From: Will Poole
Sent: Monday, November 23, 1998 10:22 AM
To: Greg Shaw (Corp. PR)
Cc: PR SmallCore Team; Executive Staff; DOJ Case; Mario Juarez; Carla Lewis
Subject: RE: AOL-NS-SUN Talking Points

You might want to point out the power of the combined AOL+NS position on the web. MediaMetrix did a custom analysis for us this morning that shows that based on August 1998 data AOL+NS web properties would reach 64% of all US internet users [each month], making them the #1 web property. The next two most popular site families are:

All Microsoft sites:	46.2%
Yahoo.com:	45.8%

Current reach for AOL is 47.2%, netscape is 32.3%.

MediaMetrix will confirm this data for the press -- it is quotable data.

If you assume that AOL decided to switch its user base to Nav (ie. 90% of AOL uses Nav) then browser share would look like:

Nav/AOL:	64%
IE:	32%

We don't think AOL would want to [or be able to] switch their users so quickly, but the argument supports the points below.

---Original Message---
From: Greg Shaw (Corp. PR)
Sent: Monday, November 23, 1998 10:00 AM
To: PR SmallCore Team; Executive Staff; DOJ Case; Mario Juarez; Carla Lewis
Subject: AOL-NS-SUN Talking Points
Importance: High

Our comments positioning the AOL-NS-Sun deal as yanking the rug out from under the Government's case is changing the dialog today. There has been a ton of mail on this subject so this e-mail is to remind everyone of our definitive messaging for today. Many of the points that have been made are good ones and will be fodder for many stories, but today we need to be very clear, simple and direct -- this deal blows an enormous hole in the government's lawsuit.

In additon, we have third-party strategy already underway, leveraging conservative radio and columnists nationwide. Government affairs also is reaching out to Members on the Hill. Kimberle/Jackk, can you reply on this with what we're doing on the Hill.

Microsoft's Points Today (Mmurray/BillN/Warden/CorpPR)
Soundbite: This deal yanks the rug out from under the Government's case.

- This deal blows an enormous hole in the government's lawsuit.
- It proves what Microsoft has been saying throughout this case -- there is vigorous competition in the marketplace, and Microsoft faces many formidable competitors.
- Microsoft's competitors have been using the government to attack Microsoft in the Courts, while they join together to attack Microsoft in the marketplace. Microsoft is ready, willing, and able to compete in the marketplace, but the government should not be taking sides and trying to help other powerful companies attack Microsoft.
- How credible is the testimony of Jim Barksdale and David Colburn when it's clear they were in talks when they were on the stand?
- The government's case has always been about helping Microsoft's competitors, not helping consumers.
- As Nobel laureate Milton Friedman said during a speech in Silicon Valley this past weekend, "by the time the government's case is done, who knows how the government's case will look." It turns out Milton Friedman is absolutely right -- this announcement dramatically changes the competitive landscape and makes major portions of the government's case irrelevant.

Third-Party Points Today (Mary Meagher/Tom Pilla)
Soundbite: America should be outraged that Government regulators are wasting taxpayer dollars on a case the marketplace already has determined. The Government should drop its case.

- The Government should drop its case. The marketplace, not Government regulators should decide our future.
- It is outrageous that the Government would work to handicap one company in favor of another.
- These cozy relationships between the Government and Microsoft's competitors are wrong. I suppose Mr. Klein will be having private breakfasts with the Case family now.

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