DISH urges FCC to take immediate action to protect millions of innocent consumers from unlawful negotiating tactics of Sinclair

DISH notifies FCC that Sinclair has threatened largest blackout in U.S. retransmission consent history to intentionally exploit millions of innocent consumers to gain negotiating leverage DISH asserts Sinclair is violating FCC good faith negotiation requirements mandated by Congress Complaint states Sinclair is attempting to negotiate illegally on behalf of 32 stations it doesn't control DISH requests that the FCC grant preliminary injunctive relief to protect consumers

WASHINGTON, Aug. 15, 2015 – Today, DISH Network L.L.C. filed a Verified Retransmission Complaint asserting, among other things, that in direct violation of Federal Communications Commission (FCC) rules mandated by the STELA Reauthorization Act of 2014 (STELAR), Sinclair Broadcast Group, Inc. is refusing to negotiate with DISH for retransmission consent for Sinclair's stations unless DISH also agrees to allow Sinclair to negotiate for 32 stations that Sinclair does not control and are in the same markets as Sinclair stations.

The retransmission consent contract between DISH and Sinclair expires tonight at 11:59 p.m. EDT.

DISH also charges that in violation of FCC regulation, Sinclair has assumed a unilateral stance to its negotiations, including the refusal of a contract extension so the parties can explore alternative paths toward an agreement.

"We're asking the FCC to act on behalf of consumers to bring Sinclair back in line with the law," said Jeff Blum, DISH senior vice president and deputy general counsel. "Sinclair's 'take-it-orleave-it' posture is in direct violation of federal regulations – they have offered a single path and are threatening that any deviation from that path will lead to a consumer blackout."

DISH and Sinclair have been making steady progress in their recent negotiations, and DISH was hopeful that mutual agreement would be reached to renew carriage of the Sinclair

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local stations in due course. In that spirit, DISH offered a 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 negotiations continued. The "true-up" would ensure that Sinclair was made whole at the new rates for the period of the contract extension.

Instead of accepting DISH's good faith offer, Sinclair is threatening the largest local channel blackout in retransmission consent history, which would block DISH customers' access to 153 local channels in 79 markets. Rather than negotiating in good faith as required by law, it is clear from these actions that Sinclair is seeking to intentionally harm and exploit millions of innocent consumers to gain negotiating leverage.

"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," added Blum. "Instead, Sinclair has 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 unfair price increases sought by Sinclair."

DISH is asking the FCC to immediately grant preliminary injunctive relief while the Commission considers the complaint, and to require Sinclair to negotiate in good faith for the stations for which it has control under FCC rules.

The formal complaint can be read here: <u>https://dishnetwork.newshq.businesswire.com/document-library/verified-retransmission-complaint-dish-network-llc-against-sinclair</u>

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 <u>www.dish.com</u>.

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