



March 28, 2013

[REDACTED]
Camden County
PO Box 190
Camden, NC 27921

Dear [REDACTED]:

The purpose of this letter is to inform you that, on or about May 1, 2013, Mediacom will be implementing the following rate adjustments:¹

| Product: | Old Rate: | New Rate: | Net Change: |
|-----------------------------------|-----------|-----------|-------------|
| Local Broadcast Station Surcharge | N/A | \$ 2.00 | \$ 3.82 |
| Family Cable | \$ 2.40 | \$ 4.22 | \$ 1.82 |

The decision to make price adjustments is always a difficult one, especially as our Nation continues to recover from a lengthy recession. Contrary to public perception, we are very reluctant to raise video prices because when we do, we lose subscribers. However, cable and satellite companies are constantly being pressured by the programmers we buy from to pay more for the channels we carry. Mediacom is no exception as our overall programming costs rose by over 12% in the past year. In fact, every penny of this increase will be passed on to the programmers.

The fees we pay to retransmit local broadcast stations like ABC, CBS, FOX and NBC are by far our fastest growing programming cost component. Outdated federal laws give the local broadcast stations monopoly power over network and syndicated programming within their respective market areas. Over the past few years, many broadcasters have used their monopoly powers to demand 100%, 200% and even 300% rate increases during contract negotiations. This has driven up cable and satellite rates and forced American consumers to pay billions of dollars for "free" over-the-air television.

¹ Depending on the terms of their contract, certain customers on promotional rates may or may not receive this rate change at this time.

Beginning in May, Mediacom will institute a Local Broadcast Station Surcharge equal to fee increases the local broadcast stations in your market have demanded we pay to them since the start of 2012. By bringing more transparency to the unjustified fee increases being taken by local broadcast stations, we hope to draw the attention of consumers and their elected representatives to this rapidly escalating problem. As the saying goes, sunlight is the best disinfectant and we hope shedding more light on this issue will force lawmakers in Washington to fix this outdated regime.

Unfortunately, local broadcasters aren't the only programmers causing cable and satellite prices to rise. Other channel owners, especially national and regional sports networks, are insisting on huge rate increases that are driving up the cost of Family Cable. One look at the skyrocketing rights fees announced with recent deals and it is easy to see that the marketplace for live televised sports is out of control. The television rights to the Los Angeles Lakers and Los Angeles Dodgers recently sold for \$3 billion and \$7 billion respectively. These are just two in a long list of examples of the unrestrained spending that has become the hallmark of the sports programming business.

Since the programming community has been unwilling to exercise even the slightest measure of self-restraint when it comes to reigning in their spending or increasing their price demands, Mediacom has taken the fight to Washington. We have asked the Federal Communications Commission and Members of Congress to protect senior citizens, low-income households and rural residents from practices that are rendering pay television unaffordable for more and more Americans. We even started a petition asking President Obama for help (see <http://www.change.org/petitions/white-house-protect-tv-viewers-from-broadcast-blackouts-and-unfair-price-increases>). We invite the leaders of your community to do the same.

Despite the business challenges we face, Mediacom appreciates the opportunity to continue to serve your community's telecommunications needs. If you have any questions, please contact me directly at 252-482-8089 or joholliday@mediacomcc.com.

Yours sincerely,

J. Wayne Holliday
Manager, Area Operations