

PROTECTIVE ORDER MATERIAL

Message

From: Clifton Kagawa [clifkagawa@hawaii.rr.com]
on behalf of Clifton Kagawa <clifkagawa@hawaii.rr.com> [clifkagawa@hawaii.rr.com]
Sent: 1/27/2004 5:35:32 PM
To: Milton Diaz [milton_diaz@yahoo.com]; Tim Evard [tim@adss.tv]; Glenn Yamashita [gyamashita@bbitv.com]; Guy Souza [gsouza@bbitv.com]
Subject: Re: InDemand meeting report

Milton, if we are successful in locking down agreements with InDemand and N2BB, how much of a barrier to entry will they represent?

Clif

----- Original Message -----

From: Milton Diaz
To: Tim Evard ; 'Clifton Kagawa' ; Glenn Yamashita ; Guy Souza
Sent: Tuesday, January 27, 2004 3:21 PM
Subject: InDemand meeting report

All -

I had an excellent meeting with Rebecca Glashow, Director of Business Development at InDemand. The meeting was held at InDemand's offices in Manhattan (in my old neighborhood, about 3 blocks from where I used to live in the 1980's). The salient points:

- * As Rebecca has indicated before, proceeding with InDemand is contingent on their receiving instruction from TWC that InDemand should carry our product. Rebecca and I worked under the assumption that this will be forthcoming given our relationship with Oceanic and TWC.
- * Once the permission to proceed is granted, she estimates it will take about 60 days execute agreements, model our transmission requirements, QA our content packages and process, and go live.
- * As I mentioned in a previous email, InDemand's standard scheduling timeline for broadcasting a video file is 45 days when they are providing the full video encoding/packaging/QA service. If we use their Transport service instead, where we deliver a properly prepared content package (encoded and constructed on N2BB systems), then she is confident that the window can be reduced to 3 weeks.
- * The scheduling window will most likely be reduced in the future, as other VOD-based products such as time-sensitive sports programming products enter the market; InDemand is working on these new products and is aware of the issue. She did clarify that the 3 week (and 45 day) scheduling windows are not solely a result of InDemand process; TWC and the other operators defined these delivery parameters along with InDemand to suit their own needs. In other words, reducing these windows will require cooperation from the operators as well as InDemand. For the time being, when we convert to InDemand, we will most likely have a 4 week window between receiving a video, encoding/packaging/QA, transmit to InDemand and then schedule for broadcast.
- * We spent significant time going over our new product concepts and the value proposition for the operators. She was very intrigued and very positive about what we are doing. If TWC gives the green light, I think Rebecca and InDemand will be willing and interested in supporting our service. However, I think we will have to host a visit to Honolulu for Rebecca and the head of operations while it is still cold in the Northeast once we are live with Navic....

All in all, it was worthwhile making the effort to meet Rebecca in person. Now I am on the plane headed to Atlanta to meet with the other side of the equation, Mike Keyserling of N2BB to discuss the packaging systems, their relationship with TWC, etc.

Thanks,

mdp

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