DIRECTV CAN'T REACH AGREEMENT WITH TRIBUNE, COMPLAINS TO FCC

At the end of last Saturday, March 31st, DirecTV subscribers lost their stations from the Tribune Broadcasting Company. This entails 23 stations in 19 cities, as well as cable network WGN America. Tribune also includes local broadcasts of networks such as Fox and The CW. The two companies were unable to reach an agreement in time to avoid stations going dark. Over five million DirecTV subscribers within some of the country's biggest markets, including New York, Los Angeles and Chicago, were affected by an argument how much Tribune would be paid to allow DirecTV to carrying its stations. A dispute over whether or not a "handshake deal" ever took place, however, has invariably led DirecTV to file a FCC (Federal Communications Commission) complaint against Tribune. Reportedly this significant shaking of hands occurred just two days prior to the expiration of the contract between the businesses. The FCC typically avoids clashes concerning retransmission, as it has very little authority in the matter. DirecTV's complaint claims that the Tribune had agreed to a deal before the stations were pulled and that it failed to negotiate "in good faith," further citing "Wall Street greed" in Tribune's decision to allow the stations to go dark. Derek Chang, executive vice president of Content Strategy and Development for DirecTV, wrote in the FCC complaint: "Two days prior to expiration of the existing carriage arrangement, the parties reached an agreement in principle for continued carriage. The following day, however, Tribune reneged on that agreement. Tribune later confirmed that its management had been overruled by the hedge fund and investment bank creditors that hold the company's debt, including Oaktree Partners, Angelo Gordon, JP Morgan Chase, Bank of America and Citibank." The complaint also stated that DirecTV was unsure with whom the company should be discussing a deal: Tribune's creditors or its CEO, Eddy Hartenstein. Hartenstein was formerly the president of DirecTV. Tribune released a statement in response to the FCC complaint, refuting DirecTV's allegations of "outrageous conduct," claiming that the company's reactions, with regard to the reputed handshake deal fallout, are "nothing more than negotiating tactics in an attempt to unfairly disadvantage Tribune from receiving fair market compensation from DirecTV." The company further noted that it had not hastily transferred to creditors its broadcast licenses. Tribune's statement likewise stressed that the deal that DirecTV claims happened did not, in fact, happen. The statement had this to say: "Over the course of any negotiation, parties may agree in principle on some terms and disagree on others, but it takes closure on all terms by both parties to reach an agreement. We never reached agreement with Direct on all the terms of the contract, no in principle, not by handshake and not on paper. We didn't have an agreement on Thursday, March 19, and we do not have an agreement now."