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DISH Petitions FCC to Deny Sinclair-Tribune Merger

ENGLEWOOD, Colo.--(BUSINESS WIRE)-- Citing substantial harm to competition and consumers, DISH Network L.L.C. petitioned the Federal Communications Commission (FCC) to deny the proposed acquisition of Tribune Media Company by Sinclair Broadcast Group, Inc. The nearly 200-page petition to deny is available here.

Among other things, the merger threatens the following harms:

- **Unprecedented Size:** It would turn Sinclair into the nation's largest broadcast conglomerate and lead to higher prices, more station blackouts, less choice, and less local news for millions of consumers. The resulting company ("New Sinclair") would:
  - Own over 500 television stations (accounting for individual multicast feeds), including 117 stations affiliated with a "Big-4" network;
  - Reach 72% of American households;
  - Own television stations in 108 of the country's 210 television markets, including 40 out of the top 50 designated market areas ("DMAs"); and
  - Own more than one station in 37 markets. (p. 2)
- **Higher Prices for Consumers:** A detailed economic analysis concludes that the increased broadcast group size and number of local market duopolies that will result from this transaction will empower New Sinclair to demand higher prices with impunity - price increases that will ultimately be borne by the American consumer. The key findings of DISH's experts are as follows:
  - Other things being equal, the larger the broadcast station group, the higher the retransmission fee paid by the MVPD;
  - Other things being equal, the more local station duopolies controlled by a broadcast group, the higher the retransmission fee paid by the MVPD;
  - The blackout of two stations in a local market costs MVPDs greater customer losses than the loss of one station, and is a more effective weapon for the broadcaster to threaten distributors into capitulation;
  - New Sinclair will likely demand and achieve greater price increases than each of Sinclair and Tribune standing alone;
  - Part of these price increases would likely be passed through by DISH and other distributors to consumers; and
  - One of the key factors contributing to rising retransmission fees is broadcaster consolidation. The Sinclair/Tribune merger would likely exacerbate the trend towards higher retransmission fees. (p. 3)
- **Harms to Localism:** Sinclair's practices - which Sinclair proposes to export to the Tribune stations - amount to a systematic assault against local content. (p. 6) Sinclair has a long record of buying a station, hollowing out its talent, and replacing its locally-produced programming with centrally produced content. A list compiled by DISH details a practice of brutal job and cost cuts at no fewer than 27 Sinclair-owned stations. (p. 7)
- **The Transaction Violates FCC Rules:** As the media ownership rules stand, the Applicants propose a transaction that violates the Commission's rules… The Applicants should refile their Application accompanied by a waiver request or a divestiture commitment. (p. 9)

A copy of the full petition to deny is available here:
https://dishnetwork.newshq.businesswire.com/sites/dishnetwork.newshq.businesswire.com/files/doc_library/file/DISH_Petition_to_Deny_Sinclair-Tribune_Merger.pdf

About DISH

DISH Network Corp. (NASDAQ:DISH), through its subsidiaries, provides approximately 13.332 million pay-TV subscribers, as of June 30, 2017, 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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DISH Network Corp.
Karen Modlin, 303-723-1850
Karen.Modlin@dish.com

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