

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.B.1. of the Decision and
Order ("the Consent Decree") finalized by the Federal Trade

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Warner Inc. ("AOLTW") moves the Commission for approval of
(1) DURO Communications Corp. ("DURO"), and (2) the
Alternative Cable Broadband ISP Service Agreement entered
into between Time Warner Cable ("TWC") and DURO (the

("Volaris") and will itself be referred to hereinafter as "Volaris".

**CONFIDENTIAL
REDACTED**

I. Volaris.

AOLTW seeks approval of Volaris and the Alternative Cable Broadband Agreement between TWC and Volaris dated February 20, 2002, and amended on April 23, 2002 and July 8, 2002.

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The 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.

Volaris is an ISP based in Orlando, Florida. Volaris was incorporated in Delaware as DURO in December 1999. DURO changed its brand name to Volaris in November

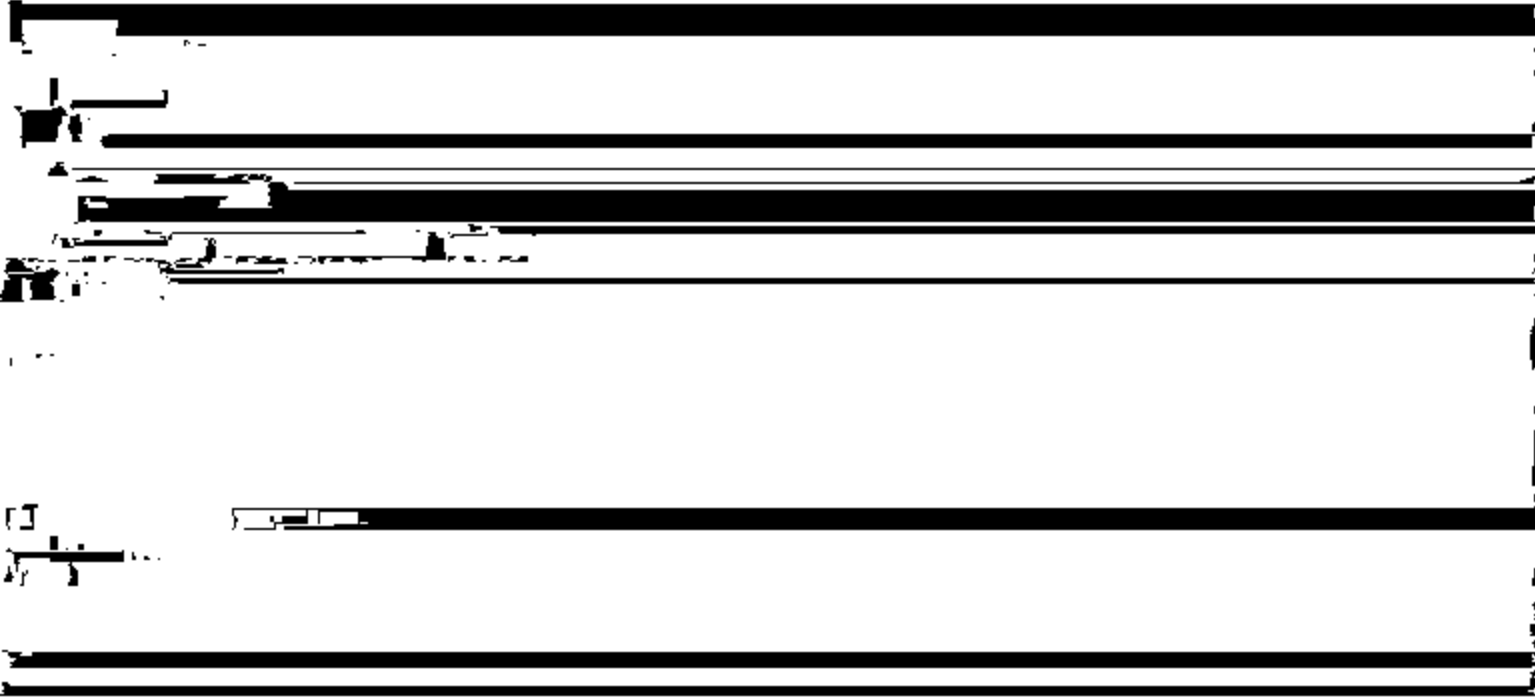
[REDACTED VERSION]

2001. Prior to the name change, Internet services were offered through eleven regional ISPs.³

Volaris has **CONFIDENTIAL** subscribers in **REDACTED** Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Ohio, South Carolina and Tennessee.

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TWC expects that Volaris will be a competitive



announced, Ozzie de Faria, Chief Executive Officer of Volaris, announced that Volaris has "focused [its] efforts

call centers and a number of regional offices to ensure a high level of responsiveness to customer questions and concerns. In addition, Volaris has made an effort to raise its profile through a host of promotional activities.

Volaris promotes its ISP service using radio, billboard and newspaper advertisements. Other examples of promotional activities include its sponsorship of a NASCAR team for part of the 2002 season, a "Refer a Friend" program in which subscribers receive a payment for referrals of new subscribers

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TWC believes that Volaris' positive financial position, established reputation in the region, and existing infrastructure to market and support ISP services will enable it to compete effectively as a cable broadband ISP

[REDACTED SECTION]

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III. Conclusion.

The Agreement that is being submitted for Commission approval reflects the effort that TWC is making to negotiate and enter Alternative Cable Broadband ISP Service Agreements with regional ISPs that operate in areas outside of the Identified Cable Divisions. Prompt approval of the Volaris Agreement and other Alternative Cable Broadband ISP Service Agreements submitted pursuant to Paragraph II.B.1. of the Decision and Order will hasten the process of providing consumers with the benefits of cable broadband multiple ISP service.

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TWC believes that the addition of Volaris to the list of ISPs that will be launched in the Birmingham, Charlotte, Greensboro, Jackson/Monroe, Memphis, Raleigh, South Carolina and Wilmington divisions will benefit consumers. Expeditious approval by the Commission of Volaris will permit Volaris to move quickly to prepare for

