

Time Warner Cable asks help on rising program fees

November 25 2009, By DEBORAH YAO , AP Business Writer

(AP) -- Time Warner Cable Inc. is asking the public for help as it tries to curtail increases in the programming fees it has to pay to carry cable channels and broadcast stations on its systems.

The nation's second-largest cable TV operator unveiled an advertising campaign Wednesday asking cable subscribers to vote online on whether it should "roll over" or "get tough" in negotiations over the fees.

Time Warner Cable said it would use the results of the survey in upcoming contract renewal talks.

Deals expiring this year include those with The Weather Channel; most of News Corp.'s Fox stations and FX cable channel; Sinclair Broadcast Group Inc.'s TV stations; and Scripps Networks Interactive Inc., which owns Food Network and HGTV.

It's not clear whether the public response will be any good when past ads accusing programmers of price-gouging haven't stopped fee increases. And the survey is far from scientific, as people will be choosing to participate; legitimate surveys generally choose respondents at random.

Cable, satellite TV operators and phone companies that offer TV programming have to pay fees to the owners of cable channels.

More recently, broadcast stations have been asking for fees, too. Previously, the owners of these stations had non-cash arrangements, such

as an agreement by the cable TV operator to carry a new cable channel owned by the same company as the station.

Barry Faber, general counsel of Sinclair, said TV stations charge a "bargain" compared with cable channels that don't get the same amount of viewers, such as ESPN, TNT, TBS and USA.

Cable operators have "misallocated the money they spend to acquire programming by paying more for programming that's not as popular," he said.

David Blumenthal, a spokesman for The [Weather Channel](#), said it has a strong relationship with Time Warner Cable and expects to be "partners" for a long time to come.

Sinclair owns 58 stations in 35 markets, including San Antonio, Texas, Tampa, Fla., and Las Vegas.

News Corp. declined to comment. Scripps did not immediately return calls for comment.

[Time Warner Cable](#), which is based in New York, said some outlets have asked for as much as four times what they pay now in programming fees, which can run a few cents per viewer to \$4 per subscriber for ESPN.

If an agreement isn't reached, the cable operator may have to drop a channel from its lineup, something that happens from time to time in such past disputes.

The cable operator said it paid \$3 billion in programming fees in the first nine months of the year.

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