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Time Warner Cable, Inc. Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) The first question comes from the line of Vijay Jayant – Barclay's Capital.

Vijay Jayant – Barclay's Capital

I really want to focus on the usage based pricing strategy. It seems to have hit a political wall. Can you sort of talk about what you are going to do going forward? Also, it seems to have been tied in with your DOCSIS 3.0 roll out and given what has happened there is there any change in the roll out timeline?

Glenn Britt

Let me address those two things separately because they really are separate issues. First of all DOCSIS 3.0 we think is a great technology and our plan is to gradually roll that out over the next couple of years. At the moment we don't see a huge enormous demand for that extra speed but we think over time there will be a demand. That is all in our capital planning. We will announce market by market as we decide to actually deploy that.

On the meter billing or consumption based billing, whatever you want to call that, I think the contents of that is that we are in a dynamic business sector. We are always trying, thinking about and talking about new products and services and new ways to create business models. In fact, if you go back to about the mid-90's we were basically a television company in a television industry and doing broadband, which didn't really exist at that point, was an innovative and pretty radical thing and hard to believe in hindsight but a lot of people thought it was a really stupid idea and it wouldn't work.

I raise that because I think in our business we are always going to keep trying things. In this case, we got a lot of push back so we backed off that trial plan but again this was just going to be a market trial. So I think you would expect us to keep trying things in the future in the spirit of this.

Operator

The next question comes from Craig Moffett - Sanford C. Bernstein.

Craig Moffett - Sanford C. Bernstein

Rob you mentioned managing to revenue per customer relationship and in the past we talked about also revenue per home passed. Maybe Landel can you give us a little insight into the way you

manage your own regional general managers? Sort of what is it that you charge them with in their objectives and in their incentive comp, for example? Is it revenue per customer relationship? Is it revenue per home passed? Does it include a capital charge? I wonder if you could just elaborate on that a little bit.

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