



Dear OPASTCO Member:

We have a new, dangerous hurdle to face as we move to a broadband network. As if navigating the National Broadband Policy rulemaking procedures was not enough, small companies must also face a serious threat from a media/content/carrier giant: Comcast. The value of our broadband services and what consumers are willing to pay depends on their access to great content.

The proposed Comcast-NBC Universal merger and Comcast's recent victory in the courts over the FCC's authority to impose net neutrality rules are huge issues with the potential to devalue broadband services provided by small, rural carriers. Rural consumers who experience content discrimination will find their broadband connections less valuable. It will become more difficult for rural carriers to provide competitive services at competitive prices if giants like Comcast control what our customers have access to. We are already seeing changes at both Comcast and NBC that show the future business model of the combined entity will discriminate among consumers.

Bottom line: If Comcast's practices go unchallenged, rural carriers and consumers will be dominated by media giants, such as Comcast. Our future depends on fair access to both traditional channelized TV content and over-the-top content via the Internet.

The Fair Access to Content & Telecommunications (FACT) coalition has been founded by the Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO), the National Rural Telecommunications Cooperative (NRTC), and the Rural Independent Competitive Alliance (RICA) to address issues raised by the proposed merger of Comcast and NBC Universal, and related issues of video access for television and online viewing. The prominent lobbying firm of Patton Boggs has agreed to work with FACT on this issue.

The goals of FACT are primarily:

- To address and challenge the Comcast-NBCU merger and seek conditions to ensure access to the content controlled by the merged entity for television, on-demand and online viewing;
- To ensure that all content is available on fair, reasonable and non-discriminatory terms;
- To address and resolve the problems of forced carriage and forced tying of video content and those associated with fair access to online content.

The FACT coalition already has begun raising its concerns regarding the Comcast-NBCU merger on Capitol Hill, the Antitrust Division of the Department of Justice, and in the media, and will soon do so at the Federal Communications Commission. FACT also is

actively coordinating with other industry and consumer groups that also have concerns about the proposed merger.

The work of FACT is crucial to the long-term success of the broadband networks you are now investing in. FACT's efforts will require funding; however, the money spent safeguards your network investments.

We cannot allow media giants to monopolize content and control the Internet. The result would be two classes of consumers: those consumers that receive good broadband service because they purchase it through a Comcast-level company that both controls and distributes content, and consumers at small carriers whose ability to access broadband services and content is sub-par due to big company discrimination.

Getting universal service funds to support rural broadband is our main focus. However, to have a successful business model, we must get the vast majority of our customers to adopt broadband, and this takes rich content. In past battles with AT&T and the Bells, we fought over the price they paid us for access. Now we must fight over the cost and availability of content. Access was a regulated tariff service with all the associated protections. They had to pay the tariff rate and make the service available. This is not true for content, and we are at risk unless we take action.

In the near future, we may ask for your financial support of the FACT coalition. A request for support will be accompanied by a FACT Plan for Action. Although OPASTCO has made a financial commitment to fight this fight on behalf of its members, the association must also ensure that it has the resources at hand to ensure it can address the OPASTCO membership's needs regarding the National Broadband Plan rulemaking proceedings. To fight both of these battles, we will need your support.

Sincerely,

A handwritten signature in black ink, appearing to read "John N. Rose". The signature is fluid and cursive, with a long horizontal stroke at the end.

John N. Rose
President