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RECEIVED**MAY - 2 2000****FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY**

Magalie Roman-Salas
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

**Re: Notice of *Ex Parte* Presentation
CS Docket No. 99-251
*Merger Application of AT&T & MediaOne***

Dear Ms. Salas:

In accordance with Section 1.1206(b)(2) of the Commission's rules, this letter memorializes telephone conversations pertaining to Docket 99-251 on April 24, 2000, between Gene Kimmelman of Consumers Union (CU), Tom Power, Legal Advisor and Deborah Lathen, Chief, Cable Services Bureau.

During the conversations, we addressed the following issues:

1. The April 18, 2000 *ex parte* submission of AT&T and MediaOne offering new conditions to insulate MediaOne's TWE interests does not even begin to address concentration concerns posed by the merger. The proposed conditions are unenforceable, in that it is utterly unrealistic to preclude the relevant parties from collaboration, or to know when such communications take place. The proposals arguably violate the First Amendment. Moreover, the precedent thereby established would result in perhaps scores of similar requests, particularly from broadcasters.
2. CU urged the Commission to require the divestiture of MediaOne's ownership interest in TWE. This would not only be the appropriate policy, but it would also vindicate the Commission's enforcement of the 1992 Cable Act. CU has challenged the "insulation" options which were made available in the Commission's October, 1999 decision, but since AT&T and MediaOne have spurned the opportunity to avail themselves of that route, divestiture is appropriate from the Commission's perspective as well.
3. CU urged the Commission to deny AT&T's requested waiver. The Commission has yet again assured the Court of Appeals that the six month stay period provided in the Commission's rules is sufficient to assure compliance, and there is no reason why the Commission should create a new violation and then require an even longer period to remediate it. Moreover, there is reason to believe that AT&T would attain compliance not by divesting groups of cable systems, but by selling off the TWE interest. This can be done quickly, and any Commission waiver would

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simply transfer negotiation leverage to AT&T at the expense of Time Warner, thereby interfering with an arms-length relationship among private parties.

Sincerely,

Gene Kimmelman

Gene Kimmelman

Co-Director, Washington Office

cc: Tom Power
Deborah Lathen