Erik Stevenson (LCA)

From: Cameron Myhrvold
Sent: Thursday, May 02, 1996 4:10 PM
To: Georges Nahon; Philippe Perron
Subject: RE: Folders in the Windows box

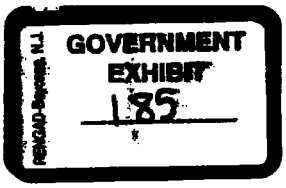
Yes. Of course, FTI will already be in the MSN folder (thanks to your hard work!). You can talk to them about adding them to the Internet/ISP folder and also potentially the Online Services folder, but the requirements for this are high and they will have to commit that 85% of the browsers they ship to their customers will be IE. The 15% being an allowance for FTI to ship Navigator to any customer that specifically requests it after receiving IE, but the default must clearly be IE.

I will have Stevewe forward the latest draft contract for the Internet/ISP folder deal.

Cam

From: Philippe Perron
Sent: Wednesday, May 01, 1996 2:37 AM
To: Cameron Myhrvold; Georges Nahon
Subject: RE: Folders in the Windows box

can we talk about this to FTI? TI? etc NOW?
Also how does the IPK that chrisvan is promoting fit into all this, ie the referal and signup server?



From: Cameron Myhrvold
Sent: Tuesday, April 30, 1996 7:15 PM
To: Cameron Myhrvold's Direct Reports
Cc: Philippe Perron; Ray Di Casparro
Subject: Folders in the Windows box

There are three folders/icons in the Windows box that could be used by network operators to promote their services (and hence, that we could use to sell netops on IE).

1.) "MSN" icon (this is clearly what our int'l Access partners are part of)
2.) "Other Internet/ISP" (which we will leverage for IAPs ww)
3.) "Other online services" folder (which AOL is part of)

Today we do not have crisp criteria that we can show our customers for how they get into each one, but we do for at least two of them.

The MSN folder/icon is reserved for access partners like NTT, FT, Pipex, etc. However, we will also open this up to people who offer MSN resale (like MCI, Bell Atlantic, etc.). We will list these folks in the MSN folder and present their Internet access + MSN resale as a combined offer to the customer. Indepdendently of course, they will need to make the MSN resale offer to all of the rest of their customers as well (separate from the Windows box). The MSN icon/folder may well be called "MSN Internet" or "MSN/Internet" to reflect that Internet access is available through MSN.

The Internet/ISP folder (perhaps actually called "Other Internet Access" or "Other ISP") will be the folder used to promote Internet access along the lines we have discussed (commit to IE on exclusive/preferred basis, co-branded startpage, bounty, etc.). We are working on resolving the exact terms of this offer with IPTD. Steve, could you write up and send to camdir the current offer you are proposing to people in the U.S.?

The third folder, "Other Online Services," is the least well understood. We know AOL will be in this folder wherever in the world they offer services. We are negotiating the same with CIS now. Also, Billg agreed to add this folder to Windows but in doing so placed a limit of 7 spots in this folder (for any given Windows user/region, not ww). There are two ways of thinking about this:

1.) Reserve it for true online services like AOL, T-Online, NiftyServe, etc.; or,
2.) Let anyone in who agrees to 100% (or 95%) IE loyalty.

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I think we will end up doing some combination of these because we are limited in space on this to 7 spots (in the "first level") of this folder and cannot afford to give this to every small ISP who signs up for exclusivity for IE. But, we also should not let in T-Online or FTI without a signficant commitment to IE. AOL is 80% share commitment on IE and CIS will be 70-80% when this deal is done. We have an "most favored nations" clause with AOL so we cannot really relax this for other people without changing our AOL deal (which of course we don't want to do).

Right now, let's not specifically discuss the Online services folder with our customers without clearing this with me since we cannot make this offer broadly.

I hope this helps. Please feel free to give me your thoughts or questions. I hope to have the ISP folder issues resolved very soon. I think it is very important we are able to negotiate with customers on this ASAP.

Cam

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