraph 62(e)11 of the Agreement.
    - (i) Local 399 will officially notify Labor Relations at those Studios which retain responsibility for employment on a particular production of a violation of Paragraph 62 of the collective bargaining agreement. This notification shall be sent either by mail or facsimile.

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<sup>1</sup> This procedure does not apply when the Producer claims to have hired the individual in accordance with Paragraph 62(e)(9).

If the Studio corrects same within the three (3) business day period, there shall be no penalty. If the Studio does not correct the improper hire within three (3) business days, the Studio shall pay to Local #399, in liquidated damages, double the amount paid to the improperly-hired employee for all hours worked by or guaranteed to the improperly-hired employee from the first day that such employee began work on the production.

- (iii) If the parties do not agree that there was a violation of Paragraph 62, Local #399 may proceed through the contractual grievance procedure for a remedy.

2. IBEW, Local #40

- a. **Operation of Generators** - IBEW, Local #40 will work with the Producers to minimize grievances regarding the staffing of generators.
- b. **Seniority** - IBEW, Local #40 will work with the Producers to resolve issues with individual members who occupy positions on the Producers' seniority lists.
- c. **Construction Rate** - IBEW, Local #40, upon notice from Labor Relations, shall have a discussion with Labor Relations prior to the performance of any work under the Local #40 Agreement in connection with construction work by an outside Building Trades contractor to determine whether or not the construction rate is applicable. In any event, Local #40 will cooperate with the Studio in determining the appropriate time span for which the construction rate would apply.
- d. **Hiring Preference, Foremen and Wind Machines** - IBEW, Local #40 and the AMPTP-represented Producers maintain their respective positions regarding the interpretation of these contractual provisions in the collective bargaining agreement between the parties. IBEW, Local #40 will work with the Producers to increase cooperation and minimize grievances in these areas.

3. Laborers, Local #724

**Gardeners** - Laborers, Local #724 will work with the Producers to reduce their gardening costs by encouraging the Producers, when work which does not require special skills is available, to supplement the regular gardening crew ("core

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3. Laborers Local 724

**Gardeners** - Laborers Local 724 will work with the Producers to reduce their gardening costs by encouraging the Producers, when work which does not require special skills, is available, to supplement the regular gardening crew ("core employees") with laborers who may be hired at the laborer rate, either journeymen or entry level as applicable.

If any of the above Unions fail to substantially comply with its commitments herein, the AMPTP, on behalf of its member companies, may reopen the Union's contract for the purpose of renegotiating any and all provisions contained therein. If it does so, the Agreement shall expire sixty (60) days after the date of the reopening notice. Following the expiration date, the "no strike - no lockout" provisions of the collective bargaining agreement shall not be applicable.

I trust the above sufficiently sets forth our agreement herein. If so, please affix your signature to the space provided below.

Very truly yours,

WOHLNER KAPLON PH L S YOUNG  
& CUTLER


By

?-   
Joseph J. Kaplon

JJKisdg

cc: Leo T. Reed, Teamsters Local 399  
Rick DesJardins, IBEW Local 40  
Earl Brendlinger, Laborers Local 724

ACCEPTED AND AGREED:

  
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J. Nicholas Counter, III, President  
AMPTP

SIDELETTER NO. 7

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