



February 14, 2023

Bryan E. Leib
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Dear Mr. Leib –

I am writing on behalf of DIRECTV in response to the letter, dated February 7, 2023, sent to Bill Morrow, CEO of DIRECTV, and others by U.S. Jewish community leaders regarding Newsmax carriage on DIRECTV. A copy of the letter is attached.

We take very seriously the concerns expressed in your letter, and we would be happy to meet with you to discuss them in detail. We agree with you that it's important to include a wide range of perspectives in our channel line-up, and doing so is a cornerstone of our value proposition to our customers. In fact, we were one of the first pay TV operators to distribute Newsmax when the channel was founded nearly a decade ago. In addition, DIRECTV is pleased to distribute the Jewish Broadcasting Service.

Put simply, this is a typical business dispute that has nothing to do with ideology, politics or censorship – despite unfounded accusations to the contrary by Newsmax, its CEO, its commentators and others.

Please allow me to share a few quick points for context:

- When DIRECTV's prior agreement with Newsmax was set to expire, Newsmax advised us that it would extend our right to distribute the channel only if we agreed to pay tens of millions of dollars in licensing fees – a cost we would have to pass along to all of our customers. We did not agree. No other major pay TV operator in the market currently pays per subscriber fees to carry the channel.
- Newsmax insisted on its terms – as is its right to do – and we insisted on ours. Lacking continued authorization to distribute Newsmax, DIRECTV was forced to remove the channel from our lineup.
- Although not currently available on DIRECTV, Newsmax continues to be available on most other major pay TV operators and is also available free of charge on Newsmax's website and on platforms like Roku and Amazon Fire.
- Newsmax's claims that DIRECTV is biased against conservative voices is untrue. Importantly, DIRECTV recently launched The First, a conservative news and commentary channel featuring Bill O'Reilly, Jesse Kelly, Liz Wheeler, and Dana Loesch, among others.
- DIRECTV carries five channels that most people would consider to be predominately news: Fox News, CNN, MSNBC, The First and NewsNation. By most people's measure, of these two lean conservative (Fox News and The First), two lean liberal (CNN and MSNBC) and one is a new channel that is advertising that it is news focused and in the center (NewsNation). Of these Fox News is by far the leader in terms of audience and household penetration. Newsmax, when we distributed it, was a distant fourth among news channels to Fox, MSNBC and CNN.

For both sides, the ongoing dispute comes down to economics. We want to provide our customers with the robust level of programming that they expect without unnecessarily increasing their financial burden. Newsmax seeks to change its business model by starting to charge pay TV providers to distribute its

channel and, in exchange, to make its channel only available to subscribers of such pay TV services. In other words, under its proposed new model Newsmax will cease to be viewable by the more than 55 million households (40% of all U.S. households) that do not have a pay TV subscription. Clearly in this instance Newsmax favors profits over access.

Additionally, it's troubling that Newsmax is using its news/editorial platform to publish inaccurate and misleading information regarding our contract dispute. Each day, the news outlet is publishing nearly two dozen blogs on its website and dozens of posts on its main social handle, creating targeted content for its commentators, leveraging its network of contributors and dedicating significant airtime each hour to our business dispute. In our view these efforts are obscuring facts in pursuit of Newsmax's own commercial interests, not elucidating the news.

Ultimately, contracts require an agreement between parties. That's what the free market is all about. We continue to be willing to negotiate with Newsmax in good faith, but believe it is our duty to protect our customers and preserve our right to provide the network at the right price, if we choose to do so.

Carriage disputes are frustrating for all. Unfortunately, they have long been part of our industry. Just like other pay TV operators, we have in the past experienced outages with other content providers. Typically, they are temporary. After networks withdraw their content, we continue to negotiate, and the parties ultimately reach agreement. We hope this matter can be resolved in the same way.

DIRECTV values your support and that of the Jewish community. We hope this letter provides helpful clarification. We would be happy to discuss this further and answer any questions.

Sincerely,



Michael Hartman
General Counsel and Chief External Affairs Officer

Cc:

Rabbi Arthur Schneir
President, Appeal of Conscience

Alan Dershowitz
Harvard Law School

Abraham Foxman
Fmr. National Director Antidefamation League

David Friedman
Former US Ambassador to Israel

Malcolm Hoenlein

Morton A. Klein
National President, Zionist Organization of
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Joseph Lieberman
U.S. Senator

Matt Brooks
CEO Republican Jewish Coalition

Josh Hammer
Opinion Editor, Newsweek

Norm Coleman
U.S. Senator

Jason Greenblatt
Former White House Special Envoy to Middle
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Len Khodorkovsky
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Rabbi Steven Burg
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Rabbi Boruch Wolf
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Rabbi Yoel Schonfeld
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