

Cablevision, Fox dispute may affect baseball fans

October 15 2010

(AP) -- Cablevision customers missed part of the Oscars this year because of a broadcasting fee dispute. Are the baseball playoffs next?

By the time the Phillies take the field against the Giants on Saturday night, baseball fans hope a programming dispute between Fox and Cablevision will be only a distant memory.

Both companies are digging in ahead of the expiration of their programming deal just after midnight Friday. Usually, disputes over carriage fees get resolved at the last minute. But if the standoff continues, some 3 million Cablevision subscribers, mostly in the New York area but also in Philadelphia, could lose access to Game 1 of Major League Baseball's National League championship series.

In separate fee disputes this year, Cablevision customers have experienced brief blackouts of The [Walt Disney](#) Co.'s ABC broadcast signal and Scripps Networks Interactive Inc.'s Food Network and HGTV. Subscribers missed the first 15 minutes of the Oscars in the ABC dispute.

[Cablevision Systems](#) Corp. has said News Corp.'s Fox is making "outrageous fee demands" for the right to carry the signals of three cable channels and three TV stations. The stations whose signals are in jeopardy are Fox5 and My9 in New York and Fox29 in Philadelphia. Subscribers could also lose access to cable channels Fox Business Network, NatGeo Wild and Fox Deportes.

Cablevision says it pays \$70 million a year for access to 12 Fox channels, including those in dispute, and that News Corp. is now asking for more than \$150 million a year for the same programming. It said Thursday that it is willing to submit to binding arbitration and called on Fox not to pull the plug.

"While we would rather come to terms directly with News Corp., binding arbitration may be the best and fairest way to resolve this matter," said Cablevision spokesman Charles Schueler, in a statement.

Fox rejected the call for arbitration, saying the process would "reward Cablevision for refusing to negotiate fairly."

"Direct business-to-business negotiation is the only way to resolve this issue," it said.

While Fox didn't dispute Cablevision's claims, it called Cablevision "hypocritical" because it pays more for two of its sister company channels, MSG and MSG Plus, than it does for all 12 Fox channels. MSG and MSG Plus are owned by Madison Square Garden Inc., which like Cablevision is controlled by the Dolan family.

Lawmakers have begun to speak up on the issue, including Rep. Steve Israel, D-N.Y., and Rep. Peter King, R-N.Y., who have called for arbitration so viewers won't have their TV programming disrupted.

Rebecca Arbogast, a managing director at brokerage Stifel Nicolaus, said [News Corp.](#) and other broadcast company owners risk political intervention if they keep pushing carriage deals to the brink.

"The more that programming disputes escalate and signals get pulled .the more pressure we believe there will be on the (Federal Communications Commission) and Congress to do something to prevent such consumer

disruptions," she wrote in a research note Thursday.

In a separate dispute with satellite TV company Dish Network Corp., Fox cut access on Oct. 1 to 19 regional sports networks, FX and the National Geographic Channel for some 14.3 million Dish subscribers. That fight foreshadows more tough negotiations, as the deal for Fox broadcast signals on Dish expires Oct. 31.

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