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August 28, 2000

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Ms. Magalie R. Salas
Secretary
Federal Communications Commission
445 12th Street, S.W. - The Portals
TW - B204
Washington, D.C. 20554

Re: Notice of Ex Parte Presentation
Applications of America Online, Inc. and
Time Warner Inc. for Transfers of Control, CS Docket No. 00-30

On behalf of Time Warner Inc. ("Time Warner") and America Online, Inc. ("AOL"),
submitted herewith, pursuant to Section 1.1206(b)(2) of the Commission's rules, is an original
and one copy of this summary of a permitted oral presentation to Commission officials regarding
the above-cited proceeding. On August 25, 2000, Time Warner and AOL representatives met
with certain members of the Commission staff, at their request, to discuss technical issues relating
to the provision of multiple Internet Service Providers (ISPs) on Time Warner Cable systems.

Attending the meeting on behalf of the Commission were Deborah Lathen, Royce
Dickens, Carl Kandutsch, Anne Levine, Nancy Stevenson, and Darryl Cooper from the Cable
Services Bureau; Jim Bird from the Office of General Counsel; Michael Kende from the Office of
Plans and Policy; and Doug Sicker from the Office of Engineering and Technology. Attending the
meeting on behalf of the Federal Trade Commission were Anthony Joseph, Michael Antalics, and
Kurt Cox. Attending on behalf of Time Warner were Michael Adams Vice President and
Principal Network Architect of Time Warner Cable; Catherine Nolan, Vice President, Law and
Public Policy of Time Warner; Marc Apfelbaum, Senior Vice President and General Counsel of
Time Warner Cable; Arthur Harding and Craig Gilley of Fleischman and Walsh, and Teena-Ann

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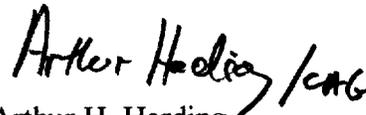
Ms. Magalie R. Salas
August 28, 2000
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Sankoorikal of Cravath, Swain and Moore. Attending on behalf of AOL were George Vradenburg III, Senior Vice President, Global and Strategic Policy of AOL; Paul Cappuccio, General Counsel of AOL; Steven Teplitz, Vice President, Telecommunications Policy for AOL; Mario Vecchi, Vice President, Technology Development for AOL; and Peter Ross of Wiley, Rein & Fielding.

At this meeting, Michael Adams of Time Warner Cable presented an overview of and update on the progress of Time Warner Cable's Columbus, Ohio multiple-ISP trial. The content of his presentation tracked the contents of the attached PowerPoint presentation. The discussion that followed involved Commission inquiries into technical issues surrounding this trial and AOL Time Warner's future plans to provide multiple ISPs on Time Warner Cable systems. These questions tracked the attached list of questions from the Commission which was distributed at the meeting. Answers to these questions are to be responded to in writing and will be provided under separate cover in this docket.

Kindly direct any questions regarding the matter to the undersigned.

Respectfully submitted,



Arthur H. Harding
Counsel for Time Warner Inc.

Attachment

cc: Deborah Lathen
William Johnson
Royce Dickens
Nancy Stevenson
Carl Kandutsch
Anne Levine
Darryl Cooper
John Berresford
Michael Kende
Doug Sicker
Linda Senecal
International Transcription Service

Multiple ISP Overview

Michael B. Adams
Principal Network Architect
Time Warner Cable

Introduction

- What is an Internet Service Provider (ISP)
- Multiple ISP Requirements
- Roadrunner Network
- Multiple ISP Evolution
- Technical Trial (Phase 1)
- Technical and Operational Challenges

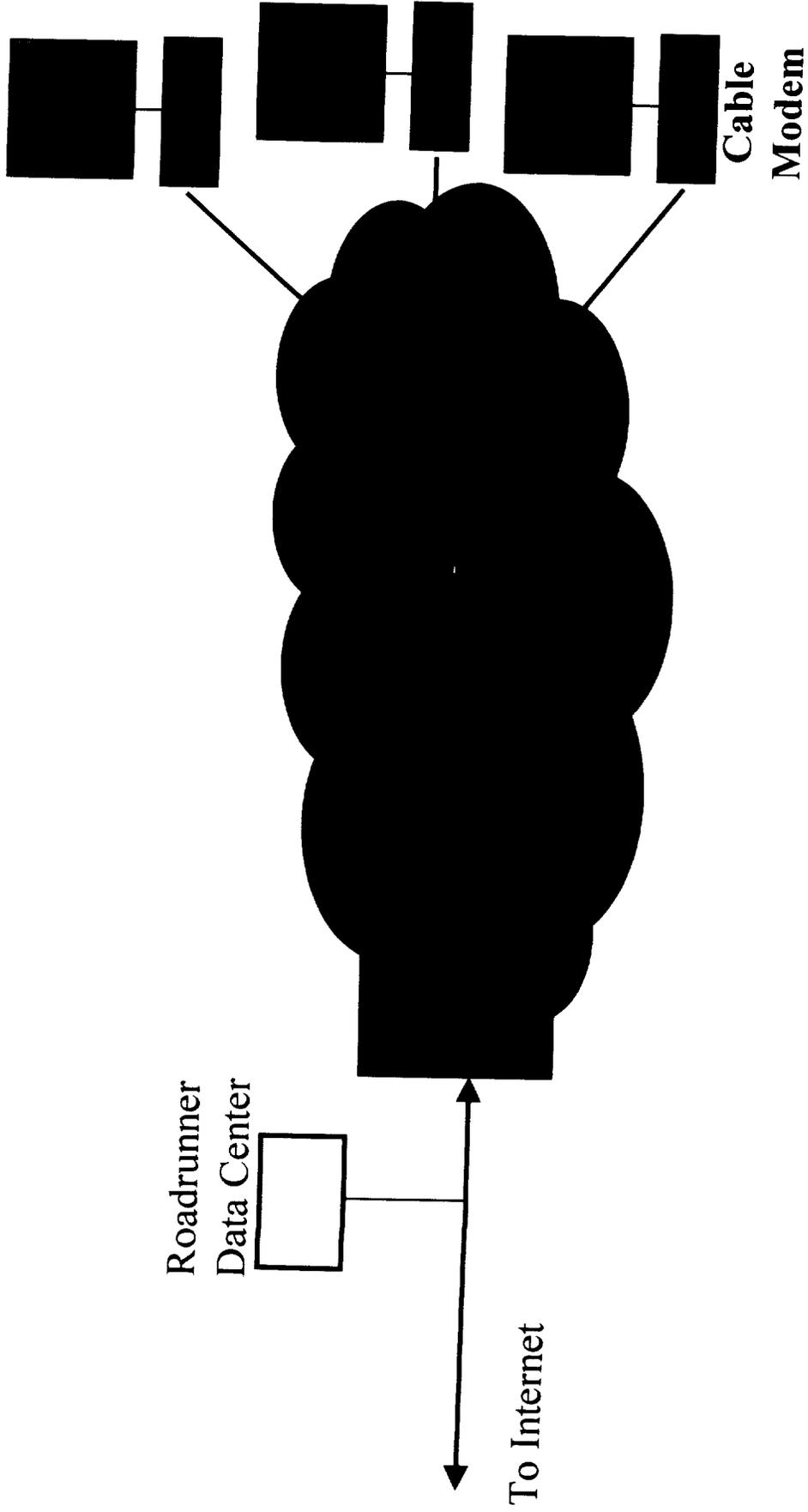
AOL/TW MOU on Open Access (1)

- Offer Consumers Choice: AOL Time Warner is committed to offer consumers a choice among ISPs. Consumers will not be required to purchase service from an ISP that is affiliated with AOL Time Warner in order to enjoy broadband Internet service over AOL Time Warner cable systems.
- Diversity of ISPs: AOL Time Warner will not place any fixed limit on the number of ISPs with which it will enter into commercial arrangements and it will offer those ISPs the choice to partner on a national (on all AOL Time Warner cable systems), regional or local basis, in order to facilitate the ability of consumers to choose among ISPs of different size and scope.

AOL/TW MOU on Open Access (2)

- **Direct Relationship with the Customer for ISPs:** AOL Time Warner is also committed to allow both the cable operator and the ISP to have the opportunity to have a direct relationship with the consumer. Accordingly, both the cable operator and the ISP will be allowed to market and sell broadband service directly to customers. When an ISP sells broadband Internet service directly to a customer, it may, if it so chooses, bill and collect from the customer directly.
- **Video Streaming:** AOL Time Warner will allow ISPs to provide video streaming. AOL Time Warner recognizes that some consumers desire video streaming, and AOL Time Warner will not block or limit it.

Roadrunner Network



Design Assumptions (1)

- The ISP interconnections should be limited to a small number of different kinds of interfaces (pipe size, routing protocols, etc.) because it is very costly to support many different kinds of interfaces.
- The ISP interconnection point will be at the cable headend allowing each ISP to provide service at local, regional and national levels by connecting directly to one, several or all TWC headends.

Design Assumptions (2)

- An ISP will require an interconnection point in each locality. These facilities may need to be constructed in some cases.
- The ISPs interconnection costs paid to the backbone carrier (e.g. MCI, Sprint) across the entire TWC territory will be tens of millions of dollars a year.

Design Assumptions (3)

- The ISP will be responsible for many of the factors that determine customer satisfaction including wide-area-network capacity planning, Internet peering arrangement, email accounts and the like.
- A single customer may choose to subscribe to more than one ISP.

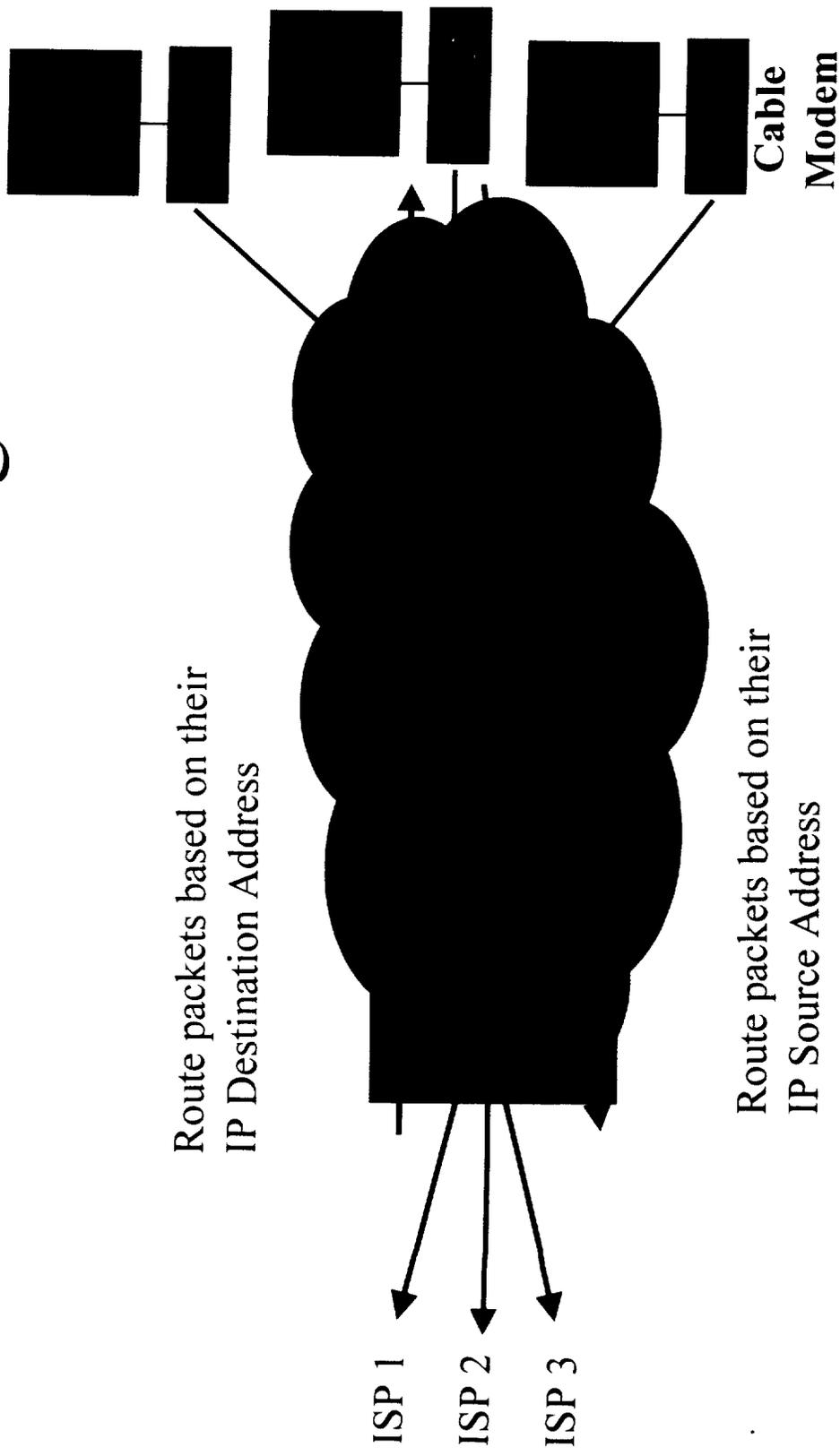
Multiple ISP Network



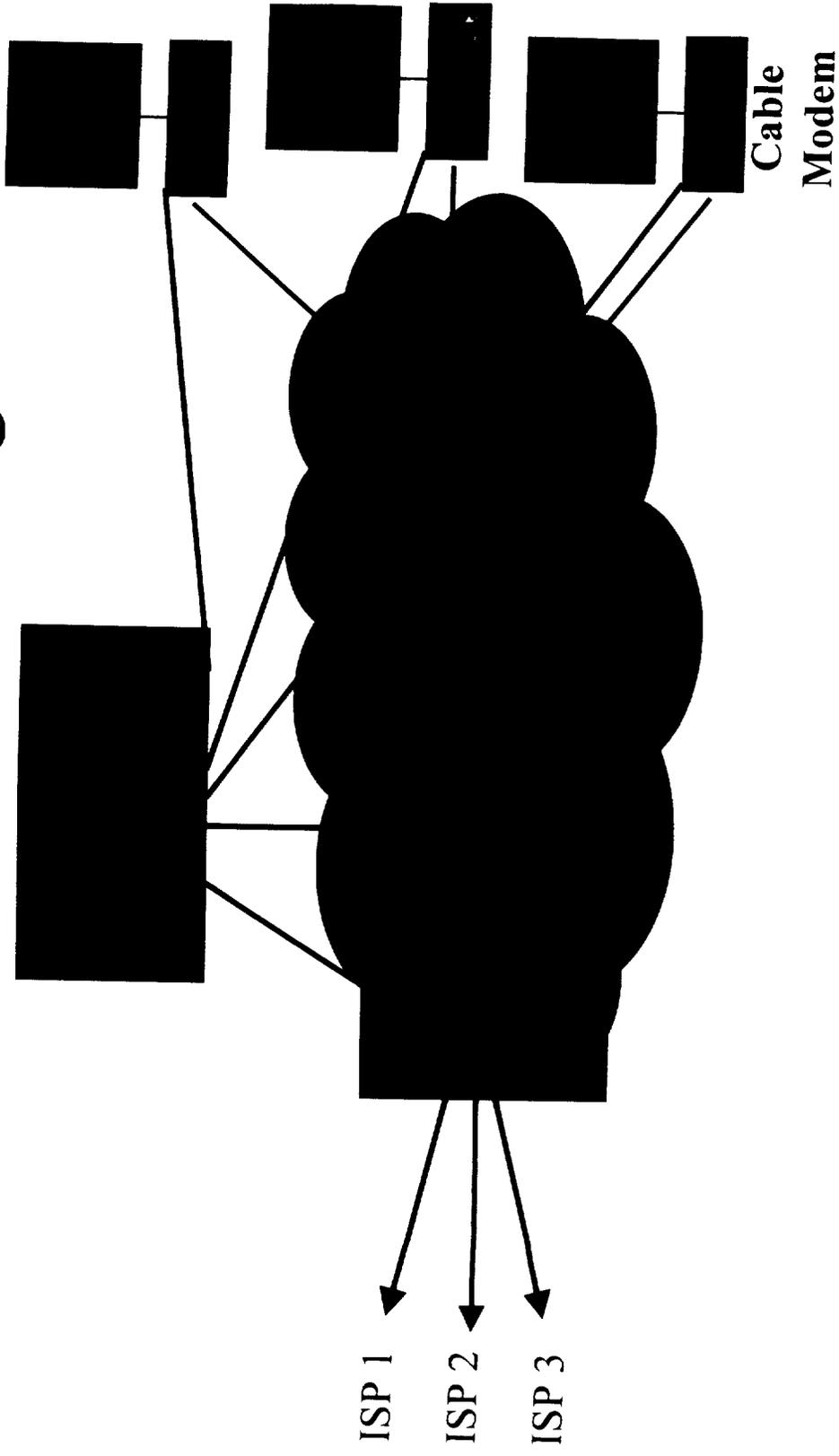
Mechanism to Support Multiple ISPs

- Multiple ISP support is new and has never been done on any scale.
- Policy-Based Routing At Headend Virtual Router.
- Virtual Routers are expensive and innovative equipment.
- IP Address Assignment is much more complicated in a multiple ISP environment because source addresses must be assigned in order to support upstream policy-based routing.

Packet Routing



Cable Network Management



Technical Challenges

- Evaluate Network Designs and choose best one.
- Implement and test chosen Network Design.
- Design and implement custom solutions where no “off-the-shelf” solutions exist. (For example, Auto-provisioning.)
- We are pioneers in Multiple ISP development and the technology is new and untested.

Operational Challenges

- Trouble shooting is much more complex in a multiple service provider environment. (Network of Networks)
- Direct customer relationship for both ISP and TWC
 - Ordering
 - Provisioning
 - Customer care
 - Billing and collection
 - Revenue accounting
- To support the high volume of subscribers, new electronic business-to-business interfaces must be developed for all of these processes.

Federal Communications Commission
Washington, D.C. 20554

August 25, 2000

Questions Concerning the Memorandum of Understanding (“MOU”) dated February 29, 2000 and Multiple ISP Access

The MOU states that AOL and Time Warner will not discriminate against unaffiliated Internet Service Providers (“ISPs”). These questions seek clarification how a merged company would achieve this objective.

1. **Open Access Trials:** Please describe in detail the architecture of any open access trials AOL and/or Time Warner is conducting. Please explain how the architecture(s) will achieve the nondiscrimination objectives of the MOU.
2. **Point of Interconnection:** Please identify the points in the network where the unaffiliated ISP would interconnect with the cable provider. We recognize that ISPs with backbones may not want transport where as other ISPs may require backbone transport. Will this implementation allow for flexibility to serve either need?
3. **Quality of Service:** AOL and Time Warner could discriminate against unaffiliated ISPs with regard to Quality of Service (QoS). For example, the transport of data packets could be managed differently depending on their origin and/or destination. What mechanism does AOL and Time Warner intend to implement to ensure non-discriminatory QoS? If so, please describe the mechanism. How will QoS be provided? Please explain how voice service will be offered on this platform.
4. **Connectivity:** AOL and Time Warner has the ability to monitor a subscriber’s set-top box and/or cable modem to determine the state of the connection. Will, and how will, AOL and Time Warner ensure that unaffiliated ISPs have the same ability to monitor connectivity.
5. **Caching:** In order to provide their customers with competitive, quality services, unaffiliated ISPs will require caching capability. How will AOL and Time Warner ensure that unaffiliated ISPs have nondiscriminatory caching ability? Will unaffiliated ISPs co-locate at AOL’s local caching servers? If not, how does AOL and Time Warner intend to address this issue? Will unaffiliated ISPs have the same caching capability as affiliated ISPs? Please explain transparent versus proxy caching implementations. Will AOL and Time Warner utilize transparent or proxy caching?
6. **Multicasting:** Will unaffiliated ISPs have the same ability to provide multicasting as the affiliated ISP(s)? Please explain in detail the architecture that will allow unaffiliated ISPs to provide such multicasting capabilities.
7. **Routing:** Do you intend to use source-based routing? MPLS routing? Policy-based routing, or some other method?
8. **Servers:** Who will manage DNS? Who will manage TFTP? Who will manage DHCP? Please describe in detail how IP address space will be managed.
9. **Capacity planning:** How do you intend to do capacity planning as ISPs are added to the network? Will unaffiliated ISPs be able to obtain sufficient capacity as their

demand increases?

10. What restrictions will be placed on consumer bandwidth consumption?
11. Will the set-top box telephony be open to unaffiliated ISPs?
12. Will unaffiliated ISPs be permitted to offer interactive services via the set-top box?
13. Among the following, what end-user services will unaffiliated ISPs be permitted to provision:

- a. Data
- b. Voice over IP
- c. Streaming Video
- d. Multicasting identical information to many end users
- e. End-user webservers
- f. Virtual Private Networks
- g. Switched Cable Telephony
- h. Interactive Television
- i. Video broadcasting
- j. Video Downloads

To the extent that unaffiliated ISPs will be permitted to provide any of the above-listed services, please identify and explain any limitations that will be imposed on that ability. To the extent that unaffiliated ISPs will not be permitted to provide any of the above-listed services, please explain the basis for your decision to not permit unaffiliated ISPs to provide these services.

14. Selection of ISP: Explain in detail how the customer will select an ISP? Will a client on the customer's PC allow them to select a new ISP or will some other mechanism provide this capability?
15. First screen: Will the combined firm "brand" the user's first screen (or subsequent screen) when the user is not an ISP customer of AOL? In other words, will the user see branding, advertising, or other AOL and Time Warner related material on the screen?
16. Pricing: Please address the following questions: (a) The MOU states that AOL and Time Warner will not discriminate in interconnection prices based on affiliation, but also that "the economic arrangements reached by AOL and Time Warner and ISPs wishing to provide broadband service will vary depending on a number of factors (such as speed, marketing commitments, and nature and tier of the service desired to be offered). . ." Please explain in detail how these factors will be valued such that ISPs can be assured that each is paying the same as other ISPs are paying for the right to connect to Time Warner's cable network. What will be the basis for pricing the transport component of the service? (b) Please explain whether AOL and Time Warner intend to establish volume discount levels and, if so, how AOL and Time Warner will ensure that pricing is non-discriminatory. How in general will AOL and Time Warner ensure that pricing is non-discriminatory?
17. Billing relationships: Please explain in detail the billing arrangements that will exist between the customer and the service providers.
18. Customer Service: How will AOL and Time Warner ensure that customers of unaffiliated ISPs receive nondiscriminatory service for technical service problems

that may arise within the Time Warner cable system?

15. Among the following, what types of customer service and/or control will unaffiliated ISPs be permitted to provide:

- a. QoS
- b. IP Address Management. Who assigns IP addresses.
- c. Tracking of end-user traffic
- d. Control of first page seen by end-user
- e. Provisioning of customer service, i.e., who will the end-user contact first to get repairs or questions answered.
- f. Retailing of the ISP over cable service.
- g. Installation of the cable modem.
- h. Who has access to proxy service information on customer usage habits?

To the extent that unaffiliated ISPs will be permitted to provide any of the above-listed services, please identify and explain any limitations that will be imposed on that ability. To the extent that unaffiliated ISPs will not be permitted to provide any of the above-listed services, please explain the basis for your decision to not permit unaffiliated ISPs to provide these services.