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Content Strategy & Development

October 27, 2011

BY E-MAIL AND HAND DELIVERY

William T. Lake
Chief
Media Bureau
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, DC 20554

Dear Mr. Lake:

I want to alert you to a disturbing development that relates to the broadcast stations owned and operated by Fox Broadcasting Company, Inc. ("Fox"). Specifically, in the midst of a dispute over cable programming, Fox is using misleading advertising informing DIRECTV customers that "soon, in some markets, you may lose your local Fox station," even though our retransmission consent agreement does not expire for over two months. Furthermore while Fox continues to run these misleading ads, Fox has refused to provide us a separate offer for the continued carriage of its broadcast stations.

The carriage agreement between DIRECTV and a number of cable networks controlled by Fox Cable Networks, Inc. expired on September 30. Although the parties have been negotiating for months, Fox continues to demand that DIRECTV customers pay significantly more for the same channels they already receive. At present, DIRECTV is carrying this programming under an interim extension agreement. If a new deal is not reached, DIRECTV will suspend carriage of these cable channels on November 1.

Even if the Fox cable channels are no longer carried on November 1, the broadcast stations are covered under a separate agreement, which does not expire until December 31. Fox, however, is running advertisements asserting that DIRECTV viewers "soon could even lose" the Fox broadcast stations in their local markets. One such advertisement ran in the widely-circulated Los Angeles Times editions for Sunday, October 23, a copy of which is attached hereto. In addition, Fox's television advertisements on its local broadcast stations state that viewers could lose local channels (showing clips from Glee and NFL games) that are not subject to this agreement.

Ironically, at the same time it is airing these warnings, Fox has repeatedly refused to provide us with a separate offer for carriage of the Fox broadcast stations.

On the one hand, Fox has refused to negotiate in good faith for carriage of the broadcast stations. At the same time, it is informing DIRECTV customers that they may soon lose access to such stations, purposely conflating a potential November 1 deadline for cable programming with the additional loss of broadcast programming the delivery of which is assured through the end of the year. Fox is clearly abusing the public trust by its deliberate attempt to confuse and alarm consumers. Such conduct is certainly not what the Commission had in mind when it made Fox a steward of the nation's airwaves entrusted to serve the public interest.

DIRECTV still hopes to arrive at a fair agreement with Fox before its subscribers are deprived of any programming. In the meantime, we have demanded that Fox immediately stop running advertisements that mislead consumers by suggesting that DIRECTV subscribers may not be able to receive Fox broadcast stations. To date, Fox has failed to do so.

Sincerely yours,



Derek Chang

Attachments

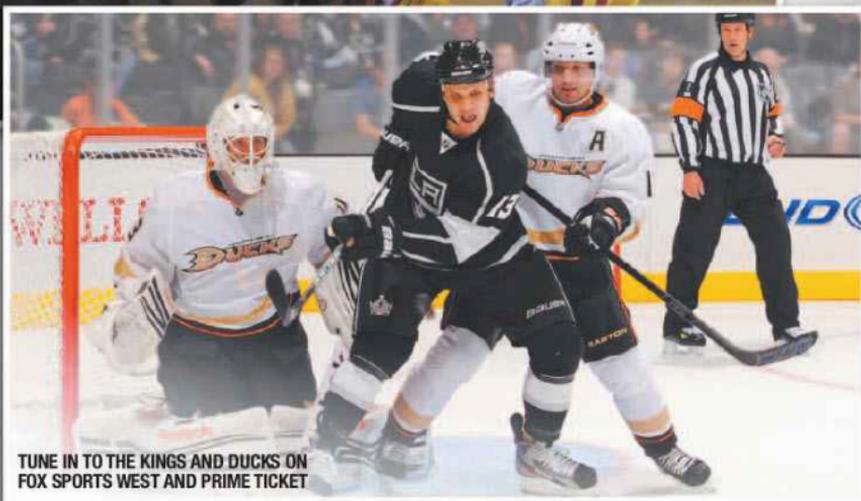
cc: Marlene H. Dortch (by electronic filing)

DIRECTV CUSTOMERS:

GAME OVER.



TUNE IN TO THE TROJANS AND THE BRUINS ON PRIME TICKET



TUNE IN TO THE KINGS AND DUCKS ON FOX SPORTS WEST AND PRIME TICKET

ON NOVEMBER 1ST DIRECTV WILL DROP:



AND SOON, YOU COULD EVEN LOSE FOX 11 AND my 33!

GET DIRECT WITH DIRECTV.

KeepMyNets.com 866-KEEP-MY-NETS
(1-866-533-7696)

 twitter.com/keepmynets



 facebook.com/keepmynets

STILL AVAILABLE ON:  Charter  COX  dish NETWORK  TIME WARNER CABLE

AD CODE: FOXAD-3076

SOURCE: Los Angeles Times-OCT 23 11

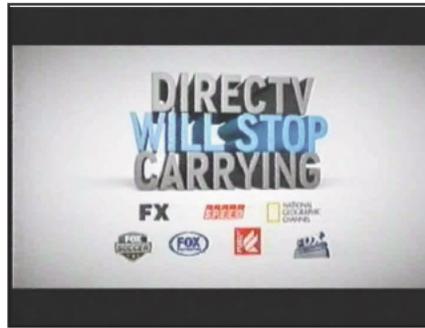
Competitrack

Advertiser: Fox
Product: Advocacy
Title: Take Action (Fox 29)
Ad Code: FOXAD-3097

First Date: 10/26/11
Source: Philadelphia
Length: 10
New/Recut: Recut



(Music)
VOICE OVER: On November 1st...



DirecTV will stop carrying...



FX...

Text: Tune in to college football on FX



Speed...



and more.

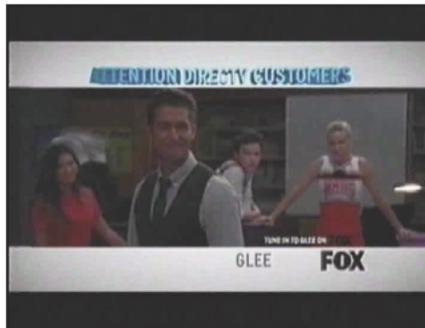


And soon...

Text: Tune in to NFL FOX



you could even lose...



Fox 29.



Get direct...

Text: OTHER PROVIDERS IN YOUR AREA



with DirecTV.



To find other providers...



go to KeepMyNets.com today.
(Fade out)

Text: KeepMyNets.com

- Tapes and MPEGs can be ordered by contacting us at 718.482.4211 -

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