City of Birmingham
A Walkable Community

MEMORANDUM

City Manager's Office

DATE: **October 22, 2014**

TO: **Joseph A. Valentine, City Manager**

FROM: **Amanda Thomas, Management Analyst**

SUBJECT: **Consent of Transfer of Control of Comcast to Midwest Cable**

The Birmingham Area Cable Board (BACB) serves as the "Franchise Authority" for all cable providers operating in the City of Birmingham. In April, Comcast Corporation and Charter Communications entered into a transaction agreement which, if approved, will include a transfer of control of all southeast Michigan Comcast cable customers to Midwest Cable. This transaction is contingent upon Comcast successfully acquiring Time Warner Cable, Inc. In total, three separate transactions will occur that will impact ownership of certain cable systems and Charter.

The BACB, with the assistance of attorneys Currier and Salhaney, is currently reviewing the transaction agreements and official filings with the Federal Communications Commission. Beier Howlett sent a letter Comcast requesting information as to how Comcast operations in the Birmingham area will continue during and after these transactions. In this letter, Beier Howlett asked Comcast to explain various aspects of concern. The responses from Comcast, in summation, are as follows:

- There are currently no plans to make changes to local management or customer service policies. Existing cable system employees in the community will continue to work in the community for the cable systems.
- The franchisee will comply with all lawful requirements of any franchise agreement that is assumes in the transaction.
- The proposed transaction does not require any rate increases; however, Midwest Cable has not yet established definitive plans for future operations.

The board is required to act on the transfer within 120 days of receipt of the filings, making the deadline for action November 17. Possible actions include consent of the Transfer; disapprove the Application; and consent subject to reasonable conditions.

On October 6, attorney Currier received word that a supplemental filing of the transaction would be made with the Securities and Exchange Commission on October 31. The board currently does not have a copy of the supplemental filing to determine the exact terms of the transaction. Therefore, no action has been taken. The board scheduled a special meeting for October 29 to review the supplemental filing and consider the Transfer of Control resolution. This meeting may be canceled if the board is able to receive a formal extension of the deadline for the resolution.