

RESOLUTION 14-11

**A RESOLUTION DENYING APPROVAL OF A CABLE FRANCHISE  
TRANSFER OF CONTROL TO COMCAST CORPORATION AND DENYING  
APPROVAL OF A CABLE FRANCHISE TRANSFER OF CONTROL TO CHARTER  
COMMUNICATIONS INC.**

**WHEREAS**, Time Warner Cable Midwest LLC (“Franchisee”) is the duly authorized holder of a franchise pursuant to Ordinance 98-23, (the “Franchise”), authorizing Franchisee to serve the City of Somerset, KY (“City”) and to operate and maintain a cable television system there; and

**WHEREAS**, on February 12, 2014, Comcast Corporation (“Comcast”) and Time Warner Cable Inc. (“TWC”), the ultimate parent company of Franchisee, and Tango Acquisition Sub, Inc. (“Tango”), entered into an Agreement and Plan of Merger, pursuant to which TWC will merge with Tango, a wholly-owned subsidiary of Comcast, with TWC as the surviving company, TWC becoming a wholly-owned subsidiary of Comcast and, Comcast, after the consummation of its merger with TWC, becoming the ultimate parent company of Franchisee; and

**WHEREAS**, on or about April 10, 2014 Comcast submitted an FCC Form 394 to the City (“Comcast Application”); and

**WHEREAS**, on April 25, 2014, Charter Communications, Inc. (“Charter”) and Franchisee entered into the Comcast/Charter Transactions Agreement and, contingent upon and pursuant to Franchisee’s consummation of its acquisition of Time Warner Cable, said Franchisee shall become a wholly-owned subsidiary of Charter; and

**WHEREAS**, on or about June 19, 2014, Charter submitted an FCC Form 394 Application for Transfer of Control of the Franchise from Comcast to the City (“Charter Application”); and

**WHEREAS**, Section 23(A) of the Franchise provides that in making a determination of an application for transfer of the franchise, the City will consider the legal, financial, technical and character qualifications of the transferee to operate the system and whether operation by the transferee would adversely affect the cable services to subscribers or otherwise be contrary to the public interest.

**NOW, THEREFORE, CITY OF SOMERSET MAKES THE FOLLOWING  
FINDINGS OF FACT:**

- The TWC to Comcast transfer of control has yet to be approved by the Federal Communications Commission or the Department of Justice.
- Pursuant to Section 23(A) of the Franchise, in light of the fact that the transfer of control from TWC to Comcast has yet to be approved by the Federal Communications Commission or the Department of Justice, Comcast is not legally qualified to operate the system. Further, any transfer approval by the City prior to receipt of said federal approvals would adversely affect subscribers, and be contrary to the public interest.
- The J.D. Power 2014 Residential Wireline Television Service Satisfaction Study, which is attached hereto as Exhibit A and incorporated herein by reference, contains data stating that nationally, Comcast has poor customer service ratings.
- Pursuant to Section 23(A) of the Franchise, in light of Comcast's poor customer service record; Comcast does not have the required technical qualifications, experience, and expertise necessary to provide adequate customer service. Further, operation of the system by Comcast would adversely affect cable services to subscribers and would be contrary to the public interest.
- The Franchisee has a poor record of resolving customer service and billing issues and Comcast has not shown any commitment to resolving these issues.
- Pursuant to Section 23(A) of the Franchise, in light of Comcast's lack of commitment to resolve the City's customer service and billing issues, operation of the system by Comcast would adversely affect cable services to subscribers and would be contrary to the public interest.
- In light of the fact that approval of the Charter Application will be denied by the pursuant to Section 23(A), Comcast has no legal right to transfer control to Charter.
- The Comcast to Charter transfer of control has yet to be approved by the Federal Communications Commission or the Department of Justice.
- Pursuant to 23(A) of the Franchise, in light of the fact that the transfer of control from Comcast to Charter has yet to be approved by the Federal Communications Commission or the Department of Justice, Comcast is not legally qualified to operate the system. Further, any transfer approval by the City prior to receipt of said federal approvals would adversely affect subscribers and would be contrary to the public interest.

- The J.D. Power 2014 Residential Wireline Television Service Satisfaction Study, which is attached hereto as Exhibit A, contains data stating that nationally, Charter has poor customer service ratings.
- Pursuant to Section 23(A) of the Franchise, in light of Charter's poor customer service record; Charter does not have the required technical qualifications, experience, and expertise necessary to provide adequate customer service. Further, operation of the system by Charter would adversely affect cable services to subscribers and would be contrary to the public interest.
- The Franchisee has a poor record of resolving customer service and billing issues and Charter has not shown any commitment to resolving these issues.
- Pursuant to Section 23(A) of the Franchise, in light of Charter's lack of commitment to resolve the City's customer service and billing issues, operation of the system by Charter would adversely affect cable services to subscribers and would be contrary to the public interest.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF SOMERSET AS FOLLOWS:**

#### **SECTION ONE**

The City hereby finds, determines, and declares that the preambles to this resolution and the findings of fact cited above are true and correct in all respects. Said preambles and findings of fact are incorporated into the body of this resolution by reference as if set forth at length herein.

#### **SECTION TWO**

The City further finds, determines, and declares that the denial of approval of the transfer of control from Comcast to Charter will be in the best interest of the subscribers and is in the furtherance of the public purposes and functions the City.

#### **SECTION THREE**

Approval of the Charter Application and the Comcast Application are hereby denied pursuant to Section 23(A) of the Franchise of the based on the above-mentioned preambles and findings of fact.

#### **SECTION FOUR**

If any section, subsection, clause or phrase of this resolution is for any reason held unconstitutional or otherwise invalid, such infirmity shall not affect the validity of the

remaining portions of this resolution.

**SECTION FIVE**

All resolutions or parts of resolutions in conflict with this resolution are hereby repealed.

READ, ADOPTED AND APPROVED BY THE CITY OF SOMERSET THIS 10<sup>th</sup>

DAY OF NOVEMBER 2014.

BY: 

Mayor, City of Somerset

ATTEST: 

City Clerk, City of Somerset