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SureWest Communications Q3 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). And the first question comes from the line of Christopher King from Stifel Nicolaus. Please proceed.

Christopher King - Stifel Nicolaus

Hi, guys. Two quick questions for you. One, I was wondering whether you could give us a little bit of information regarding your price points for the HD DVR as well as for your general high-definition package right now that you're offering in the marketplace.

And secondly, just had a bit of a house keeping question on your income tax rate that's been bouncing around over the last several quarters. I was wondering, specifically, I guess, historically, what was going on with your corporate tax rate and how we should look at that going forward? Thanks.

Fred Arcuri

Chris, this is Fred Arcuri. On the price point issue, when it comes to our HD, as we increase our HD channel lineup, we will look at how much price flexibility we have combined with the rest of our video offering, including DVR, having to stay relatively competitive even though we increased the number of channels we've.

Right now, we're running at about \$11 a month on our HD channel lineup, and we haven't picked a price point yet for our DVR. But going out the gate, it will be highly promoted. We're going to want to put customers on as fast as we can, and then we'll look at pricing flexibility.

Steve Oldham

This is Steve. Needless to say, we know we have to be competitive with the existing offers out here. But we think, we'll have a superior offer with the IP DVR.

Chris, on the tax issue, from time to time, as you know, we've had tax reserves that are put into place until various reviews have taken place. And once the various tax years are closed, those reserves come back into this income stream. And so, it does have an impact on our effective tax rate, and we're seeing a little bit of that in the recent past.

Christopher King - Stifel Nicolaus

Thank you.

Operator

(Operator Instructions). The next question comes from the line of [Tim Wong] from Lakeview Investment Group. Please proceed.

Tim Wang - Lakeview Investment Group

I just had a question about continued weakness on the wireless side. You guys mentioned that you had some non-core assets you were considering divesting, will the wireless segment be something that you would consider divesting going forward?

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