



Flat Rate Internet Access

It has been drawn to the attention of the Director General of Utility Regulation that AOL has notified customers of their intention to introduce new pricing arrangements. OUR understands that AOL intends to cease provision of its “FLAT RATE” price plan to customers on the networks of Kingston Communications, Telewest Eurobell, Jersey Telecom, Guernsey Telecoms, Manx Telecom and WightCable.

AOL has stated in an email that this is because “the unmetered connection currently offered to us by the telephone provider you have selected to access AOL is not sustainable”.

The Office of Utility Regulation has sought more information on this decision from both AOL and Guernsey Telecoms Ltd (GT). The OUR understands that GT has not altered the underlying arrangements for access by its customers to AOL’s services and that GT is open to discussing those underlying arrangements with AOL or any other ISP. OUR would encourage AOL and other ISPs to enter into such discussions so that they can put in place commercial agreements that enable them to delivery flexible products and pricing plans to meet customers’ needs.

The OUR has received no complaint from AOL that the existing arrangements it has in place with Guernsey Telecoms Ltd. are unfair or not in accordance with the regulatory regime, nor has the Office received any request for intervention, arbitration or other action. OUR will continue to seek a response from AOL on the reasons for this commercial decision by the company to change its pricing plans.

ENDS/

27th September 2002