

Hearst Television Inc. blacks out DISH customers in 26 markets

Hearst rejects DISH offer to extend contract, including retroactive 'true-up' for new rates, which would keep local channels up for benefit of consumers while negotiations continue
Hearst turns back on public interest obligations – holds local viewers hostage to create 'deal leverage'
DISH advocates for FCC and Congress to put an end to broadcaster blackouts
Broadcaster fees rose to \$7.7 billion this year, estimates SNL Kagan

ENGLEWOOD, Colo. -- March 2, 2017 -- Despite DISH's offer to extend contract negotiations, tonight Hearst Television Inc. has blacked out DISH customers' access to its local channels in 26 markets across 30 states. The broadcaster has used the move to gain deal leverage as it seeks above-market rate increases nearly double the current DISH rate, and other unreasonable demands. Hearst has also refused DISH's offer to match the rates paid by other pay-TV providers.

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

"Hearst is blacking out millions of Americans for the second time since January," said Warren Schlichting, DISH executive vice president of Programming. "While we are listening to customers and working on their behalf to keep their TV bills manageable, Hearst is again turning its back on its public interest obligations and using innocent consumers as bargaining chips."

Hearst blacked out millions of DirecTV customers on January 1 after a retransmission consent agreement expired.

"With DISH willing to grant an extension and a retroactive true-up on rates, Hearst had nothing to lose and consumers had everything to gain by leaving the channels up," said Schlichting.

DISH and Hearst 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 its local stations. In that spirit, DISH offered a short-term contract extension to Hearst that would include a retroactive true-up when new rates were agreed upon, and would preserve the ability of DISH customers to access the Hearst stations while negotiations continued. The true-up would ensure that Hearst was made whole at the new rates for the period of any contract extension.

"We are actively working to negotiate an agreement that promptly returns this content to DISH's programming lineup," added Schlichting. "In the meantime, for some of our customers a simple indoor antenna can be a great way to receive these channels for free, over the air. We'll work with our customers to find alternative ways to watch programming."

Need for Retransmission Consent Reform

"Hearst'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 R. Stanton Dodge, DISH executive vice president and general counsel. "Broadcasters like Hearst use their in-market monopoly power to put profits ahead of the public interests they are supposed to serve."

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

Dodge continued: "We continue to urge the FCC and Congress to update a system that emboldens broadcasters to black out 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 leading source on the media industry, broadcast fees burdening pay-TV consumers were expected to reach an unprecedented \$7.7 billion in 2016. These same rates, for channels available free over the air, were as low as \$215 million in 2006, soared to \$4.9 billion in 2014 and are expected to more than double to reach \$11.6 billion in 2022.

DISH customers can visit DISHPromise.com for more information on how to watch their content on other channels, online, or free with an over-the-air antenna, as well as to ask the FCC and Congress to end TV blackouts.

Hearst Television Inc.'s action affects viewers of various ABC, CBS, CW, NBC, MyNetwork, and independent stations in 26 markets. For a list of affected stations, visit: https://dishnetwork.newshq.businesswire.com/sites/dishnetwork.newshq.businesswire.com/files/doc_library/file/Hearst_Television_Inc._Station_List.pdf

About DISH

DISH Network Corp. (NASDAQ:DISH), through its subsidiaries, provides approximately 13.671 million pay-TV subscribers, as of December 31, 2016, with the highest-quality programming and technology with the most choices at the best value. DISH offers 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 200 company. Visit www.dish.com.

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