



VIDEO STRATEGIES: TO VIDEO OR NOT TO VIDEO

AN ASSESSMENT OF RLEC VIDEO OPTIONS

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Organization for Promotion and Advancement of Small
Telecommunications Companies

July 14 - 18, 2007



William A. Eagan Convention Center
Anchorage, AK



ASSESSING VIDEO OPTIONS

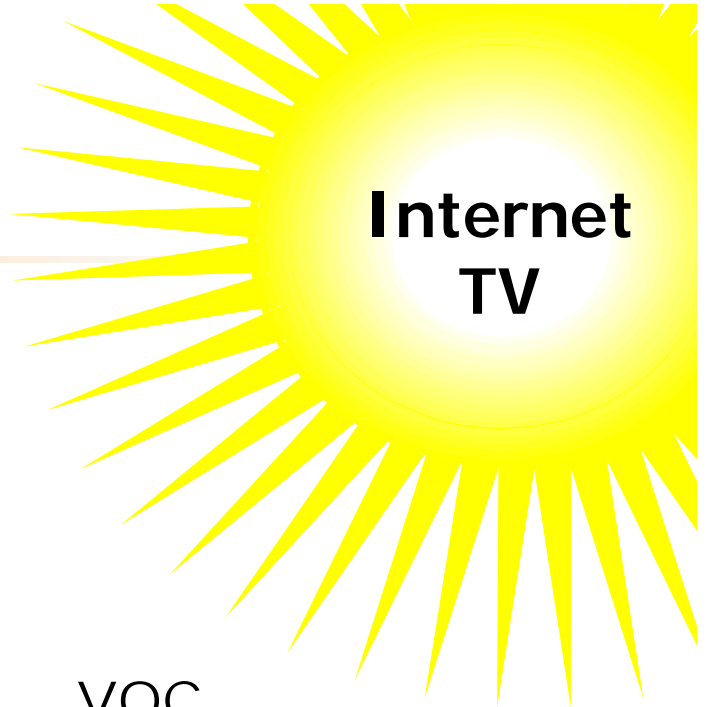
- The Motivation of Margins
- The Flavors of Video
- The Poster Child(ren)
- The Video Gatekeeper
- The Decision
- Some Random Thoughts

THE MOTIVATION OF MARGINS

Service	Margin	Cable Co.	Telco.
Video	Low	✓	
Cable BB	Higher	✓	↑
DSL BB	Lower	↓	✓
Voice	High		✓

- For cablecos, voice is highly accretive
- For telcos, video is nominally accretive (if you're lucky!)
- Cable voice play is more offensive
- Telco video play is more defensive

THE FLAVORS OF VIDEO



Internet
TV

FTTH



COAX



VOC



DBS



BRS



THE POSTER CHILD(REN)

COAX



- Consolidated Telcom
- TruVista Communications
- Thacker-Grigsby Telephone
- Telephone Service

BRS



- Benton Ridge Telephone
- LOOK TV
- Northwest Communications
- Choice Communications

VOC



- AT&T
- Consolidated Communications
- Horizon Telecom
- Pioneer Telephone Cooperative

DBS



- AT&T
- Verizon
- Qwest
- Windstream

FTTH



- Verizon (FiOS)
- SureWest
- Telephone Service
- Guadalupe Valley Telephone

THE VIDEO GATEKEEPER

- Will the current video business model survive?
- How will new technologies impact future business models?
- How will new products influence consumer behavior?
- What's at stake?
- Who's in the hunt?





THE DECISION

- Understand your need
- Understand your objectives
- Understand your market
- Understand your alternatives
- Understand your upside



SOME RANDOM THOUGHTS

Whether 'tis nobler in mind to suffer the slings
and arrows of outrageous fortune

OR

To take arms against a sea of troubles, and
by opposing them? To die: To sleep