July 31, 2000

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__Via Courier__

Ms. Magalie R. Salas
Secretary
Federal Communications Commission
445 12th Street, S.W. – The Portals
Washington, DC
20554

RE: FCC CS Docket No. 00-30 Ex Parte Filing

Dear Ms. Salas:

In my capacity as President and CEO of Tucows Inc. ("Tucows"), I met with the persons listed below to discuss certain concerns posed by the proposed merger of AOL and Time Warner to the Internet community. Following please find my summary of our July 28, 2000 meeting.

Attending the meeting on behalf of the Cable Services Bureau were Royce Dickens, Anne Levine and Carl Kandutsch. Also in attendance was John Berresford of the Common Carrier Bureau. Attending from the Office of the General Counsel were Pieter Van Leeuwen and James Bird.

On behalf of Tucows, I provided the Commission with background on the company's business, specifically describing its relationships with over 4,500 Internet Service Providers ("ISP's"), Web Hosting companies, domain-name resellers and many other types of Internet-specific Value Added Resellers ("VARs") and the fact that Tucows has been using ISPs as a distribution channel for over six years.

We discussed three points at length during the meeting. I expressed my belief that the combination of the AOL business, which in the industry is described as a horizontal business (access), and the Time Warner business, which we describe as primarily a vertical business (content), will make it harder rather than easier for a combined entity to engage in anti-competitive behaviour to the detriment of the public. This is not because the business leverage of the combined entity will not increase. We feel it will, rather, because the "cost" of engaging in closed anti-competitive behaviour increases substantially. In Tucows' experience, the Internet rewards two things: openness and

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providing superior value (price, service, choice, etc.) and punishes severely the reverse. AOL appears to have learned that lesson very clearly through 1995 and 1996 when it tried to retain a closed environment against the broader Internet. If a combined AOL/Time-Warner were to engage in anti-competitive behaviour to the detriment of consumers, it would have the effect of marginalizing both the access and content businesses. There is nothing Tucows would more like to see than a combined entity try and establish a "gated community". Please note that I was distinguishing between anti-competitive behaviour to the detriment of consumers and exerting normal business leverage.

Second, we engaged in much discussion about the Instant Messaging market. I mentioned that I felt it was ironic that one of the clearest examples of the Internet favoring openness and rewarding superior value was this market. My position at Tucows, one of the two leading distributors of third-party software on the Internet, has provided a unique window on its development. This market did not exist for all intents and purposes through 1996. In 1997 and through 1998; a number of pieces of Instant Messaging software were released including offerings from Microsoft, AOL, Yahoo and numerous others with prominent Venture Capital funding and Silicon Valley connections yet the clear winner as this market formed was Mirabilis. This Israeli company had no external funding or North American contacts. The company simply understood the user and provided a sense of community and functionality that won the marketplace. We feel that AOL has still not extracted significant revenue from this asset and to do so to the detriment of the user would likely lead to a migration of users to its competitors.

We believe the foregoing is true regardless of the disposition of issues relating to third-party access to the Time-Warner cable assets. We strongly feel that these assets are a regulated public good and as such access should be provided to third parties on reasonable commercial terms. I suggested that the Commission note the parallel situation in Canada where the incumbent cable providers were able to delay third-party access to the cable infrastructure for the better part of four years under the guise of technical limitations and the negotiation of reasonable commercial terms. During this time they were able to leverage the monopoly asset to create the second-largest ISP in Canada and one of the largest broadband customer bases in the world. Canadian regulators insisted that the incumbent cable operators provide access on a "% of retail" basis while negotiating a more permanent agreement.

It is important that competitive ISPs be given the opportunity to obtain access to the cable infrastructure on a "common-carrier" basis allowing each party to maintain billing for its portion of the service provision. The competitive ISPs need to maintain a portion of the billing relationship and the opportunity to provide first-level customer service to the customer.

Enclosed please find one original and one copy of my summary. Please do not hesitate to contact me if I can be of further assistance.

Sincerely,

Elliot Noss
President/CEO

cc: *Royce Dickens*
Anne Levine
Carl Kandutsch
Pieter Van Leeuwen
James Bird
John Berresford