

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

Blue Sheet No. 20021261

1. REQUESTED MOTION:

ACTION REQUESTED: Request permission to schedule a public hearing for December 10, 2002 at 5:00 P.M. to approve a Resolution for 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 #:

CW

CLA

3. MEETING DATE:

11-19-2002

4. AGENDA:

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

5. REQUIREMENT/PURPOSE:
(Specify)

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

6. REQUESTOR OF INFORMATION:

- A. COMMISSIONER
- B. DEPARTMENT Public Resources
- C. DIVISION
- BY: Libby Walker *[Signature]*

7. BACKGROUND:

August 30, 2002, the County Manager's office received a FCC Form 394 from AOL/Time Warner with respect to its proposed transfer of AOL/Time Warner to Time Warner Cable Inc. The Resolution and Stipulation Agreement sets forth the conditions for the transfer. Neither the County nor AOL/Time Warner is waiving any rights they may have during the renewal process.

Attachment:

AOL/Time Warner August 30, 2002 letter requesting a transfer of ownership from AOL/Time Warner to Time Warner Cable Inc.

8. MANAGEMENT RECOMMENDATIONS:

9. RECOMMENDED APPROVAL:

A Department Director	B Purchasing or Contracts	C Human Resources	D Other	E County Attorney	F Budget Services <i>W/T/M 10/31</i>				G County Manager
		N/A	N/A	<i>Andrea Gasser</i>	OA <i>CA 10/30/02</i>	OM <i>apm 10/31</i>	Risk <i>R.8 10/31/02</i>	GC <i>10/31/02</i>	<i>[Signature]</i>
<i>[Signature]</i>									

10. COMMISSION ACTION:

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

Rec. by CoAtty
Date: *10/30/02*
Time: *10:02 am*
Forwarded To:
Budget
10/30/02 10:51 AM

RECEIVED BY
COUNTY ADMIN. *CA*
10-30-02
11:00
COUNTY ADMIN. *[Signature]*
FORWARDED TO:
10/31/02
2:20 PM

2002 SEP -4 PM 3:37
RECEIVED
PUBLIC UTILITIES



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.

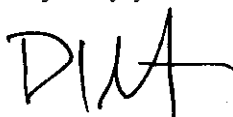
I would like to take this opportunity to assure you that this Transaction will have absolutely no adverse impact on our cable system, its operation or local management. In particular:

- 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 large, faint, circular watermark.

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

cc: Paul Arthur

LEE COUNTY
NOTICE OF INTENT TO ENACT A COUNTY RESOLUTION TO APPROVE THE
FRANCHISE AGREEMENT FOR LEE COUNTY, FLORIDA AND FLORIDA
CABLEVISION MANAGEMENT CORPORATION D/B/A TIME WARNER, CABLE
A/K/A AOL TIME WARNER

TO WHOM IT MAY CONCERN:

NOTICE IS HEREBY GIVEN that on Tuesday, the 10th day of December, 2002, at 5:00 o'clock, p.m., in the County Commissioners' Meeting Room, Old Lee County Courthouse, 2120 Main Street, Fort Myers, Florida, the Board of County Commissioners of Lee County, Florida, will consider the enactment of a County Resolution pursuant to Chapter 125, Florida Statutes and Lee County Ordinance No. 89-05, as amended by Lee County Ordinance No. 01-05. The title of the proposed County Resolution is as follows:

RESOLUTION OF THE BOARD OF COUNTY
COMMISSIONERS OF LEE COUNTY, FLORIDA,
APPROVING THE FRANCHISE AGREEMENT AOL TIME
WARNER

1. Copies of this Notice and the proposed Resolution are on file in the Minutes Office of the Clerk of Courts of Lee County. The public may inspect or copy the proposed Resolution during regular business hours at the Division of Public Resources. The Minutes Office is located on the second floor and Public Resources is located on the first floor in the Courthouse Administration Building, 2115 Second Street, Fort Myers, Florida.

2. Interested parties may appear at the meeting in person or through counsel, and be heard with respect to the adoption of the proposed Resolution.

3. Anyone wishing to appeal the decision(s) made by the Board with respect to any matter considered at this meeting, will need a record of the proceedings for such appeal, and may need a verbatim record, to include all testimony and evidence upon which

the appeal is to be based.

4. The Resolution shall take effect immediately upon its adoption by the Board of County Commissioners at the public hearing.

5. If you have a disability that will require special assistance or accommodations for your attendance at the public hearing, please call the Lee County Division of Public Resources at 335-2269 for information.

PLEASE GOVERN YOURSELF ACCORDINGLY.

The text of this Notice is pursuant to and in conformance with Section 125.66, Florida Statutes.

BOARD OF COUNTY COMMISSIONERS
OF LEE COUNTY, FLORIDA

By: _____
Charlie Green, Ex-Officio Clerk
to the Board of County Commissioners
of Lee County, Florida

APPROVED AS TO FORM:

By: _____
Office of the County Attorney

Ad Size: Display

Publishing Date(s): Jan 31, 2002