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Cox Radio Q4 2006 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions). Your first question is coming from Victor Miller of Bear Stearns. Please go ahead sir.

Victor Miller - Bear Stearns

Good morning. Thank you for taking the question. May I ask a question on two signals, Bob? First of all, can we talk about, the PPM Houston sign to encode and also I think you are investing in the Media Audit/Ipsos test there. So, you could maybe talk about what signal you are trying to send the market on that?

And secondly, maybe this one is for Neil. Neil, I understand the long-term incentive plan that you've decided to adopt, but there is nobody I believe in media that does that. The implication is that you maybe losing employees to this, because you need to retain them for some reason. I am curious about what signal are you trying to send to the marketplace and whether this long-term incentive plan is the same that's adopted by all the other Cox Enterprises' private companies? Thanks.

Robert Neil

Well, Victor, I know you are ready to get out and head to West Palm Beach for this coming weekend.

Victor Miller - Bear Stearns

As are you?

Robert Neil

Yes, it's cold up there.

Victor Miller - Bear Stearns

Unfortunately.

Robert Neil

Let's talk about the PPM encoding in Houston first. One of the things that we thought was very, very important in this process was that Arbitron gave MRC accreditation for the Houston service. And it's interesting to note that there are a number of fairly large differences between the sample methodology that they are using in Houston that has been accredited and the sample methodology

that they are using in Philadelphia, which is quite different. So, we felt that we needed to get some certainty that some of the complex research issues have been vetted. And we felt that once they have got MRC accreditation that at least in Houston, those issues have been vetted and that we would go ahead and encode. And as we have said when we made the announcement that we are going encode, we don't have an agreement right now to subscribe in Houston. There are continuing issues with that. We continue to have some questions about. And again, whether this is the best technology to use. That's why along with a number of other radio companies, we have been willing to help fund the Media Audit test.

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