

## TABLE OF CONTENTS

Table of Contents .....	1
Tables and Figures.....	3
List of Tables .....	3
List of Figures .....	4
Section 1: The Cable Broadband and Telephony Sector at a Glance .....	5
1.1 Looking Back.....	5
1.2 The Present.....	6
1.3 Looking Ahead.....	7
1.4 The Bright Future.....	8
Section 2: Cable Broadband and Telephony Market Drivers.....	10
2.1 Sector Definition .....	10
2.2 Market Drivers .....	10
2.3 Market Driver: Competition .....	11
2.4 Market Driver: New Service Offerings.....	15
2.4.a Cable Telephony.....	15
2.4.b Video Services.....	17
2.4.c Data Services.....	19
2.5 Business Customer Segment .....	20
2.6 Wholesale Customer Segment.....	21
2.7 Service Bundles.....	22
2.8 Expansion into Wireless .....	22
2.8.a Wireless Partnerships.....	22
2.8.b A Different Approach: Fixed Mobile Convergence.....	23
2.8.c Spectrum Auction Option .....	23
2.9 The Challenges Ahead .....	24
2.9.a The Challenge of Satellite Competition.....	24
2.9.b The Challenge of Overcoming the Cable Industry 's Customer Service History.....	24

2.9.c The Challenge of Future Competition .....	26
2.9.d The Cable Industry Prepares for the Road Ahead .....	26
Section 3: The State of the Cable Broadband & Telephony Sector .....	28
3.1 Activities of Key Companies in the Cable Sector .....	28
3.1.a Comcast Corporation .....	29
3.1.b Time Warner Cable.....	29
3.1.c Cox Communications.....	30
3.1.d Cablevision Systems Corporation.....	30
3.1.e Charter Communications, Inc. ....	30
3.2 Revenues & Expenditures: The State of the Cable Industry Today .....	31
3.2.a Total Revenue .....	31
3.2.b Video Services.....	31
3.2.c Data Services .....	33
3.2.d Voice Services.....	35
3.2.e Cable Company Capital Expenditures .....	37
3.3 Future Outlook.....	38

## TABLES AND FIGURES

### List of Tables

Table 1.1: Competitive Service.....	5
Table 2.1: Digital Cable Video Features .....	18
Table 2.2: Customer Satisfaction Ratings: Cable and Satellite Providers, 2005-2007 .....	24
Table 2.3: Customer Satisfaction Ratings, Fixed Line Telephone Service 1st Quarter 2006 and 1st Quarter 2007 .....	25
Table 3.1: All Cable Broadband and Telephony Providers ' Total Revenues, 2006-2008 .....	31
Table 3.2: Basic Cable Television Subscribers for Big 5 Cable Broadband & Telephony Providers, 2006-2007.....	32
Table 3.3: Digital Cable Television Subscribers for Big 5 Cable Broadband & Telephony Providers, 2006-2007.....	33
Table 3.4: Video Revenue for Big 5 Cable Broadband & Telephony Providers, 2006-2007 .....	33
Table 3.5: Big 5 Cable Companies ' Modem Subscribers, 2006-2007 .....	34
Table 3.6: Big 5 Cable Companies ' Cable Modem Revenue, 2006-2007 .....	34
Table 3.7: Big 5 Cable Companies ' Voice Subscribers, 2006-2007 .....	35
Table 3.8: Big 5 Cable Companies ' Voice Revenue, 2006-2007 .....	36
Table 3.9: All Cable Companies' Voice Subscribers and Revenue, VoIP Vs. TDM.....	36
Table 3.10: Big 5 Cable Broadband & Telephony Providers ' Capital Expenditures, 2006-2008 .....	38
Table 3.11: All Cable Broadband & Telephony Providers ' Revenues by Market Segment, 2006-2010 .....	40
Table 3.12: All Cable Broadband & Telephony Providers ' Revenues by Market Segment, 2006-2010 .....	40

**List of Figures**

Figure 1.1: Cable and Broadband Telephony Providers’ Revenues by Market Segment, 2005-2009 ..... 7

Figure 2.1: High-Speed Data Lines (over 200 kbps in at least one direction) by technology, 2000-2007 ..... 11

Figure 2.2: Television Subscribers in the United States, 2000-2007 ..... 12

Figure 2.3: Television Subscribers in the United States, 2000-2007 (percent of total subscribers) ..... 13

Figure 2.4: U.S. Fiber to the Home Subscribers, 2003-2010 ..... 14

Figure 2.5: U.S. Residential VoIP Revenue, 2003-2010 ..... 16

Figure 2.6: Cable Companies’ Voice Customers, VoIP vs. TDM 2005-2007 ..... 17

Figure 3.1: Big 5 Cable Broadband and Telephony Providers by Total Revenue, 2007 ..... 29

Figure 3.2: All Cable Broadband and Telephony Providers’ Capital Expenditures, 2005-2008 ..... 37

Figure 3.3: All Cable Broadband and Telephony Providers’ Revenues By Market Segment, 2006-2010 ..... 39