

# News Release

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## **Time Warner Cable Effectively Refuses To Arbitrate Retransmission Consent Negotiation With Sinclair**

(BALTIMORE) December 16, 2010 – Sinclair Broadcast Group, Inc. (Nasdaq: SBGI) announced that Time Warner Cable has effectively refused Sinclair's offer to submit the retransmission consent negotiation with Sinclair to binding arbitration. Although Time Warner Cable may claim that it is prepared to submit the matter to arbitration, any such commitment is illusory in light of the unreasonable conditions that Time Warner Cable placed upon its so-called consent to arbitration.

Among these onerous conditions were (1) that the arbitration would only relate to a small number of the television stations covered by the existing agreement that terminates on December 31, 2010, (2) that the arbitration would be conducted in complete secrecy with no access to information for the public and (3) that the arbitrator would be very limited in the evidence that could be considered in the arbitration. Specifically, with respect to this last condition, Time Warner Cable would refuse to allow the arbitrator to review evidence of amounts that Time Warner Cable pays for the right to carry any channel other than a local broadcast station, and even in the case of local broadcast stations Time Warner would not permit the arbitrator access to the amount it pays for stations owned by the broadcast television networks. In addition, Time Warner would refuse to provide the arbitrator access to the amount it would pay to receive FOX network programming in the Sinclair markets, programming that is identical to the programming that Sinclair would provide to Time Warner Cable.

"It is unfortunate that despite their public demands for arbitration in the event of retransmission consent impasses, when presented with a real opportunity to serve the public interest, Time Warner Cable has now demonstrated no real interest in a fair arbitration process," commented Barry Faber, Sinclair's Executive Vice President and General Counsel. "By imposing limitations on what evidence an arbitrator would be permitted to see, Time Warner Cable is attempting to tilt the playing field in their favor rather than allowing an impartial third party the opportunity to make a reasoned decision based on all applicable information," continued Mr. Faber. "Clearly, the public thinks the amounts Time Warner Cable pays for all programming are relevant to the amount that Time Warner would pay for these channels, as evidenced during a recent Congressional hearing on retransmission consent when Senator John Kerry asked Time Warner Cable's CEO, Glenn Britt, how much they pay for ESPN, a question Mr. Britt claimed not to be able to answer. We also think it is disingenuous for Time Warner to claim to be in favor of arbitration, while at the same time unilaterally refusing to submit to arbitration with respect to approximately half of the television stations involved in the negotiating impasse."

“Time Warner Cable’s actions demonstrate that they are discriminating in the price they are willing to pay for local broadcast stations,” noted David Smith, Sinclair’s President and CEO. “In order for an arbitrator, the public and the FCC to understand how unreasonable Time Warner Cable is being, they need to disclose the price they pay for all of the programming they acquire. We are confident that the price we are requesting to be paid for our highly rated television stations is a fraction of the amount that Time Warner pays for far less popular programming. Their unwillingness to share this vital information and their desire to cloak the arbitration process in secrecy is further evidence of this unreasonable and discriminatory behavior. In order to avoid being a victim of Time Warner’s behavior, the public needs to know whether or not the money they entrust to Time Warner Cable is being used in a rational manner to obtain the programming that is most important to Time Warner Cable’s subscribers. We do not believe that is the case today given that a recent consumer study confirmed that CBS, ABC, FOX and NBC programming makes up the four most important “must have” programming for consumers,” concluded Mr. Smith, “and we again call on Time Warner Cable to agree to a fair and public arbitration process, complete with disclosure of all their programming expenditures.”

Sinclair first raised the possibility of arbitration to Time Warner Cable because Sinclair was hopeful that Time Warner Cable would live up to its stated willingness to resolve retransmission consent negotiations through a fair arbitration process. Despite Time Warner Cable’s initial unwillingness to stand behind its words, Sinclair again called on Time Warner Cable to indicate that it is prepared to arbitrate (1) with respect to all stations covered by the expiring contract, (2) in an open and public manner and (3) in a forum allowing the arbitrator access to all information that the arbitrator (not Time Warner Cable) believes is relevant to the decision. Although Sinclair would be prepared to allow Time Warner Cable to continue to carry the stations during such a fair arbitration proceeding, Time Warner Cable has responded to our second call for arbitration with the same unreasonable conditions. As a result, and as we have previously advised the public, we do not expect Time Warner Cable to carry the effected television stations after December 31, 2010.

The television stations and markets involved (some of which are managed, but not owned by Sinclair), that are subject to being lost to more than five million (5,000,000) Time Warner Cable subscribers, are: WTTA (Tampa, FL), WLFL & WRDC (Raleigh, NC), WCGV & WVTM (Milwaukee, WI), KABB & KMYS (San Antonio, TX), WSYX & WTTE (Columbus, OH), WSTR (Cincinnati, OH), WUTV & WNYO (Buffalo, NY), WSYT & WNYS (Syracuse, NY), WXLV & WMYV (Greensboro, NC), WRGT & WKEF (Dayton, OH), WGME (Portland, ME), WUHF (Rochester, NY), WDKY (Lexington, KY), WCHS & WVAH (Charleston, WV), WABM & WTOO (Birmingham, AL), WTAT & WMMP (Charleston, SC), WEAR (Pensacola, FL), WTVZ (Norfolk, VA), WPGH & WPMY (Pittsburgh, PA), WTWC (Tallahassee, FL) and KBSI (Cape Girardeau, MO).

Sinclair Broadcast Group, Inc., one of the largest and most diversified television broadcasting companies, owns and operates, programs or provides sales services to 58 television stations in 35 markets. Sinclair's television group is affiliated with all major networks and reaches approximately 22% of all U.S. television households. For more information, please visit Sinclair's website at [www.sbg.net](http://www.sbg.net).