

News Release

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SINCLAIR RESPONDS TO SENATOR KERRY

BALTIMORE (January 11, 2010) -- Sinclair Broadcast Group, Inc. (Nasdaq: SBGI), the "Company" or "Sinclair," today released a copy of a letter sent on January 8, 2010 to Senator John Kerry from David Smith, President and Chief Executive Officer of Sinclair. In his letter, Mr. Smith addresses the Mediacom retransmission dispute and the need to allow the free market to work without government intervention.

About Sinclair:

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 reaches approximately 22% of U.S. television households and is affiliated with all major networks. Sinclair owns equity interests in various non-broadcast related companies. The Company regularly uses its website as a key source of Company information and can be accessed at www.sbgi.net.

Below is the full text of Mr. Smith's letter to Senator Kerry:

May 13, 2015

The Honorable John F. Kerry
United States Senate
218 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Kerry:

I am writing in response to your letter of December 30, 2009. I am also writing to address the position of Mediacom as set forth in the letter you received on January 7th from their CEO.

Although we share your concern for the public interest and are pleased to have reached agreement with Mediacom, I trust you can see through Mediacom's blustery rhetoric to understand that their true interest lies not in serving the public interest, but rather in maximizing their profits by receiving government intervention to avoid paying fair, market-driven consideration for the right to retransmit broadcast television programming.

Mediacom's argument essentially boils down to a self-serving claim that because local broadcast stations are free over-the-air this should give a private, for profit company like Mediacom a special right to use this programming without paying an appropriate fee to do so. Were this the case, video bootleggers could simply record popular broadcast programming over-the-air onto DVDs and sell boxed sets of the entire season at prices far below the selling price of those who actually pay to acquire the valuable rights to sell such programming. Similarly, XM Satellite Radio would have no need to produce its own programming since in the world envisioned by Mediacom, XM could just rebroadcast popular programming that it picks up for free over-the-air from broadcast radio stations. These examples point out the absurdity of Mediacom's position and aptly illustrate that although broadcasting is free to the public, this provides no special right for a private business to use such programming in a for profit enterprise. In fact, taking away this special right was precisely the intent of the law Congress passed in 1992 establishing the retransmission consent regime.

Mediacom uses programming from broadcast stations as one of its most important assets in attracting and retaining subscribers. That this is the case is clear from the public interest in the recent negotiations between Sinclair and Mediacom. Nonetheless, Mediacom pays broadcasters much less than they currently pay for many program streams which are far less important to their customers. This disparity seems fundamentally unfair to us.

The promise of the 1992 retransmission consent legislation - that broadcasters would receive fair compensation - has yet to be fully realized, but we believe the free market is finally beginning to move in that direction. The recent success of FOX in receiving compensation from Time Warner Cable for its highly rated stations, coupled with the decision by Cablevision to remove The Food Network and HGTV from its line-up rather than pay exorbitant price increases for these low rated programming services reflect a movement toward a resetting of program acquisition fees consistent with consumer demand. Such a redistribution of fees, delayed as it has been by prior Federal law (which allowed cable companies to retransmit broadcast stations without obtaining permission or paying compensation) and the monopoly position of cable providers during most of the 1990s, has been a long-time coming and will require more time to occur fully. Allowing this to happen, however, through powerful free market forces unfettered by government interference, will truly meet the public interest by ensuring that cable companies properly allocate the public's money to pay for the most popular and demanded programming.

Although Sinclair is pleased to have reached agreement with Mediacom, a company which clings to the past practice of underpaying for its most important revenue generating assets and which has had other issues acquiring the right to broadcast programming popular with its customers, such as the NFL Network and the Big 10 Network, I do not agree that that the failure to have reached agreement would have meant

Senator Kerry
May 13, 2015
Page 3

Sinclair neglected the interests of the public that rely on our stations. Nor do I agree with Mediacom's claim that had agreement not been reached, that Mediacom's customers would have been denied access to programming. These stations are available to the public completely for free over-the-air, as well as from numerous competitors of Mediacom that have reached agreement with Sinclair without seeking government intervention.

I understand from press accounts that following the announcement of the Time Warner Cable/FOX negotiations you indicated an interest in speaking with those parties in order to better understand the situation. Sinclair would be pleased to also be part of such discussions with you and your staff, in order to provide you with our insights on the retransmission consent process.

Thank you for your interest in this matter.

Sincerely yours,

David D. Smith
President and CEO

Mediacom's continued efforts to paint Sinclair as the bad actor in all of this does nothing more than point out the disingenuous and partisan nature of their claims. Characterizing a failure to reach agreement as Sinclair denying programming to Mediacom subscribers is no more accurate than describing the situation as a denial by Mediacom. In the same way Sinclair takes the position that Mediacom cannot carry a station unless Mediacom pays a price acceptable to Sinclair, Mediacom is taking the position that Mediacom will not carry a station unless Sinclair receives a price that is acceptable to Mediacom.
