September 30, 2002

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:

AT&T Corp. ("AT&T") and Comcast Corporation ("Comcast") have committed to placing AT&T's interest in Time Warner Entertainment Company, L.P. ("TWE") in an irrevocable disposition trust.[1] In addition, AT&T and Comcast have agreed that post-merger AT&T Comcast would continue to adhere to paragraphs 3-5 of the "Safeguards Relating to Video Programming" (paragraphs 3-5 of the Safeguards relate to TWE and are referred to herein as the "TWE Safeguards") adopted by the Commission in the *AT&T-MediaOne Merger Order.*[2] Attached hereto is a revision of the TWE Safeguards modified to define certain terms and also to reflect that, after the closing of the merger of AT&T Broadband and Comcast, the TWE Safeguards will apply to AT&T Comcast rather than AT&T. Paragraph 3 and 4(e) of the TWE Safeguards adopted in the *AT&T-MediaOne Merger Order* have also been modified to reflect that the trustee will have the exclusive power to manage AT&T Comcast's interest in TWE (the "TWE Interest"), including the right to exercise any voting, consent, or management rights.

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[1] *See* Letter from Betsy J. Brady, AT&T Corp., and James R. Coltharp, Comcast Corp., to W. Kenneth Ferree, Chief, Media Bureau, FCC, filed in MB Dkt. No. 02-70 (Aug. 8, 2002) ("Proposed Trust Letter").

[2] *See* Proposed Trust Letter at 1-2; *In re Applications for Consent to the Transfer of Control of Licenses and Section 214 Authorizations from MediaOne Group, Inc., Transferor, to AT&T Corp., Transferee,* Memorandum Opinion & Order, 15 FCC Rcd. 9816 (2000) ("*AT&T-MediaOne Merger Order*"); *id.* App. B. AT&T Comcast will comply with the TWE Safeguards until the TWE Interest is sold and the trust dissolved. Applicants have explained separately why the other safeguards promulgated in the *AT&T-MediaOne Merger Order* will sunset at the closing of the AT&T Comcast merger and the contribution of AT&T's interest in TWE into the trust. *See* Letter from Betsy J. Brady, AT&T Corp., and James R. Coltharp, Comcast Corp., to W. Kenneth Ferree, Chief, Media Bureau, FCC, filed in MB Dkt. No. 02-70 (Sept. 19, 2002).

The TWE Safeguards prohibit any effort to influence, or otherwise participate in, the management or operation of TWE's video programming activities and bar involvement in certain specific matters, including TWE's decisions regarding "which Video Programming services are purchased for or carried on TWE's cable systems," as well as the "negotiation of the prices paid by TWE for Video Programming."[3] Compliance with the TWE Safeguards, alone or in combination with the trust, will dispel any conceivable concerns pertaining to the TWE Interest. At the same time, nothing in the TWE Safeguards will prohibit AT&T Comcast or programming services in which AT&T Comcast owns an attributable interest from negotiating or entering into agreements relating to carriage by TWE cable systems of such programming services. This is consistent with the TWE Safeguards adopted in the *AT&T-MediaOne Merger Order*, which have not prohibited the sale to TWE of programming attributable to AT&T.

AT&T Comcast will designate a senior manager to oversee compliance with the TWE Safeguards. This manager will take steps to ensure that all relevant AT&T Comcast personnel are aware of and will comply with the TWE Safeguards. Every six months until the TWE Interest is divested and the trust dissolved, AT&T Comcast will submit to the Chief of the Commission's Media Bureau a report describing the steps AT&T Comcast has taken to ensure compliance with the TWE Safeguards and confirming that it has adhered to the TWE Safeguards.

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

Very truly yours,

/s/ Arthur R. Block
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3 TWE Safeguards ¶¶ 3-5.

"TWE Safeguards" for AT&T Comcast Merger Order

As a condition of exercising the grant of the merger application, AT&T Comcast shall comply with the following enumerated safeguards. These safeguards shall become effective at the merger closing date. The safeguards shall be null and void if AT&T Broadband and Comcast do not merge and there is no merger closing date. For purposes of these safeguards the term "TWE" shall include Time Warner Entertainment Company, L.P. and, upon the closing of the Restructuring Agreement, Time Warner Cable Inc. (The "Restructuring Agreement" shall mean that Restructuring Agreement dated as of August 20, 2002 and entered into by AOL Time Warner Inc., AT&T Corp., Comcast Corporation and certain other parties.)

1. No officer or director of AT&T Comcast shall also be an officer or director of TWE.

2. No officer, director, or employee of AT&T Comcast shall, directly or indirectly, influence or attempt to influence, or otherwise participate in, the management or operation of the Video Programming activities of TWE. "Video Programming" means video programming as defined in 47 U.S.C. § 522(20) and the Commission's implementing regulations as of January 1, 2000. In particular, no officer, director, or employee of AT&T Comcast shall be involved in the following matters:

a) the decisions of TWE regarding which Video Programming services are purchased for or carried on TWE's cable systems;
b) negotiation of the prices paid by TWE for Video Programming carried on TWE's cable systems;
c) setting the schedule for rollout of Video Programming by TWE's cable systems;
d) marketing by TWE of Video Programming carried on TWE's cable systems;
e) setting the budget for the Video Programming operations of TWE's cable systems;
f) selecting the electronic programming guide used by TWE's cable systems;
g) the hiring, firing, or supervising of TWE employees directly involved in the Video Programming activities of TWE's cable systems; or
h) assessing the performance of any Video Programming service carried by TWE's cable systems.

3. AT&T Comcast may not receive information from TWE regarding the price, terms, and conditions which TWE negotiates for the carriage of Video Programming on the TWE cable systems, nor provide information to TWE regarding the price, terms, and conditions which AT&T Comcast negotiates for the carriage of Video Programming on the AT&T Comcast cable systems. AT&T Comcast may not obtain from any Video Programming vendor a volume discount or other favorable terms and conditions as a result of TWE's purchase of Video Programming for, or carriage on, TWE's cable systems.