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The pay-TV wars are heating up again.

Satellite television giant Dish Network has removed seven Turner Broadcasting cable channels — including CNN, Cartoon Network and Turner Classic Movies — after the companies failed to agree on a new contract. The blackout affects nearly half a million Dish subscribers in the Los Angeles area and 14 million nationwide.

The Dish-Turner stalemate, reached late Monday after months of negotiations, is the latest in a series of disputes that has left viewers without their favorite TV channels.

Conflicts between TV programmers and cable and satellite operators have become common. In September, a struggle between DirecTV and one of the nation's largest broadcasters, Raycom Media, led to a seven-day blackout of popular Raycom stations in the South and Midwest. Time Warner Cable customers went a month last year without CBS stations in a particular thorny dispute.

"It seems like these disputes are getting uglier and uglier," Derek Baine, a cable analyst with consulting firm SNL Kagan, said Tuesday.

Pay-TV operators have been pushing back on programmers' demands for higher fees to carry their channels. These distributors — including Dish, DirecTV and Time Warner Cable — are trying to manage programming costs because they fear losing customers, who increasingly complain of rising monthly bills.

Distributors also face increased competition from streaming services that tout high-quality TV shows and modest subscription prices.

At the same time, media companies such as Turner 's parent, Time Warner, have been looking for additional revenue to grow earnings and cover higher programming costs, particularly for sports. This month Turner struck a new nine-year, \$11-billion agreement with the National Basketball Assn. after agreeing to pay fees to the NBA that were more than double the current level.

Baine noted that the Dish-Turner talks broke down less than a week after Time Warner executives promised Wall Street that it would achieve growth through double-digit affiliate fee increases. He also said that major distributors like Comcast, Time Warner Cable, AT&T and DirecTV are planning to merge, which could help them gain an upper hand in negotiations with programmers.

Turner and Dish have been struggling to reach an agreement for several months. The contract was set to expire in July, but Turner extended the deadline several times because the negotiations seemed to have been progressing — until they stalled Monday, according to one person close to the talks, who asked not to be identified discussing internal matters.

Wall Street shrugged off the dispute because analysts expect the impasse to be settled fairly quickly. What's more, one analyst said viewers have other options for news and cartoons.

Time Warner's stock fell 47 cents to \$77.22 a share. Dish's stock climbed \$1.96 to

\$60.66.

Dish also faces a high-stakes battle next month with CBS Corp. when that contract is set to expire. CBS broadcasts NFL and SEC football games, and CBS is expected to use its sports coverage as leverage in the negotiations.

"We regret the service disruption to our customers, and remain committed to reaching an agreement that promptly returns this content to Dish's programming lineup," Warren Schlichting, Dish's senior vice president of programming, said in a statement.

More worrisome to investors has been an action taken by Suddenlink Communications, the seventh-largest cable operator in the U.S. with 1.4 million customers. The company decided in late September to dump Viacom Inc. channels, including Comedy Central, MTV and Nickelodeon, when the two sides failed to agree on a new deal.

Suddenlink said the Viacom channels were no longer must-haves. The move demonstrated that cable operators might be emboldened to shed lower performing channels.

"The [Turner] networks are likely to come back, eventually," Wells Fargo Securities analyst Marci Ryvicker said in a research note. "We don't think this will develop into a Viacom-Suddenlink dispute where an agreement seems to be unlikely and carriage terminated indefinitely."

Turner said in a statement that the company was "hopeful our counterparts will return to the negotiating table, and [that] we'll get a deal completed." - *LA Times*



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