

**EXHIBIT B**

**to RCN Telecom Services, Inc.,  
Reply to Opposition of AT&T and Comcast  
to Petition to Deny Applications or Condition Consent**

## Cable Firm Pulls Plug On Deal in Maryland

Provider Won't Enter Pr. George's Because Of 'Unfair' Demands

By Paul Schwartzman  
Washington Post Staff Writer  
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The Prince George's County Council approved a cable television franchise last fall that for the first time would have offered many residents an alternative to Comcast, the county's sole provider.

But nine months later, the applicant, Starpower Communications, has notified county officials that it will not enter the Prince George's market for the foreseeable future.

The two sides split after Starpower said it was unwilling to meet a new demand from the administration of County Executive Wayne K. Curry (D) that it pay an additional \$400,000 for technological improvements in the county.

In a recent letter to the Curry administration, Starpower counsel Deborah M. Royster called the county's request "unfair and unreasonable" and said it would "significantly hamper [the company's] ability to enter the market and to compete with its entrenched competitor."

Starpower officials also said they regarded the timing of the request -- it came after the council's vote -- as unusual compared with negotiations they've had with other counties.

"We're at a loss to explain why additional requirements were proposed after the fact," said Patricia MacEwan, a Starpower spokeswoman.

Council member Walter H. Maloney (D-Laurel) said the administration should have signed off on the agreement that the council had approved with its vote.

"A deal is a deal -- it's not appropriate to keep negotiating," Maloney said. "We need the competition in this county, and we need it badly."

Barbara Holtz, a senior aide to Curry who led the negotiations with Starpower, referred questions to James Rogers, Curry's spokesman.

Rogers said the administration views Starpower's decision as temporary. "It would be a surprise if they weren't coming," he said. "We think it's a delay."

Asked to respond to the questions raised about the timing of the administration's latest request, Rogers said, "That's in their estimation. Have they come back with another proposition?"

Comcast, which serves 180,000 homes in Prince George's County, as well as neighboring areas, offers more than 85 channels for \$39.95 a month. Starpower, whose subscribers include Montgomery County and District residents, offers more than 90 channels for \$34.95 a month.

Curry (D) had signed off on the Prince George's agreement with Starpower before the council's vote last November. The vote followed weeks of vigorous lobbying by both Comcast and Starpower.

Comcast's advocates included lobbyist Bruce C. Bereano and Ervin Reid, a Curry campaign strategist in 1994.

Last fall, before the council's vote, Comcast contributed \$10,000 in postage to the unsuccessful campaign to overturn term limits in Prince George's. The repeal effort was endorsed by Curry and six of the council's nine members.

Starpower's representatives included lobbyist Michael Arrington, a former state delegate, and Greg Wells, a lawyer who is a longtime Curry friend. They argued that the new franchise would mean price competition and additional service options for subscribers.

But Comcast officials countered that Starpower's agreement -- which included paying the county 5 percent of its revenue in franchise fees -- was superior to the one Comcast had gotten two years before.

Prince George's Cable Television Commission ruled that Starpower's agreement was on a par with Comcast's.

After the cable commission's ruling, Comcast officials complained to Curry, who asked that the panel review the agreement for a second time. Again, the commission pronounced the agreement fair.

The council then voted 8 to 0 to ratify the agreement. Chairman Ronald V. Russell (D-Mitchellville) was absent.

In interviews last week, several council members said they were surprised by the Curry administration's decision to extend negotiations beyond their vote.

"I thought it was a done deal," said council member Audrey E. Scott (R-Bowie). "We now have one provider, and it's the consumer who suffers."

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