

**Frequently Asked Questions
New Compensation Model Seminars/Webinars**

Q: Will the PowerPoint presentation be available to attendees after the webinar?

A: The PowerPoint presentation is currently posted on the Adlaw by Request website at http://www.adlawbyrequest.com/_db/_documents/JPC_EMM_Seminar_Webinair.pdf

Q: Where can I get a copy of the talent compensation model user guide mentioned?

A: The User's Guide is located at the FTP that can be accessed under the heading "Booz Allen Hamilton Compensation Study" by clicking on "here" where indicated. This will take you to the site where you can download the Guide and the models.

Q: It seems that the non-random sampling concentrates on large market/large advertiser commercials. This is clearly important, but raises the question: is there a way to address the issues of the small advertiser campaign?

A: Actually, the sample included all sizes of advertisers, large and small. But the only way to address this on an individual basis is to experiment with the models and let the JPC know what impact it has on the historical payments they've made to performers. The more input the JPC has, the better it will be able to understand the full ramifications of the proposed models. You can contact the JPC through Marilyn Colaninno at mcolaninno@reedsmith.com.

Q: How do you use either or both of the two models to calculate local spot cable and geo-targeted internet usage?

A: At present, the models do not address local cable or geo-targeted internet usage. As we move forward, we will be addressing these aspects with Booz Allen.

Q: Right now we back out session fees on Dealer Use. Will that be the same? In the GRP model it is only Network and Wildspot.

A: Under the new models, dealer use is not credited.

Q: Will the model run on Macs?

A: We are told they run on both DOS and MAC platforms. All that is needed is the latest version of Excel.

Q: Will we see a change in the way extras are compensated if they end up in the spot and are in the same proximity with the principals?

A: This issue is not part of our consideration and experimentation with the models. As we get closer to negotiating a new agreement, the handling of upgrades and classification of performers will be addressed.

Q: Will the downgrading rules be relaxed?

A: This issue is not part of our consideration and experimentation with the models. As we get closer to negotiating a new agreement, the handling of downgrades will be addressed.

Q: Regarding the tiers and inputting - how do you know what the tier is?

A: To determine a tier, locate the network on which you are buying the time. Virtually all networks are listed. That will tell you the tier. If you do not see the network, then place it in the 4th tier.

Q: In the GRP model - underlined GRP is already accessed. How often are they accessed/updated?

A: The frequency upon which GRP data will be accessed will be a matter of negotiation between the JPC and the unions. While GRP data is becoming more readily accessible every day, we also need consistency in the process. So the frequency of access is yet to be determined.

Q: How are these models going to account for make goods based on the performance of the show?

A: The tiered model does not address make goods. The GRP model adjusts for make goods automatically since make goods are delivered in order to reach the targeted GRP.

Q: In the negotiations, will there be consideration given to allowing greater latitude when payments will be made?

A: The timing of payments in either the tiered or GRP models will be a subject at the negotiations.

Q: How involved have the media agencies been with supplying the information that is being requested for the models?

A: When asked, they have been very cooperative. Everyone has a stake in the outcome of the negotiations and the evaluation of the models.

Q: I noticed that industrial usage wasn't mentioned or shown at the seminars. How are industrial payments handled in the new compensation models?

A: The handling of industrial and cinema uses under the commercials contract remains unchanged. Similarly, uses historically under the Industrial Code also remain the same.

Q: Will we be paying New Media for things that we typically have been paying Industrial Use for? Such as trade shows?

A: Whatever you paid in the past under Industrial remains the same. New Media covers only media that is "new", e.g., cell phones.

Q: Is the worksheet only designed for individual commercials or is there a way to enter detail on a body of commercials to understand the change in overall talent spend rather than by individual spot?

A: The models deal with only one commercial at a time.

Q: Why did BAH add the section where the Media buyer could manually enter GRP?

A: The purpose of allowing manual entry was to address odd situations where a particular program might have a very high GRP that was not factored in when the GRPs were established for the model. An example would be the Super Bowl. In such an instance, the advertiser can enter a higher GRP to appropriately address the value of the airing.

Q: Are there more of these seminars planned in the coming months to discuss proposed changes other than cost models, where we will have an opportunity for input?

A: Yes. The JPC is holding another Seminar/Webinar on July 15. The JPC will also be holding seminars on how talent is paid and how media is purchased. And the JPC is always willing to listen. And we want to hear about all of your issues, not just those involved in the models. If you have issues about, e.g., studio zones, union security, work rules, etc., please let us know. If you have any questions or observations, please send them to Marilyn Colaninno at mcolaninno@reedsmith.com.

Q: In the GRP model, if GRPs are based on the upfront, what happens in the summer when shows are all in repeats? Shouldn't it be an average over the entire year or something?

A: The process by which GRPs will be established and the frequency of updates will be a matter taken up in the negotiations when the JPC and the unions meet later this year.

Q: How will the models be updated to keep up with changing ratings, shows, and stations? If the buyers move units from show to show, or from station to station, would this require us to revise our talent calculations each time?

A: The frequency that GRPs will be determined and updated are a matter of negotiations between the JPC and the unions. While remaining current is, of course, an important goal, it is also important to keep the system as simple as possible. In the end, a balance will be agreed upon that takes the marketplace into account.

Q: With regard to the models, is theatrical and industrial considered out of home?

A: No. The treatment of theatrical and industrial remain unchanged in the new models.

Q: Did they account for bonus units?

A: Not directly. It is assumed that these will all balance out in either the tiers or GRP model.

Q: How is excessive exposure reflected in the calculations? Who's going to put this in place?

A: The idea of an excessive use payment was incorporated by Booz Allen to address over exposure issues expressed by some union representatives. The JPC does not agree that there should be an excessive use provision. The issue will be negotiated between the JPC and the unions later this year.

Q: Is there some central person we can let know which models work best and what kind of company we are?

A: Yes. Please send your information to Marilyn Colaninno at mcolaninno@reedsmith.com.

Q: Do the models take into consideration the length of the spot?

A: They do not. Under both models, the length of the commercial is irrelevant.

Q: When will negotiations start?

A: The current contract expires at the end of October 2008. Negotiations will presumably commence in late August or September.

Q: Elimination from Dealer A and B and why?

A: Booz Allen Hamilton determined that these compensation silos were not longer needed.

Q: Taxis are considered new media in the models, but they fall under theatrical industrial use under the commercials code.

A: Video in taxis does not fall under theatrical use. It is considered New Media.

Q: If an agreement is not reached, does all production cease on 10/28?

A: No. Whether production continues without a new agreement depends on whether the unions go on strike or the two sides continue to talk.

Q: SAG and AFTRA are separately negotiating their television programming contracts. Do you see that down the road with the commercials contract?

A: The JPC has been very clear that it objects to separate negotiations and prefers to negotiate jointly with SAG and AFTRA as has been done in the past. Whether the unions will agree to do so remains to be determined.

Q: Will we be able to get copies or the email file for the presentation when done?

A: The presentation is posted on adlawbyrequest.com under the Working with Unions banner. It can be downloaded from there.

Q: Who Is Assigning the Tiers to Syndication? I have two syndicators, Sony and PIC. Don't know where they go?

A: Booz Allen assigned the tiers that appear in the study. For now, you should assign any non-listed syndicators to the 4th tier.

Q: When using the BAH model to calculate Spanish Network payments, what number do we input for the "# of uses" since Spanish Network is bought in increments of 13 weeks?

A: This is one of the faults in the model. For now, it is difficult to deal with it until the model is corrected.

Q: Regarding the GRP module, if GRP upfronts undeliver, can they be readjusted?

A: This is an aspect being worked on but should not prevent your use of the model. For purposes of using the models, assume GRPs will be fully delivered.

Q: Was the audio portion recorded and available to download?

A: The audio has not been recorded.

Q: Regarding Internet Use: In the models, what is the "**Initial Term**" for the Internet Use, 1 year?

A: One year.

Q: Regarding New Media: What is the recommendation for agencies who are not a signatory to the SAG Industrial contract, and the new proposal is to lump anything "new" into the SAG Commercial contract as "New Media," when these videos are clearly not "commercials"?

A: Nothing currently under the coverage of the Industrial Code is intended to fall into the new compensation agreements. Anything that is a commercial will fall within it. If the creative falls outside the definition of a commercial, it is not covered.

Q: Does the number of sessions have an impact on the use fees? Why is that a factor on the Input grid?

A: Session fees no longer have an impact on usage fees under the new models.

Q: Regarding sampling, are you collecting samples from JPC members and signatories?

A: We hope to obtain samples from as many signatories as possible.
