

Dear RCN Customer,

In order to provide the channels you watch on your television, we must enter into multi-year contracts with companies that own those channels. In the last several weeks, talks have been ongoing to renew our contract with Viacom, the parent company of MTV, Nickelodeon, Comedy Central, BET and several other cable channels. At the present time, we have not reached a new agreement.

Despite our attempts for fair pricing, Viacom is attempting to force unreasonable programming fees upon RCN and its customers –**their proposed rates are about 40 times the rate of inflation.** Imagine pulling up to the gas pump and finding gas has gone from \$3.50 a gallon to \$6.00 – overnight.* That's the scale of what is being demanded. We will continue to work hard to resolve this - but won't settle for less than fair pricing for our customers.

Our current carriage agreement with Viacom Networks will expire March 31, 2014. If no agreement is reached by this date, our negotiating agent, the National Cable Television Cooperative (NCTC) which represents over 750 other companies like RCN, has asked Viacom to continue to provide its programs at the current rate while discussions continue. Although we are working hard to reach a reasonable agreement on your behalf, Viacom may decide to restrict access or remove its channels on April 1 and urge you to switch to another provider in an attempt to pressure us to accept these outrageous increases. Switching is not the answer, as this isn't simply an RCN issue. Viacom has regularly demanded steep rate increases and has forced blackouts upon other video providers in the past.

These increases aren't justified in any way based on viewership – it is just an attempt for Viacom to extract large fees from our customers. We are on your side and will continue to work diligently with Viacom Networks to reach an agreement, but won't settle for less than reasonable pricing. We're committed to keeping you informed of developments about this situation. Please visit www.rcn.com/viacom for more information and to stay informed as we move forward.

We appreciate your understanding as we work to negotiate reasonable rates on your behalf. Thank you for being our customer.

Sincerely,

Jim Holanda
CEO, RCN Telecom Services, LLC

**Source: 12-month period from January 2013 to January 2014, Bureau of Labor Statistics, released February 20, 2014.*