

N62470-78-C-3012

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23 February 1987

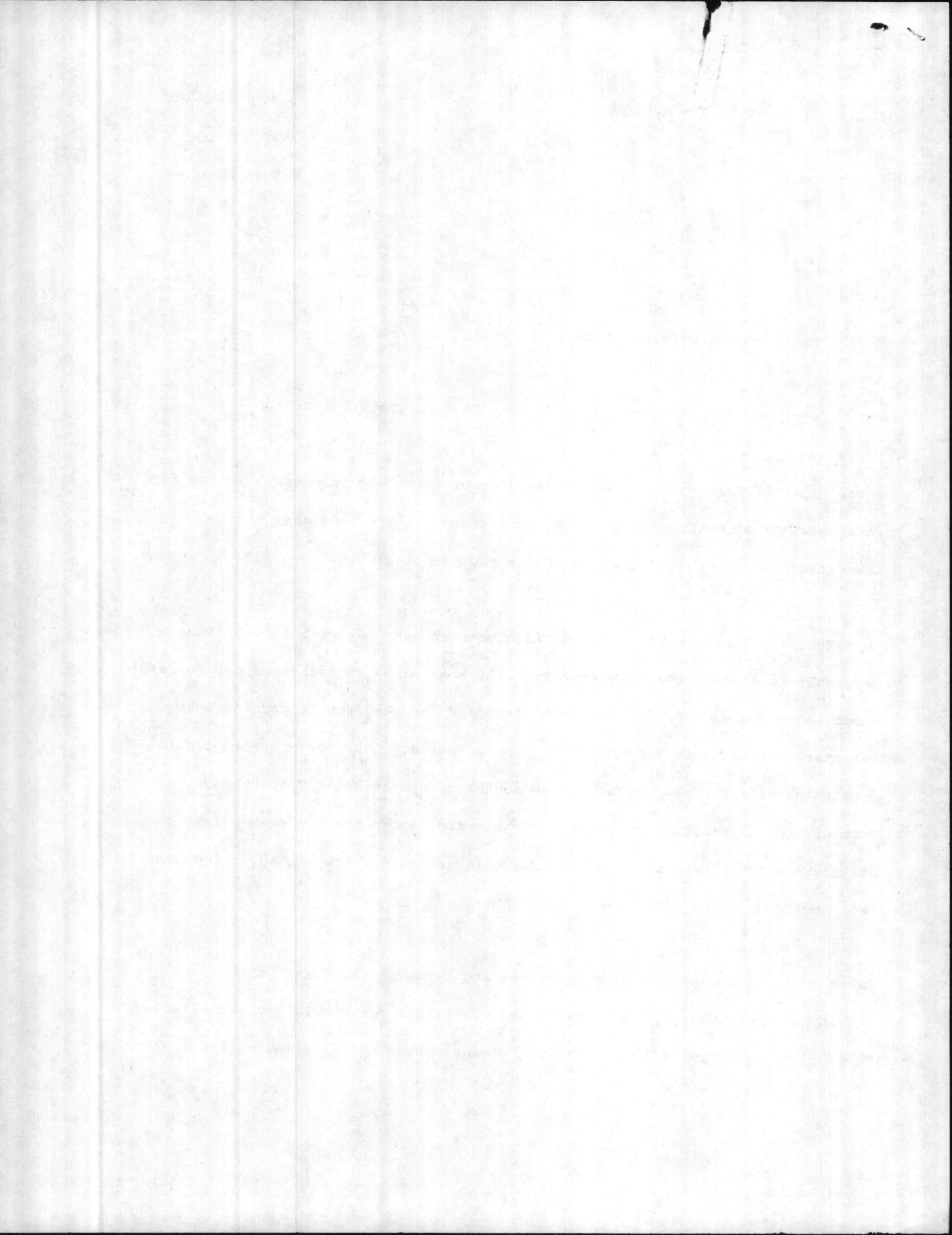
To: American Cablevision of Lejeune

Re: Contract No. N62470-78-C-3012, Camp Lejeune Cable Television

Your letter of January 16, 1987 expressed your intent to increase the rate for basic service to customers served by your company. You indicated the Cable Communication Act of 1984 authorized the proposed increase.

On 5 February 1987, representatives from your company met with Camp Lejeune personnel to discuss the rate increase. At that time, we indicated our concerns about the proposed rate increase and discussed the need for supporting cost information related to the increase. On 20 February 1987 you provided general accounting data for your initial five months of operation at Camp Lejeune. Further, you annualized and projected these figures to provide comparative rates of return with and without the proposed rate increase. You requested that the rate increase become effective 1 March 1987.

Based on the information provided by you and terms of the existing contract, we are in agreement that the proposed rate increase is reasonable and justifiable. However, we feel the time required to provide public notification will not allow



implementation of the increase on 1 March 1987. Accordingly, proposed rate increase implementation should be effective 1 April 1987.

To ensure orderly implementation of the new rate, it is requested that your local representatives coordinate notification of subscribers with personnel from our Public Works Division. It is our desire to publicize the rate increase via the local news media prior to issuing revised payment booklets to individual subscribers. We feel that an appropriate public relations effort will minimize unnecessary misunderstanding and concern by subscribers.

Our legal staff is presently reviewing the Cable Communication Act of 1984 and its impact on the subject contract. We will contact you in near future of the results of this review, including the effect the Act has on current procedures for rate modifications.

We trust the above provisions are acceptable to your company and that you fully understand the Base Commanders' responsibility to ensure fair and reasonable treatment for all personnel residing aboard Camp Lejeune. Accordingly, we request that you contact representatives of our Public Works Division to coordinate the actions noted above. Your cooperation and assistance in this matter are appreciated.

