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CBS vs. Time Warner Cable vs. You



By Marty Kaplan



GETTY

Here's progress: Big media companies now think Americans are as gullible as politicians do. It's not just candidates who assume we're nincompoops. The cable operators and networks take us for pigeons, too.

Exhibit A is the current battle between behemoths Time Warner Cable and CBS. If you've been watching TV recently in New York, Dallas-Ft. Worth or Los Angeles, unless you have a gold medal in zapping, CBS's campaign against TWC has had you by the eyeballs.

"ATTENTION TIME WARNER CABLE SUBSCRIBERS" runs the crawl on one CBS ad, as urgent as an Amber alert. "*Dexter*. Gone. *Ray Donovan*. Gone. *Homeland*. Gone. Every great Showtime series, every hit movie, every big fight on Showtime may soon be gone. Why? Because Time Warner Cable is threatening to drop Showtime." Another CBS ad — showing clips of CBS Sports programming, *The Big Bang Theory* and *Under the Dome* playing on a TV set wrapped in chains — warns that "Time Warner Cable is holding your favorite shows hostage."

Next thing you know, TWC will be taking away your guns.

You wouldn't realize from these campaign-style ads that what's really at stake is money. Your money. Both CBS and TWC want more of it. They're probably going to get it. The only issue — which this battle is about — is how they'll divvy up what they pick

from our pockets.

The roots of this fight go back to the Cable Television Consumer Protection and Competition Act of 1992. (I love the names they give these laws.) Twenty years ago, with cable penetrating more and more households, usually via monopoly deals cut with local governments, the broadcast industry convinced Congress that local stations would lose so much advertising revenue to cable that it would damage their capacity to produce news and public affairs programming. So to ensure that licensed stations had enough resources to serve the information needs of their communities, Congress imposed “must carry” provisions on cable operators requiring them to retransmit all the local broadcast stations in the market. In return, the local stations could negotiate a fee for providing that content, and they would use that revenue to strengthen their local news programming.

How quaint all that seems now.

For starters, the national broadcast networks horned in on the local stations. Once upon a time, the big networks actually paid local affiliates for airing their programs. But today, turning things upside down, the networks routinely hold up stations for 50 percent or more of the retransmission fees they get from cable operators. Networks also have been gobbling up independent stations. The more money that CBS’s six owned-and-operated stations in New York, Dallas-Ft. Worth and Los Angeles get from TWC in exchange for carrying their programming, the more money goes to CBS’s corporate bottom line.

That’s what’s at stake in this intra-titan dispute. In those three markets, under a deal that’s expiring, CBS stations have been getting between 75 cents and \$1 a subscriber per month. In the new deal, according to one analyst, CBS is demanding that this be upped within two or three years to as much as \$2 a subscriber per month. TWC says that CBS is asking for a 600 percent increase over the price it pays for CBS in other markets.

Who will pay for that increase? We will. Our cable bills have been rising astronomically — nearly tripling between 2001 and 2011 — because the cable companies have been passing along to consumers the cost of the vigorish that the broadcast networks are extracting from them, especially for sports. The result is that advertiser-supported networks like CBS have become de facto cable companies, concealing the subscription we pay to them within the subscription we pay for cable.

And now they want us to be their stooges! They want us to pressure TWC to give more money to CBS so that TWC can charge us more for the CBS programs we already get for “free.”

Forgotten in all this is the original rationale for permitting local stations to charge cable companies for carriage: ensuring budgets adequate for producing quality local news and public affairs programming. But unless you consider scaring us witless with crime stories and medicating us silly with celebrity stories to be just the right ticket for good citizenship, if you actually watch local TV news you know how civically useless its content has turned out to be.

I run an awards program — the Walter Cronkite Awards for Excellence in TV Political Journalism — to honor and encourage the exceptions. But for decades, studies of local news have found time and again that it isn’t particularly local and isn’t particularly news. For example, a study that my colleague Matt Hale and I did of all stations in the Los Angeles media market found that in a typical half hour of local news, coverage of local government — including budgets, layoffs, education, law enforcement, prisons, lawsuits, new ordinances, voting procedures, government personnel changes, government actions on health care, transportation, immigration and so on — amounted to a grand total of 22 seconds out of 30 minutes.

I’m not surprised that the message of CBS’s anti-TWC campaign isn’t: They’re going to take away the news you need to be a good citizen! But I am struck that CBS has the chutzpah to try to recruit us to raise our own cable bills. On the other hand, if the Karl Roves of the world can get people to vote against their own self-interest, I guess networks have a shot at conning us, too.

This is my column from The Jewish Journal of Greater Los Angeles. My JJ columns won the 2013 Best Columnist award from the LA Press Club. You can read more of them here, and email me there if you’d like.

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