

Fox rejects Cablevision's new offer to end impasse

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(AP) -- Fox on Wednesday rejected a last-ditch <u>offer from Cablevision</u> <u>Systems Corp.</u> to pay it more for its TV stations' signals, a move that could leave some 3 million Cablevision subscribers in the New York area with few options besides heading to a bar to watch baseball's World Series on TV.

Cablevision said Wednesday it is willing to pay the same rate as <u>Time</u> <u>Warner Cable</u> Inc. for signals from Fox 5 in New York and Fox 29 in Philadelphia for one year, even though the rate is more than it pays for any other New York broadcast station.

The cable operator did not explain what it was offering for My 9 in New York and cable channels Fox Business Network, NatGeo Wild and Fox Deportes, which are also part of the fee dispute.

Fox, a unit of News Corp., said the rate was meant as a package deal, and called Cablevision's statement "yet another in a long line of publicity stunts."

"Cablevision is seeking a discounted 'package rate' without buying the entire package," Fox said in a statement.

Cablevision's subscribers, mostly in New York, have been without Fox signals since Oct. 16.

Fox has the exclusive broadcast rights to this year's World Series



between the Texas Rangers and San Francisco Giants, and the first game is set to start Wednesday at 7:30 p.m. Eastern time.

Fox's broadcast of the National League championship series, which the Giants won over the Philadelphia Phillies in six games, was blacked out to Cablevision customers.

Cablevision said Fox's rejection showed "beyond a shadow of a doubt" that Fox is negotiating "in bad faith."

"We call on the (<u>Federal Communications Commission</u>) to intervene immediately to restore the Fox signals to Cablevision's 3 million homes," it said.

On Tuesday, Cablevision CEO James Dolan sent a letter to FCC Chairman Julius Genachowski urging him to mediate the dispute. Fox has consistently rejected mediation and Genachowski has urged both sides to negotiate rather than attack each other publicly.

Last week, the FCC asked both companies for proof that they were negotiating in good faith.

Such good faith negotiations are a requirement in a law that allows broadcasters to bargain with cable and satellite companies for fees to carry TV signals that are otherwise sent freely to anyone with a proper antenna.

Cablevision told the FCC that Fox had demanded that Cablevision pay the same rate as Time Warner Cable for Fox 5 because of a previous deal that guaranteed Time Warner Cable would pay the lowest rate offered to any other distributor. If Fox dropped the rate, it would have to return money to Time Warner Cable, Cablevision said.



News Corp.'s widely traded Class A shares fell 24 cents, or 1.7 percent, to \$14.08 in after-hours trading Wednesday, after closing up a penny at \$14.32 in the regular session. Cablevision shares closed up 52 cents, or 2 percent, at \$27. No after-hours price was available.

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