

Important Customer Update

GVTC is entering into retransmission consent negotiations with broadcasters who own or control the following local television stations: KENS (CBS), KSAT (ABC), KABB (FOX), and WOAI (NBC). Retransmission consent involves compensation cable companies must pay to broadcast TV stations in order to air their signal on our video systems. These fees are required by federal law, which leaves cable operators with very little leverage during these negotiations. GVTC's retransmission consent agreements with the before mentioned broadcasters expire at the end of 2011. In preliminary discussions, it's clear TV station owners want you, our valued customer, to pay significantly more for GVTC to continue carrying their channel on our line-up.

For example, WOAI-TV is asking for a 250% increase and KENS-TV wants to charge 230% more. GVTC expects similar rate increases from the KSAT and KABB. It's evident these increases will add a significant financial charge to our company. To continue providing these channels, GVTC will have no option but to pay these outlandish rate increases and left with little choice but to pass some of the costs on to our customers.

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GVTC's situation with broadcasters is not unique. We've been watching over the past several months as broadcasters across the country negotiate with cable and satellite TV providers. Television station owners routinely demand fees more than 10 times current rates and then pull their channels from cable systems until their demands are met.

GVTC's position is that these rate increases are extremely excessive. We want to assure our customers we're fighting these broadcaster demands to keep your cable rates as low as possible and to continue delivering the channels you've come to expect from our company.

Outdated federal laws and regulations give broadcasters enormous negotiating leverage over our cable company. Customers will continue to be frustrated by blackout threats and rate increases until Congress decides to change an irresponsible law biased in favor of broadcasters.

We urge that you contact your local congressional representative and ask that broadcaster retransmission consent laws be updated to benefit the customer.

We'll continue to keep you informed about these negotiations as new developments occur. Thank you for being a GVTC customer.