



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) Global Systems, Inc. ("GSI"), and (2) the Alternative Cable Broadband ISP Service Agreement entered into between Time Warner Cable ("TWC") and GSI to provide cable broadband ISP service in TWC's Charlotte, Greensboro, Raleigh, and Wilmington, North Carolina divisions, as well as the South Carolina division.²

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I. GSI.

AOL/TW seeks approval of GSI and the Alternative Cable Broadband Agreement between TWC and GSI dated November 2, 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.

GSI is a regional ISP based in Kenansville, North Carolina. GSI currently provides dial-up and DSL service in Fayetteville, Goldsboro, Greenville, Jacksonville, Morehead City, Newburn, Raleigh and Wilmington, North Carolina. As of September 2001

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GSI has grown rapidly since it commenced operations in 1997.

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GSI has aggressively promoted its ISP service through the use of billboards, pamphlets in local chamber of commerce mailings, advertisements in newspapers, as well as

radio and television commercials.
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GSI also has participated in several initiatives that have raised its profile in the region. For example, GSI provides ISP services to CONFIDENTIAL REDACTED schools in North Carolina. Additionally, GSI provides high speed Internet access to several military installations in the region.

Given GSI's solid financial structure, its substantial customer base, and its aggressive advertising and marketing plans, it stands to reason that GSI can be expected to compete vigorously as a provider of cable broadband ISP service over TWC's cable systems.

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III. Conclusion.

The Cable Broadband ISP Service Agreement between TWC and GSI is yet another example of AOLTW's continuing efforts to enter into Cable Broadband ISP Service Agreements with small and regional ISPs across TWC's cable divisions.

TWC believes that the addition of GSI's service to the list of ISPs that have recently launched, or will launch, in the Charlotte, Greensboro, Raleigh, South Carolina and Wilmington divisions, including AOL, Road Runner, and EarthLink, will benefit consumers by broadening the range of service and pricing options that are available.

⁴ TWC launched MISP service in the following Divisions as indicated below:

Raleigh	October 4, 2001
Greensboro	October 11, 2001
South Carolina	October 16, 2001
Charlotte	October 30, 2001

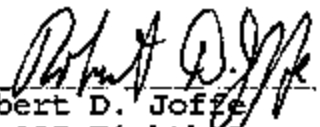
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Prompt approval by the Commission of GSI will permit GSI to proceed quickly to begin offering cable broadband service to compete against AOL, Road Runner and EarthLink in those divisions at the earliest possible juncture.

For the foregoing reasons, the approval of GSI 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,
CRAVATH, SWAINE & MOORE,


Robert D. Joffe
825 Eighth Avenue
New York, NY 10019
(212) 474-1000

Attorneys for AOL Time Warner Inc.