



November 20, 2019

Mr. Mark Moran
City of Galena
PO BOX 310
Galena, Illinois 61036

Dear Mr. Moran:

The purpose of this letter is to inform you that, on or about December 22, 2019, Mediacom will be implementing the following rate adjustments:¹

| Product: | Old Rate: | New Rate: | Net Change: |
|--|-----------|-----------|-------------|
| Local Broadcast Station Surcharge ² | \$14.64 | \$16.19 | \$1.55 |
| Regional Sports Surcharge | \$3.34 | \$3.41 | \$0.07 |
| Regional Sports Surcharge post new RSN Launches³ | \$3.41 | \$5.46 | \$2.05 |
| TV Essentials | \$59.95 | \$69.95 | \$10.00 |
| Family TV | \$80.49 | \$84.99 | \$4.50 |
| Prime TV | \$96.49 | \$100.99 | \$4.50 |
| HD DTA | \$3.99 | \$6.00 | \$2.01 |
| SD DTA | \$3.99 | \$6.00 | \$2.01 |
| Starz | \$11.00 | \$12.00 | \$1.00 |
| Xtream Bronze | \$169.98 | \$179.98 | \$10.00 |
| Xtream Silver | \$189.98 | \$199.98 | \$10.00 |
| Xtream Gold | \$209.98 | \$219.98 | \$10.00 |
| Xtream Platinum | \$229.98 | \$239.98 | \$10.00 |
| TV Essentials 60 | \$149.98 | \$159.98 | \$10.00 |
| Family 60 Plus | \$209.98 | \$219.98 | \$10.00 |
| Trip Charge | \$29.00 | \$49.00 | \$20.00 |

In addition, several packages which are no longer offered for sale to new customers will also be going up in price by \$10.00 per month. Those include the Elite Pak, Whole Home Pak, Performance Pak and One Star Packages.

The decision to make price adjustments is always a difficult one as we know when we raise prices, we lose customers. This is an issue plaguing our entire industry. Analysts project that cable and satellite companies will lose over 6 million video customers in 2019 and over 6 million more in 2020. AT&T/DirecTV lost over 1.4 million customers in the 3rd quarter of 2019 alone.

¹ Depending on the terms of each customer's promotional package, these rate changes may not impact a customer until their current promotional package expires.

² Mediacom bills monthly in advance. As a result, the increases for both the Local Broadcast Surcharge and Regional Sports Surcharge are based on our best estimate of the cost increases our company will incur for broadcast and regional sports programming. Mediacom will "true up" customer bills in a subsequent month if it turns out that our estimate was too high or too low.

³ On or about February 22, 2020, Marquee Sports will be launching in certain markets in Illinois, Indiana and Iowa.

Despite massive customer migration away from traditional pay TV services, the owners of the channels we carry continue to raise their rates. Instead of adjusting their prices to help slow customer losses, the channel owners are getting even more aggressive, driving prices higher and higher for the remaining cable and satellite customers. At the same time, many of these same channel owners are making much of their content available direct to consumer over the internet in smaller packages and, in many cases, for better prices.

The long-term effect of all the price increases pushed down by the channel owners onto cable and satellite companies is that traditional video bundle is no longer affordable. This has forced many consumers to migrate to web based over-the-top services for their entertainment needs.

It is becoming more evident that the future of video is over the internet, so we have tried to make it easy for customers to access content online by deploying consumer friendly TiVo devices that easily navigate between traditional television and over-the-top services like Netflix and Hulu. In addition, we have continued to invest in our fiber-rich network to make sure our customers have access to the ultra-fast broadband speeds needed to support bandwidth intensive online video services they are increasingly using.

To accommodate price sensitive customers, Mediacom introduced a lower cost broadband service earlier this year called Access Internet 60 with retail price of \$29.99. In addition, Mediacom has broadly launched a low-cost internet service for low-income customers featuring 10 Mbps download speeds for \$9.95 per month. The service, called Connect2Compete, is offered in partnership with EveryoneOn and is available to families with students participating in the National School Lunch Program. Additional information is available at www.mediacomc2c.com.

Mediacom appreciates the opportunity to continue to serve your community's telecommunications needs. If you have any questions, please do not hesitate to contact me at (309) 743-4152 or by email at khotle@mediacomcc.com.

Sincerely,

Kate Hotle

Kate Hotle
Manager, Government Relations