



County of Santa Cruz

COUNTY ADMINISTRATIVE OFFICE

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SUSAN A. MAURIELLO, J.D., COUNTY ADMINISTRATIVE OFFICER

June 4, 2002

AGENDA: June 11, 2002

BOARD OF SUPERVISORS
County of Santa Cruz
701 Ocean Street
Santa Cruz, California 95060

PUBLIC HEARING ON MERGER OF AT&T BROADBAND BY COMCAST CORPORATION

Dear Members of the Board:

On February 27, 2002 this office received an application from AT&T Broadband for approval of the merger of AT&T Broadband and Comcast Corporation. The resulting corporation will be the largest cable operator in the country. According to the attached documents filed with the Federal Communications Commission the new corporation produced by the merger will control 27,276,500 subscribers in the United States or approximately 40% of the 69,000,000 cable subscribers in the United States.

The request for approval of the merger is in the form of a Federal Communications Corporation Form 394. Pursuant to Federal law a local franchising authority must act on the Form 394 within 120 days of receipt or the applied for transaction is deemed approved. Similar requests are now pending before hundreds of local franchising authorities across the country. At this time Special Counsel is preparing an analysis of the transaction for your Board's consideration and it is our recommendation that your Board schedule a public hearing on the proposed merger on June 25, 2002. June 25, 2002 is the 117th day of the 120 day period provided for in Federal Law.

At this time it is RECOMMENDED that your Board schedule a public hearing on AT&T Broadband's request for the County's approval of the merger of AT&T Broadband and Comcast Corporation for 9:00 AM on June 25, 2002.

Very truly yours,

Susan A. Mauriello
County Administrative Officer

cc: Richard Wilson
Bill Marticorena
Communication Workers of America Local 9423

SERVING THE COMMUNITY - WORKING FOR THE FUTURE

BOARD OF SUPERVISORS
AT&T BROADBAND AND COMCAST MERGER

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AT&T C/O

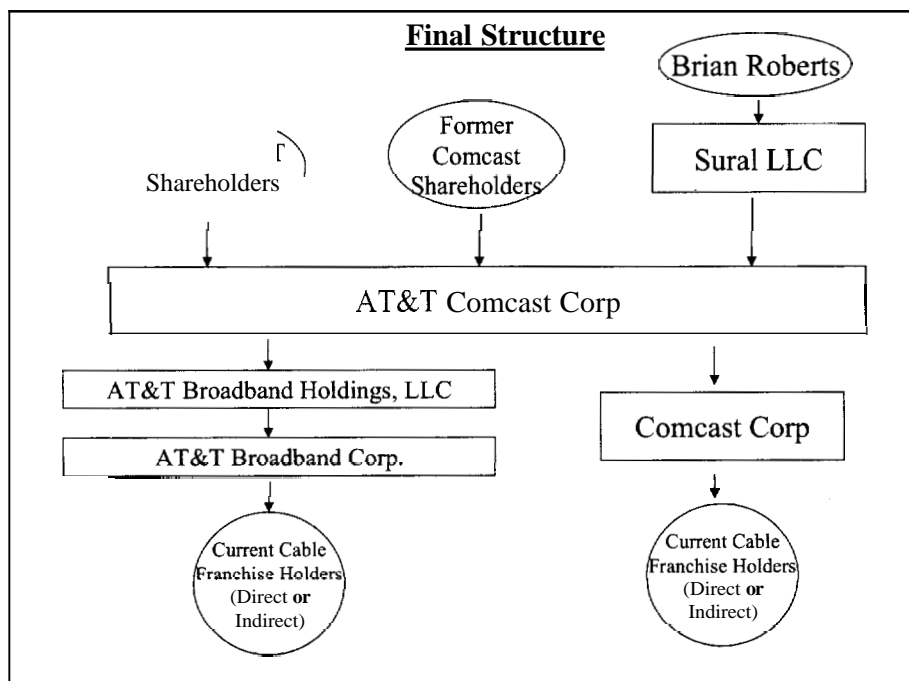
Kent Leacock
Vice President, Franchising and Local Government Affairs
AT&T Broadband
PO Box 5147
San Ramon, CA 94583
Fax: 925-973-7104

and

AT&T Broadband
188 Inverness Drive West, Room 6-042
Englewood, CO 80112
Fax: 303-858-2615

A T&T Comcast Corporation: Ultimate Corporate Structure

With the completion of the merger transaction, AT&T Comcast Corporation will be the new public company parent of both Comcast Corporation and AT&T Broadband, which will be wholly owned "brother/sister" subsidiaries of AT&T Comcast Corporation.



APPENDIX 6
COMCAST CORP. ATTRIBUTABLE SUBSCRIBERS

	ENTITY	OWNERSHIP	OWNERSHIP %	SUBSCRIBERS
Wholly Owned Systems	Comcast cable subsidiaries	Comcast	100% interest	8,471,000
Attributable Systems	Clearview Partners	Comcast	30% general partnership interest	10,500
TOTAL				8,481,500

APPENDIX 7

AT&T BROADBAND ATTRIBUTABLE SUBSCRIBERS¹

As of December 31, 2001²

	ENTITY	OWNERSHIP	OWNERSHIP %	SUBSCRIBERS
Owned and Operated Systems	AT&T	AT&T Broadband	100%	13,439,000
Consolidated System	Mile Hi Cable Partners, L.P.	Community Cable Television Daniels Communications, Inc.	78.00% limited 21% general 1.00% limited	12,000
Non-consolidated Systems ³	Pamassos Communications, L.P.	TCI Adelphia Holdings, L.L.C. Adelphia Western New York Holdings, Inc.	33.33% general 66.57% general	478,000
	CC VIII, L.L.C. (Formerly known as Bresnan Communications Co. Ltd. Partnership)	TCI of Michigan, Inc. TCI Bresnan, L.L.C. Charter Communications Holdings, L.L.C.	0.10% limited 18.715% Preferred Equity 11.263% Preferred Equity 70.022% Common Equity	977,000
	Insight Midwest L.P.	TCI of Indiana Holdings, L.L.C. Insight Communications Company, L.P.	50.00% limited 50.00% limited and general	1,198,000

¹ AT&T Broadband entities are in bold.

² This chart does not include the subscribers served by the TWE and TWI cable systems. As discussed in the text, this is appropriate because AT&T Broadband and Comcast are firmly committed to divesting AT&T Broadband's TWE interest and because, at the time the merger is closed, the TWE/TWI subscribers will not be attributed to the merged entity. The TWE and TWI cable systems serve approximately 12.8 million subscribers (11 million in TWE; 1.8 million in TWI). However, this includes 1.45 million subscribers served by the Time Warner-AT&T Broadband joint ventures in the Texas and Kansas City partnerships that are already accounted for in the table above. Thus, were the TWE/TWI subscribers counted, they would add another 11.35 million subscribers to the chart's total.

³ AT&T Broadband also owns a partial interest in Elbert County Cable Partners (TCI Cablevision of Kiowa, Inc. 80% general), which serves less than 500 subscribers.

ENTITY	OWNERSHIP	OWNERSHIP %	SUBSCRIBERS
Kansas City Cable Partners	TCI of Missouri, Inc. TCI of Overland Park, Inc. Time Warner Entertainment Company, L.P.	46.20% general 3.80% general 50.00% general	314,000
Texas Cable Partners, L.P.	TCI Texas Cable Holdings, L.L.C. TCI Texas Cable, Inc. Time Warner Entertainment - Advance/Newhouse L.P. TWE-A/N Texas Cable Partners General Ptnr. LLC	49.50% limited 0.50% general 49.50% limited 0.50% general	1,137,000
US Cable of Coastal - Texas, L.P.	AT&T Broadband USC L.L.C.	48.335% limited	151,000
Midcontinent Communications	US Cable Holdings, L.P. TCI Midcontinent, LLC Midcontinent Communications Investor, LLC	51.664% general 50% general 50% general	206,000
Century-TCI California Communications, L.P.	TCI California Holdings, L.L.C. Century Exchange, L.L.C.	25% Limited 75% Limited and General	774,000
TOTAL			18,795,000