

CBS and Comcast reach long-term deal on fees

August 2 2010, By ANDREW VANACORE , AP Business Writer

(AP) -- CBS Corp. and Comcast Corp. have reached a deal that will allow Comcast to continue carrying CBS programming for another decade.

The deal announced Monday is unusual because most of these agreements between broadcasters and cable TV providers are negotiated every few years.

The agreement, which covers the CBS television network, Showtime Networks and the CBS College Sports channel, could head off the kind of dispute that flared earlier between the Fox television network and [Time Warner Cable](#).

That dispute left millions of people wondering if they'd be able to see a college football bowl game and other shows. Only a last-minute deal kept Fox programming on Time Warner's slate of channels.

In March, [Cablevision Systems](#) Corp. customers lost their ABC station in New York in the hours leading up to the Oscars. It wasn't restored until the two sides reached a tentative deal, and viewers missed the first 15 minutes of the awards show.

Broadcasters get a fee - say, \$1 per cable subscriber - for allowing Comcast and other pay-TV providers to carry the channels on their lineups.

As the recession forced businesses to cut budgets for TV advertising - traditionally the main source of revenue at broadcast stations - television networks started asking for a higher fee per subscriber. The cable TV companies have resisted, saying higher fees get passed along to customers in the form of higher cable bills.

The deal announced Monday could help the top-rated [broadcast network](#) and the biggest U.S. cable provider avoid a showdown - at least until 2020, when the companies will have to negotiate the fee again.

The companies did not say how much CBS will get from Comcast per subscriber.

They said the agreement also allows for more on-demand access to Showtime and CBS programming, both through cable and the Web, though they did not provide details on exactly what that will mean for Comcast subscribers.

CBS shares rose 49 cents, or 3.3 percent, to \$15.27 in afternoon trading Monday, while Comcast fell 6 cents to \$19.41.

©2010 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: CBS and Comcast reach long-term deal on fees (2010, August 2) retrieved 23 June 2024 from <https://phys.org/news/2010-08-cbs-comcast-long-term-fees.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.