

# First HBO Blackout Ever; Harms Competition and Consumers; AT&T Unfairly Targets Rural Americans on DISH

- *For the first time ever, AT&T, the new owner of HBO, blocks pay-TV customers from HBO and Cinemax channels*
- *AT&T-DirecTV-Time Warner mega merger has allowed the giant conglomerate to relentlessly exert power and influence over competing pay-tv providers and consumers*
- *Anticompetitive: AT&T seemingly intends to cut ties with competing distributors; attempts to force DISH to pay for customers who do not get HBO, in turn funding AT&T to give away HBO free-for-life to its own customers*
- *DISH welcomes binding, baseball-style arbitration to reach a fair market-based deal and restore channels for the benefit of consumers*

ENGLEWOOD, Colo., Nov. 1, 2018 /PRNewswire/ -- DISH and Sling TV announced today that AT&T has made the unprecedented move to pull HBO and Cinemax content from DISH and Sling TV subscribers, after making untenable demands designed specifically to harm customers, particularly those in rural areas, as well as damage competing pay-tv providers.

Despite an opposing antitrust lawsuit filed by the U.S. Department of Justice (DOJ), AT&T acquired Time Warner, including HBO and Cinemax, earlier this year. There were no guidelines set in place to ensure that AT&T "played fair" for HBO and Cinemax subscribers, regardless of their pay-TV provider.

"Plain and simple, the merger created for AT&T immense power over consumers," said Andy LeCuyer, DISH senior vice president of Programming. "It seems AT&T is implementing a new strategy to shut off its recently acquired content from other distributors. This may be the first of many HBO blackouts for consumers across the country. AT&T no longer has incentive to come to an agreement on behalf of consumer choice; instead, it's been given the power to grab more money or steal away customers."

On August 6, the DOJ appealed the Court's decision to allow the merger.

AT&T's first HBO blackout ever is exceptionally harmful to rural Americans who don't have the same broadband access as customers living in large cities. Customers with sufficient internet service can substitute HBO Now, the direct-to-consumer streaming offering from HBO. The majority of DISH's HBO subscriber base is located in rural areas with limited broadband access and likely won't be able to watch HBO or Cinemax without a satellite connection.

"AT&T's actions are a deliberate slap in the face to rural Americans," said LeCuyer. "And furthermore, they are anticompetitive. AT&T, a company worth more than \$200 billion, is intentionally punishing those who don't have big-city broadband access, in an attempt to push customers to the only other satellite provider, its own DirecTV."

"DISH was founded in 1980 as a company serving rural America," added LeCuyer. "We've been named the top pay-TV company in customer satisfaction by J.D. Power because we put our customers first. We're fighting back against AT&T on behalf of consumers in small towns across this country who want to be served, not used."

The market for HBO has changed since DISH last signed a carriage deal in 2015: HBO set the market price at \$15 per month with its launch of the direct-to-consumer HBO Now service; and AT&T has announced plans to launch a new direct-to-consumer HBO service next year.

"Usually when there is a programming dispute, we don't see eye to eye on rates; but HBO has already set the going rate, so now they're seeking to extract money a different way," said LeCuyer.

AT&T is demanding DISH pay for a guaranteed number of subscribers, regardless of how many consumers actually want to subscribe to HBO.

"AT&T is stacking the deck with free-for-life offerings to wireless customers and slashed prices on streaming services, effectively trying to force DISH to subsidize HBO on AT&T's platforms," said LeCuyer. "This is the exact anticompetitive behavior that critics of the AT&T-Time Warner merger warned us about. Every pay-TV company should be concerned."

DISH remains committed to finding a way to serve its customers. DISH would welcome binding, baseball-style arbitration to determine the fair market value of HBO and Cinemax. During the arbitration process, AT&T would be required to restore its channels to DISH customers.

"Rather than trying to force consumers onto their platforms, we suggest that AT&T try to achieve its financial goals through simple economics: if consumers want your product, they'll pay for it. We hope AT&T will reconsider its demands and help us reach a swift, fair resolution," added LeCuyer.

DISH and eligible Sling TV customers will be credited on their bill for time they do not receive HBO or Cinemax. DISH is also offering customers a free preview of HDNET Movies which showcases the best in box office hits and award-winning films, uncut and commercial free.

#### **About DISH Network L.L.C.**

Since 1980, DISH has worked on behalf of consumers to deliver innovation and value. Through its subsidiaries, the company provides television entertainment and award-winning technology to millions of customers. DISH Network L.L.C. is a wholly owned subsidiary of DISH Network Corporation (NASDAQ:DISH), a Fortune 250 company. Visit [www.dish.com](http://www.dish.com).

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