

# Tribune Broadcasting Company Blacks Out DISH Customers in 33 Markets; DISH Offers Free Over-the-Air Antennas to Affected Customers

*Tribune 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  
Tribune attempts "forced bundling" to gain negotiating leverage*

ENGLEWOOD, Colo.--June 12, 2016--([BUSINESS WIRE](#))--DISH reported today that Tribune Broadcasting Company chose to black out DISH customers' access to 42 local channels in 33 markets across 34 states and the District of Columbia, intentionally harming and exploiting millions of innocent consumers in an effort to raise carriage rates and gain negotiating leverage for an unrelated cable channel with declining viewership, WGN America.

While DISH works to reach an agreement, the company is offering "over-the-air" antennas at no cost so that customers in affected markets can watch Tribune's local broadcast channels for free.

"Tribune is demanding an unreasonable rate increase for channels that are available for free over the air," said Warren Schlichting, DISH executive vice president of Programming. "Actions like Tribune's are what drive price increases and feed customer frustration for our industry. With DISH's free antenna, customers will continue to receive Tribune channels for free over the air, along with dozens of other broadcast channels not normally available to pay-TV customers."

## FORCED BUNDLING AT ISSUE

In addition to asking for significant price increases for local channels, Tribune is attempting to "force bundle" an unrelated and low-performing cable channel, WGN America, with the media conglomerate's local broadcast stations.

"By attempting to force bundle its cable channel with its local broadcast stations, Tribune is using local viewers as leverage to raise rates for WGN America – a channel that is in decline," said Schlichting. "Tribune is seeking a significant rate increase despite decreasing viewership and recently losing access to Cubs baseball."

DISH viewership data reveals that viewership on WGN America is down on average more than 20 percent since the channel's launch as a cable network. Many of the shows available on WGN America are available on other channels carried by DISH.

"Consumers shouldn't have to pay twice for the same programming," said Schlichting.

## DISH OFFER OF EXTENSION, TRUE-UP REJECTED

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DISH was hopeful that it would come to a mutual agreement with Tribune to renew carriage of the media conglomerate's local stations. In that spirit, DISH offered a short-term contract extension to Tribune that would include a retroactive true-up when new rates were agreed upon, and would preserve the ability of DISH customers to access the Tribune local stations while negotiations continued. The true-up would ensure that Tribune was made whole at the new rates for the period of any contract extension.

"With DISH willing to grant an extension and a retroactive true-up on rates, Tribune had nothing to lose and consumers had everything to gain by leaving the channels up," said Schlichting. "Instead, Tribune chose to turn its back on its public interest obligations and use innocent consumers as bargaining chips."

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

## NEED FOR RETRANSMISSION CONSENT REFORM

Aggressive attempts to tie together cable channels and local broadcast network stations, when the market power of a local broadcast monopoly is used as a negotiation lever, is called "forced bundling." Typically, forced bundling arrangements lead to price increases out of line with market rates.

"Tribune's attempt to engineer a forced bundling arrangement of its cable channel and local broadcast stations is a prime example of why Washington needs to stand up for consumers," said R. Stanton Dodge, DISH executive vice president and general counsel. "Broadcasters like Tribune use their in-market monopoly power to put overall profits ahead of the public interests they are supposed to serve."

"Actions like these are precisely the reason that Congress has mandated, and the FCC has opened, a formal process to investigate tactics like this," said Dodge. "We also believe the FCC has the opportunity to investigate remedies like arbitration with interim carriage which could end broadcaster blackouts while preserving the interests of all parties."

The Federal Communications Commission issued a Notice of Proposed Rulemaking on September 2, 2015. Read the NPRM here: [http://transition.fcc.gov/Daily\\_Releases/Daily\\_Business/2015/db0902/FCC-15-109A1.pdf](http://transition.fcc.gov/Daily_Releases/Daily_Business/2015/db0902/FCC-15-109A1.pdf)

Along with other pay-TV companies and public interest groups that form the [American Television Alliance](#) (ATVA), DISH has asked the FCC to consider these and other tactics as violating "good faith" negotiations.

Read ATVA's comments on the NPRM filed with the FCC on Dec. 1, 2015 here: <http://apps.fcc.gov/ecfs/document/view?id=60001347759>

## 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 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.

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

Tribune Broadcasting Company's action affects viewers of various ABC, CBS, CW, Fox, NBC, MyNetwork, and independent stations in 33 markets. For a list of affected stations, visit: <https://dishnetwork.newshq.businesswire.com/document-library/tribune-broadcasting-company-stations-impacted>

## About DISH

DISH Network Corp. (NASDAQ:DISH), through its subsidiaries, provides approximately 13.874 million pay-TV subscribers, as of March 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](http://www.dish.com).

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