



AACS for Independent Producers

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This wikpaper addresses the AACS process and fees for new Blu-ray authors. No aspect of Blu-ray production has caused more confusion and consternation than the mandatory AACS requirement for Blu-ray replication. This wikpaper was assembled from real-world replication experience and several conversations with AACS LA and replication companies.

Final AACS Licensing Agreements include Fee Reductions, Managed Copy and Analog “Sunset” provision

The Final AACS Licensing agreements were finalized on June 5, 2009. Since launching the Blu-ray format in 2006, companies had been operating under an interim AACS licensing agreement. The final agreements contain some significant price reductions, particularly for low-volume (under 2,000) replication runs.

Summary of Fee Reductions:

Fee Category	Was:	Is:	Description
AACS Content Provider License	\$3,000 one-time	\$500/year	New annual fee option
AACS Title Key Certificate	\$1,300	\$500	\$800 savings per master
AACS per-disc Royalty	\$0.04/disc	\$0.04/disc	No change

What do these fee reductions mean in real terms? They have the most impact on a publisher who is making their first Blu-ray disc, as well as anyone who is dealing in low volume replication runs.

Example : A first time publisher is replicating 1,000 copies of a Blu-ray disc. Under the temporary agreements, they were required to pay \$3,000 (one-time fee) prior to replication and then \$1,300 in Title Key certificate fees plus \$40 (\$.04/disc AACS royalty). That was \$4.34/disc on top of the actual replication costs! Under the final licensing agreements, the publisher pays \$500 up front (keep in mind that this is an annual fee) plus \$540 in Title Key Certs and royalties – this amounts to \$1.04/disc. Replication costs can now be found at about \$2.25/disc.

Managed Copy

Another aspect of the final AACS Licensing Agreement approved on June 5 is the Managed Copy requirement. Managed Copy requires studios and content holders to allow consumers to make one full resolution copy of Blu-ray discs that they purchase. The studio can choose to



charge for the copy.

To author a disc with managed copy, the author need only include a URL which points to an authorization server. DoStudio supports this feature. The AACS License Agreements require Studios to include managed copy on all Blu-ray discs by the first quarter of 2010, however Blu-ray players are not required to support this feature.

For more information, please read the wikipaper: [Understanding Managed Copy Requirements](#)

Analog “Sunset” provision

The final AACS License agreements also include provisions to phase out the use of analog output in Blu-ray players. It says that all Blu-ray players manufactured after December 31, 2010 must limit the analog output to SD resolution. After December 31, 2013, no device that can decrypt AACS content can have any analog outputs. The intent of this is to limit casual piracy and has no effect on how you author your Blu-ray discs.

The AACS Licensing Process

The final AACS Licensing agreements have brought some welcome price reductions to Blu-ray Disc replication. There are still several layers of fees that need to be paid and agreements that need to be signed in order to comply with AACS Licensing Agency (AACS LA) rules. Which fees and agreements you are responsible for depend largely on whether you are the owner/distributor of the content, or whether you are a facility who is only responsible for the authoring of the Blu-ray disc.

Summary of the Process and Associated Fees

In most cases involving independently-produced (non Hollywood-studio) Blu-ray replication, the process and fees can be summarized as follows:

1. The content owner signs the Content Provider Agreement with AACS LA and pays either a one-time fee of \$3,000 or the content owner can elect to pay \$500 per year up to a maximum of \$5,000.
2. The Content owner applies for an ISAN number and provides that to the authoring facility (or the authoring facility can obtain the ISAN number). An ISAN number is required if your disc has managed copy features. If you are not yet implementing Managed Copy features, you do not need an ISAN number.
3. The Authoring facility authors the disc and sends the BDCMF image to the replicator.
4. Replicator applies media keys to the disc image and proceeds with replication. AACS-related fees collected by the replicator are approximately \$500 per key plus \$.04 cents per disc. This covers the cost of the media keys and the per-disc costs associated with the Content Provider Agreement.

The Content Provider Agreement



Before AACSLA media keys will be assigned to a project, a Content Provider Agreement must be executed with AACSLA. Generally speaking, it is the responsibility of the content owner/distributor to sign this agreement. If there are several layers of owners/producers/distributors involved in a project, only one of them needs to execute the agreement and pay the required fee.

The Content Provider Agreement can be downloaded from the AACSLA website here:
http://www.aacsla.com/license/AACS_Content_Provider_Agrmt_090619.pdf

Content Provider Fees

You will see in Exhibit B that there are two types of Content Providers: “AACSLA Basic Content Provider” and “AACSLA Volume Content Provider.” If you generally replicate fewer than 1.3 million Blu-ray discs in a year, you are a Basic Content Provider.

Exhibit B details the fee structure. A Basic Content Provider can now choose to pay a one-time fee of \$3,000 (U.S.) upon execution of the Content Provider Agreement (AACSLA sends an invoice when they counter-sign the agreement), or he can pay \$500 per year up to a maximum of \$5,000 (10 years). A Basic content provider is also responsible for a royalty fee of \$.04 cents per disc and an order fulfillment fee of \$500. However these fees are paid by the replicator and passed on to you.

AACSLA only needs the signature pages of the agreement. They like you to fax them so they can review for any errors, then they will ask you to send an original by mail. That’s when they send you an invoice.

ISAN Code

An ISAN (International Standard Audiovisual Number) is required for Blu-ray titles that are going to replication (prior to December 2009 an ISAN was optional – the updated managed Copy requirements made an ISAN mandatory).



The fee for an ISAN is 35 Swiss Francs (CHF) which is about \$34 U.S. Dollars. Information about applying for an ISAN can be

found here: <http://www.isan.org/docs/How%20to%20get%20an%20ISAN%20for%20HD.pdf>

For more information about ISAN requirements, please read the wikipedia: [Understanding Managed Copy Requirements](#).

Fees Paid to the Replicator

To streamline the process, the rest of the fees are generally handled by the replicator. Replicators have signed the Content Producer Agreement with AACS LA, which allows them to buy and receive the coveted media keys. The replicator's fees, Order Fulfillment Fee (part of the Content Provider Agreement) plus the media key fees are generally presented to you as a single cost as part of the replication run. As mentioned before, that cost is \$500 per key. If you re-run a title that had been previously replicated, the fee is lower because they do not need to re-purchase the media keys.

Replicators will also charge you the per-disc fee that is required in the Content Provider Agreement. Most replicators say they are not marking up the AACS fees at all, but then charge you \$.05 cents per disc. Feel free to let them know that you have read the Basic Content Provider Agreement and you know that the fee is only \$.04 cents. It's unlikely they'll give you a discount but at least it shows you know what you're talking about. In theory you could pay this per-disc fee directly to AACS LA but it is much easier for everyone to track when the replicator does it for you.

Reputable replicators will procure the media key and apply it to your disc prior to replication. Some replicators suggest that you need to input the media key into your authoring application as part of the BDCMF formatting process. Ask lots of questions if your replicator suggests this! AACS LA does not want the media keys floating around. Your replicator should handle all of that for you.

Other items...

You may notice that there is also a Content Participant Agreement listed on the AACS LA website. This is similar to the Content Provider Agreement, but grants some expanded legal rights to the content owner. This agreement is really aimed at movie studios and comes at a high price point: \$40,000 annually.