UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA, PLAINTIFF, V. MICROSOFT CORPORATION, DEFENDANT.	C.A. NO. 98-1232
STATE OF NEW YORK, ET AL., PLAINTIFFS, V. MICROSOFT CORPORATION, DEFENDANT.	C.A. NO. 98-1223
MICROSOFT CORPORATION, COUNTERCLAIM-PLAINTIFF, V. DENNIS C. VACCO, ET AL., COUNTERCLAIM-DEFENDANTS.	JANUARY 13, 1999 WASHINGTON, D.C.

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TRANSCRIBED DEPOSITION EXCERPTS

COURT REPORTER: DAVID A. KASDAN, RMR
MILLER REPORTING CO., INC.
507 C STREET, N.E.
WASHINGTON, D.C. 20003
(202) 546-6666

PENGAD-Bayonne, N.J.
GOVERNMENT EXHIBIT
1460

1 (DEPOSITION EXCERPTS OF RAYMOND SOLNIK.)

2 Q. WAS THE BUNDLING OF NETSCAPE SOFTWARE

3 ON OEM'S--WAS THE FACT THAT NETSCAPE'S SOFTWARE

4 WAS BUNDLED THROUGH OEM'S AN IMPORTANT

5 CONSIDERATION IN SBCIS'S DECISION TO ENTER INTO

6 THE AGREEMENT WITH NETSCAPE?

7 A. YES.

8 Q. AND WHY WAS THAT?

9 A. WELL, FIRST OF ALL, BY THE WAY, ANOTHER

10 MAJOR CHANNEL OF DISTRIBUTION FOR THEM IS ISP'S.

11 I FORGOT TO MENTION THAT ONE. IT'S

12 IMPORTANT--THE DEGREE TO WHICH NETSCAPE WAS

13 BUNDLED ON PC'S WAS IMPORTANT, BECAUSE IT IS OUR

14 BELIEF THAT A LARGE NUMBER OF INTERNET

15 SUBSCRIBERS SIGN UP FOR THEIR SERVICE UPON

16 PURCHASING A NEW PC, OR WILL CHOOSE THE POINT IN

17 TIME WHERE THEY BUY A PC TO SIGN UP FOR AN

18 INTERNET SERVICE.

19 AND SO, TO THE EXTENT THEIR SOFTWARE IS

20 ON A PC AND WE ARE ONE OF THE ISP'S OFFERED,

21 THAT'S AN ATTRACTIVE MEANS FOR US TO ACQUIRE

22 INTERNET CUSTOMERS.

23 (EXCERPT.)

24 Q. DO YOU PERSONALLY HAVE ANY INFORMATION,

25 SINCE THE TIME THAT SBCIS HAS ENTERED INTO ITS

1 AGREEMENT WITH NETSCAPE, WHAT'S HAPPENED TO
2 NETSCAPE'S ABILITY TO BUNDLE ITS CLIENT SOFTWARE
3 THROUGH OEM'S?
4 MR. FESSEL: OBJECTION TO THE FORM.
5 MR. EPSTEIN: ANSWER THE QUESTION, IF
6 YOU UNDERSTAND IT.
7 THE WITNESS: YOU KNOW, IN AUGUST OF
8 '96, NETSCAPE WAS BUNDLED ON A BUNCH OF PC'S, AND
9 A NUMBER OF COMPANIES' PC'S, AND HAD FORECASTS
10 FOR PARTICIPATING IN THAT TYPE OF DISTRIBUTION
11 THAT WERE HIGH.
12 WE, AT ONE POINT, ENVISIONED REQUIRING
13 THEM, OR INCLUDING IN OUR CONTRACT WITH THEM
14 ENSURING THAT THEY GOT ACCESS TO AND BUNDLED ON
15 PC'S, AGAIN, WITH OUR PRIMARY OBJECTIVE OF
16 GETTING A BIG DISTRIBUTION FOR OUR INTERNET
17 SERVICE.
18 AND SO, DID THEY EVER IMPLEMENT OR
19 ACHIEVE WHAT WE WOULD HAVE BEEN HAPPY WITH, KIND
20 OF AS WE TALKED EARLIER ABOUT OUR RELATIVE
21 HAPPINESS WITH MOMENTS IN THE RELATIONSHIP? NO.
22 DO I SPECIFICALLY UNDERSTAND WHY THEY
23 COULDN'T GET ON PC'S? NOT NECESSARILY, BUT WE
24 WERE NOT PLEASED WITH THEIR INABILITY TO GET ON,
25 BUNDLED ON PC'S AND GET THAT DISTRIBUTION CHANNEL

1 BIGGER.

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