

The logo for Seeking Alpha, with the text 'Seeking Alpha' in white and a gold Greek letter alpha symbol to the right, all on a dark red background.

## RCN Corporation Q4 2007 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions) One moment for your first question. Your first question comes from the line of Stefan Anninger with Bear Stearns. Please go ahead with your question.

#### Stefan Anninger – Bear Stearns

I was just wondering if you could update us on the build out in Lehigh Valley, what you're expecting in terms of additional homes passed in 2008 and any update on the cost per homes passed that you're seeing right now? Then, also if you could update us a little bit on the I think you called it digital crush but what's happening in Chicago right now, what you're seeing in terms of the transition process of going all digital and any disruption of service for customers, etcetera?

#### Peter D. Aquino

Let me start and I'll hand it over to Mike if there's other details on the Lehigh Valley. But, in particular, Lehigh Valley is very mature so our build out is going outside so we're going to new franchises in Lehigh Valley and that's been a great opportunity for us. So, the maturity of the market is such that the reputation we carry will basically push us to extended areas. Our plan in Lehigh Valley has always been aggressive. The last two years we even dedicated quite a bit of our capital in category one to the Valley growth and we're going to continue to do that. I don't think we specifically gave guidance to the Valley homes passed targets but I assure you we're focused on the Valley. Regarding analog crush in Chicago, it has been a really good new story, I think the fact of the matter is that most of the consumers are expecting an all digital world. There's a lot of talk in the marketplace about whether it's U-verse out in Chicago or Comcast that's a form of analog crush where they reclaim I think maybe 20 channels or so, maybe 30 versus our 70 plus. So, there's been a lot of education out there and I think consumers expected it and all of the reports we're hearing including the real testimonies are very positive. The idea of launching with 50 HD channels in Chicago is creating a lot of excitement and the lessons we've learned even in launching crush is to really educate the market in front of the launch. We spent months ahead of January talking to our customers about how it's going to roll out, what the advantages will be and again, Comcast went probably several months ahead of us and already educated the market regarding additional set top requirements and such. So, it's been nothing but good news so far and I'm really, really excited to continue the program throughout the rest of the company.

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