

# Sinclair Broadcast Group, Inc. Chooses to Initiate Largest Local Channel Blackout in History of Television and Intentionally Exploit Millions of Innocent Consumers, Says DISH

*Sinclair attempts to gain negotiating leverage for carriage of unrelated cable channel that the broadcaster hopes to acquire but does not own today  
DISH confirms that DISH and Sinclair agree on rates and all other terms for carriage of Sinclair's local channels, but Sinclair blacks out customers to gain leverage for carriage of unrelated cable channel it hopes to acquire but does not own today*

*Sinclair rejects DISH offer of an additional extension of the existing local channel contract, with retroactive "true-up" for new rates, which would keep local channels up for benefit of consumers while negotiations continue  
DISH Reignites Call for FCC Action*

ENGLEWOOD, Colo.--([BUSINESS WIRE](#))--  
Despite reaching an agreement on rates and all other terms for the carriage of the Sinclair local stations, DISH said that this afternoon Sinclair Broadcast Group, Inc. chose to begin the largest local channel blackout in the history of television, blocking DISH customers' access to 129 local channels in 79 markets across 36 states and the District of Columbia, and intentionally harming and exploiting millions of innocent consumers to gain negotiating leverage for carriage of an unrelated cable channel that it hopes to acquire but does not own today.

"We have agreed to rates and all terms to carry Sinclair's local stations," said Warren Schlichting, DISH senior vice president of programming. "But Sinclair is blacking out 129 local stations in an effort to negotiate a carriage agreement for an unrelated cable channel that it hopes to acquire, but does not

“We appreciate that we have mutually created time to try to find the right path to serve consumers for these 23

own today.”

Schlichting continued: “Sinclair rejected our extension offer and has chosen to use innocent consumers as pawns to gain leverage for the economic benefit of Sinclair, while causing substantial harm and disruption to the lives of consumers.”

DISH and Sinclair had been making steady progress in their recent negotiations, and DISH was hopeful that they would come to a mutual agreement to renew carriage of the Sinclair local stations. In that spirit, DISH offered another short-term contract extension to Sinclair that would include a retroactive “true-up” when new rates were agreed upon, and would preserve the ability of DISH customers to access the Sinclair local stations while our negotiations continued. The “true-up” would ensure that Sinclair was made whole at the new rates for the period of any contract extension.

Rather than accept DISH’s good faith offer, Sinclair Broadcast Group chose to begin the largest local channel blackout in the history of television, blocking DISH customers’ access to 129 local channels in 79 markets, and intentionally harming and exploiting millions of innocent consumers to gain negotiating leverage for carriage of an unrelated cable channel that it hopes to acquire but does not own today.

“Since we offered to retroactively true them up when new rates were agreed upon, Sinclair had nothing to lose and consumers had everything to gain from an extension of our existing contract that would allow negotiations to continue,” said R. Stanton Dodge, DISH executive vice president and general counsel. “Instead, Sinclair rejected our offer and has chosen to use innocent consumers as pawns to gain leverage for the economic benefit of Sinclair, while causing substantial harm and disruption to the lives of those very same consumers who ultimately will bear the brunt of the unreasonable terms sought by Sinclair.”

DISH Network L.L.C. is a wholly-owned subsidiary of DISH Network Corporation (NASDAQ: DISH).

### **DISH Re-ignites Call for FCC action**

DISH filed a complaint with the Federal Communications Commission (FCC) on Aug. 15 urging the FCC to intervene to protect consumers from the actions of Sinclair.

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The formal complaint can be read here: <http://about.dish.com/document-library/verified-retransmission-complaint-dish-network-llc-against-sinclair>

DISH intends to amend the complaint to include allegations stemming from Sinclair's decision to blackout local channels to millions of innocent consumers to gain negotiating leverage for carriage of an unrelated cable channel that it hopes to acquire but does not own today.

"Sinclair is holding consumers hostage in order to force our hand in unrelated negotiations regarding a cable channel that Sinclair hopes to acquire but does not own today," added Dodge. "We've asked for swift action from the FCC to stop Sinclair's anti-competitive behavior."

DISH extended its contract with 23 local non-Sinclair controlled stations for which Sinclair had been attempting to negotiate.

"We appreciate that we have mutually created time to try to find the right path to serve consumers for these 23 stations, but we hoped Sinclair would have chosen that same path," added Schlichting.

### **Broadcaster Blackouts Punish Consumers**

"Sinclair's decision to cut ties with DISH customers is a prime example of why Washington needs to stand up for consumers and end local channel blackouts," said Dodge. "Broadcasters like Sinclair use their in-market monopoly power to put profits ahead of the public interests they are supposed to serve."

DISH has appeared on behalf of pay-TV consumers before the FCC, as well as U.S. Senate and House hearings, to encourage regulators and lawmakers to update existing video laws and reform the current system that allows these blackouts to occur.

"Broadcasters like Sinclair are blacking out content, effectively forcing consumers to switch to other pay-TV providers – providers that may soon face a blackout due to their own set of unreasonable broadcaster demands," added Dodge. "The system treats viewers as negotiating chips instead of consumers."

### **Rising Retransmission Rates**

Each year, the cost to carry local broadcast stations rises far beyond the rate of inflation, leading to blackouts across the country that affect millions of subscribers of various pay-TV companies. According to SNL Kagan, a media

industry source, broadcast fees burdening pay-TV consumers were as low as \$215 million in 2006, soared to \$4.9 billion in 2014 and are expected to more than double to reach \$10.3 billion in 2021.

Along with other pay-TV companies and public interest groups that form the [American Television Alliance](#), DISH has called for the FCC and U.S. Congress to revamp the out-of-date laws and to reform the system that favor these high fees and unnecessary blackouts.

DISH customers can visit [DISHPromise.com](http://DISHPromise.com) for more information and to ask Congress to end TV blackouts.

Sinclair's action affects viewers of various ABC, CBS, Fox, NBC, CW, MyNetwork, Univision, Telemundo, Azteca and Estrella stations in 79 markets. For a list of affected stations, visit <https://dishnetwork.newshq.businesswire.com/document-library/sinclair-stations>.

## About DISH

DISH Network Corp. (NASDAQ: DISH), through its subsidiaries, provides approximately 13.932 million pay-TV subscribers, as of June 30, 2015, with the highest-quality programming and technology with the most choices at the best value. Subscribers enjoy a high definition line-up with more than 200 national HD channels, the most international channels, and award-winning HD and DVR technology. DISH Network Corporation is a Fortune 250 company. Visit [www.dish.com](http://www.dish.com).

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