



Franchise Renewal & Transfer Update

Northern Dakota County
Cable Communications Commission

June 4, 2014

April 2014 Updated Timeline

- Deliver Draft Informal Franchise to Comcast, June 2014
- Small, nimble negotiating committee meets informally with Comcast (Starting in June)
- Meanwhile, conduct Financial & Technical Audits (summer)
- Regular status reports to NDC4 and Member Cities
- Determine likelihood of informal success by October 2014
- Deliver recommendation to NDC4 October 7th
 - 1) We will have recommended draft franchise by Jan. 1st OR,
 - 2) We recommend holding extension conversations, AND
We recommend discussion of “going formal”
- By January 1, 2015, model franchises for seven cities, OR extension and formal proceeding underway



New Wrinkle...

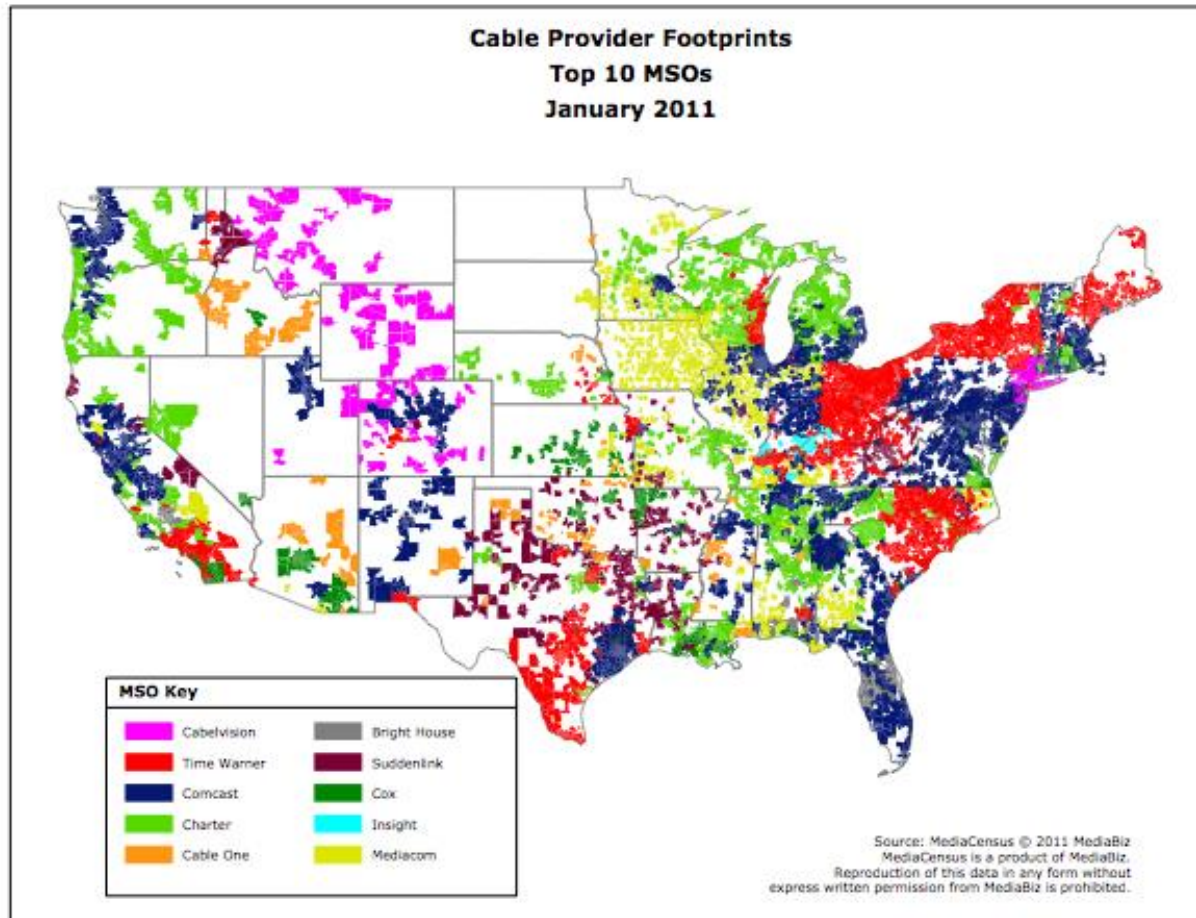
Comcast/Time Warner/Charter/"SpinCo"

NewsFlash! Comcast merger with Time Warner

- Requires federal agencies' approvals (FCC & DOJ)
- Another *NewsFlash!* Twin Cities properties to be "spun off" to new entity – "SpinCo"
- SpinCo will be a new publicly traded entity - new separate board of directors
 - Owned 33% by Charter Communications, 67% by Comcast/TW SHAREHOLDERS
 - managed by Charter Communications
- Financial review – challenging given lack of operating history

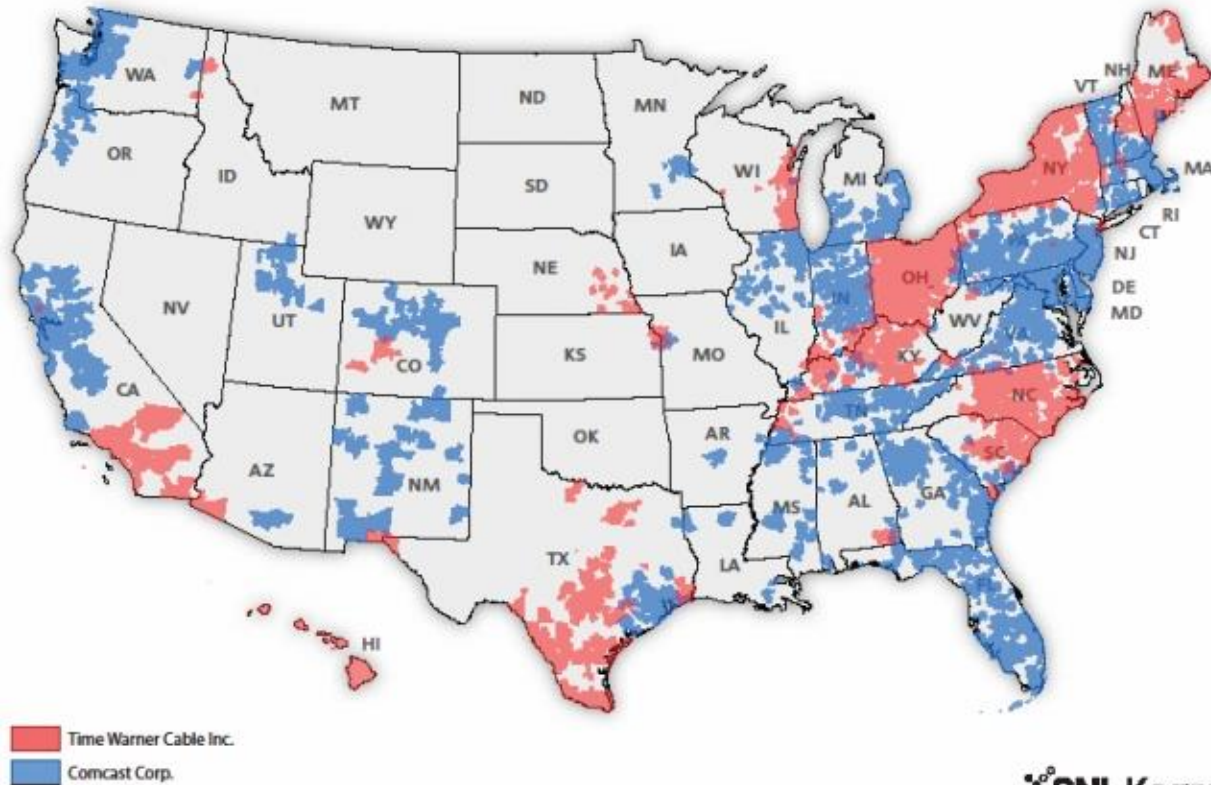


Pre-Merger Cable Markets



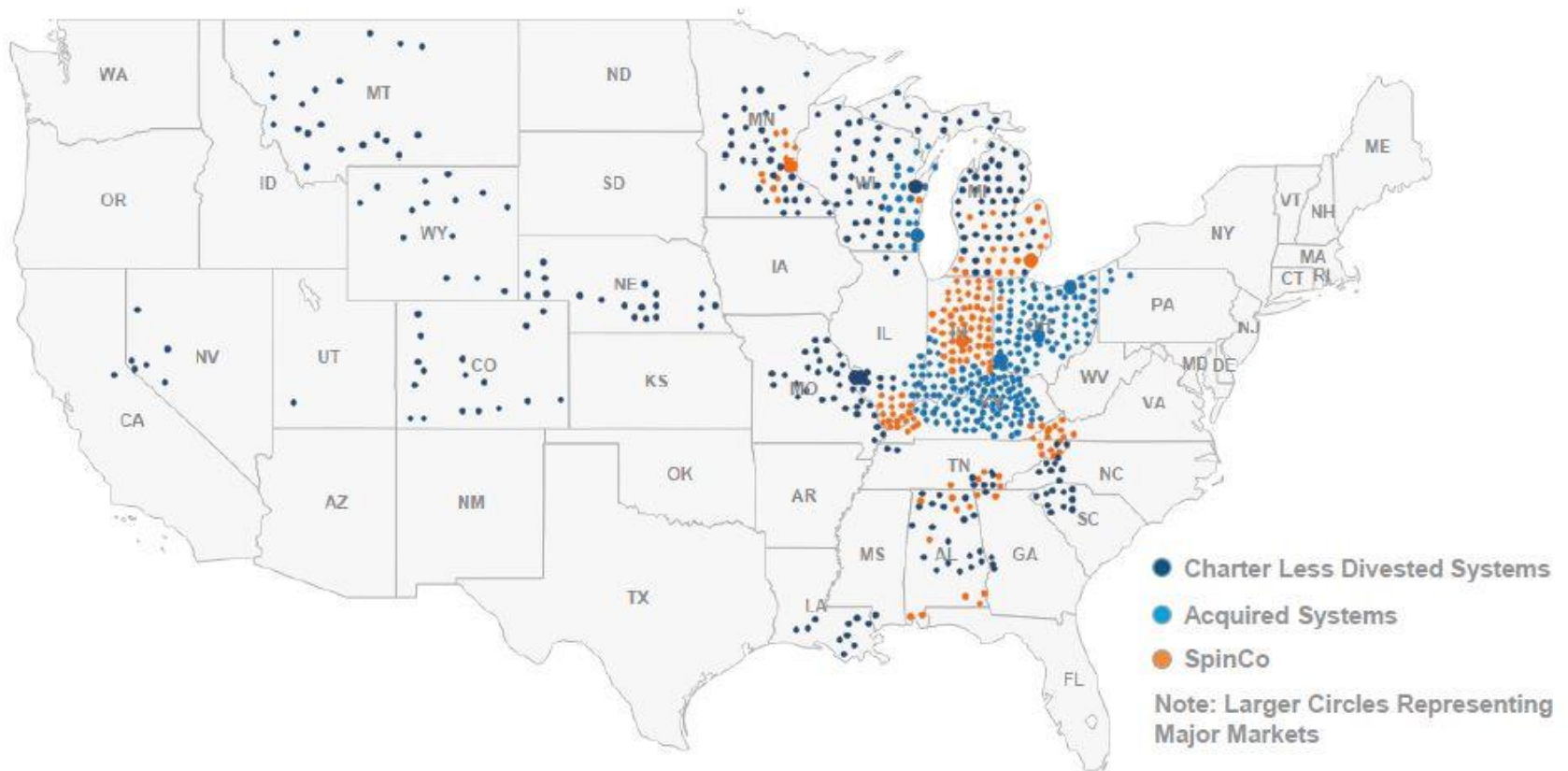
Comcast TWC (Pre-SpinCo) (34 million subscribers)

Time Warner Cable & Comcast Footprint



SNL Kagan

Proposed Charter + SpinCo (2.5 M subscribers to SpinCo)



New Wrinkle...

Comcast/Time Warner/Charter/"SpinCo"

What does this mean?

- NDC4 has right to review and approve/not approve transfers of franchises from Comcast to SpinCo
- Official request via FCC Form 394 expected June(?)
- NDC4 will have 120 days to issue decision (if Form 394 application is complete)
- Legal, Technical, and Financial qualifications
- "Business as Usual" as merger unfolds



New Wrinkle...

Comcast/Time Warner/Charter/"SpinCo"

Late-breaking News

- Liberty Media announced segregation of new publicly traded stock "Liberty Broadband" to incl. its 27% interest in Charter (another spin!)
- MN LFA's working together on financial review
- FCC has agreed to combine the Charter spin-off with the original request to merge Comcast & T-W
- Cable Veteran Michael Willner named as SpinCo CEO





Final Thoughts

- Possible need for additional full Commission Meetings
- Please forward subscriber concerns and city needs & interests to Jodie Miller.
- NDC4 serves at the pleasure of the seven member cities.
THANK YOU for your support!

Jodie Miller

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