



RATE INCREASE FAQs



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Why are rates going up?

We have worked very hard to hold down rate increases. We periodically need to adjust rates due to increases we incur in programming and business costs. TV networks continue to demand major increases in the costs they charge us to carry their networks. We will continue to negotiate to keep costs as low as possible. You are our priority.



Can you tell me what one TV station/network costs?

Our contracts prohibit us from providing information by individual TV station and networks.



Your services are too expensive...I am going to switch to a different provider.



These programming cost increases are not unique to RCN. Our competitors are being affected as well. RCN provides the best value for our customer's entertainment dollars. Our high-speed Internet products are industry leading including the fastest speeds and best prices. If you compare the competition's prices to ours you will see we offer the best value.

3

I refuse to pay more money for lousy service.

If you are experiencing trouble with your service please contact us.



1-800-746-4726



Live chat

4

I am in a promotional package, are my rates changing now too?



If you are signed up for one of our promotional packages you'll continue to experience great savings off our regular retail rates for the services you chose, until the end of your promotional period. If you have other services and equipment outside of the service package you may see an increase in those equipment rates and you will see an increase in the associated surcharges, taxes and fees.



What are the Surcharges?

The surcharges are Broadcast TV, Sports Surcharge and Entertainment Networks Surcharge.

- **Broadcast TV Surcharge** of **\$10.78** is applied to all video customers for broadcast TV carriage fees.
- **Sports Surcharge** of **\$9.82 (\$16.73 in New York as of 8/1/18)** is applied to those video customers who have Signature, Premiere or Sports Tiers to offset the cost of sports content.
- **Entertainment Networks Surcharge** of **\$9.35** is applied to all video customers with the Signature Tier and above to offset increases from network groups like FOX, Viacom, Turner, Disney and others.
- **Network Access and Maintenance Fee** of **\$1.97**. The Network Access and Maintenance fee helps defray costs associated with building and maintaining RCN'S fiber rich broadband network, as well as the costs of expanding network capacity to support the continued increase in customers' average broadband consumption.
- **The Municipal Construction Surcharge** is **\$2.99** in New York and Chicago and is applied to all cable and Internet customers, whether a la carte or in a bundle. Phone only customers are not included and will not see this surcharge. This new surcharge will recover a portion of the expenses RCN incurs from government mandated relocation of its facilities that are in the public rights-of-way to prevent interference with street repairs, public construction projects or other activities required for public health, safety or convenience.

Do I have to pay the Sports or Entertainment Networks Surcharge if I have Limited Basic only?

No. If you subscribe to Limited Basic only and no other video packages or tiers, the Sports or Entertainment Network Surcharge will not be assessed to your monthly bill.



Are these Surcharges a government tax or fee?

These surcharges are not imposed by the government and are subject to change. These surcharges are not franchise fees, which are imposed by local franchising authorities (municipalities) as compensation for RCN's use of the public right-of-ways or easements. These surcharges are also not taxes, which RCN collects on behalf of local, state, and federal governments. These surcharges help RCN recover a portion of the costs of programming content and the expenses RCN incurs from government mandated relocation of its facilities.



Is this cost different from what I have been paying for in the past?

The monthly rate for cable TV is based on fees paid for TV programming and the cost of operating and maintaining the cable TV system so that our signals can reach subscribers' homes with quality and reliability. RCN has invested millions in its network and services in 2017 and will continue to invest in 2018.

While we pledge to hold prices as low as possible, annual adjustments are necessary because of the rising cost of TV programming – specific to broadcast, sports and entertainment networks.

In recent years, broadcasters and network owners have become very aggressive, demanding increasingly larger payments for carriage of their “must see” network shows and their family of networks when historically most channels were available at much lower costs to consumers and the cable TV provider. The rapid increase in fees imposed by broadcasters and network owners has necessitated that we introduce an additional surcharge to customers to help cover only a portion of these rapidly increasing costs.



NETWORK FEES

+



COST OF SERVICE

=



MONTHLY BILL

Are other cable companies charging these same fees, or just RCN?

The majority of cable companies are now passing along whole or partial surcharges to their cable customers to cover the retransmission costs from local broadcast TV stations, sports and entertainment networks. And those who are not will probably begin doing so in the future as rates continue to rise. These costs are going up dramatically for all distributors.



What is the Broadcast TV Surcharge?

Programming costs and retransmission fees from local broadcasters comprise the largest cost in our business. These fees are growing at an alarming rate — faster than RCN and other distributors can absorb. The Broadcast TV Surcharge reflects only a portion of the rapidly escalating charges demanded by the broadcast TV stations such as NBC, ABC, CBS, Fox and others.



Why do I have to pay for Broadcast TV if I can get it free with an antenna?

Broadcast TV stations distribute their signals over the air, using free spectrum granted to them by the federal government. In effect, taxpayers are subsidizing the distribution of broadcast, or “network-affiliated,” TV signals. These same broadcast TV stations are then allowed by the government to charge cable and satellite companies for their signals — and if we (the cable operator) don’t agree to pay, broadcasters will drop their channels from your lineup, thereby adversely impacting our customers. Historically, these fees were made available to RCN at low cost or no cost. This is no longer the case — cable TV operators are forced to pay rapidly escalating fees demanded by the broadcast TV network owners.

What is the Sports Surcharge?

Programming costs comprise the largest cost in our business. These fees are growing at an astounding rate - faster than RCN and other distributors can absorb. The Sports Surcharge reflects only a portion of the rapidly escalating charges demanded by the owners of sports related stations and networks. This monthly fee helps RCN recover some of the rising cost of delivering collegiate and professional sports programming to our customers. The fee is assessed only to customers who have subscribed to programming packages that include sports programming.



I don't watch sports channels. Why must I pay this Sports Surcharge?

Sporting events are not limited to sports networks such as ESPN, MLB Network, NHL Network or other sports-centric channels. The rates we pay for non-sports networks are also affected by sports programming. General entertainment channels such as TBS, TNT and USA, carry live sports in addition to non-sports entertainment programming. In total, more than 30 channels on your lineup carry live sports – and their rates are all affected by the increasing cost of sports programming.

What is the Entertainment Networks Surcharge?

Programming costs comprise the largest cost in our business. The Entertainment Networks Surcharge reflects only a portion of the rapidly escalating charges demanded by the owners of Entertainment Networks such as AMC, Discovery, Comcast/NBC Universal, Scripps, Viacom, Turner, ABC/Disney/ESPN and others.



I don't watch all of these networks. Why must I pay for all?

- Carrying individual channels instead of a network owner's entire "family of networks" is not an option offered to cable TV providers like RCN. We are forced to carry ALL networks from a given network owner.
- Most carriage agreements require cable TV providers to pay large programming rate hikes or forgo carriage of all networks — with no in between option.
- Network owners have also forced cable TV providers to carry channels on specific tiers as part of the agreement, which drives costs higher.
- Networks are also forcing higher fees on cable TV providers for TV Everywhere and On Demand carriage as part of carriage agreements.
- Cable TV providers are required to pay a fee for every household who receives that channel, regardless of whether anyone in that household even watches the channel.
- As your cable TV provider, we absorb a portion of those increases and pass along a portion to our customers.

Why do network owners do this?

To ensure lower viewed networks get distribution and therefore, earn more advertising revenue for network owners.



I don't need/want all of these networks. What can I do?

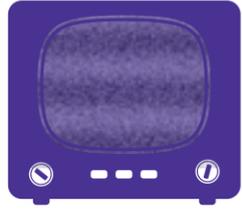
Visit the websites below and find out how to write your Congressman or Senator and let them know your feelings. They put these regulations into effect and only they can change them.

- [ContactingTheCongress.org](https://www.contactingthecongress.org)
- [House.gov](https://www.house.gov)
- [OpenCongress.org](https://www.opencongress.org)
- [USA.gov](https://www.usa.gov)

What is the history behind Cable TV?

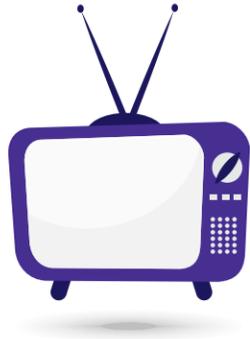
Over the past 65 years, Cable TV has gone through a series of transitions, technologically and legally:

1948



Cable television first became available in the US in 1948, with subscription services to relay over-the-air commercial broadcasting television channels.

1948 – 1972



Cable Television extends the geographic reach of over-the-air television stations and provides for consistently good quality reception not available with a rooftop antenna or rabbit ears.

1972



The FCC implements the “Must Carry Rule”. The Must-Carry rule mandates that cable companies carry the signals of all local broadcasters within a 60-mile area.

1992



The FCC passes the Retransmission Act of 1992, giving broadcast stations a choice of requiring cable companies to carry them under the must-carry rules or negotiating with cable companies for compensation to carry their broadcast signals.

1992 – 2005



Cable TV providers generally resisted broadcaster demands for cash compensation on the grounds that the programming was available “off- air” for free.

2005 – 2010



Broadcasters and networks increase demands for cash compensation for programming carriage and occasionally remove a channel from cable TV providers when fees are in dispute.

2011 – PRESENT



Broadcasters and networks demand gigantic fee increases from cable TV providers such as RCN – as much as 300%! TV stations and networks engage in several public disputes resulting in customer blackouts.

What is “Retransmission Consent”?

Retransmission consent refers to a provision of the 1992 United States Cable Television Protection and Competition Act that requires cable operators and other multi-channel video programming distributors to obtain permission from broadcasters before carrying their programming. In exchange, a broadcaster may propose that the cable operator pay cash to carry the station or ask for other forms of consideration. The cable operator may refuse the broadcaster’s proposal and the broadcaster can withhold permission for the cable operator to carry the programming. It boils down to a negotiation to arrive at an equitable agreement for all parties.

Unlike cable TV networks, broadcast TV stations distribute their signals over the air, using free spectrum granted to them by the federal government. In effect, taxpayers subsidize the distribution of broadcast TV signals. These same broadcast TV stations are then allowed by the government to charge cable and satellite distributors for their signals — and if we don’t agree to pay, broadcasters can force us to drop their channels. It’s all part of a process known as “retransmission consent negotiations.”

Without the written consent of the local broadcast station ownership, cable and satellite companies are not allowed by law to carry those signals.

Twenty years later, the competitive environment for cable TV providers has changed dramatically. Companies that own the local broadcast TV stations are increasingly demanding huge demands for cash that drive up a cable, satellite, or telephone company’s costs of doing business, and this pricing ultimately affects customers. Cable TV providers cannot absorb these rapidly escalating fees paid to networks and sports channels, plus retransmission fees from local broadcasters. These fees comprise the largest costs in our business and are growing the fastest.