

**Lee County Board Of County Commissioners
Agenda Item Summary**

Blue Sheet No. 20021275

1. REQUESTED MOTION:

ACTION REQUESTED: Conduct a Public hearing to consider adopting a Resolution approving the transfer of AOL/Time Warner to Time Warner Cable Inc (TWC).

WHY ACTION IS NECESSARY: Lee County Ordinance No. 89-05, as amended by Lee County Ordinance No. 01-05, and FCC Form 394 sets forth the procedure for transferring the control of cable television franchises.

WHAT ACTION ACCOMPLISHES: Formalizes the process for the County to give permission for the transfer of control of the cable television franchise.

2. DEPARTMENTAL CATEGORY:
COMMISSION DISTRICT #:

5:00 #8

3. MEETING DATE:

12-10-2002


4. AGENDA:

5. REQUIREMENT/PURPOSE:
(Specify)

- _____ CONSENT
- _____ ADMINISTRATIVE
- _____ APPEALS
- PUBLIC
- _____ WALK ON
- _____ TIME REQUIRED:

- _____ STATUTE
- ORDINANCE 89-05, 01-05
- _____ ADMIN. CODE
- _____ OTHER

6. REQUESTOR OF INFORMATION:

- A. COMMISSIONER _____
- B. DEPARTMENT Public Resources
- C. DIVISION _____
- BY: Libby Walker 

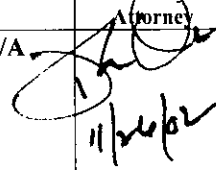
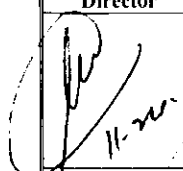
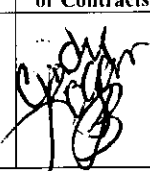
7. BACKGROUND: On August 30, 2002, the County Manager's office received from AOL/Time Warner an FCC Form 394, with respect to its proposed transfer of AOL/Time Warner to Time Warner Cable Inc. (TWC)

The Resolution is necessary, AOL/Time Warner received its franchise through several franchisees, and has been given different rights based upon what was in the franchise agreements at the time the County granted the franchise. The Resolution makes it clear that Time Warner Cable Inc will comply with Lee County Ordinance No. 89-05, as amended, by Lee County Ordinance No. 01-05.

1. Resolution
2. Time Warner Cable August 30, 2002 letter requesting a transfer of ownership from AOL/Time Warner to Time Warner Cable Inc.
3. Notice of Intent

8. MANAGEMENT RECOMMENDATIONS:

9. RECOMMENDED APPROVAL:

A Department Director	B Purchasing or Contracts	C Human Resources	D Other	E County Attorney	F Budget Services			G County Manager
		N/A	N/A		OA	OM	Risk	GC
					RK for CA 11/26/02	11/26/02	11/26/02	11/26/02
								11-26-02

10. COMMISSION ACTION:

- _____ APPROVED
- _____ DENIED
- _____ DEFERRED
- _____ OTHER

Rec. by CoAtty
Date: 11/26/02
Time: 10:33 am
Forwarded To:
11/26/02 11:30 am

RECEIVED BY
COUNTY ADMIN. CA
11/26/02
11:35 am
HS
11/26 5:00

RECEIVED
PUBLIC RESOURCES
2002 SEP - 4 PM 3:37



**Via Certified Mail/
Return Receipt Requested**

August 30, 2002

Mr. Paul Skweir
Web Supervisor
Lee County
Post Office Box 398
Fort Myers, FL 33902

Dear Mr. Skweir:

I am writing as part of our ongoing efforts to keep you apprised of developments involving the ownership of our local system. As you know, Florida Cablevision Management Corp., d/b/a Time Warner Cable, (hereinafter referred to as "TWIC") has been granted a franchise to operate a cable television system in Lee County. TWIC is a subsidiary of, and controlled exclusively by, AOL Time Warner Inc. ("AOLTW").

As you may have read, AOLTW has recently entered into an agreement with AT&T Corp. to restructure the Time Warner Entertainment Company, L.P. ("TWE") partnership as illustrated on the accompanying charts (the "Transaction"). As described below, the Transaction will have absolutely no impact on our cable system, its operations or local management.

The Transaction may be summarized as follows:

- The majority of the AOLTW and AT&T partnership interests in TWE will be held by an entity controlled by AOLTW to be called Time Warner Cable Inc ("TWC").
- AOLTW will own stock representing approximately 82% of the equity in TWC and 90% of the voting power. The remaining 18% of the equity will be indirectly owned by AT&T Corp., and after consummation of the

AT&T/Comcast merger, by AT&T Comcast Corporation (collectively, "AT&T").

- The Franchise will be transferred in one or more steps through an entity wholly-owned and controlled by AOLTW to TWC. This Transaction will not result in any change of control.
- It is expected that AT&T will place its shares of TWC in a trust to be approved by the Federal Communications Commission. Under the trust arrangement AT&T would have no power to vote its shares or otherwise influence or participate in the management or operation of TWC.
- After the restructuring Time Warner Cable will, subject to market conditions, conduct one or more public offerings whereby AT&T will sell its remaining minority interest in TWC and TWC will sell additional stock to the public up to a combined limit of approximately 35%. AOLTW expects to retain at least 65% of the equity, and approximately 77% of the voting power, thus continuing to control TWC.

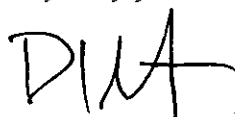
I would like to take this opportunity to assure you that this Transaction will have absolutely no adverse impact on our cable system, its operation or local management. In particular:

- TWC expressly agrees to assume all of the obligations under our Franchise.
- The local management and staff will remain the same.
- There will be no change in control of the franchise or the franchisee from AOLTW. Time Warner Cable will continue to be solely and exclusively responsible for the day-to-day management and operation of the cable television system.
- There will be no change in our commitment to provide our customers with the best in programming choices and customer service at a competitive rate.
- This transaction will have absolutely no impact on our business policies or practices.
- Local management will continue to report to the same executives of Time Warner Cable.

While it is unclear that this transaction requires your approval, if you conclude that it does, we would appreciate the consideration and prompt adoption of the accompanying form of resolution. We have enclosed one (1) original (and two (2) copies) of the FCC Form 394 which provides you with the information required by the FCC rules.

Please do not hesitate to contact me should you have any questions or if I can be of any assistance. We certainly value the fine relationship we have with your community.

Very truly yours,

A handwritten signature in black ink, appearing to read 'DWA', written over a faint circular stamp.

Dan Wright
General Manager
Time Warner Cable
Cape Coral/Naples, FL

cc: Paul Arthur