

PETER J. EPSTEIN

COUNSELLOR AT LAW

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April 7, 1998

By Facsimile and Mail

Mr. Robert W. Healy
City Manager
City of Cambridge
City Hall
795 Massachusetts Avenue
Cambridge,
Massachusetts 02139

RE: Competitive Licensing in Cambridge

Dear Mr. Healy:

I am enclosing a letter that I received last Friday from Tom Steel, Vice-President of Municipal Relations for RCN-BecoCom, L.L.C. ("RCN"). The letter was a further response to the City's request for specific information regarding RCN's proposed cable television system construction timetable in Cambridge. RCN's first response to the City was dated March 5, 1998.

As you can see, Mr. Steel projects that constructing its system in 100% of the City will take anywhere from 40-48 months to complete. He adds that assistance from the City would serve to "...greatly streamline the excavation timetable and hasten completion of construction". Given this, it is possible that the City could negotiate a construction timetable that is less than that suggested by Mr. Steel.

I concur that the City should consider starting the competitive licensing process with RCN and other interested telecommunications companies as soon as possible. This will allow the City and companies like RCN to further review and discuss the specific parameters and timetable of building a cable system in Cambridge. It could take approximately 6-9 months to complete the licensing process in Cambridge, assuming that the parties work expeditiously toward that goal. Clearly, it could also take a longer period to complete that goal. Massachusetts regulations require, among other things, that the City solicit applications from interested parties (in addition to RCN); that the City draft an Issuing Authority Report that summarizes the kinds of services and facilities for

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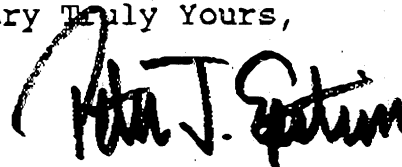
Mr. Robert W. Healy
April 7, 1998
Page Two

companies interested in serving Cambridge; that the City hold a public hearing to assess the qualifications of all applicants; and that the City draft a cable television license for those companies deemed qualified to provide service in Cambridge. Needless to say, all of these different steps take time to accomplish, so the City will want to start the process as soon as possible.

It is also worth noting that the City is just starting the cable television renewal process with the incumbent cable operator, MediaOne. MediaOne's current license expires on December 30, 2000. While the City is starting that renewal process now, there is still more than 2.5 years left before the MediaOne license expires. Therefore, the City has ample time to focus on the competitive licensing process prior to the expiration of MediaOne's current license.

Please let me know if you have any questions about the competitive licensing process in Cambridge.

Very Truly Yours,



Peter J. Epstein

PJE/mob
Enclosure

cc: Richard C. Rossi,
Deputy City Manager
Donald A. Drisdell, Esquire
Deputy City Solicitor
Nancy E. Glowa, Esquire
First Assistant City Solicitor
Paul C. Trane,
Telecommunications Insight Group

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RCN

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March 24, 1998

VIA FACSIMILE

Peter J. Epstein, Esquire
101 Arch Street, Suite 900
Boston, MA 02110-1112

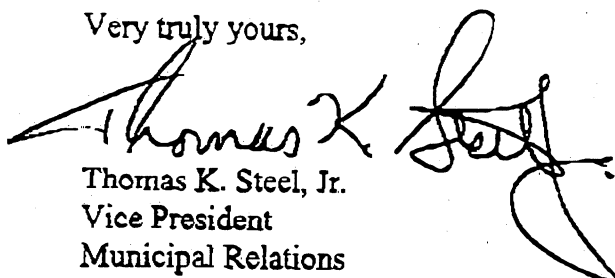
Dear Peter:

The City of Cambridge has requested our best estimate as to a construction timetable for completion of a cable television system serving 100% of the City. As we discussed at our earlier meeting at City Hall, the City is served by Commonwealth Electric Company and we will work with this utility and Bell Atlantic for access to the poles. Construction in Cambridge will take approximately 40 - 48 months to complete once the Final License is signed. The length of the buildout is based on the high percentage of underground construction combined with expected requirements for aerial plant makeready work.

If the City were able to assist in securing grants of access for street opening permits and related construction matters, this would serve to greatly streamline the excavation timetable and hasten completion of construction. RCN will provide a phased construction map and work with the City to identify specific areas for construction with completion dates. The City will come on line with cable services as each part of the system is completed. The map will be updated monthly during scheduled meetings between RCN and the City Manager or his designee. As construction is ongoing RCN can provide anticipated work crew locations on at least a weekly basis.

If you have any questions or require any added information please do not hesitate to contact me.

Very truly yours,



Thomas K. Steel, Jr.
Vice President
Municipal Relations



March 5, 1998

VIA FACSIMILE

Peter J. Epstein, Esquire
101 Arch Street, Suite 900
Boston, MA 02110-1112

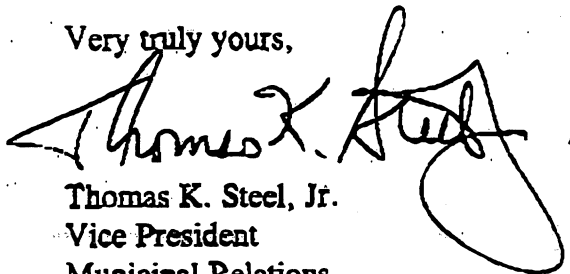
Dear Peter:

I am writing as a follow up to our recent meeting in Cambridge with the City Manager and his staff relative to the prospect of the City seeking a competitive alternative to MediaOne. RCN-Beco Com, LLC("RCN") is certified by the FCC to operate an Open Video System(OVS) in the City of Cambridge. During our discussion with the City we were able to touch on the key aspects of an OVS in contrast with a licensed cable system. Mr. Healey's questions principally concerned construction timetables and the relative benefits of each approach.

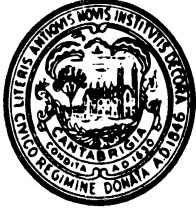
Please be advised that RCN is currently constructing systems in Boston, Somerville, Arlington and Newton. The Towns of Brookline and Wakefield will sign licenses with RCN in March. The construction timetable for Cambridge will not be affected by the City's choice to pursue an OVS or work within the licensing process.

If you have any questions please do not hesitate to call me.

Very truly yours,



Thomas K. Steel, Jr.
Vice President
Municipal Relations



CITY OF CAMBRIDGE
CAMBRIDGE, MASSACHUSETTS 02139

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17.

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

April 13, 1998

To The Honorable, The City Council:

In response to Awaiting Report Item No. 2 regarding Report From Cable Consultant Team On The Prospects, Strategies And Timeline For Bringing Cable Competition To Cambridge, please find attached letters from Attorney Peter Epstein of the Cable Consulting Team, and from RCN, a potential competitor for the provision of cable services in Cambridge.

RCN estimates that it may take as long as 40-48 months for a complete build-out of its system, although a shorter construction timetable is possible. However, it is important to note that there will be a need to balance the goal of providing competitive cable service as expeditiously as possible with the desire to minimize the disruption and tearing up of City streets in order to construct the cable system.

As noted in Mr. Epstein's letter, the first step toward competition will be to request proposals for a second cable license to issue in Cambridge. I will initiate that process and will advise the Council of the procedural steps necessary to complete the competitive licensing process.

Very truly yours,

Robert W. Healy

Consent Agenda #17

S-255

A reprot from the cable consultant
team on the prospects, strategies
and timeline for bringing cable
competition to Cambridge.

In City Council April 13, 1998

Referred to
Cable TV and Comm. Committee