

**Memorandum
To
Select Board/Town of Natick
Regarding
Proposed Transfer of Control
of
Cable Television Renewal License Held by RCN Telecom Services of Massachusetts, LLC
To
Stonepeak Infrastructure Partners
From
William H. Solomon, Special Counsel
(February 5, 2020)**

I am writing to set out the background, applicable law and proposed process for the Board's February 10, 2020 public hearing on the proposed Transfer of Control of the Cable Television Renewal License held by RCN Telecom Services of Massachusetts, LLC ("RCN") to Stonepeak Infrastructure Partners ("Stonepeak"). This would occur as a result of Stonepeak (a private equity firm) entering an agreement to acquire Radiate Holdings LP (also a private equity firm) which currently controls and operates RCN.

More specifically:

1. The current Comcast Renewal License for purposes of this transfer will be the February 10, 2021 Renewal License, if approved on Wednesday, with a 10-year term, running through February 9, 2031.

2. The cover letter for the "Notice of Transfer of Control of a Parent Company of RCN ..." ("Notice of Transfer") from counsel for both Stonepeak and Radiate Holdings, L.P., the entity which currently has control of RCN and which is being acquired by Stonepeak, sets out the proposed transaction and accurately sets out the applicable law. As noted in cover letter of the Notice of Transfer:

- The transaction will not change the operation of RCN Telecom Services of Massachusetts, LLC, nor will it change the Services of RCN['s] obligations to comply with its franchise agreement. It is, however, expected to make additional resources available to Burlington with which it can enhance its network and improve its services in the Town of Burlington
- Your community's franchise will continue to be held by the same legal entity that holds your franchise today, it will continue to provide service pursuant to that franchise and the same company that manages the system today will continue to do so. However, it will operate under the ultimate ownership and indirect control of Stonepeak.
- Again, as part of this transaction, Stonepeak has no current plans to change the local operations or structure of the operations or the services offered. Upon completion, Stonepeak will combine its resources and expertise with RCN['] ... knowledge of the local cable

marketplace to build upon the success of RCN Telecom Services of Massachusetts, LLC and further enhance the customer experience in your community.

3. Time to act on the transfer application under the Cable Act and Massachusetts cable regulations – 120 days from receipt of the filing of the completed FCC Form 394 to take final action. If the Issuing Authority takes no action within 120 days, the transfer is deemed to have been accepted. (Although the common understanding and practice, not addressed in the federal law or regulations, is that the parties can agree to extend this time period.)

4. Legal Standard for the “Issuing Authority” (“Franchising Authority”) to apply the Transfer Application:

207 CMR 4.04: Standard of Review:

- 1) In reviewing an application for a transfer or assignment of a license or control thereof, an issuing authority shall consider only the transferee's:
 - (a) management experience;
 - (b) technical expertise;
 - (c) financial capability; and
 - (d) legal ability to operate a cable system under the existing license.
- 2) As part of an issuing authority's review of an application for a transfer or assignment of a license or control thereof, an issuing authority shall not propose amendments to or renegotiate the terms of the existing license or any license renewal proposal.

5. This office will forward a draft License transfer of control approval for the Board by Monday morning, February 8th.

6. Please note that the Transfer of Control should not/will not be voted and approved before both parties approve the Renewal License. RCN has indicated that the Renewal License will be signed by its authorized officer prior to the Select Board's votes on Wednesday, subject, of course, to the Select Board's determinations on both matters.