



## MT. HOOD CABLE REGULATORY COMMISSION

1120 SW Fifth Ave. #1305 • Portland, OR 97204

Phone: (503) 823-5385 • Fax (503) 823-5370

[www.mhcr.org](http://www.mhcr.org)

Serving Multnomah County and the Cities of Fairview, Gresham, Portland, Troutdale and Wood Village

December 4, 2009

**TO: MHCRC**

**FROM: David Olson and Mary Beth Henry, MHCRC Staff**

**SUBJ: Updated Documents for the Verizon/Frontier Public Hearing**

Attached for your consideration are clean and redlined versions of the replacement resolution based on the continued negotiation of the conditions between staff, Pam Beery (MHCRC Legal Advisor), Mike Katz (MHCRC Financial Advisor) and representatives of Verizon and Frontier. Staff recommends and Verizon and Frontier have agreed to the language in the attached documents.

Following is a brief explanation to aid in your review of the proposed changes. The comments below track the conditions (a) through (q) in the resolution, acceptance, and recommended jurisdiction ordinance/resolution form.

- a. We are adding a definition of “Grantee” to clarify the obligations carry forward to the successors of Verizon Northwest Inc. (recital 1).
- b. We are correcting references to “Transferee” to require performance by “Grantee, under the control of Transferee” (conditions a and b).
- c. In condition b, we are clarifying that the conditional guaranty will be signed post-closing (condition b) to clarify that it is a Frontier obligation, and an obligation of Verizon Northwest Inc.’s successor. The guaranty will be signed within ten business days of close. This is to make the resolution consistent with requiring Verizon’s signature on the guaranty.
- d. Condition d is the condition requiring that the merger close. The changes are reflective of the MACC language which ties the “material terms” of the transaction to the public documents and responses to our RFI’s, instead of broadly referring to “information provided.” This is more consistent with how we handled documents during our review.
- e. Condition j is the statement about the side letter on Section 14.11. The proposed language describes the Transferee’s intent not to invoke the provision as documented in the side letter we obtained.
- f. Condition m is revised to be the same as MACC’s (this is the condition on review of programming and the benchmarks in January and March). Although this appears to be a significant change, the language is identical to MACC. It reflects the fact that the programming agreements themselves are confidential and proprietary, but that benchmarks are needed to identify that programming is being

obtained so that it is ready for delivery to customers following the close of the merger transaction.

- g. The letter of credit required by Condition n will be in place within 60 days following the closing to clarify that the obligation is Frontier's, not Verizon's.
- h. Condition q has been modified to tie the time frame for our approval to that already obtained from the Department of Justice. Again, this is the time frame accepted by MACC and reflects the same date as in the original condition (September 30, 2010). The reason for this condition is to be sure the financial information we relied upon does not go "stale."

We will also be happy to answer any questions you may have at the hearing on December 7.  
Thanks.

Attachments:

Guaranty

Resolution (clean)

Resolution (redlined)