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Cumulus Media Inc Q3 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) Your first question comes from Lee Westerfield - BMO Capital Markets.

Lee Westerfield - BMO Capital Markets

I just want to touch on two topics if I may. The first is, Marty and Lew as you with your station managers look into budgeting for 2009, and recognizing in precision that the market conditions bring on forecasting, how do you guys approach your budgeting process for allowing for flexibility on both cost and optimized revenue? That's a organizational management question when it comes down to it.

The second question Lew is, I appreciated the comments you made at the outset in terms of the resiliency of the medium. As one of the industry leadership long term, how do you see the industry shaping up its technology platforms in a variety of different ways, presuming and when a recovery occurs and by that I'm really implying both HD radio and also in your RFP for measurements?

Lew Dickey

Lee that's a handful. Let me take a shot of it in reverse order here. First of all on the RFP that we have for ratings, let's address that head on. We expect that process, the RFP process, which we are well into and steeped in at this point, we expect that to come to a formal conclusion within the next two weeks and nothing more to say on that at this time, but we expect that to come to a formal conclusion within the next two weeks.

On as far as the technology platforms, I guess when you think about all things digital, you think about HD as well as internet and what's going on there; just kind of a hint on a couple of those.

HD, as you know, we are starting to see more automakers adopt it and you're starting to see the luster come off the satellite and so as time goes on and again as I mentioned in my prepared remarks, consumers still have a demand for push content and for it to be free and local, non-subscription based. Particularly in this environment, pay radio is certainly not a viable business model.

It's something we believe HD radio long-term is going to provide additional benefits for the consumers; it has been chicken or the egg. Most of the top 100 markets have been converted. So there certainly is enough out there in terms of conversion and product for the manufacturers to start to adopt this platform and this technology, you're seeing it slowly.

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