

# Time Warner Cable customers may lose TV networks

December 28 2010, By ANDREW VANACORE , AP Business Writer

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(AP) -- Time Warner Cable Inc. customers from Portland, Maine, to Pensacola, Fla., could lose access to one of their network TV stations because of a contract dispute with Sinclair Broadcast Group.

The dust-up between Sinclair and Time Warner is one of a growing number of disputes over the fees that cable providers pay broadcast stations to include their signals in channel lineups. The last high-profile dispute that caused a blackout came earlier this year when Cablevision Systems Corp. customers went without Fox programming for 15 days - missing two World Series games.

In most cases, however, cable and broadcast companies have been able to avoid blackouts, even if negotiations go down the wire.

Broadcast companies used to allow cable providers to carry their channels for free and made their money selling commercial time. But competition with cable networks for ad dollars has intensified, and the recession underscored how quickly ad spending can fall off when businesses need to cut spending. Now broadcasters see these fees from cable providers as a crucial, second revenue stream.

In the latest dispute, Sinclair is asking for more cash for the right to carry signals from its stations, but Time Warner Cable is resisting the increase.

If a deal isn't reached, 33 Sinclair stations in 21 markets - among them

Fox, NBC, CBS and ABC affiliates - could go dark for Time Warner customers after midnight Friday.

However, Fox owner News Corp. has agreed to provide Time Warner with network programming in case a local station operator withholds its signal. That resulted from an agreement a year ago between the two companies to resolve a similar dispute over fees. So Time Warner customers would still get shows such as "Glee," "House" and "The Simpsons," even if they couldn't watch the local Fox newscast.

These disputes have been particularly rough on sports fans. If Sinclair and Time Warner don't reach a deal by this weekend, for instance, college football fans in Pensacola may not be able to watch the ABC broadcast of the Florida Gators playing in the Outback bowl.

Sinclair, which is based in Hunt Valley, Md., said Tuesday that Time Warner has not presented a counterproposal since rejecting Sinclair's most recent offer. Time Warner says it is still ready to negotiate.

Still, Sinclair doesn't have as much clout in these negotiations as the big networks themselves, which have stations in major markets such as New York and Los Angeles and are owned by media conglomerates, which also operate cable networks. Sinclair's stations are located in smaller cities, including San Antonio, Texas, Buffalo, N.Y., and Pittsburgh.

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Citation: Time Warner Cable customers may lose TV networks (2010, December 28) retrieved 3 May 2024 from <https://phys.org/news/2010-12-warner-cable-customers-networks.html>

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