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## Verizon VOD: FiOS Mixes Free and Premium On Demand Content

Verizon has launched a new VOD interface for FiOS that combines all its free content with premium episodes in one place. The new offering began rolling out in January to Quantum TV customers and has continued to hit new markets over the past several weeks. While a series might only have the five most recent episodes available for free, Verizon now lists all episodes for a show in the same spot (ie, you may be able to watch ep 8 for free, but ep 3 will cost). The theory is that a customer who needs to catch up can now easily find that older content, which generally costs \$1.99 an episode, without having to enter a separate pay section of the VOD menu. The new system hasn't been without confusion. Cablefax noticed that episodes of just-aired programming were sometimes showing up only with a buy option. For example, MTV's "Are You the One?" was only available for purchase at one point last week, but 10 minutes later, the option to watch the ep for free appeared. Similar issues have been spotted with other shows, including ABC's "The Goldbergs," and we found complaints online dating back to January. A Verizon spokesman said that it boils down to the different TV assets. The free episode is generally not available until 12 hours after it premieres on linear, while the premium ep is available for purchase immediately after a show airs. He said Verizon is in the process of tweaking the system so that the option to purchase episodes doesn't appear before the free ep. Sometimes there doesn't appear to be much rhyme or reason to what's free and what's not. For example, episodes 1-15 of Season 4 of Cartoon Network's "Teen Titans Go!" are available on demand. All of the eps are free on FiOS, except for eps 11-13 and ep 6. Parents may want to take note of this because kids can purchase eps with a click of the remote if they haven't set up parental controls to require a 4-digit pin before purchases. The Verizon rep said the premium/free split was Turner's decision. "We have to abide by the rules of our content providers," he said. In addition to the combination of free and premium content, Verizon's new VOD user interface is more graphically heavy, giving it a look that feels more like Netflix or Hulu. Comcast also takes a VOD free/premium combination approach with its X1 platform. X1 defaults to free if a show is available for free on demand. If it's not, it offers various options to view the ep including purchase ability or Netflix availability.

**Charter Overbuild:** ACA sent a letter to the FCC on behalf of 38 small and mid-sized ISPs concerned with the **Charter-Time Warner Cable-Bright House** overbuild condition. They are asking the FCC to eliminate the provision, which requires the combined Charter to overbuild providers already offering broadband with speeds of at least 25 Mbps in at least one million customer locations. "For small providers like ourselves, the mere threat of government-mandated, uneconomic entry undermines our ability to make investments that would benefit existing subscribers (e.g., investments in service improvements, network upgrades, etc.) or expand our networks to reach unserved households," the letter said.

<u>Nielsen Outage</u>: No sign of weekly cable rankers today. A power outage at **Nielsen's** Oldsmar Data Center has impacted availability of some Sunday and Monday data. Nielsen was working on the issue Monday. All live plus same day from



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Saturday forward, and all delayed viewing streams are impacted.

**Streaming App Launch:** Cisco in collaboration with **Sky** has launched OnPrime TV, a new innovative app-based streaming service that offers consumers in the UK, Italy and Germany high-quality foreign language linear content. The service includes Sky South Asian, Sky Arabic and Sky Russian channel packs, downlinked and encoded by Encompass. The OnPrime TV app can be downloaded via the app store on Apple TV4 or by searching for OnPrimeTV on Apple TV3. Channel packages range in price from £8.99 to £17.99 (\$10.93 to \$21.88) per month. Cisco plans to expand the service to more devices and additional European countries throughout the year.

<u>Tennis Carriage</u>: Tennis Channel added 7.8mln homes in Nielsen's new March universe estimate, bringing overall distribution to more than 52mln homes. The net can thank Sinclair, which has tied carriage of the channel into retrans deals. It's expected to hit 60mln households by year-end.

**New Technical Standard:** SCTE/ISBE and the Multimedia over Coax Alliance announced a new standards operational practice intended to ensure interoperability between MoCA 2.0 and the cable industry's DOCSIS 3.1 spec. The new spec, SCTE 235, addresses the need to prevent degradation or failure of signals due to shared frequency range above 1 GHz. One aspect of the spec is to prescribe sufficient isolation and location so that there is no signal leakage from one residence to another and to prevent overload of DOCSIS and MoCA receivers.

<u>**GSN Upfront</u></u>: <b>GSN** announced its new programming and other initiatives as part of the network's 2017 Upfronts. GSN has greenlit a new game show series, "Emogenious" and has picked up a second season of its "Divided," which launched in January. Freshman hit, "Winsanity," hosted by *Donald Faison* ("Scrubs") returns for a second season with a new format, and perennial favorite,"Idiotest," hosted by comedian *Ben Gleib*, recently entered its fourth season. The announcement caps a strong year for GSN, which added nearly 15 million new viewers. Additionally, social media engagements have increased 83% over the previous year.</u>

*Layer3 Headed to L.A.*: Layer3 TV is headed to L.A. next, according to a story in the *L.A.Times*, with the initial L.A. service area expected to cover about 80% of the region, mostly in higher-income areas on the Westside and the valleys.

*Comcast Notes:* On Tuesday, *Comcast* consummated the issuance and sale of \$1,005,000,000 aggregate principal amount of its 4.45% notes due 2047 pursuant to a subscription agreement dated Feb 15.

*More in the Zone:* As a result of a deal with **Studio71**, **ZoneTV** is adding new programming to its curated programming lineup. In total, more than 20K videos, representing nearly 1,500 hours, have been licensed, which will populate multiple new channels for ZoneTV's US and Canadian affiliates. The new licenses aim to bolster the company's kids and families, girls and teen boys content, culinary channels, and lifestyle specialty entertainment verticals.

*Honors: Perry Sook*, **Nexstar's** chmn/pres and CEO will receive the **Media Financial Management Association's** (MFM's) Avatar Award in recognition of his outstanding contributions to the communications industry and exemplary role in community service. The award will be presented to Sook at Media Finance Focus 2017 on May 22-24 at The Hyatt Grand Cypress in Orlando. In conjunction with receiving the award, Sook will also deliver the opening keynote address for the conference, which is themed "Magic of Media."

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