



TOWN MANAGER'S OFFICE

May 9, 2000

VIA EMAIL

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

Re: Applications of America Online, Inc., and Time Warner Inc. for Transfers of Control (CS Docket No. 00-30)

As the local franchising authority for Cary, North Carolina, the Town of Cary, on behalf of our 95,000 citizens, files the following comments regarding the above-named proposed Transfer.

First, the Town of Cary strongly supports advances in technology and telecommunications brought forth by profitable, private companies. Technology is an important part of our community.

Known as North Carolina's "Technology Town", Cary has, at 85 percent, one of the highest Internet access rates in the nation, and more than 70 percent of our citizens subscribe to cable television. Further, many of our citizens have a direct connection to these technological advances as they work at one of the many high-tech companies of Cary and the Research Triangle Park such as IBM, MCI, Cisco, and SAS to name a few. These same citizens clearly benefit economically by the success of their employers, and they, along with their friends and families, profit socially and culturally from many of these same successes.

Second, the Town strongly supports responsible, citizen-oriented business practices, especially by those companies that use public property and rights of way to advance their commercial interest and financial profitability. And in the regard, the Town of Cary also supports government involvement in the protection of the property and rights of all the citizens of the community.

This said, we have significant concerns about the potential negative impacts to our community that the proposed Transfer may bring. First, the Transfer eliminates one more avenue of potential competition that could directly benefit our citizens. On its face, the Transfer also does nothing to ensure adequate customer service, consumer protection, or consistent, uninterrupted access to the variety of local and global programming desired by communities.

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316 North Academy Street Cary, NC 27513 • PO Box 8005 • Cary, NC 27512-8005
tel 919-469-4007 • fax 919-460-4929 • www.townofcary.org

Both AOL and Time Warner dominate their current markets and it is reasonable to assume that they will be a dominant force once combined. And while this is not in and of itself a concern, the Transfer could create a cooperation so vast that its legal, financial, and staff resources make it difficult for government at any level to successfully advocate for and on behalf of the community interest. As the recent disruption in carriage of our ABC television affiliate by Time Warner shows, the owner of the cable distribution network has ultimate power to control what consumers are able to see, and in this particular case, the rule of law seemed to make little difference.

Unfortunately, as Cary's sole cable television franchise agreement has been transferred over the years to larger and larger companies (now resting with Time Warner Entertainment), we have found that our community's best interests have been served less and less. While the Town is working very hard to muster resources to bring all forms of effective telecommunications competition to Cary, our citizens remain held hostage by Time Warner and its consistent lack of effort in meeting the needs of its subscribers, our citizens. And as we face yet another possible transfer, we have little reason to believe that conditions will improve.

Currently, local franchising authorities have little ability to protect our citizens during this exciting time of progress. Our optional review of the FCC's 394 documents on transfers has little real affect on the transfer or on future services. And the rulemaking implementing the 1996 Telecommunications Act effectively stripped from local governments any abilities they had to advocate for fair treatment of subscribers and others in the community.

The Town of Cary respectfully submits these comments in hope that as the Federal Communications Commission deals with this and the likely multitude of future similar actions, interests of entire local communities, not just subscribers, will clearly and consistently be placed at least equal to those of the corporate conglomerate.

Regards,

Susan Moran
Public Information Officer

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