

made clear that Time Warner and its current management are being subject to intense scrutiny and possible shareholder challenge. Liberty currently holds approximately 4 percent of the actual issued and outstanding stock of Time Warner. Based on publicly available information, Liberty believes that its position makes it one of the two or three largest single shareholders.

Time Warner. The Order's impact on the

limitations capping Liberty's total ownership and affecting its ability to take positions on matters presented to Time Warner shareholders, conceivably could be

I.
FACTUAL BACKGROUND

On February 3, 1997, the Commission issued a Final Order regarding Liberty's proposed

acquisition of voting securities of Time Warner arising from Time Warner's 1996 acquisition of

("TCI"), and its wholly owned subsidiary Liberty, had an approximately 24 percent interest in
Turner. By exchanging their interest in Turner for an interest in Time Warner, TCI and Liberty

As of that date, Liberty became a separate publicly traded company, and had no further relationship with the former TCI cable systems that were the focus of the Turner merger review.

Based on these changed facts, the Commission on July 17, 2002, issued the following order:

reopen and set aside the Final Order as it applied to Liberty. On July 17, 2002, the Commission issued the following order:

II.
**LEGAL STANDARD FOR REOPENING
AND MODIFICATION**

This changed circumstance fully satisfies the legal standard for reopening and modifying Final Orders. Section 5(b) of the Federal Trade Commission Act, 15 U.S.C. § 45(b), provides that the Commission shall reopen an order to consider whether it should be modified if the respondent “makes a satisfactory showing that changed conditions of law or fact” so require. A

**III.
CHANGED CIRCUMSTANCES AND THE PUBLIC INTEREST
WARRANT REOPENING AND MODIFICATION OF THE ORDER**

Liberty is now in a position to give the assurance it was unable to give in 2002—that it has no current intention of acquiring any ownership interest in a U.S. cable system at any time in the future and, most particularly, during the remaining term of the Order. As indicated in the attached affidavit of Charles Y. Tanabe, Senior Vice President, General Counsel and Secretary of Liberty, apart from the Time Warner shares, Liberty currently has no interest in any entity that

owns or operates U.S. cable systems. (Tanabe Affidavit ¶ 4.) Nor, as the Tanabe Affidavit

further states, does Liberty have any current intention to acquire any such interest in U.S. cable

unable to participate in the current deliberations about the future of Time Warner, produces an unnecessary and highly undesirable outcome.

**IV.
CONCLUSION**

Because the competitive concerns that caused Liberty to be subject to the Final Order no longer exist following the spin off that separated Liberty interests and the former TCI cable systems, there is no continuing public interest served by the maintenance of the Order provisions

relating to Liberty. These provisions should be terminated and Liberty should be dismissed as

Respondent.

Dated: February 16, 2006

Respectfully submitted,

**UNITED STATES OF AMERICA BEFORE THE
FEDERAL TRADE COMMISSION**

In the Matter of)

TIME WARNER INC., ET AL.)
_____)

Docket No: C-3709

AFFIDAVIT OF CHARLES Y. TANABE

CORPORATION TO REOPEN AND MODIFY.

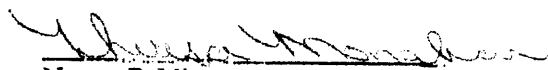
1. I am Senior Vice President, General Counsel and Secretary of Liberty Media Corporation ("Liberty"), a respondent in the above-captioned matter, and I submit this affidavit, based on my personal knowledge, in support of Liberty's Motion to Reopen and Modify.

specific acquisitions of or investments in particular cable television systems as well as any more
generalized intent to acquire or invest in any such cable television systems as a current goal or



Charles Y. Tanabe

Subscribed and sworn to before me



Notary Public

My commission expires