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AOL Competitors Lobby FCC Over 'Advanced' Messaging

By JULIA ANGWIN
 Staff Reporter of THE WALL STREET JOURNAL

[America Online](#) Inc.'s instant-messaging competitors are lobbying fiercely in the final days leading up to the Federal Communications Commission's vote on AOL's merger with [Time Warner](#) Inc. Their main concern is the definition of "advanced" instant messaging, on which the FCC is likely to impose conditions.

The draft decision being circulated at the FCC would require **AOL** and Time Warner to open up access to "advanced" instant messaging, but it doesn't define exactly what makes an Internet message advanced.

 **Company Profile:**
 America Online

So competitors including [AT&T](#) Corp., **Microsoft** Corp. and others are peppering the commissioners with phone calls, pushing hard to broaden the definition of advanced services to cover the majority of instant messages that zip around the Web today.

 FCC Review of **AOL** Deal Is Extended Into New Year (Dec. 28)

'Falls Very Short'

"We believe the conditions need to cover all instant-messaging platforms, not just broadband; otherwise it falls very short," said Jon Englund, vice president of policy and government affairs for [Excite At Home](#) Corp.

He and others want the FCC to force **AOL** to make its instant-messaging systems compatible with those of competitors. Currently, users of AOL's instant-messaging system can only chat online to other **AOL** users but are blocked from chatting with users of instant-messaging programs from [Yahoo!](#) Inc. or **Microsoft**.

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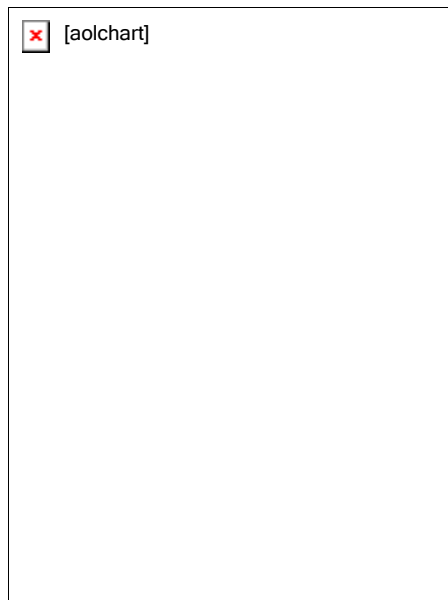
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AOL says it is working to develop an industrywide standard for instant messaging, but competitors say **AOL** is dragging its feet on the project.

Dominating the Market

But the FCC isn't convinced that it should tackle the issues surrounding plain-old instant messaging, whose primary purpose is to allow users to zap quick text e-mails to each other in real time and to determine which of their buddies is online to receive messages. After all, **AOL** dominated the market for instant messaging before it ever announced its merger with Time Warner in January.



"I think nobody has shown particularly that this merger has anything to do with text instant messaging, assuming that the networks are open," said one senior staffer at the FCC.

That is why, this person said, the FCC is focused on "advanced" instant messaging, which has been loosely described as messages that will travel over Time Warner's cable lines, instead of over the telephone lines that most **AOL** subscribers currently use.

Continuing Its Review

The commission had hoped to vote on the merger approval by New Year's Eve, but is now likely to continue its review into the early days of 2001. An **AOL** spokeswoman declined to comment.

The instant-messaging competitors believe that the delay could benefit them, by giving commissioners time to reconsider the "advanced" instant-messaging approach.

After all, they argue, many of the current features of AOL's instant messaging are already advanced, such as the ability to make telephone calls on the Internet, to send instant messages via cellular phones and to send pictures through instant-messaging chats.

"The focus on advanced instant messaging is arbitrary, cumbersome and just confuses the issue," said Alex Diamandis, vice president of Odigo Inc., an instant-messaging firm. "It is a deus ex machina."

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The bad news is you can't beat the market.

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