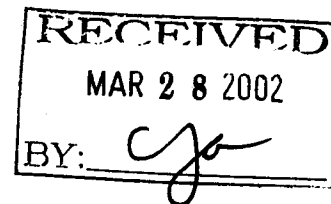


(21)



ATTACHMENT 4



March 27, 2002

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. W. Calvin Horton
Town Manager
Town of Chapel Hill
306 N. Columbia Street
Chapel Hill, NC 27516

Dear Mr. Horton:

As you may be aware, the Federal Communications Commission (the "FCC") on March 14, 2002 adopted a Declaratory Ruling and Notice of Proposed Rulemaking finding that cable modem services (for example, Road Runner) are, for regulatory purposes, an "interstate information service" and not a "cable service." Given that finding, the FCC further concluded that revenue from cable modem service is not revenue from the provision of "cable service" and, therefore, should not be included in the gross revenue on which franchise fees are based. The FCC's full report along with Commissioners' comments can be found online at www.fcc.gov.

As you know, Time Warner Cable has been paying franchise fees to the Town of Chapel Hill based on revenues from cable modem services in the good faith belief that these services were "cable services" under applicable laws and regulations. The FCC has now made clear that cable modem services are not "cable services", and hence should no longer be included in the gross revenue on which franchise fees are based. Therefore, we intend to cease the collection and payment of franchise fees on revenues derived from the provision of cable modem service as soon as practicable. All franchise fees collected on cable modem service up until that time when franchise fees on cable modem service are terminated will be remitted to you as a part of the next franchise fee payment.

In light of the FCC's regulatory classification determination, we believe it is important for us to act quickly in this matter. We also believe, however, that it is important for us to consult with you. To strike the proper balance, we intend not to implement this action for ten (10) business days. If there are any facts or circumstances that you wish to bring to our attention regarding this action, please contact me at (919) 573-7040 as soon as possible, but in no event later than ten (10) business days following the date of this letter.

We believe the elimination of the franchise fee on cable modem service is the appropriate course in light of the FCC's Order. As a result of the elimination of the franchise fee, our cable modem customers will actually see a reduction in their monthly bill for this service. Time Warner Cable will not see any financial benefit from the elimination of the franchise fee.

We value our relationship with the Town of Chapel Hill and appreciate your understanding as we work to comply with the FCC's Order.

Sincerely,

Brad Phillips
Vice President, Government and Public Affairs
Time Warner Cable-Raleigh Division