Fox Blocks Millions of DISH and Sling TV Customers from Local Channels, Cable Networks

- Fox removes local channels in 17 markets across 23 states and D.C.
- Fox pulls cable networks including FS1, FS2, Big 10 Network, Fox Soccer Plus and Fox Deportes
- Fox rejects DISH offer to extend contract

ENGLEWOOD, Colo., Sept. 26, 2019 / PRNewswire / -- DISH today reported that Fox Corporation blocked DISH and Sling TV customers' access to its local channels in 17 markets across 23 states and the District of Columbia (the full list of affected stations can be viewed here). Fox has also removed cable networks FS1, FS2, Big 10 Network, Fox Soccer Plus and Fox Deportes.

Fox is demanding a double-digit percentage rate increase for continued carriage of its local channels. Fox is also attempting to "force bundle" its local channels and unrelated cable networks to get more money and gain negotiating leverage.

At its <u>May investor day</u>. Fox executives promoted their plan to increase retransmission revenue by 62 percent, to \$2.6 billion by 2022.

"Taken together, Fox's actions are profoundly anti-consumer," said Andy LeCuyer, DISH senior vice president of Programming. "Fox is raising prices and turning its back on its public obligation to provide channels to consumers for free. It's clear that Fox cares more about padding its bottom line than serving its viewers."

"To add insult to injury, Fox pulled its channels right as viewers head into the heart of the NFL and college football season," continued LeCuyer. "We ask Fox to stop punishing its own viewers so we can focus on reaching a fair deal."

Affected customers can view NFL games using an over-the-air antenna or stream local and most primetime games for free on mobile phones and tablets via the NFL App.

Consumer Choice and Forced Bundling at Issue

In addition to blacking out local stations, Fox has also blocked DISH and Sling TV customers' access to its cable networks FS1, FS2, Big 1º Network, Fox Soccer Plus and Fox Deportes. Fox is attempting to get more money by "force bundling" its unrelated cable networks and leveraging its local channels.

"Fox is using local viewers as leverage to get more money for unrelated channels," said LeCuyer. "We simply don't think it's fair to use local viewers to raise rates on expensive, unrelated sports programming."

DISH Offer of Extension, True Up Rejected

DISH and Fox 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 Fox that would include a retroactive true-up when new rates were agreed upon, and would preserve the ability of DISH and Sling TV customers to access the Fox stations while negotiations continued. The true-up would ensure that Fox was made whole at the new rates for the period of any contract extension.

"Fox had nothing to lose and consumers had everything to gain by leaving its channels up," said LeCuyer. "Instead, Fox chose to harm its own viewers."

As DISH works to reach an agreement, the company is offering digital over-the-air antennas at no cost to DISH customers in the affected markets. Customers who use a digital antenna are able to access news, sports and popular network shows from Fox, and have the option to completely drop their local channels from their programming package to save \$12 on their monthly bill. DISH will install an antenna for qualifying customers in Fox markets based on the reception available at their home.

"A digital antenna is a great experience and solution for a growing number of customers," continued LeCuyer. "The channels integrate seamlessly into the Hopper interface. Plus, switching to antenna-delivered locals can unlock \$144 savings annually. We want to give customers the choice to save money."

Local station availability over the air is dependent on geographic location and topography. Consequently, some customer locations may not qualify for an antenna installation.

Another viewing alternative is offered by Locast, a free nonprofit service that provides local broadcast channels over the internet in select markets. Locast is available on connected DISH Hopper devices. Customers can visit <u>locast.org</u> to learn more.

Need for Retransmission Consent Reform

"Fox is using its mix of local and national channels against viewers, abusing outdated laws to try to force consumers to pay more. This greedy attempt to extort more money from our customers is one of the main reasons we – and our industry – are asking Congress to restore balance in the broadcaster-pay TV equation," said Jeff Blum, DISH senior vice president of Public Policy and Government Affairs. "We are asking lawmakers to reform outdated TV laws to give our customers the best viewing experience at an affordable price – without the threat of broadcaster blackouts."

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

Blum 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 Kagan, a leading source on the media industry, broadcast fees burdening pay-TV consumers are expected to reach an unprecedented \$16.3 billion in 2024. These same rates, for channels available free over the air, were as low as \$215 million in 2006. With a current annual increase of as much as 40 percent, the cost to deliver local channels is the fastest growing part of consumers' monthly pay-TV bills.

DISH customers can visit <u>DISHPromise.com</u> for more information.

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.