

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

In the Matter of
AMERICA ONLINE, INC., and
TIME WARNER INC.

Docket No. C-3989

Motion for Approval of Non-Affiliated ISP and Alternative
Cable Broadband ISP Service Agreement

Pursuant to Paragraph II.A.2. of the Decision and Order ("the Consent Decree") finalized by the Federal Trade Commission (the "Commission") on April 17, 2001,¹ AOL Time Warner Inc. ("AOLTW") moves the Commission for approval of (1) Web One, Inc. ("Web One"), and (2) the Alternative Cable Broadband ISP Service Agreement entered into between Time Warner Cable ("TWC") and Web One to provide cable broadband ISP service in TWC's Kansas City division.²

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I. Web One.

AOLTW seeks approval of Web One and the Alternative Cable Broadband Agreement between TWC and Web One dated November 20, 2001. That Agreement is based on the same economic model as the Agreement between TWC and EarthLink, Inc. ("EarthLink") that already has been approved by the Commission.

Web One is a regional ISP based in Lenexa, Kansas. Web One currently provides dial-up and DSL service to consumers in the Kansas City region.

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Web One has been a provider of Internet access since May 1997. Web One believes that many users prefer to obtain Internet access from a local ISP rather than a large, national ISP based outside of the region. Thus Web One has placed great emphasis on responding to the needs of local consumers in the Kansas City area. For example, Web One will individually configure subscribers' computers if they are brought to Web One's offices.

Web One has actively promoted its ISP service in the area through print and radio advertisements.

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addition, Web One encourages its current subscribers to inform other consumers by providing a month of free service when a referral leads to the signing of a new subscriber.

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Web One's solid financial performance and growth rate indicate that it will be able to compete vigorously as a provider of cable broadband ISP service in TWC's Kansas City division.

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III. Conclusion.


TWC launched its multiple ISP service in Kansas City on November 15, 2001. TWC believes that the addition of Web One's service to the list of ISPs that are scheduled to be launched in the Kansas City division, including AOL, Road Runner, and EarthLink, will benefit consumers by providing them with an array of different service and pricing choices. By approving Web One, the Commission will ensure that consumers in TWC's Kansas City division will have a choice of Cable Broadband ISPs.

The Cable Broadband ISP Service Agreement between TWC and Web One is yet another example of AOLTW's ongoing efforts to enter Cable Broadband ISP Service Agreements with small and regional ISPs across TWC's cable divisions. By providing prompt approval for Web One and other regional ISPs in the coming months, the Commission will send a strong signal to consumers and ISPs alike that small and regional ISPs will play an important role in AOLTW's multiple ISP plans.

For the foregoing reasons, the approval of Web One by the Commission is warranted and in the public interest. We and AOLTW's representatives are available to meet with the Staff of the Commission to answer questions and provide further information in connection with any of the foregoing matters.

December 18, 2001.

Respectfully submitted,
CRAVATH, SWAINE & MOORE,



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