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Date: October 18, 2012

Bulletin# 7452 JPC

To: JPC Authorizers - SAG and AFTRA Television Commercials Contracts

From: JPC Counsels: Douglas J. Wood and Stacy K. Marcus

Re: JPC-SAG-AFTRA Clearinghouse Initiative

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As you are aware, for the last several years, the industry and SAG-AFTRA have been jointly engaged in a progressive study to investigate, develop and build a GRP-based residual system as an alternative to the current residual payment model under the SAG Television + AFTRA Television Commercials Contracts.

The industry and the union agreed as part of the 2009 Commercials Contracts negotiations to conduct a year-long pilot test of such a system and which is called the "GRP-E Pilot". In addition the parties agreed to hold early bargaining on or about October 2011 to discuss the results of the GRP Pilot and bargain over the possible implementation of the GRP System. The parties subsequently agreed to defer that obligation to October 2012 as part of a one-year extension of the obligation to bargain successor agreements to the 2009 Commercials Contracts.

Among other things, we learned from the GRP-E Pilot is that there are certain challenges regarding obtaining data necessary to complete the GRP calculations and rendering that data consistent and usable for that purpose. Commercial identifiers are not used consistently, network names are not used consistently and program names are not used consistently. These challenges resulted in the need to estimate a significant percentage of the use fees calculated as part of the GRP-E Pilot.

The adoption of a uniform system for labeling programs and broadcast outlets to work in conjunction with Ad-ID is a major step toward adoption of the GRP-E as a basis for determining compensation for actors performing in commercials. Using uniform digital identifiers for all silos in the ecosystem will be a major breakthrough and will insure

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more accurate tracking and accounting than today's system of varied identifiers and manual calculations.

The ANA, 4A's and SAG-AFTRA have agreed to jointly undertake a supplemental project to the GRP-E --the Clearinghouse Initiative - designed to address these challenges. The goals of the Clearinghouse Initiative include: implementing a common set of standards in commercial identification; the development of standardized nomenclature for both programs and broadcast and cable media outlets/networks related to airing information, promoting the adoption of these standards by a range of industry players across the advertising ecosystem and creating and maintaining a registry designed for the cost-effective management and tracking of these common standards.

The costs of the Clearinghouse Initiative will be paid for with funds secured from the SAG Producers-Screen Actors Guild Industry Advancement Cooperative Fund ("IACF") and the AFTRA Industry Advancement Cooperative Fund ("AICF"). The project will be conducted by PWC as part of the GRP-E project.

In light of the necessity for the Clearinghouse Initiative, the negotiations scheduled for October 2012 to bargain in regard to the GRP proposal and GRP-E pilot results will be postponed until after the completion of the GRP-E project.

For further information, ANA members may contact Stacy Marcus, Reed Smith: [smarcus@reedsmith.com](mailto:smarcus@reedsmith.com); 4A members should contact Kathleen Quinn, 4A's: [kathleen@aaaa.org](mailto:kathleen@aaaa.org).