Charlie Ergen, chairman of satellite-TV provider Dish Network Corp., is a renowned card shark. Lately, he's been playing some high-stakes poker with the media industry's giants. The latest example: Mr. Ergen was willing to let his company's 14 million subscribers go without Fox News Channel and Fox Business Network after failing to come to a new carriage agreement with their parent company, 21st Century Fox . Dish dropped the channels Saturday night. The move has left Fox and industry observers wondering if Mr. Ergen is really willing to lose one of the most popular channels on pay-TV, or if he's simply bluffing to get more favorable terms.

The obvious risk for Dish is that consumers will shift to other providers. Already some Dish subscribers are defecting. "This was not resolved fast enough for me," Don Poole of Salem, Ore., said in an email. "I resolved it by cancelling Dish and starting with Comcast." Dish argues that Fox is trying to extract better terms for channels not covered by the Fox News and Fox Business agreements. Tim Carry, the Fox News executive in charge of distribution, said the deal rejected by Dish is the same one that other distributors have accepted. As for the status of the talks, he said, "I'm hearing nothing but crickets." Until last year, 21st Century Fox was part of the same company as Wall Street Journal owner News Corp.

For Dish, every negotiation with a media company these days seems to lead to a brawl. In October, the satellite company dropped Time Warner Inc.'s CNN and Mr. Ergen disparaged the news channel, saying it's not a top 10 network "unless they find the Malaysian plane." The two sides reached a short-term deal after a month-long blackout. A dispute with CBS Corp. was also tense and led to a brief blackout of CBS on Dish, though it was quickly resolved.

Wall Street analysts and investors expect such battles to become more frequent and acrimonious over the next couple years, as programmers such as Fox seek higher fees from pay-TV operators to offset their own rising content costs and an uncertain advertising market. At the same time, distributors are grappling with a stagnating pay-TV market, as customers "cut the cord" in favor of cheaper online video options. "Cord-cutting is starting

to grow faster and advertising dollars are under pressure. Getting license fees ever higher is becoming that much more important, and I think that's creating the tension in the industry," says BTIG analyst Rich Greenfield.

One reason Dish is making more noise than other distributors is that five of its biggest rivals—Comcast Corp., Time Warner Cable Inc., Charter Communications Inc., DirecTV and AT&T Inc.—are tied up in regulatory reviews of pending mergers, and likely don't want to attract unwanted attention with major programming disputes, analysts say. Dish declined to comment.

Mr. Ergen has made clear how he believes these battles will play out: Some channels will simply get cut out of pay-TV packages for good. "He's moving aggressively to a newer model, with perhaps fewer, more important networks carried," said Chris Marangi, portfolio manager at Gamco Investors Inc., a Dish investor. "The question certainly is what networks he permanently drops."

On a conference call in November, Mr. Ergen said he believes eventually all the cable, satellite and phone companies are going to diverge from carrying nearly-identical lineups of TV channels on their services. "Mathematically, we're probably not going to be able to carry all the major [programmers] long-term, because we just don't want to raise prices to $100 a month," said Mr. Ergen. "We don't want any of our programming partners to drop off, but they'll self-select, and somebody's going to drop off. We'll lose some subscribers, but we'll net-net be cash-flow positive on it."

Mr. Ergen's swagger, sharp elbows and unpredictability are well known in the industry. He doesn't shy away from the negative publicity that comes with taking down highly watched programs. In 2012 Dish dropped AMC Networks for several months, depriving viewers of shows including "The Walking Dead" until a settlement was reached. Those who underestimate him do so at their own peril, say people who have sat across the table from him. "Charlie is smart, tenacious and usually thinking three moves ahead of the people with whom he is negotiating," said Preston Padden, a former senior Walt Disney Co. and Fox executive.

Mr. Ergen uses aggressive tactics to win favorable terms. Two years ago Dish released a digital video recorder with a new feature that lets users automatically skip over ads without even fast-forwarding. Broadcasters, who already had enough trouble getting viewers to watch commercials, were incensed.
That technology, though, has proved to be a bargaining chip in negotiations with media companies. Disney, for example, persuaded Dish to disable the feature for three days after a show airs, and in return agreed to license content to Dish for online distribution as part of a broader carriage deal.

While Dish's cable and phone company rivals can make up lost video subscriber revenue by charging for broadband access, Dish is still largely a satellite-TV business. That may help explain why it takes such a tough stance in programming negotiations. Mr. Ergen views Dish's disruptive products like its ad-skipping feature and planned online video service as needed technological advances to make TV relevant to a generation of younger viewers. "It's not very much fun at my age to work with people who just want to have a contract and follow you around with their contract all the time," Mr. Ergen said in November. "We're going to work with those people who want to do new things and want to try new things." – ***Wall Street Journal***

Comcast Corp.'s proposed $45 billion merger with Time Warner Cable Inc. has run into another delay, this time due to the failure of Time Warner Cable to produce necessary documents to the Federal Communications Commission in a timely manner. In a Monday letter to the merging parties, FCC Media Bureau Chief William Lake said Time Warner Cable improperly withheld more than 7,000 documents "based on an inappropriate claim of attorney-client privilege," something that came to the FCC's attention this month. And

last week, the FCC learned that TWC failed to send more than 31,000 documents to the commission due to a “vendor error.”

Mr. Lake said Time Warner Cable had initially advised the FCC it would produce the documents by Dec. 30, but after the FCC expressed concern about the delays, the cable operator said it would produce all the items by Dec. 22. The result of the late disclosures is that the FCC’s review of the Comcast-TWC merger, and Comcast’s side deal with Charter Communications Inc., has been delayed, Mr. Lake said. Parts of the review that were complete now “must be reopened” to weigh the evidence in the additional documents. “The magnitude of errors, with respect to both the document production and the privilege log, is material and the delays in rectifying them were substantial,” Mr. Lake said. “We already have provided the FCC more than five million pages of documents and we will continue to provide the FCC everything that they need to review this transaction,” Time Warner Cable said.

The FCC said it is stopping its informal, 180-day shot clock for reviewing the deal until Jan. 12 to verify that the requested items have all arrived. The delay sets the merger review process back another three weeks. Already, the process was delayed by two months due to an unrelated standoff between the FCC and major TV channel owners over the confidentiality of their contracts with the cable operators. That matter is being litigated in a federal appellate court in D.C. In a statement, Comcast said it is “confident” that any outstanding items from Time Warner Cable will be sent to the FCC “in an expedited manner.” The cable company said it still expects for the transaction review to be concluded in early 2015. Reply comments from the merging parties and other public commenters are due Dec. 23. It isn’t uncommon for the FCC to pause its shot clock during a big merger review. During its review of Comcast’s deal to acquire control of NBCUniversal in 2010, the FCC also paused its review timeline due to deficiencies in the companies’ responses to information requests. – ***Wall Street Journal***

DirecTV, the largest U.S. satellite TV service provider, started a Spanish-language Web streaming service called Yaveo in a bid to draw viewers who spend more time viewing content online. Yaveo -- which means ‘now I see’ -- costs $7.99 a month and a DirecTV satellite subscription isn’t required, the company said in a statement today. The service, which isn’t available outside the U.S., will stream on-demand movies, TV shows and childrens’ and sports programming over the Internet to PCs, Macs and Android-enabled devices.

Yaveo is among the first of a growing list of so-called over-the-top pay-TV services coming from companies such as Dish Network Corp. and Verizon Communications Inc. An Internet-based TV package gives consumers a new option as more people watch video on smartphones and tablets instead of traditional TV sets. AT&T Inc. is awaiting regulatory approval for its $48.5 billion acquisition of DirecTV, and is using the purchase to expand its pay-TV, Internet and wireless service to Latin America. In Mexico, DirecTV owns 41 percent of Sky Mexico, the satellite-TV service majority owned by Grupo Televisa SAB. – ***Bloomberg***