

Starz puts 90-day delay on Netflix for originals

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(AP) -- Starz has become the latest pay TV channel to pull back from its embrace of subscription video provider Netflix Inc. and treat it more like a competitor.

The channel, a unit of [Liberty Media](#) Corp., said Thursday that beginning with its new "Camelot" series on April 1, new episodes of original series will be allowed to play on Netflix Inc.'s streaming service only 90 days after they debut on Starz.

Previously, Netflix customers were able to stream new episodes of original series "Spartacus" as soon as they aired. That meant Netflix customers only interested in original series could forego a separate subscription to Starz.

Starz said the delay will soon apply to "exclusive first-run movies" as well.

Starz has the [pay TV](#) rights to movies from The [Walt Disney](#) Co. and Sony Corp. The immediacy of being able to stream those popular movies on Netflix has been a driving force in its being able to sign up new subscribers.

That deal has been widely criticized as being too favorable for Netflix and analysts expect the company to have to pay a hefty premium to renew the deal after it expires in the middle of the first quarter of next year.

Netflix spokesman Steve Swasey insisted "the movies that we have through Starz to watch instantly are unchanged" until the current deal expires. "In 2012, some may or may not be available in the same window. We'll work that out at the time," he said.

The Starz scheduling change was announced just a day after [CBS Corp.](#) confirmed that this summer it will stop allowing Netflix to stream back episodes of current season original shows from its Showtime pay channel such as "Dexter" and "Californication." Netflix argued that the decision wasn't final and was subject to negotiations.

Netflix, which grew to 20.2 million subscribers by the end of the year, is increasingly being seen as a competitor to traditional pay TV channels like HBO, Starz and Showtime. Time Warner Inc.'s HBO has an estimated 28 million customers, Starz ended the year with 18.2 million and Showtime had less than 20 million.

Unlike traditional pay TV channels, getting a Netflix subscription does not require also buying dozens of other channels in lower-level price tiers, and Netflix's streaming service can be watched on computers and a wide array of devices that connect the Internet to people's televisions.

The traditional channels are countering that move by offering their services for free online to paying subscribers.

Netflix has been buying up content for its [streaming service](#) and wants to wean people off of ordering rental DVDs by mail to save on postage costs.

Last week, it announced it was buying the right to debut original series "House of Cards" from executive producer David Fincher. That foray into new original content put it even more into direct competition with the pay TV operators.

Shares of the Liberty Starz Group tracking stock were down 46 cents at \$77.70 in after-hours trading Thursday after closing down \$1.32, or 1.7 percent, at \$78.16. Netflix shares fell \$1.63 to \$227.50, after rising 7 cents in the regular session to \$229.13.

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