



## CITY OF RYE

1051 BOSTON POST ROAD RYE, NY 10580-2996  
TEL: (914) 967-5400 FAX: (914) 967-4604

October 4, 2016

Mr. Christopher B. Fisher, Esq.  
Cuddy & Feder LLP  
445 Hamilton Avenue, 14th Floor  
White Plains, New York 10601

Dear Mr. Fisher,

Thank you for your email of October 3, 2016. You indicated that the response was a confidential settlement response, so I will not discuss the substance in this letter. However, in light of the response, we need to plan on the assumption that a final action will be taken on the filings you've made on November 2, or shortly thereafter. Obviously, the City may not act then, but we want to be prepared to act, if for no other reason than because our extension agreement is scheduled to expire soon.

Consistent with that timeline:

(a) If you want us to make a determination under Chapter 196, you need to make the showing required by Chapter 196. If your position is that Chapter 196 does not apply, and no finding should be made, you may assert that position, and obviously, if the City should decide otherwise based on the information before it, it will act accordingly. If you desire, you can submit the Chapter 196 showing in the alternative. We will need that showing by October 14 so that we can provide appropriate public notice.

(b) We sent you an information request asking for data that would allow us to identify Municipal Facilities where your facilities could be placed. You responded to that and certain other questions (although in some cases, your response was a non-response) on September 14. Your response essentially argued that the term "Public Way" in our contract means the same thing as "street" although it clearly does not. You may also be confused in assuming that a right of way is always a street, when clearly it is not. The definition of "Public Way" – which was written by you and will be read in favor of the City – lists bicycle lanes, public utility easements and public service easements and other "public places" as possible locations for Crown's placements, distinct from "streets." Your claim, that that the meaning of the contract should be determined by Crown's "own experiences and interpretations of it," is unacceptable. While the term may not be infinitely malleable, both it and the definition of "Municipal Facilities" would be broad enough to encompass structures beyond the streets, and structures in addition to street lights.

Based on the explanation in the September 14 letter, it appears that you take the position that the City had a duty to notify you of the location of Municipal Facilities in Public Ways prior to the time you designed your network. You also now appear to take the position that you cannot be required to reconfigure your network in any way because the design is set. We don't read the contract that way. We view it as requiring you to take the existence of Municipal Facilities into account in designing your network, to determine whether you can obtain functionally suitable operations from the Municipal Facility. It does not matter if the design is not your preferred design. The contract places no particular duty on us – it makes it clear that there is a duty to use Municipal Facilities located on Public Ways that falls on Crown. The apparent failure of Crown to act consistent with that duty is particularly serious in this case, where your responses indicate that Verizon telephone will be providing connections to your customers, so that the relevant costs associated with use of Municipal Facilities are likely to be quite low compared to the costs of using Con Edison poles.

You also suggest that we had only 30 days to notify you if we wanted you to install equipment on Municipal Facilities, and argue that if we did not do so, a list of proposed attachments would be “deemed approved.” Again, that is not what the contract says. The 30-day rule relates to a requirement to obtain permits in Section 5, and not to the municipal preference or municipal approvals required under Section 3. Nor is a proposed attachment “deemed approved” after 30 days. Rather, the contract says that the application will be “presumed to be acceptable” if “no comment” is received within 30 days. Functionally, this is a mere presumption. While it means that Crown Castle (assuming it is acting in good faith) could begin to install without violating applicable permitting requirements if the City is silent, once Crown Castle is told that there are objections to its installations, the presumption vanishes. In this case, you have been told that there were objections both before and after the 30-day period passed, as your September 14 response actually seems to admit. This letter confirms we have continuing objections.

Our goal in our initial request was to see if we could agree on alternative locations that would vindicate our rights under the contract in a mutually agreeable manner. Based on your response, this will serve as your notice, under Section 9, that you have materially breached the agreement, and you have 45 days to cure. If you do not cure, we may terminate the agreement, and all facilities would need to be removed from the rights of way.

(c) We also understand from your response that you have entered into an agreement that would allow Verizon Wireless to place facilities in our rights of way without a contract or compensation to the City. The closest provision is the “assignability” section (Section 10), which requires express City approval for assignments where Crown Castle would essentially be replaced by another entity. Entering into this agreement was a violation of our contract, which provides you with no right to subdivide franchise interests. We note that you refused to provide us with information that would permit us to determine what rights, if any, Verizon Wireless claims to have obtained via your contract. This, of course, merely underlines why allowing you to privatize our rights of way and lease it to others is objectionable. Based on your response, this will serve as your notice, under Section 9, that you have materially breached the agreement, and you have 45 days to cure. If you do not cure, we may terminate the agreement, and all facilities would need to be removed from the rights of way.

We recognize that there are substantial issues as to the validity of the contract that have been raised by the public, and by provisions that appear to preempt or condition application of SEQRA analyses. We are not asking you to waive any claims by responding, nor are we waiving any claims we may have. However, to the extent the contract is valid, the City (as do you) needs to comply with SEQRA prior to approval of installation of any facilities in Public Ways. We expect to send you additional requests in light of SEQRA.

We also recognize that your September 14 letter raised many other legal issues and made various factual assertions. This is not intended to be a comprehensive response to that letter, including, but not limited to, the discussion of Section 6409. You also properly offered to provide engineering certifications for the proposed facilities. We will request those separately.

We continue to hope to work with you cooperatively as the process moves forward. If you have any questions concerning the above, do not hesitate to call me.

Sincerely,

A handwritten signature in black ink, appearing to read "Marcus Serrano". The signature is fluid and cursive, with the first name "Marcus" being more prominent than the last name "Serrano".

Marcus Serrano  
City Manager  
City of Rye