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November 21, 2000

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.—The Portals  
TW-B204  
Washington, D.C. 20554

**Re: America Online, Inc. Notice of *Ex Parte* Presentation  
Applications of America Online, Inc. and Time Warner Inc.  
for Transfers of Control, CS Docket No. 00-30**

Dear Ms. Salas:

On behalf of America Online, Inc. ("AOL"), submitted herewith pursuant to Section 1.1206(b)(1) of the Commission's rules are two copies of the attached written *ex parte* presentation for filing in the above-referenced proceeding.

Kindly direct any questions regarding this matter to the undersigned.

Respectfully submitted,

  
Andrew K. Long

cc: James Bird, FCC Assistant General Counsel, Office of General Counsel (w/ attachments)  
Sherille Ismail, Deputy Bureau Chief, Cable Services Bureau (w/ attachments)  
Royce Dickens, Deputy Chief, Policy and Rules Division, Cable Services  
Bureau (w/ attachments)  
Darryl Cooper, Cable Services Bureau (w/ attachments)  
Linda Senecal, Cable Services Bureau (w/ attachments)  
International Transcription Services, Inc. (w/ attachments)

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

November 21, 2000

Ms. Deborah Lathen  
Chief, Cable Services Bureau  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

**Re: In the Matter of Applications of America Online, Inc. and Time Warner Inc.  
for Transfers of Control (CS Docket No. 00-30)  
Written *Ex Parte* Presentation**

Dear Ms. Lathen:

This letter is intended to correct the misinformation filed with the Commission by the Walt Disney Company ("Disney") in its October 30<sup>th</sup> *ex parte* submission addressing the latest version of the America Online, Inc. ("AOL") software, AOL 6.0. In that filing, Disney asserted falsely that AOL 6.0 eliminates or makes it more difficult for AOL members to establish one-click access to a consumer designated "homepage" or any other web site on the Internet. As explained below, there is no truth to Disney's claims.

In its filing, Disney alleges that AOL 6.0 eliminates "the ability of consumers to either set or easily access a home page of their choice [and] strikes a very serious blow to the concept of consumer choice and Internet openness." As explained below and in the attached screenshots, Disney is flat-out wrong. And unconstrained by the facts, Disney's submission then extrapolates wildly from its erroneous premise regarding AOL 6.0 software to call, yet again, for sweeping and unwarranted regulation of the nascent Interactive Television arena.

In AOL version 5.0, there was a small, unmarked, house-shaped icon on the secondary toolbar that could be customized through the multi-step process illustrated in Attachment One. In the process of upgrading to 6.0, we talked to our members extensively about AOL 5.0 and found that while consumers liked creating favorite places (primarily through the "drag and drop" method described below),<sup>1</sup> they did not know what the house-shaped icon was for and rarely used it to set up a favorite place. We also found that the opportunities for making favorite places were too spread out on the service. To make it easier and more intuitive for consumers to set their favorite places, in AOL version 6.0 we removed the rarely used house icon from the secondary tool bar and reworked the main tool bar so that a full half of it was reserved for members to customize with their own favorite places.

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<sup>1</sup> A "Favorite Place" on AOL allows direct one-click access to any web page a consumer chooses, regardless of whether that web page is affiliated with AOL.



Specifically, AOL 6.0 provides users with up to six customizable buttons on the main AOL toolbar, in a section now clearly labeled "Favorites." And the customization process—based on the simple and familiar "drag-and-drop" process—is designed to be as straightforward as possible: to add a direct link to any web site from the main AOL toolbar, the user merely "drags" a heart-shaped icon from the corner of the window in which any web page is displayed and "drops" it onto the location on the toolbar where he or she would like that link to appear. Once the user has done so, the 6.0 software automatically prompts him or her to select an icon to represent that web page and enter a label (*e.g.*, "Yahoo" or "Disney").<sup>2</sup>

Attachment Two, which illustrates this simplified process, demonstrates just how easily AOL users can designate, for example, Disney's go.com web site as one of their favorite places on the always present AOL toolbar. Thus, AOL 6.0 does not in any way "eliminate the ability of consumers to either set or easily access a home page of their choice," as Disney claims. In fact, AOL 6.0 makes it easier for subscribers to directly access web sites—regardless of whether they have any relationship with AOL—by better organizing and presenting the customization options for subscribers.

Of course this is not the first time in this proceeding that Disney's arguments have been off base from a factual, policy, or legal perspective. Disney's campaign to impose sweeping regulatory conditions on AOL and Time Warner has been consistently premised on dubious arguments that bear little connection to the facts or to relevant Commission law and policy. AOL's success has been built by making it easy for users to enjoy their online visit—no matter where on the Internet they wish to go. And contrary to Disney's unfounded allegations, AOL version 6.0 enriches that tradition—by making it even easier than before for users to create direct, one-click links on the main AOL toolbar to their favorite web sites.

Respectfully submitted,



Steven N. Teplitz  
Vice President, Telecommunications Policy

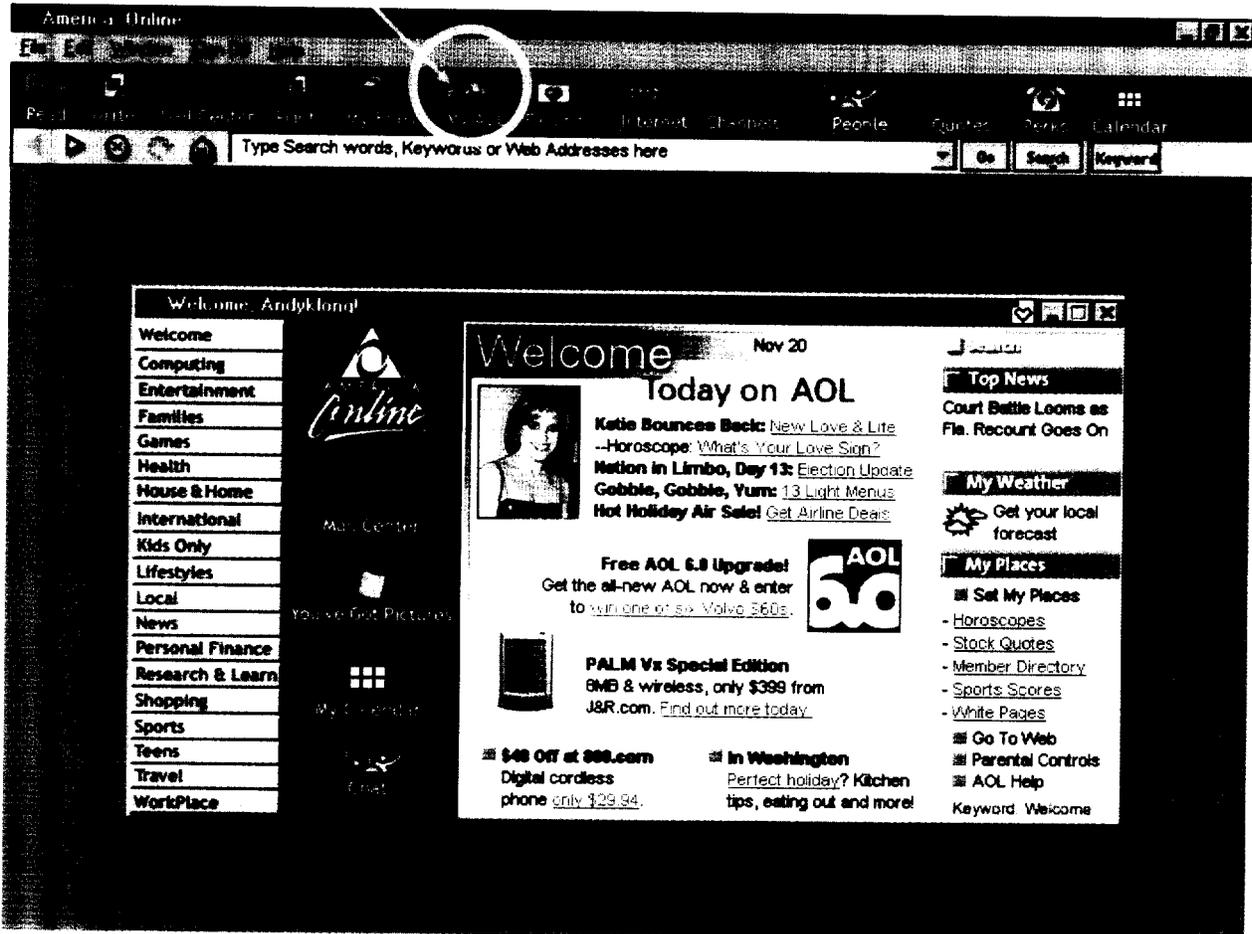
cc: Royce Dickens, Deputy Chief, Policy and Rules Division, Cable Services Bureau (w/ attachments)  
Linda Senecal, Cable Services Bureau (w/ attachments)  
James Bird, Assistant General Counsel, Office of the General Counsel (w/ attachments)  
Darryl Cooper, Cable Services Bureau (w/ attachments)  
International Transcription Services, Inc. (w/ attachments)

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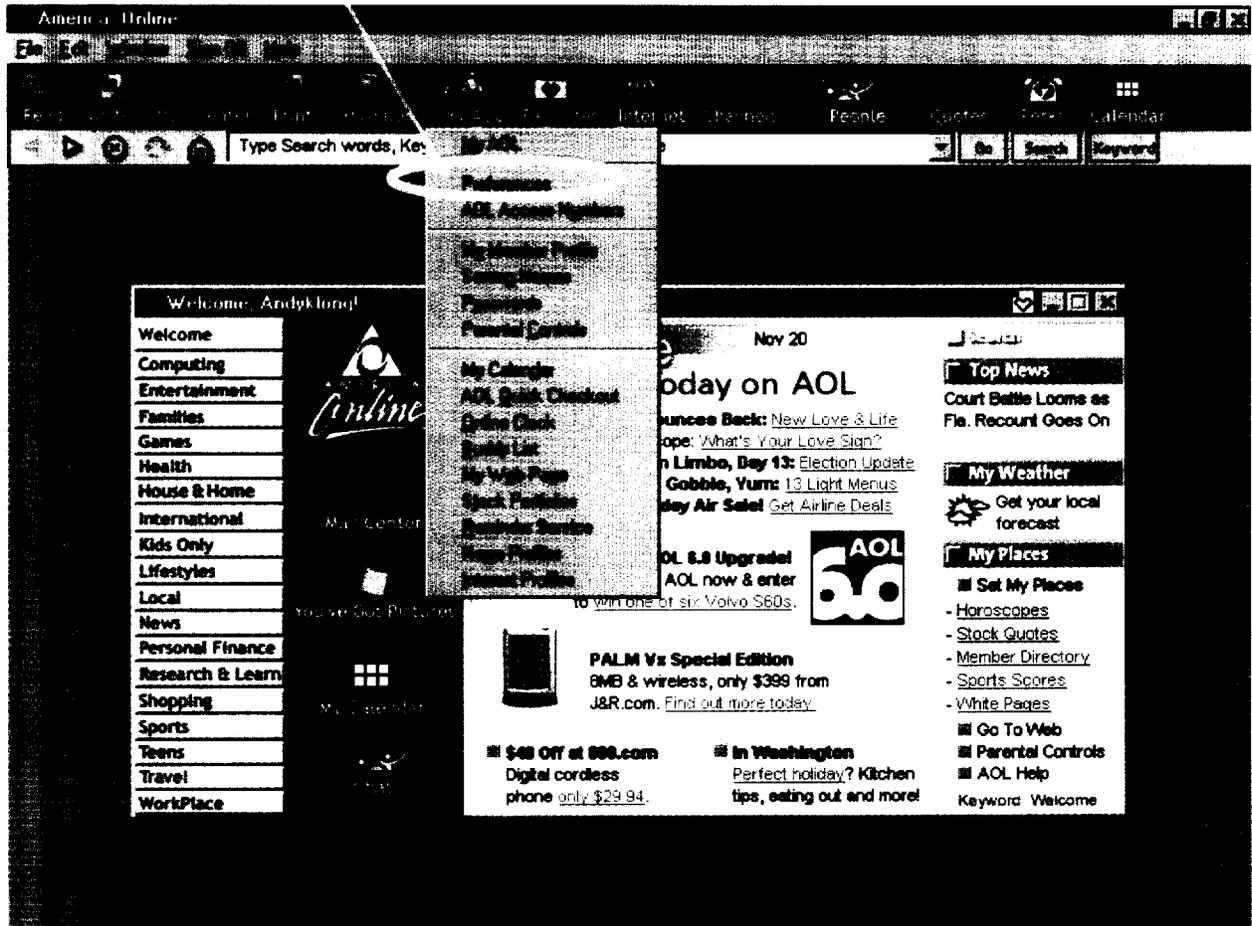
<sup>2</sup> In addition, members using AOL version 6.0 can also: (1) add a virtually unlimited number of direct links to web sites to their pull-down list of "Favorites," which is also located on the main AOL toolbar, and (2) customize an additional ten "hot keys" that provide direct access to web sites by pressing the [CTRL] key and one of the number keys (*i.e.*, [0] through [9]) simultaneously. Of course a member may also get to any site on the Internet via the AOL toolbar by typing in any URL and clicking "Go" or pressing the [Enter] key.

**Attachment One:  
Assigning a Web Site Address to the "House" Icon in AOL 5.0**

Step One: Click on the "My AOL" button on the AOL tool bar.

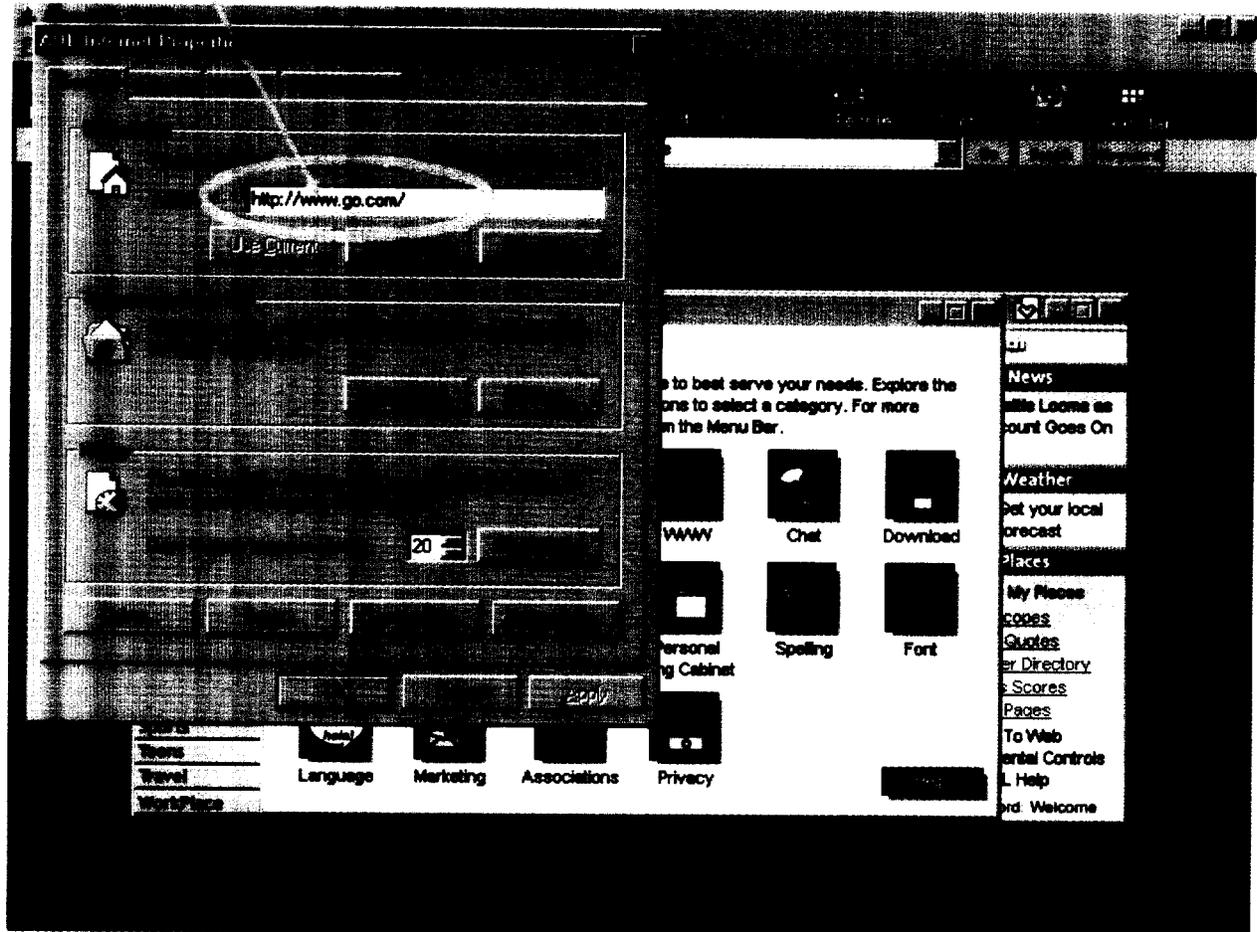


Step Two: Select "Preferences" from the menu of options.

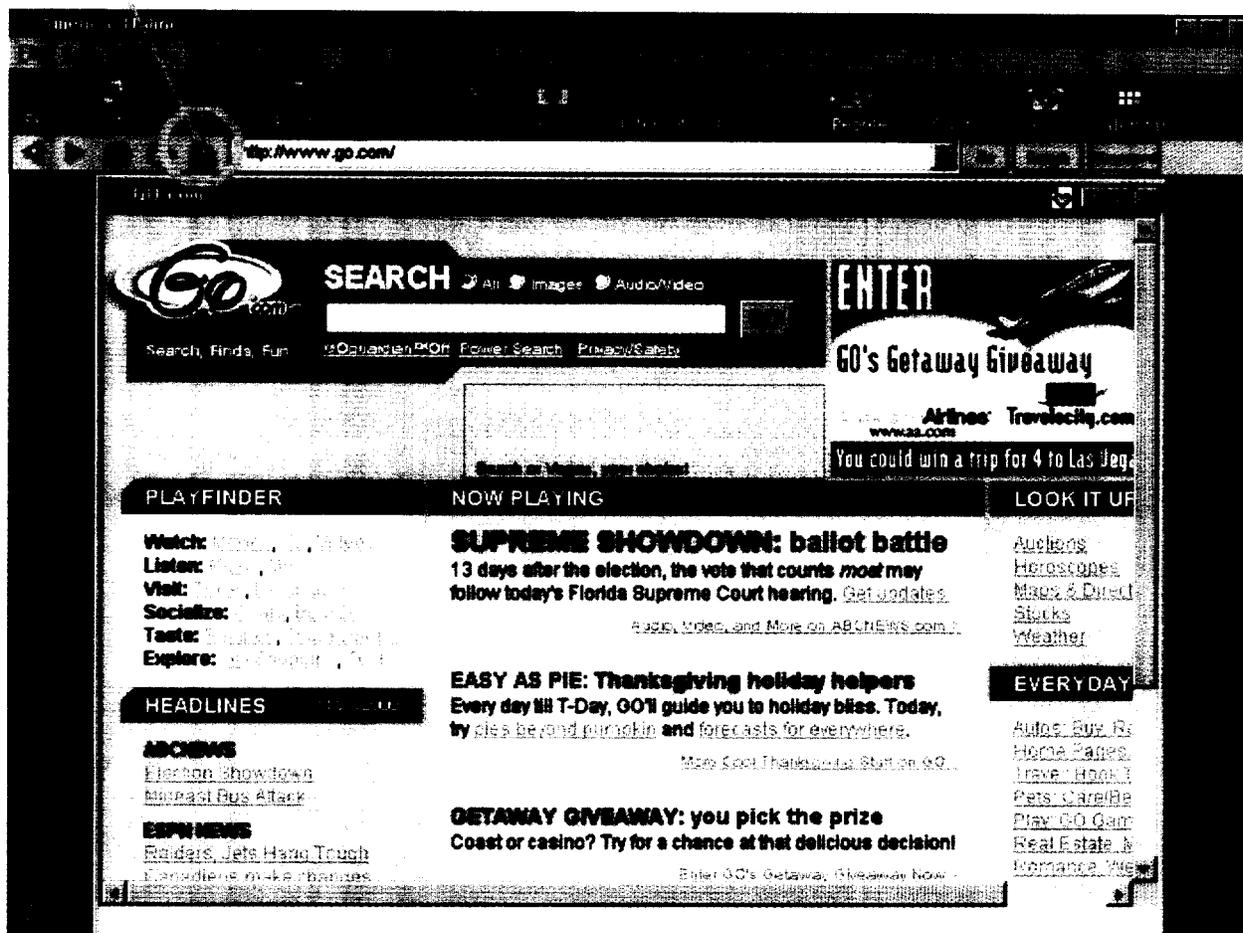




Step Four: Enter the web address of the desired web site. Click "OK."

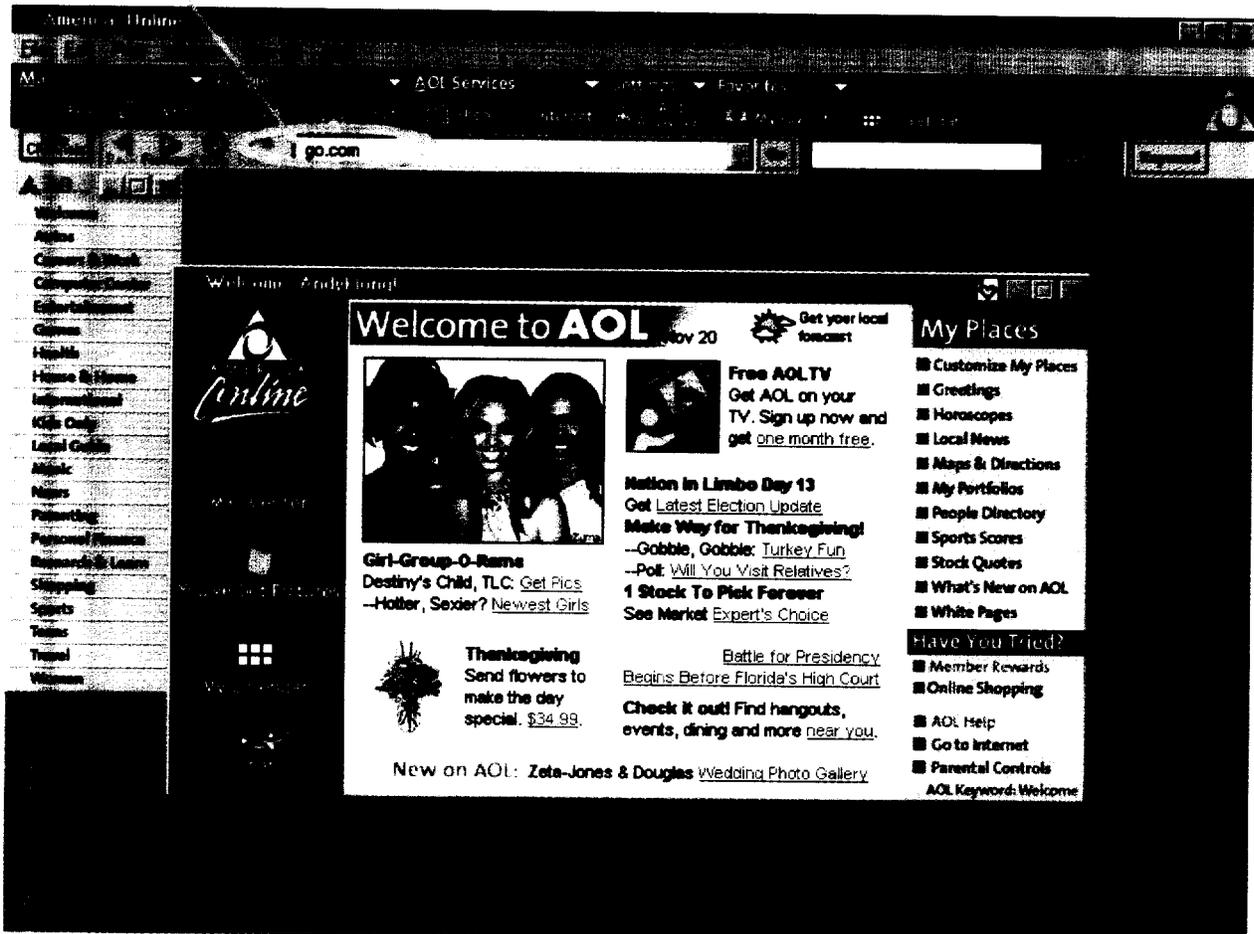


Once this process has been completed, clicking on the "house" icon takes the user directly to the designated web site.

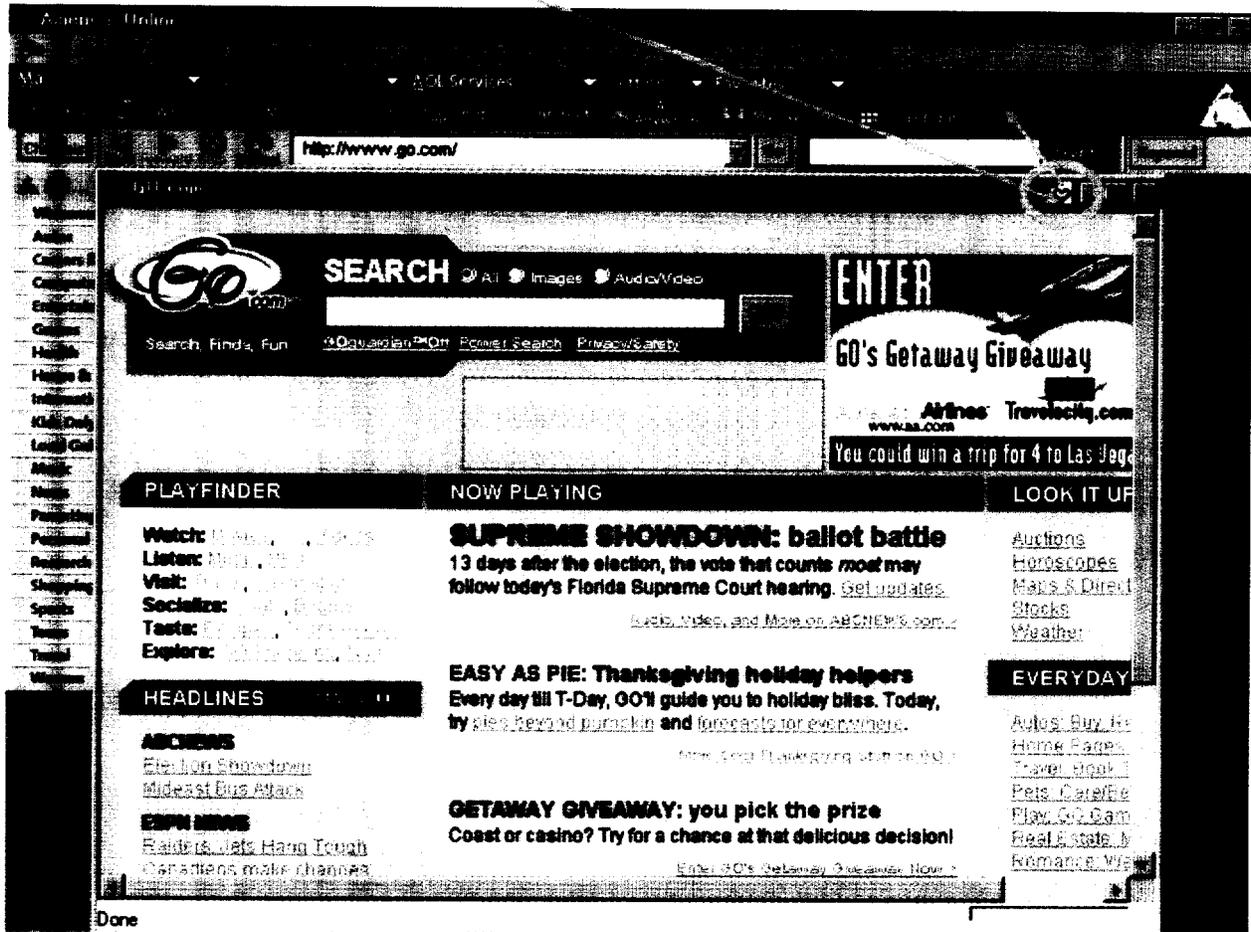


**Attachment Two:**  
**The “Drag-And-Drop” Method for Adding Direct Links to Web Sites in AOL 6.0**

**Step One:** Type the web site’s address (e.g., “go.com”) into the main AOL tool bar and either press the “Enter” key or click on the “Go” button.



Step Two: Drag the heart-shaped icon from the corner of the web page and drop it onto the AOL tool bar.



Step Three: AOL 6.0 automatically prompts the user to choose an icon and enter a label (e.g., "DISNEY").

