

Matthew A. Brill
(202) 637-1095
matthew.brill@lw.com

555 Eleventh Street, N.W., Suite 1000
Washington, D.C. 20004-1304
Tel: +202.637.2200 Fax: +202.637.2201
www.lw.com

LATHAM & WATKINS LLP

FIRM / AFFILIATE OFFICES

Barcelona	New Jersey
Brussels	New York
Chicago	Northern Virginia
Frankfurt	Orange County
Hamburg	Paris
Hong Kong	San Diego
London	San Francisco
Los Angeles	Shanghai
Madrid	Silicon Valley
Milan	Singapore
Moscow	Tokyo
Munich	Washington, D.C.

October 25, 2007

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

**Re: Notification of *Ex Parte* Presentation of Time Warner Cable,
Exclusive Service Contracts for Provision of Video Services in Multiple
Dwelling Units and Other Real Estate Developments, MB Docket No. 07-51**

Dear Ms. Dortch:

On October 24, 2007, before the Commission's issuance of its Sunshine Notice regarding the October 31 agenda meeting, Glenn Britt and Kevin Leddy of Time Warner Cable ("TWC"), together with Steven Teplitz of Time Warner Inc., met with Commissioner Copps and his Senior Legal Advisor, Rick Chesson, and with Commissioner Adelstein and his Legal Advisor Rudy Brioché, to discuss TWC's positions regarding the above-captioned proceeding, among other matters. In addition, the undersigned spoke with Michelle Carey, Senior Legal Advisor to Chairman Martin, Amy Blankenship, Legal Advisor to Commissioner Tate, and Cristina Chou Pauzé, Legal Advisor to Commissioner McDowell, regarding TWC's views. The following is a summary of the arguments we presented yesterday.

Consistent with TWC's comments in this proceeding, we argued that if the Commission chooses to prohibit exclusive contracts between MDU owners and MVPDs, it should apply any restrictions to all MVPDs and should not abrogate existing contracts. We further explained that neither Section 628(b) nor any other provision of the Communications Act provides authority to regulate private contracts between MVPDs and MDU owners. We also underscored the serious risk that authorizing use of exclusive easements held by cable operators and otherwise interfering with their reasonable investment-backed expectations would result in a taking without just compensation. And we noted that, where TWC does enter into exclusive access agreements,

LATHAM & WATKINS^{LLP}

such agreements typically have a five-year term; accordingly, any decision to abrogate contracts at a minimum should grandfather agreements for five years to enable cable operators to recover investments made in reliance on the Commission's previous decisions finding regulation unnecessary in this arena.

In addition, the undersigned explained that recent ex parte letters submitted by Hargray CATV Inc. ("Hargray") and Palmetto Dunes Property Owners Association, Inc. ("Palmetto Dunes") grossly mischaracterize TWC's positions in connection with a commercial dispute in Hilton Head, South Carolina. Specifically, I explained that, as documented in TWC's ex parte letter of October 18, Hargray has spearheaded litigation seeking to terminate TWC's rights to provide video and broadband Internet service in the Hilton Head Island communities at issue, and it has worked at every turn to prevent TWC from launching its Digital Phone service. I further noted that, contrary to Hargray's suggestion, TWC not only does not enter into perpetual exclusive contacts under any circumstances, but it has been seeking in settlement negotiations to shorten to two years the exclusivity period in contracts inherited from Adelphia. Thus, contrary to Palmetto Dunes' assertion, TWC has not sought to "bar cable competition, either for many years or forever,"¹ but rather has offered settlements that both curtail its exclusive access rights and increase royalty payments to Palmetto Dunes and other property owners' associations. I further explained that Palmetto Dunes, at Hargray's urging, appears intent on retaining its payment stream but terminating immediately the exclusivity provision to which it is inextricably linked. I concluded by noting that Palmetto Dunes is hardly a champion of competition, given its collusion with Hargray to block TWC's launch of Digital Phone service and its distortion of TWC's position regarding exclusive access.

Please contact the undersigned if you have any questions about this notice.

Sincerely,

/s/ Matthew A. Brill

Matthew A. Brill
Counsel for Time Warner Cable

cc: Amy Blankenship
Rudy Brioché
Michelle Carey
Rick Chessen
Cristina Chou Pauzé

¹ Letter from Brian C. Pitts, Counsel to Palmetto Dunes, to Marlene H. Dortch, Secretary, FCC, MB Docket No. 07-51 (filed Oct. 19, 2007).