

Fox, Time Warner Cable announce broadcast deal

January 2 2010, By RYAN NAKASHIMA , AP Business Writer



This Monday, Feb. 2, 2009 picture shows the Time Warner Center, background left, in New York. Sculptures at Columbus Circle are seen in the foreground. The Fox television network and Time Warner Cable on Friday announced an agreement in principle on a television programming deal that allows signals to continue for millions of cable subscribers. (AP Photo/Mark Lennihan)

(AP) -- The Fox television network and Time Warner Cable reached a programming deal in principle on Friday, after leaving millions of people in the lurch about whether they'd be able to see an anticipated college football bowl game and other shows on cable TV.

Fox had threatened to force Time Warner Cable and another [cable TV provider](#), Bright House Networks, to drop the Fox broadcast signal from 14 of its TV stations and half a dozen of its [cable channels](#) as a contract expired at midnight Thursday.

But signals were extended into Friday as talks continued, allowing more than 6 million cable subscribers in New York, Los Angeles, Orlando, Fla., and other markets to tune into the Sugar Bowl and other programming.

The deal, which included Bright House, ended a week of public sparring that had some consumers worried they'd miss the matchup between highly ranked Florida and Cincinnati that started at 8:30 p.m. EST.

"I think it's all corporate gamesmanship and consumers are caught in the crossfire," said Richard Anderson, a 55-year-old city manager in Apopka, Fla., who had eight people at his place ready to drive four miles to root for Florida at the residence of a friend who had satellite TV.

Anderson had tried unsuccessfully this week to get an injunction blocking Fox from pulling its signal.

Neither company would divulge the terms of the deal. Fox wanted to be paid \$1 per cable subscriber each month for the broadcast signal it had once given away freely from the stations it owns. Other Fox affiliate stations that are owned by different companies had already cut deals to be paid by cable operators for a fraction of that fee.

"We're pleased that, after months of negotiations, we were able to reach a fair agreement with Time Warner Cable - one that recognizes the value of our programming," said Chase Carey, chief operating officer at News Corp., which owns Fox.

Time Warner Cable Inc. Chief Executive Glenn Britt said he was "happy to have reached a reasonable deal with no disruption in programming for our customers."

Politicians and regulators had gotten in on the dispute, especially because

Fox sends its signals out freely on public airwaves on a frequency it obtained for nothing, with the obligation that it serve the public interest.

Federal Communications Commission Chairman Julius Genachowski congratulated both companies and his staff for the deal.

But Sen. John Kerry, D-Mass., raised concerns about the effectiveness of a 1992 cable law that allows broadcasters to seek compensation from cable and satellite operators for their signals.

"I will reach out to both parties, the FCC, and consumer advocates to assess lessons learned from this dispute and what, if any, changes to law are necessary," Kerry said in a statement.

Fox said it could no longer give away its stations' signals to cable companies because the network is facing stiff competition from cable channels, such as the Walt Disney Co.'s ESPN, which earn subscriber fees on top of advertising dollars.

That dual revenue stream allowed ESPN to outbid Fox for high-priced events such as the college football Bowl Championship Series - including the Sugar Bowl, Fiesta Bowl and Orange Bowl that are now on Fox - from 2011 to 2013.

Time Warner Cable, in the meantime, had vowed to hold the line on cable bill increases, and said the vast of majority of viewers who went to its Web site, <http://www.rolloverorgettough.com> , urged it to "get tough" and fight back against higher costs.

Neither side would have fared well if signals had been pulled.

Fox would have lost viewers and advertising dollars for some highly anticipated shows this month, including the 20th anniversary special of

"The Simpsons" on Jan. 10, and the season premieres of "American Idol" on Jan. 12 and "24" on Jan. 17. It had urged viewers to go to its Web site, <http://www.keepfoxon.com> .

If the signal had been dropped, cable operators could have angered customers, who can switch to competitive television providers such as DirecTV or AT&T's U-verse that carry Fox programming.

Satellite TV provider Dish Network, which already has a deal with Fox, had been heavily advertising in newspapers, radio and TV telling Time Warner Cable customers, "Don't risk missing your favorite shows."

TV viewers could also have decided to cut off their cable entirely and watched the Fox broadcast network using an antenna with a digital TV or converter box.

Separately, Cablevision Systems Corp. said early Friday it had dropped HGTV and Food Network for its 3.1 million subscribers in New York, New Jersey and Connecticut in a fee dispute with Scripps Networks Interactive Inc., based in Cincinnati.

[Time Warner Cable](#) continued to carry Food Network and Great American Country under a temporary deal extension as its talks with Scripps continued.

Fox and CBS signals from Sinclair Broadcasting Group Inc. stations in markets such as Des Moines and Cedar Rapids, Iowa, also continued to be carried by cable company Mediacom Communications Corp. in a temporary deal extension to Jan. 8.

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