CITY OF BOSTON HEARING FOR THE RENEWAL OF THE
OPEN VIDEO SYSTEM OF
RCN TELECOM SERVICES OF MASS., LLC
& THE LICENSE TRANSFER APPLICATION
FOR
STONEPEAK INFRASTRUCTURE PARTNERS

Wednesday, March 17, 2021
10:00 AM
(via Webex, Boston.gov and Boston City TV)

RCN Open Video License Transfer and Renewal Hearing, March 17, 2021 10:00 a.m.
The Mass. Updated Open Meeting Law Guidance (Revised June 9, 2020) during the COVID-19 pandemic requires notice to the public that this meeting is being recorded and is provided under alternative means of public access to technology that enables the public to clearly follow the proceedings of the public body in real time.

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CITY OF BOSTON HEARINGS

RENEWAL OF THE OPEN VIDEO SYSTEM OF RCN TELECOM SERVICES OF MASS., LLC

LICENSE TRANSFER APPLICATION FOR STONEPEAK INFRASTRUCTURE PARTNERS

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AGENDA:

Welcome

City of Boston Presentation

Mike Lynch, Broadband & Cable, Boston Department of Innovation and Technology (DoIT)
Gerard L. Lederer, Partner BBK Law, outside counsel for Boston

RCN Telecom Services of Massachusetts Presentation and Response

Jeff Carlson, Vice President and General Manager
Thomas K. Steel, Vice President for Regulatory and Law
Michael Nilsson, Harris, Wiltshire & Grannis, Counsel to Stonepeak Infrastructure Partners

BNN Media

General Manager Glenn Williams &
Board President Justin Petty

Public Comment
Boston has many broadband providers -- Comcast, Verizon, RCN, Starry, NetBlazr, etc.

RCN, along with Comcast & Verizon, are facilities-based cable providers, thereby licensed by the City.

All three kept the “Keep America Connected” pledge of broadband & wireless providers to keep folks connected during the COVID-19 pandemic.

All three also offered versions of affordable broadband

RCN & Comcast offer Senior Discount programs for cable TV.

We also have a robust City-use network - BoNET - for city services, public safety, schools, libraries, etc.
Hearing Notices

Published in the Boston Herald, March 3rd and 10th, 2021

City website: www.boston.gov/departments/broadband-and-cable/cable-competition-boston

City Record: www.boston.gov/sites/default/files/file/2021/03/03.15.2021%20City%20Record.pdf

City Clerk’s Public Notices: www.boston.gov/public-notices

Boston PEG TV Channels:

<table>
<thead>
<tr>
<th>Boston PEG channels</th>
<th>Verizon FiOS</th>
<th>Comcast</th>
<th>RCN</th>
</tr>
</thead>
<tbody>
<tr>
<td>BNN Community</td>
<td>2160 (HD)</td>
<td>23</td>
<td>83</td>
</tr>
<tr>
<td>BNN News &amp; Info</td>
<td>2161 (HD)</td>
<td>9</td>
<td>15</td>
</tr>
<tr>
<td>Boston City TV</td>
<td>962</td>
<td>24</td>
<td>13</td>
</tr>
</tbody>
</table>
OVS License Renewal

10 year Cable Television Licenses which protect:

- Residents’ cable TV & customer service
- Preserves dark fiber for the BoNet city network
- Support and broadcast BNN Media Channels,
- Provide more than $10M annually for City and PEG
- PRovide residential access to cable broadband service - which sits outside of the licenses.

The Transfer Request is available at:
www.boston.gov/departments/broadband-and-cable/cable-competition-boston under the heading: LATEST UPDATES
Who does RCN serve?
RCN in Boston, a timeline

July, 1999
RCN enters first Boston cable license with partner, Boston Edison

December, 2002
RCN seeks license relief, become Open Video System (OVS)

February, 2011
RCN Ownership Transfer to ABRY Partners/Yankee Cable

December, 2016
RCN Ownership Transfer to Radiate Holdings, a subsidiary of TPG Capital. Patriot Media to manage.

December, 2020
Stonepeak Infrastructure Partners files Transfer to purchase RCN Telecom Services. Patriot Media to still manage.
License Transfer in the world of cable

Four factors from state and federal rules and City License to be considered in determining a request for transfer of ownership.

Does the new owner have the necessary:

1. Managerial experience to operate the system;
2. Technical expertise to operate the system;
3. Financial capability to operate the system; and,
4. Legal ability to operate the system?
License Transfer in the world of cable

RCN and Stonepeak will address:

1. How Will the System's Ownership Change?
2. Who is Stonepeak Infrastructure Partners?
3. How Is The Transaction Being Financed?
4. How Will the System's Ownership Change?
5. Who Will Manage and Run the System? (Who is Patriot?)
6. What are the Benefits of the Transaction (to the City and its residents who will be subscribers?)
RCN Telecom Services of Massachusetts Presentation and Response

Jeff Carlson, Vice President and General Manager

Thomas K. Steel, Vice President for Regulatory and Law

Michael Nilsson, Harris, Wiltshire & Grannis, Counsel to Stonepeak Infrastructure Partners
RCN/Radiate/Stonepeak
Proposed Transfer of Control
City of Boston

Michael Nilsson
HARRIS, WILTSHIRE & GRANNIS LLP
Counsel for Stonepeak
March 17, 2021
Introduction

- The proposed transaction involves an indirect transfer of control of RCN’s parent company from one private equity fund to another.
- Applicants have submitted voluminous materials to Boston.
- Rather than revisiting those materials, this presentation offers a very high-level summary of the effects of the proposed transaction on Boston and on RCN subscribers.
From Boston’s perspective as franchise authority, the proposed transaction changes nothing at all.

We do not propose to transfer the franchise. Rather, RCN will remain the franchisee and retain responsibility for compliance.

This means that Boston can rely on RCN itself for legal and financial qualifications to operate a cable system.
What the Proposed Transaction Means

- In the short term, the proposed transaction will change nothing for Boston subscribers.
- Stonepeak chose this particular transaction because it believes that RCN’s management and operations are excellent.
- Stonepeak has no plans to substantially change RCN’s operations or management—including Tom Steel.
- This means that Boston can rely on RCN itself in terms of management and technical qualifications.
What the Proposed Transaction Means for Boston Subscribers in the Long Term

▪ The transaction promises to make additional resources available to RCN.
▪ Stonepeak manages $29 billion in investments and has a demonstrated history of providing resources to its portfolio companies and helping them grow.
▪ Additional resources may be used to improve the network, improve customer service, or otherwise enhance RCN’s offerings.
▪ In the long term, the proposed transaction promises to make RCN’s service more competitive with Comcast and other incumbents.
Audit and Review Process

- RCN participated in an audit and has agreed in principle to safeguards proposed by the auditor.
- As required by the franchise, RCN has paid for the City’s expenses (up to $10,000) in reviewing and administering the proposed transfer.
BNN Media

General Manager Glenn Williams &

Board President Justin Petty
SERVING BOSTON
Create hyper-local content to inform our community

Nonprofit organizations, public agencies, and institutions that serve Bostonians can reach their target audience

• Access to targeted community marketing and promotion
• Access to computers, and equipment for content creation

Variety of media/information distribution arms, reachable 24 hours/day, 7 days/week, all year long
SKILLS & TRAINING

Provides residents, Non-Profit Organizations, and Public Service Agencies low-cost media and technology training

Provides opportunities for organizations and individuals to get their messages out without technological infrastructure and training

Provides skill development and acquisition to Boston residents and employees of non-profit organizations in areas of public speaking, design, marketing, promotions, design thinking, project management, and a variety of other soft and hards skills
NON-COMMERCIAL

The flexibility of content creation without the limitations placed on the content's commerciality

Ability to create more substantive long-form programming that serves the community without financial restrictions

PANDEMIC RELATED BENEFITS

Like commercial stations, we have developed the skills, and tools for our producers to pivot and create content throughout the pandemic.
Public Comments

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Comments period open through March 19, 2021:

www.boston.gov/departments/broadband-and-cable/cable-competition-boston