Below are selections from Mediacom's 3rd quarter conference call with financial analysts. The full transcript is 17 pages and mostly deals with complex financial information. It can be found at: http://seekingalpha.com/article/171944-mediacom-communications-corp-q3-2009-earnings-call-transcript?p

John G. Pascarelli

The second factor is competition. We faced another round of heavy marketing and significant price competition from satellite services. Dish Network continued their $24.95 promotional rate available since early this year and DirecTV introduced a deeper discount with the rental including five months free for their most expensive package. Given the cost of marketing and programming, we know they cannot be making much money on these offers and are essentially buying market share. They're attracting our video link customers; in fact, over 90% of our video customer loss in the third quarter was analog video only customers. We made a strategic decision not to play the pricing competition game with them on video only services. Our experience has shown us that this particular segment will churn out at high rates at the end of the special and look to an alternative provider for a new special discount program.

While we're not pleased with the overall RGU numbers, it's important to look a little deeper into the mix. Digital, HSD, and phone all show healthy unit growth given the fact as I discussed earlier, and are equally important our concentration of customers, recognizing the value of our bundle services, and taking multiple products continues to increase. At the end of the quarter 55% of video customers would take in at least two products and nearly 19% of our customers took our triple-play bundle.

Digital penetration is nearing 53% in which selling rates to new connects continue to run in excess of 80%, we expect to continue to see steady growth. Ongoing content enhancements to our on-demand and HDTV services remind our customers of the value of the product, and we now have 37% of our digital customers taking one of our advanced digital service offerings. Our commitment to have between 40 and 50 HD channels launched by year end is on track. We've also successfully lab tested a multi-room DVR service offering and will begin field trials later this month, and if the trials go well we expect to be offering this service company wide in early 2010.

We provide over 765,000 customers with our high-speed data service, a penetration of homes passed over 27%. In September we completed the previously announced increase in the speeds of our flaghtship online in the IP internet services. These upgrades ensure Mediacom customers continue to enjoy the benefit from the fastest internet connections available in their communities.

Now, let me give you some details on our upcoming DOCSIS 3.0 product launches. Our plans called for a December launch in 11 different markets, 9 of which will have a 50 meg product and 2 markets will have a 100 meg service. These speeds will keep us well ahead of our competitors. As I started earlier in calls, this service will be available to 25% of our footprint by year end and we have another 25% of the footprint DOCSIS 3.0 head-end capable for extended launches in 2010.

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On the operating side we continue to aggressively manage all controllable expenses. As I have mentioned in some previous calls, our primary focus for 2009 has been on all customer transaction points to ensure the highest quality service, whether on the phone, in our offices, or in the customer’s home. The metrics we follow in the phone centers continue to show improvement demonstrating that we’re moving towards our ultimate goal of providing a higher level of customer service. On the field operating side, a combination of overall lower activity levels and improved employee productivity has allowed us to reduce contract labor cost helping us to hold overall labor cost increases to a minimum for 2009.

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John G. Pascarelli

Mike, 85% of our net customer base right now is served off what we call One Network, and what we’ve done is we’ve consolidated all of the head-ends into two different facilities, but really they could be served out of one; the second one is actually there for redundancy, but that has allowed us to go in to add HD channels very cost effectively to these markets. That’s where most of the cost is, it is really at the head end, and we’re in pretty good spot to be able to cost effectively continue to increase it. We’ve made a decision right now and that is to stay focused on providing customers with HD channels that people are watching. Right now with 40 to 50 channels, it’s 90% of the viewership; that’s a significant percentage of the total. Now, that doesn’t mean we don’t want to go beyond there and we want to have it, but we want to manage that flow so that we don’t go putting our networks that in the long run, once we get them there, we can’t get them off. So, we’re just trying to be disciplined in our approach and adding channels. As far as DOCSIS 3.0, we’ve got head-end capabilities right now for 50% of the footprint; we’re not on the same competitive pressure as some of the big guys. Right now, we’re going to be going on with this products, and we really decide a couple of small pieces in the footprint, and we don’t have any competitors out there with anything close to it. For us right now, waiting a little hopefully will provide us benefits and savings on capital costs as these costs continue; we’ll be able to learn more from the experience, we’re watching it from the industry; so we’re not rushing. If we had competitive pressure, we could do it very quickly. Even the DOCSIS 3.0, we don’t see it as a huge capital hit as we expand. For us, we like the position we’re in right now.

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Rocco B. Commisso

Let me say it my own words that I have written down here. I think Sinclair has taken advantage of the market, has accumulated by stretching or breaking what I believe are SEC rules. It is fine to take advantage of our customers even though we’re in the middle of a horrible recession and many of our customers are struggling to make ends meets. It’s interesting that Sinclair will not be providing any new programs or any other new benefits to our customers that would justify the significant price increases, but they’re demanding. It’s just a power grab motivated by greed and they believe that the law and the SEC is on their side. So, now over the past five years Sinclair SEC filings show that they’ve collected $154 million in re-trans fees and paid a $168 million in dividends. Meaning that none of the re-trans money has been reinvested to produce more local news or other program as Congress had originally intended when they passed the law. In any even, we cannot stand by it, with certain outliers, but then the broadcasting committee can demand double or triple-digit increase in their re-trans fee every three years. Some analysts in your community, Rich, have already estimated that re-trans could cost the American consumers about $10 billion per year.

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Rocco B. Commisso

The difference between the 50 and 100 is the amount of analog channels that we commit to it. For the 50 meg service, two analog channels are bonded together to provide that service, and in a 100 meg service, it’s four analog channels. Right now, we don’t want to just rush and throw 100 meg even though we could throughout the markets. We want to move 50 with 50, that is still by far significantly the fastest service available in these markets. We are yet to find applications regularly available for consumers that can actually use these things, the speed and benefit from it, so for us we’re going to rollout it out, we’re going to test it, we’re going to slow, we’re going to understand it, and we’re going to be in a position to expand it. When we think it’s a business opportunity whether it’s from a competitor standpoint or real upside for our business. For us in going slow, as I said earlier, there are benefits to us.

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Mark E. Stephan

We have been looking at the wireless business, and we have a team focused on it. If we were to prioritize it, we will probably look to use some type of wireless partner to expand our internet service first before we did anything with the wireless phone product. Some of our larger brethren are out there trying to develop that business and go at it, and we prefer for them to shakeout some of the cobwebs and some of the issues with it before we go and jump into it, but we do think that we’re looking at possibly using some formal wireless device for our high speed data customers as an added value type of product that we may be able to use our market size to be able to buy down that price for them and add it to the service