

Summary of the WGA/ABC Agreement for “Lost” Mobisodes

The Writers Guild of America, west and East, and ABC have reached an agreement that covers the writing of mobisodes (short episodes intended for mobile phones) relating to the series “Lost.” Highlights of the agreement are:

1. **Scope:** The agreement covers mobisodes for the series “Lost.” ABC has agreed to notify the Guild about other planned mobisodes and to negotiate with the Guild for acceptable terms and conditions.
2. **Mobisode Definition:** Mobisodes are defined as entertainment programs intended for initial use on cell phones and similar devices which are less than five minutes in length.
3. **Term of Agreement and Application of the existing MBA:** The agreement ends at the same time as the Guild MBA on October 31, 2007. The relevant portions of the MBA, including credits, pension and health benefits, and legal arbitration provisions, apply to the mobisodes.
4. **Minimums:** A minimum of \$800 is paid for the writing of a mobisode of two minutes or less, with an additional \$150 per minute, up to the maximum of five minutes in length.
5. **Cell Phone Residuals:** The initial compensation covers the first 13 weeks of use on cell phones. A residual for additional use on cell phones is payable at 1.2% of the license fee for such use, with a \$125 cell phone reuse advance payable at the start of such additional use.
6. **Internet Residuals:** If the mobisodes are reused on the Internet and the viewer pays a fee to view the mobisode, a residual of 1.2% of the license fee is payable, with a \$125 Internet reuse advance payable at the start of such use. If the viewer does not pay for Internet viewing, but advertising is associated with the mobisode, a residual of 2% of the license fee is payable.

There is no residual for use on ABC.com if there is no advertising and no viewer payment; if either type of revenue does apply to ABC.com use, then the applicable residuals are payable. None of the intended uses on the Internet are for permanent downloads. If any such uses are planned, the residuals will be negotiated or the parties will maintain their respective positions about which MBA provisions apply for such use.

7. **Other Reuse:** DVD residuals are payable if the mobisodes are included on a DVD. Use of combined mobisodes as a compilation episode for broadcast and cable telecasts require payment of a fee equal to the applicable script fee or a residual payment if the compilation is repeated. The company will negotiate a fee for any broadcast or cable telecast of individual mobisodes. Character payments are payable in accordance with MBA provisions if characters created in a mobisode are featured in a regular episode or spin-off series. Conditions regarding sequel payments for the series creators are provided for as well.

This summary presents highlights of the agreement, not the details or contract language; if there is any inconsistency between this summary and the complete agreement, the agreement shall prevail.