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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

July 12, 2000

BY HAND

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: Ex Parte Communication in CS Docket No. 00-30

Dear Ms. Salas:

On July 11, 2000, Erwin Krasnow and Michael Pratt of Verner, Liipfert, Bernhard, McPherson & Hand, Herman Morris, Jr., President and Chief Executive Officer of Memphis Light, Gas and Water Division ("MLGW"), W. Larry Thompson, Vice President and Chief Operating Officer of MLGW, and Charlotte Knight-Griffin, an attorney in MLGW's Legal Department, met with Jay Friedman, Legal Advisor to Commissioner Gloria Tristani. The discussion tracked MLGW's written comments filed in this proceeding on April 26, 2000, as well as topics related to the attached documents, which were distributed at the meeting.

In accordance with Section 1.1206 of the Commission's Rules, 47 C.F.R. § 1.1206, an original and one copy of this letter, including attachments, are being filed with your office. Please direct any questions concerning this matter to the undersigned.

Respectfully submitted,



Erwin G. Krasnow

Enclosure

cc (w/o encl.): Jay Friedman

No. of Copies rec'd 041
List A B C D E

AOL/Time Warner Merger
CS Docket No. 00-30

Ex Parte Presentation of
Memphis Light, Gas and Water Division

July 11, 2000

Memphis Light, Gas & Water Division

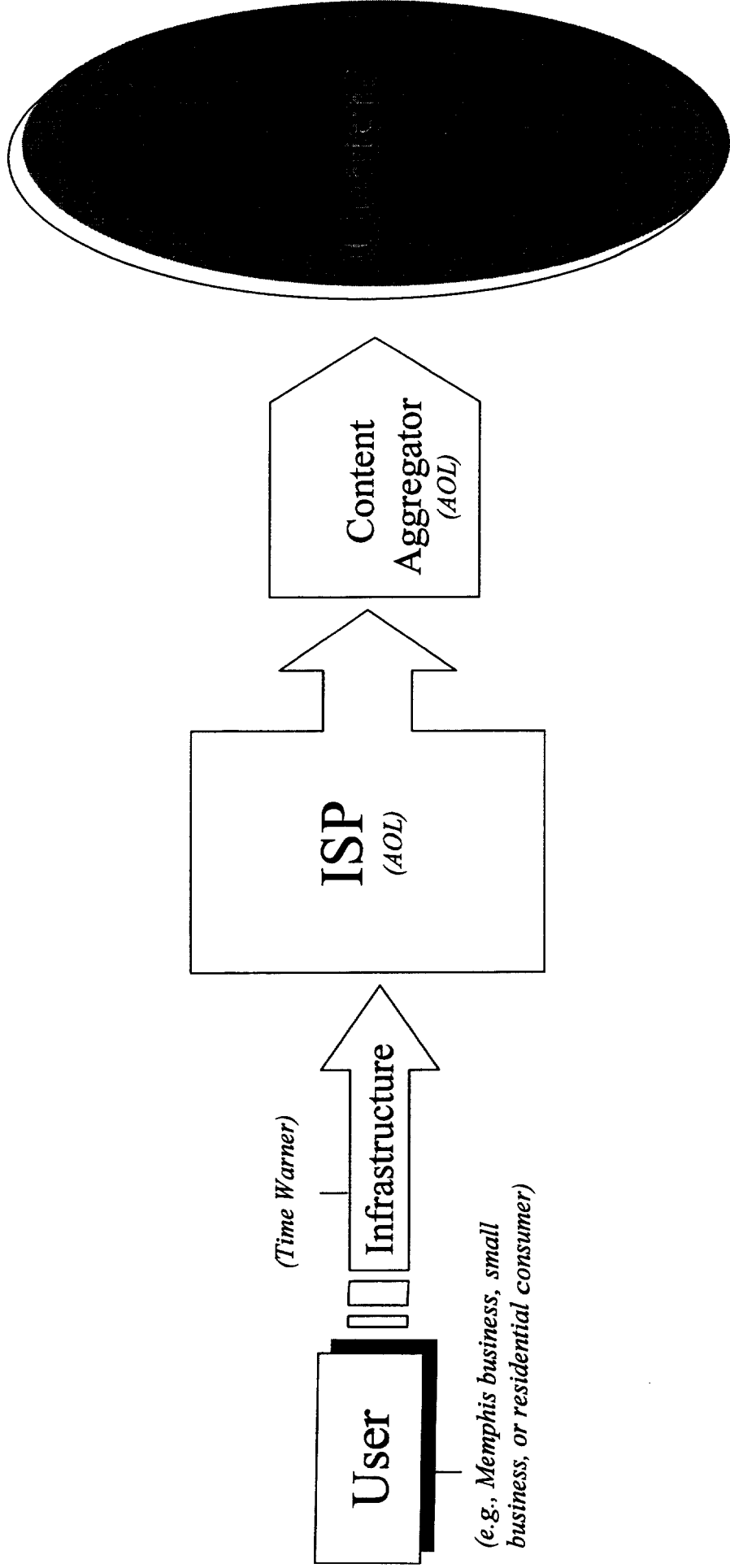
Overview of Memphis Light, Gas & Water Division

- Memphis Light, Gas & Water Division (“MLGW”) is a division and agency of the City of Memphis, Tennessee
- MLGW is a municipal utility that provides electricity, natural gas, and water to more than 400,000 customers in Memphis and Shelby County, Tennessee

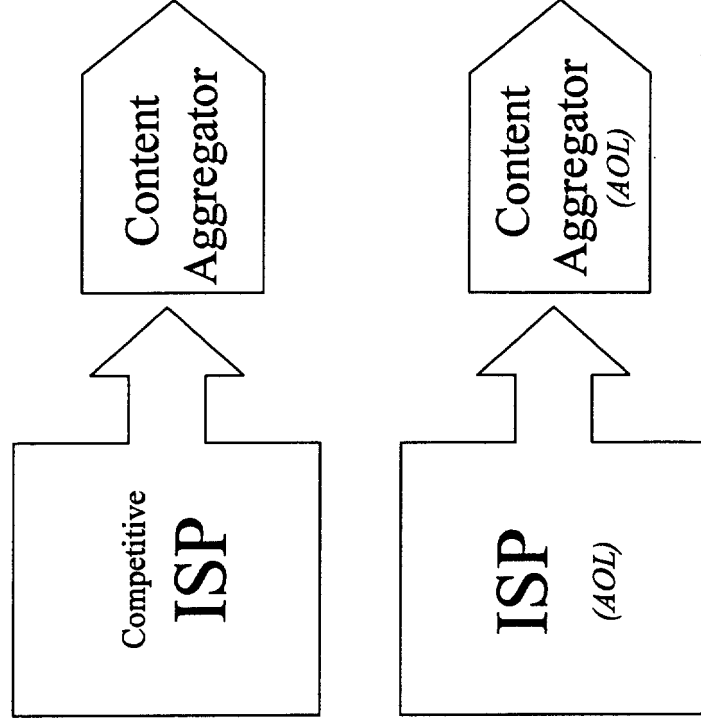
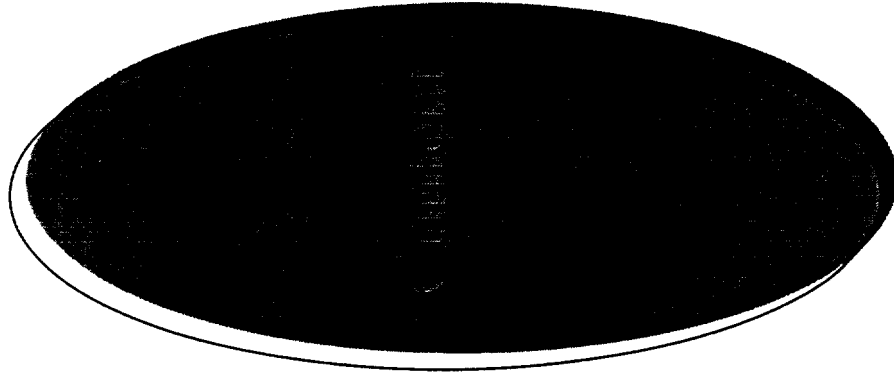
Overview of MLGW's Memphis Network, LLC Joint Venture

- Joint venture with A&L Networks-Tennessee, LLC
- Created pursuant to Tennessee statute that encourages municipal electric utilities to enter telecommunications markets
- Will provide primarily wholesale telecommunications services as an open access provider
- Will also eventually provide retail services to otherwise unserved and under-served portions of the community

In many communities such as Memphis, a user's access to data and content may be circumscribed by limited infrastructure and vertical integration:



In light of industry consolidation and vertical integration/affiliation, user choice among sources of information must be ensured via competitive infrastructure.

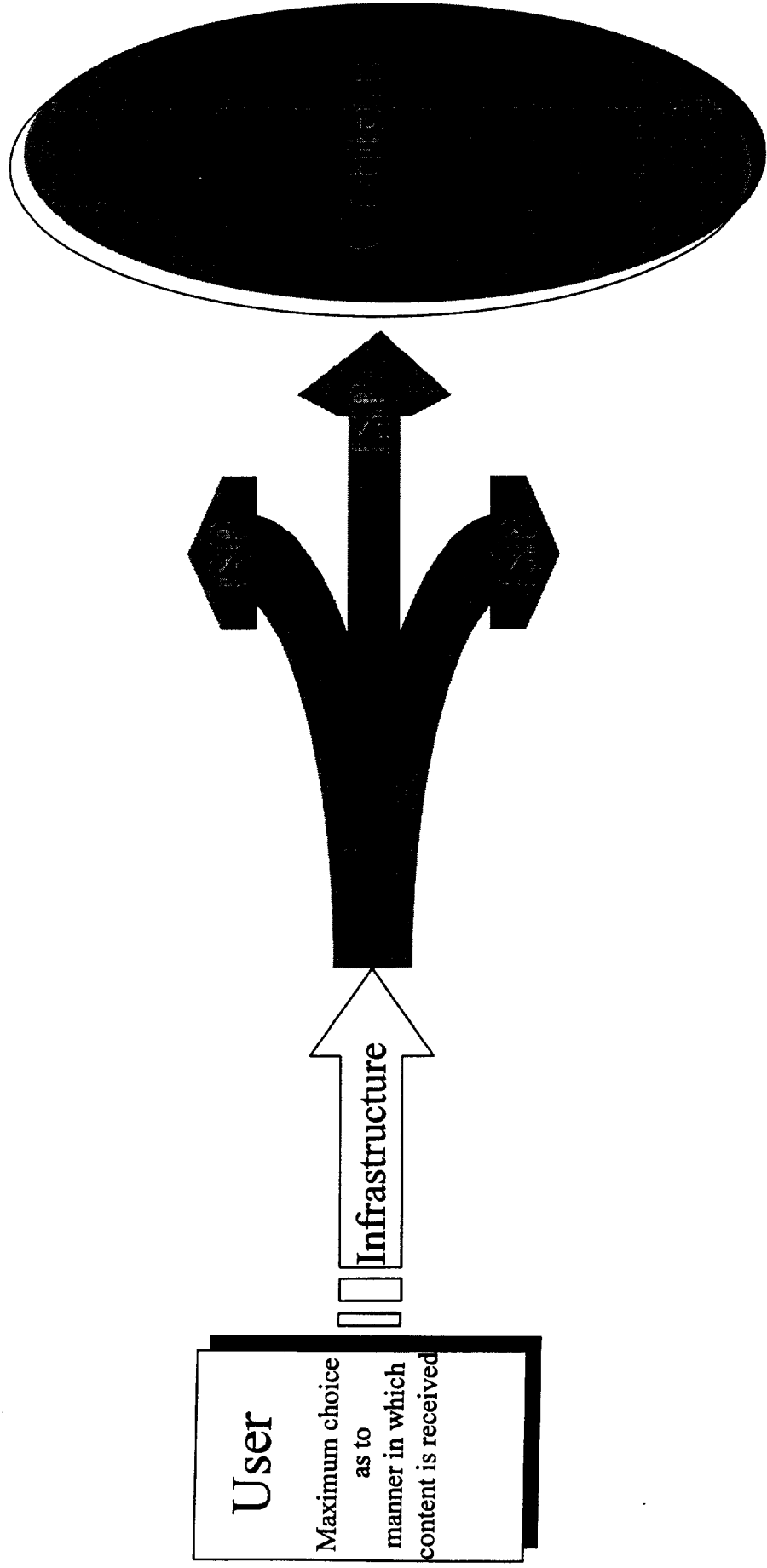


User
User has choice as to manner in which content is received

(Time Warner)

(e.g., Memphis business, small business, or residential consumer)

If the competitive overbuilder adopts an “open access” platform, such as Memphis Networkx proposes, user choice is maximized and content is available in a form and manner chosen by the user:



Excerpts from MLGW's Comments . . .

- “Among other benefits, Memphis Networx will: (1) bring essential and cutting-edge telecommunications services to unserved and under-served areas; (2) provide more choices and lower prices to telecommunications consumers; (3) stabilize and/or lower electric rates; (4) solidify and guarantee Memphis' position as a business center; and (5) establish new sources of revenue for local governmental authorities.”
- “AOL and Time Warner tout their proposed merger as insignificant because ‘thousands of entities offer Internet access and/or Internet content across the nation.’ Even assuming that this assertion is true in a generalized nationwide context, there are many individual consumers in this country that do not have a choice when it comes to Internet access or other broadband services.”
- “In addition to insulating its infrastructure from competition, Time Warner does not offer competitive opportunities for multiple ISP’s who wish to efficiently utilize its broadband platform.”
- “[T]he proposed merger would combine the strengths of the two companies and create an integrated media and communications company with an enhanced ability to fend off competitors and ensure profits at the expense of consumers.”

The AOL/Time Warner merger should be conditioned on the requirement that AOL/Time Warner provide open access to its broadband platform or, in the alternative, agree not to oppose or limit infrastructure competition by any action, agreement, or otherwise. Such a condition is in the public interest and will encourage the deployment of advanced telecommunications capability and promote local competition.