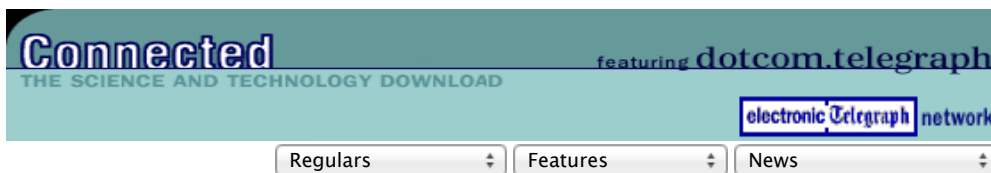


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Free, gratis and for 'nothing'

In the near future, we may see not only free Internet access but free PCs, free modems and even free local calls, says David Brake

EVERYONE likes to get something for nothing, as the phenomenal success of Dixons' Freeserve Internet service has shown. But this could be only the beginning. New ways to get online free, including free call time and even free PCs, may be coming soon.

If you think what you might have paid for a PC even a year ago, the idea of a company offering you a free computer seems absurd. But the price of a basic PC has dropped dramatically, and a new generation of specialist "Internet appliances" is being developed.

Already in America, Free PC (www.free-pc.com) is giving away computers to people who agree to have advertising on their screens continuously - and plans to launch in Britain later this year - and several other companies offer variations on this theme.

American Internet marketer Michael Tchong says in five years, most computers will be given away by companies willing to pay a few hundred pounds to have their corporate logo in front of the user for hours. It can cost a bank £0 or more to attract a new customer, and encouraging them to use PCs to do their banking could save on administration.

Others, like Lou Mazzucchelli, senior PC analyst for investment house Gerard Klauer Mattison & Co, say some Internet service providers are already giving away Net PCs tied to their services just as mobile phone companies give away or heavily subsidise their phones for customers today.

Intel has said in the US that it is working on a "PC

on a chip" which would make it possible to sell \$400 PCs by 2000. Even without this breakthrough, some PC makers, notably emachines, are already selling basic desktop machines for under \$400. Others, using chips from Intel rival Cyrix, are on sale in America for that price. In Britain, Dixons is selling Cyrix-based PCs for £9.

If you are prepared to compromise and produce a specialist device capable of Web surfing, email and home shopping, the cost can be lower still. At the recent Comdex computer trade show in America, Cyrix showed off a prototype device it calls the Webpad, which would cost, it says, £0 or less. The company says it is already in talks with companies across the world and expects to see products based on the design being given away or heavily subsidised by ISPs soon.

Digital television is already being subsidised in this fashion. If you buy a set-top box from Sky Digital, you will be paying around half its cost, as the remainder is subsidised by British Interactive Broadcasting. It plans to use the device to give users access to home shopping, banking and, of course, the Internet, by April 1999.

Cable companies are taking their time bringing out high-speed Net access. But when it arrives some time next year, Telewest, one of the largest cable operators, says it doesn't plan to charge its customers for the equipment.

Nothing is completely free, of course. Some companies expect to get some money back from advertising on your computer screen, and perhaps a small cut from every purchase you make online through their devices. Microsoft has another venture that gives machines away only to those who take out a mortgage over \$125,000. Above all, every company plans to recoup its investment through the subscription charges it levies for Net access, phone calls or the new TV channels.

Even Freeserve isn't really free - you pay BT or another telecoms company for every second you spend online, and Dixons gets a cut from that revenue.

In mid-November an Advisory Committee on Telecommunications in Ireland recommended flat-rate Internet access pricing "at levels approximating US prices", backed by the Minister for Public Enterprise, Mary O'Rourke, who set up the committee in June. But in Britain, only Kingston Communications in Kingston upon Hull offers unlimited-length local calls around the clock. Those signing up with its ISP, Karoo, can choose to pay £ a month and will be charged a flat rate of 5.5p per call.

BT and Cable & Wireless have also offered unmetered calls, but only for promotional periods or particular customers - BT's fixed-price school Internet service, for example. Mobile phone

company One 2 One offers free local off-peak or weekend calls, but charges sending or receiving data at its usual rate.

A disgruntled group of British online gamers staged a "cyberstrike" on December 13, agitating for flat-rate service for all, backed by the Campaign for Unmetered Telecommunications (CUT). BT's online games service, Wireplay, has since capitulated, with free phone calls for gamers. CUT has also set up a website where campaigners from across Europe can coordinate their activities, as Internet users in several European countries did in 1998. They stayed offline for a day to pressure phone companies to reduce their rates, and had some success. And last October, John Sidgmore, vice chairman of telecoms giant MCI WorldCom, told a managers' meeting he believes ultimately Britain will have the same flat-rate local call model as America.

So far, BT and Cable and Wireless are both adamant that charging for calls by the minute is the fairest way, but there are signs that the new methods of Internet access which that don't rely on telephones - such as cable modems and ADSL - will not only be faster but may also be unmetered. Customers taking part in BT's ADSL trials, for example, pay a flat fee - but it's ♦ a month. "Free" sounds good, but for the foreseeable future in Britain, anything "free" you'll pay for in other ways - in sky-high line rentals or monthly cable bills. Something for nothing remains a dream.

[18 March 1999: Way cleared for cheaper Net calls](#)

[18 March 1999: Technoturkey: Hull switches from video on demand to Net access](#)

[10 February 1999: BT drops charge for Internet access](#)

[28 January 1999: Boot Camp Week 57: Choosing an Internet service provider](#)

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