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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) Big Net Holdings, Inc. ("Big Net"), and (2) the Alternative Cable Broadband ISP Service Agreement entered into between Time Warner Cable ("TWC") and Big Net.² The agreement between TWC and Big Net covers all of TWC's cable divisions.

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I. Big Net.

AOLTW seeks approval of Big Net and the Alternative Cable Broadband Agreement between TWC and Big Net dated November 9, 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.

Big Net is a privately held corporation based in Sterling Heights, Michigan. It is the parent company of three subsidiaries: Big Net Inc., an ISP; Big Net Retail, a retailer of wireless communications equipment; and US Midtel, a competitive local exchange carrier ("CLEC").

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Big Net describes itself as an Internet access, Web and e-commerce design, networking and telecommunications company.³ Big Net has been providing Internet access to consumers for more than five years.

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In addition, Big Net

³ See <<http://www2.bignet.net/corporate/duane.asp>>

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has amassed considerable experience in the wide-scale deployment of Internet-related technology through partnerships with corporations such as General Motors and Daimler Chrysler.⁵

Big Net has aggressively promoted its ISP service.

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Big Net has asserted that it will focus considerable marketing and advertising funds and attention on the promotion of its cable broadband ISP service. In addition, Big Net's base of customers provides an excellent opportunity to cross-sell cable broadband ISP service to customers that are already familiar with its reliability and commitment to customer service.

There is ample reason to believe that Big Net will be an effective competitor on TWC's systems as a cable broadband ISP. Big Net's solid financial position, its substantial residential customer base, and its considerable expertise with large scale Internet and network-related

⁵ Specifically, Big Net has entered an agreement to provide Chrysler's National Training Centers with computers and data transmission services including inter-training center links that include T-1 and DSL lines.

Big Net also has entered an agreement with General Motors to provide co-location of servers for General Motors' Sky Net project.

projects should enable it to compete vigorously against other ISPs across TWC's divisions.

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III. Conclusion.

TWC believes that the addition of Big Net's service to the list of ISPs that will be launched across its divisions will benefit consumers by broadening the range of service and pricing options. Prompt approval by the

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Commission of Big Net will permit Big Net to move quickly to begin offering cable broadband service to compete against AOL, Road Runner, EarthLink and regional ISPs at the earliest possible juncture.

For the foregoing reasons, the approval of Big Net 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.

November 29, 2001.

Respectfully submitted,

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