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By Electronic Delivery

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

Ex Parte Notice

Re: Applications for Consent to the Transfer of Control of Licenses from Comcast Corporation and AT&T Corp., Transferors, to AT&T Comcast Corporation, Transferee, MB Docket No. 02-70

Dear Ms. Dortch:

On September 27, representatives of Comcast Corporation ("Comcast") and AT&T Corp. ("AT&T") met with W. Kenneth Ferree, Royce D. Sherlock, Roger D. Holberg, and Erin Dozier of the Media Bureau; James R. Bird, Nandan Joshi, Neil A. Dellar, and Karen Onyeije of the Office of General Counsel; and Lauren Kravetz Patrich of the Wireless Telecommunications Bureau. During that meeting, AT&T was represented by Betsy Brady, AT&T, and Michael H. Hammer, Willkie Farr & Gallagher, outside counsel to AT&T. Comcast was represented by Arthur R. Block, Senior Vice President and General Counsel of Comcast; James R. Coltharp, Senior Director, Public Policy of Comcast; James L. Casserly, Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., outside counsel to Comcast; William H. Aaronson and Steven Williams, Davis Polk & Wardwell, outside counsel to Comcast; and A. Richard Metzger, Jr. and the undersigned, Lawler, Metzger & Milkman, LLC, outside counsel to Comcast. (Messrs. Block, Aaronson and Williams participated by telephone.) Subsequent to this meeting, Mr. Ferree, Ms. Sherlock, Ms. Brady, Mr. Coltharp, Mr. Casserly, and Mr. Hammer had a separate conversation by telephone.

During the meeting and the subsequent telephone conversation, the representatives of AT&T and Comcast addressed a number of questions raised by the Commission staff regarding AT&T Broadband's interest in Time Warner Entertainment Company, L.P. ("TWE"), the proposed Agreement and Declaration of Trust ("Trust Agreement"), which was filed in the above-referenced proceeding on September 13, 2002, and the TWE Restructuring

Agreement, which was filed in the above-referenced proceeding on August 23, 2002. In addressing these questions, the representatives of AT&T and Comcast presented the following information:

- The references to “certain rights and obligations” in the sixth and ninth “Whereas” clauses on pages 3 and 4 of the Trust Agreement will be revised to include a list of categories of such rights and obligations.
- The Trustee will not have its offices at the offices of AT&T Comcast.
- References in the Trust Agreement to the TWE “Board of Directors” will be revised to refer to the TWE “Board of Representatives.”
- Section 4 of the Trust Agreement will be revised so that references to “voting, director appointment, consent or management rights” will also include “approval” rights.
- Section 4 of the Trust Agreement will be revised to clarify that the Trustee shall not consult with the Grantor with respect to voting, director appointment, consent, management or approval rights of the Disposition Property.
- The term “reasonable best efforts” used in various provisions of the Trust Agreement is intended to connote a level of effort exceeding that contemplated by the phrase “reasonable efforts”.
- Section 5(c)(i) of the Trust Agreement will be clarified by deleting the phrase “conversion or exchange.”
- The definition of “Derivative Transaction” in Section 5(c)(iv) will be revised to include a non-exclusive list of examples of such transactions.
- In Section 5(e) of the Trust Agreement, which provides for the distribution of non-cash, non-restricted consideration to the Grantor upon approval of the Media Bureau, the procedures will be revised to allow the Media Bureau to extend the 30 days it has to review distribution requests by an additional 30 days if necessary to complete its review.
- The time periods set forth in section 5(g)(i-iii), governing the Trustee’s disposition of certain consideration received in connection with the TWE Restructuring, are designed to provide the Grantor with flexibility in disposing of the trust assets, consistent with the goal of divesting the Disposition Property within the term of the trust.

- Under section 9(d) of the Trust Agreement, the selection of any successor Trustee must comply with the provisions in the Trust Agreement governing the selection of the initial Trustee.
- The Trust Agreement will be clarified to provide that, if the Trustee hires an advisor previously retained by either AT&T or Comcast regarding the disposition of TWE, that advisor will not be able to continue to represent AT&T Comcast regarding the disposition of TWE.
- The Trust Agreement will not permit *any* communications relating to the management or operation of TWE (except that the Trustee will provide the Grantor with financial statements and tax information with respect to TWE and the MOC TWE interest as and when furnished by TWE and as required by Grantor or its affiliates for compliance with securities and tax laws, rules and regulations, or other applicable legal or regulatory requirements). Communications of the sort needed to discuss effectuation of Alternate Dispositions are best effectuated orally and do not raise regulatory concerns because they do not involve the management or operation of the TWE Interest.
- The Trustee's reports under section 12(b) of the Trust Agreement are likely to contain highly confidential information that should not be subject to inspection by third parties, even under a protective order. The Commission has previously approved arrangements under which a trustee submits redacted reports to the Commission.
- Section 13(a)(ii) of the Trust Agreement will be revised to provide that, if any portion of the Disposition Property remains in the trust at the end of the six-month period following the 5-Year Period, the trust will continue until the Media Bureau either approves the dissolution of the trust or the remaining Disposition Property is sold.
- Certain provisions of section 11 of the Trust Agreement regarding the Kansas City Cable Partners and Texas Cable Partners, L.P. will be revised to clarify which entities will be included within the term "TWE." Applicants maintain that the restrictions set forth in section 11 regarding the sharing of programming information with Kansas City Cable Partners and Texas Cable Partners, L.P. should terminate at the same time the trust is terminated. Except with regard to issues resulting from AT&T's minority interest in TWE, the Kansas City and Texas partnerships raise no regulatory concerns that do not apply to any joint venture by cable operators.
- The non-compete provisions of the TWE partnership agreement, as well as the partnership agreements governing Kansas City Cable Partners and Texas Cable Partners, L.P., were explained, as was the effect of the AT&T Comcast merger on such provisions. Applicants will agree not to enforce the TWE partnership

agreement's non-compete provision to the extent that it would prevent TWE from competing in new territories as a result of the AT&T Comcast merger.

The Commission staff also requested a more detailed description of the voting rights of the two classes of TWC stock. Holders of Class A Common Stock of TWC will have the right to elect not fewer than one-sixth of the directors (or 1 director, whichever is greater) and no more than one-fifth of directors and will otherwise be entitled to 1 vote per share. Holders of Class B Common Stock of TWC will have the right to elect at least 80% of directors and will otherwise be entitled to 10 votes per share. In all matters other than the election of directors and approval of certain mergers and charter and bylaw amendments, all shares of Class A Common Stock and Class B Common Stock will vote together as a single class. Following the closing of the TWE restructuring, the proposed Trust II will hold Class A Common Stock representing 19.35% of outstanding Class A Common Stock. All of the Class B Common Stock (and, as of the closing, all Class A Common Stock not held by Trust II) will be held, directly or indirectly, by AOL Time Warner Inc. In short, as shown by a slide available at http://aoltime Warner.com/investors/slides_twe_restruct/slide6.html (a copy of this slide was provided to Ms. Dozier), "AOLTW will control each class of Time Warner Cable Inc.'s shares."

Pursuant to section 1.1206(b)(2) of the Commission's rules, this letter is being filed electronically with the Office of the Secretary. If you have any questions, please contact me.

Very truly yours,

/s/ Charles W. Logan
Charles W. Logan

cc:	W. Kenneth Ferree	Roger D. Holberg	Royce D. Sherlock
	Erin Dozier	James R. Bird	Nandan Joshi
	Neil Dellar	Karen Onyeije	Lauren Kravetz Patrich
	William Dever	Cynthia Bryant	Jeff Tobias
	Simon Wilkie	Qualex International	