Cable TV embraces an old foe: antenna

Planned device may give industry leverage when it negotiates fees for local broadcasts

By Bruce Mohl, Globe Staff | March 20, 2007

Cable television companies are embracing rabbit ears.

Cable Television Laboratories, a Colorado research group supported by the nation's cable companies, says it is developing the specifications for a set-top box capable of retrieving the digital signals being broadcast by local TV stations.

"The concept combines over-the-air digital television transmission with television programming carried by the cable provider,"
the cable lab said in a press release.

The disclosure is odd to say the least. Cable companies got their start by promising consumers they would receive a clearer TV picture with a cable coming into their home rather than an antenna on the roof. But now the cable lab thinks a set-top box can bring in a quality picture either way.

"It's odd for us," acknowledged Richard R. Green, chief executive of the cable lab, "but it's done quite a lot overseas and even in the United States with satellite operators."

Green said the proposed set-top box could allow consumers to tune in local broadcast channels currently not provided by their local cable company. Antenna manufacturers also say many of their customers are cable subscribers who want to pull in the high definition signals of local broadcasters without paying extra fees to their cable company.

"It's really to give consumers options," Green said.

A spokesman for Comcast Corp., one of the cable lab's financial backers, declined to comment. In a recent Globe article on consumer interest in old-fashioned antennas, a Comcast official was dismissive of antennas and said they had lots of reception problems, unlike cable.

Bruce Leichtman, head of the Leichtman Research Group Inc. in Durham, N.H., said cable companies aren't pursuing over-the-air TV signals to benefit their customers. He said the companies are developing the new set-top box to give them leverage in bargaining with local broadcasters over the right to retransmit their channels.

Broadcasters increasingly are demanding cash compensation from cable operators who carry their channels. Sinclair Broadcast Group Inc. of Baltimore this year refused to let Mediacom Communications Corp. carry its programming in several markets after the Middletown, N.Y., cable company refused to meet its demands for retransmission payments reportedly as high as 50 cents per subscriber.

To pressure Mediacom, Sinclair offered viewers $100 toward the purchase of a subscription to DirecTV. One Fox station owned by Sinclair issued a statement suggesting Mediacom was profiting unfairly.

"This station may be free over the air, but Mediacom wants to sell it to you and we think they should have to pay to acquire an asset before they sell it," the statement said.

Two days before the Super Bowl, a game scheduled to appear on many of the Sinclair stations, Mediacom capitulated. Terms of the deal were not disclosed.

CBS Corp. also said last month it had reached retransmission agreements with nine smaller cable operators.

Leichtman said the set-top box proposed by the cable lab would be "an end run" around the broadcasters. He said the cable companies wouldn't have to pay for retransmission rights if their customers could obtain the signals of local broadcasters over the air for free.
"It's a technical solution to a contract negotiation today and in the future," Leichtman said.

Green, the cable lab chief executive, said his focus is on the technical issues of developing the set-top box. He said each cable operator will have to decide whether and how to market the box. The box is expected to be ready for manufacture this year.

Green said advances in technology have made the set-top box possible. He said off-air tuners are getting better and better, capable of pulling in clear signals from local broadcasters without encountering the transmission problems that once plagued antennas.

He also said software is available now that would allow TV viewers to switch back and forth between off-air local broadcast channels and cable channels just as easily as they do now with existing set-top boxes.

"You want this to be a completely seamless experience for the customer," Green said.

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