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Citizens Communications Q3 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) We'll take our first question from Tom Sykes with Lehman Brothers.

Tom Sykes - Lehman Brothers

Thanks for taking the question. Can you tell us where you are at with respect to offering a home zone like box for video service, integrating the ability to download information from the Internet and then play it over on your DBS offering?

On top of where the equipment is at, can you tell us if there are any sort of changes to how you might contemplate the revenue arrangement with DISH if you do proceed with such a box? Thanks.

Maggie Wilderotter

Let me take a shot at the home zone product. We are in discussions with EchoStar about the home zone box. They are doing a new generation of this box, which is something we're waiting for. We believe that box will be ready around the first part of 2008, and then we will start to test that box.

We are very excited about it. We think it's a great opportunity for us to be able to deliver in the home both linear television from the DISH network as well as streaming video and content from the broadband network. And by having one box with one user interface, it makes it very easy for the customer to use that television set as an appliance for both capabilities.

We have not gotten into all of the revenue back and forth with EchoStar, but in preliminary discussions with them, if there is content we want to put up, we would be able to collect dollars on that content. I think EchoStar will also probably make certain content available from a broadband perspective and then we would talk about how the revenues work from there.

In addition, we've also been part of an ancillary team to AT&T on their home zone launch, and we have several of the home zone boxes in our lab in Elk Grove that we are testing as we speak, so we really do believe that with our network build in that three to six meg range, there's plenty of capability to offer this type of a combo box in many of our markets in 2008.

We're hoping it's going to be third or fourth quarter of next year but it really just depends on when the new box comes out.

Tom Sykes - Lehman Brothers

Thank you very much.

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