From: Gregg Truex
Sent: Wednesday, March 18, 1998 10:41 AM
To: Jeff Dossett
Subject: RE: MS 4.0 referral agreement

Thanks for helping on this transition Jeff. I spoke to Steve on the phone this morning and shared some history with Steve on why Mike Kallet might be thinking he is being punished for being honest on his IE4 Agreement. The possible reasons Mike could feel bad about the Agreement are:

- the IE4 Product team is very disappointed that Netcom is shipping IE on <40% of all their distribution and have not been willing to negotiate with Netcom based on their unwillingness to improve in this area
- Netcom did do an outstanding job for the IE4 Launch but we cannot get them to the >75% distribution required to be on the referral server for IE4.0. The Netscape referral agreement keeps Netcom from meeting the IE4 >75% requirement.
- Mike told us during the negotiation of the IE4.0 Referral Server Agreement that he didn't think we had a good referral server program. One of the reasons that could have caused Mike to feel the program wasn't good was because Netcom raised their "all you can eat" rates from $19.95 to >$22.95. At the time, this was one of the highest priced options on the IE referral server and customers were choosing other less expensive options offered by Netcom's competitors.
- Mike also complained about Concentric and EarthLink not having to follow the IE Referral Server guidelines. Once Mike let us know about Concentric, Jamie Huse was able to fix the problem with Concentric and EarthLink was given special terms and conditions which are different from the other ISPs on the IE Referral Server Agreement. The EarthLink deal was special because we needed to get a big ISP to sign up for the IE Referral Server Program and EarthLink was the first to sign.

I hope this helps with some of the background. I agree with your assessment that Netcom is a very important partner for us and we need to make some special considerations for Netcom per this Agreement to establish a feeling of good will. I will send Steve a copy of the Netcom account plan for his records.

Gregg

—Original Message—
From: Jeff Dossett
Sent: Wednesday, March 18, 1998 9:44 AM
To: Gregg Truex
Subject: RE: MS 4.0 referral agreement

Thanks Gregg,

Have you sent Steve your latest (albeit understandably out-of-date) Netcom account plan? Anything we ca offer to help would be appreciated. You and I share our desire that Netcom remains very well managed regardless of the transition. We still plan to have a ICU Redmond person as a "backup and escalation point the field-managed referral server (and top 5 hosting) partners.

Thx.

J.

-----Original Message-----
From: **Gregg Truex**
Sent: **Wednesday, March 18, 1998 9:40 AM**
To: **Steve Hale**
Cc: **Chuck Dietrick; Jeff Dossett; Daniel Bourgoin**
Subject: **RE: MS 4.0 referral agreement**

MS only has an IE Distribution and Referral Server Agreement with Netcom. Danbo, ICU Channel Mktg Group Manager, collected the original Netcom IE Agreement from me last month during an IE contracts review and can send the origninal Agreement to you for your records.

Gregg

----Original Message----
From: Steve Hale
Sent: Tuesday, March 17, 1998 8:43 PM
To: Steve Hale; Paul Sciame; Gregg Truex
Cc: Chuck Dietrick; Jeff Dossett
Subject: RE: MS 4.0 referral agreement

sorry forgot to attach gregg's mail
if these are the only agreements that we have with them let me know.

Thx - sorry for the fire drill

-----Original Message-----
From: Steve Hale
Sent: Tuesday, March 17, 1998 8:40 PM
To: Paul Sciame; Gregg Truex
Cc: Chuck Dietrick; Jeff Dossett
Subject: FW: MS 4.0 referral agreement
Importance: High

guys - I've been very proactive with Mike and he has not been responsive to voice mails or email - he thinks being tranisitioned to the field is bad. We need to correct asap.
As I said before I need copies of all agreement's and the acct profile on netcom fed-ex'd to me immediately to get this under control Gregg - got your mail also attached below.
I did not want to send to mike until I have clarification on what we can do here.
Can you concall with me asap in the morning? Call me at 650-342-9996 or v-mail me at 650-573-4991 or email and let me know.

Thanks - Steve

-----Original Message-----
From: Steve Hale
Sent: Tuesday, March 17, 1998 8:29 PM
To: 'Mike Kallet'
Cc: Gregg Truex; Paul Sciame; Chuck Dietrick; Jeff Dossett
Subject: RE: MS 4.0 referral agreement
Importance: High

Mike I did respond and my mail is attached below.
It was sent today at 3-17-98 at 12:52 I guess given the time of your message at 1:17 pm we just missed each other. I literally just got your message at 8:15 pm tonight.

Since this is critically urgent I am available anytime tomorrow to discuss or if necessary I will come to see you, as I said in my mail I am recovering from surgery but we need to get this settled. You can call me at home any time tomorrow at 650-342-9996.

We are trying to make this transition work as smoothly as possible. If you have suggestions on how I/we can better service you please let me know.

Paul/Gregg - I need immediate concall with either of you first thing in the am.

Thanks - Steve

To: Mike Kallet/WRO/NETCOM/US
cc: Gregg Truex <greggt@MICROSOFT.com>
Subject: RE: Microsoft Account Manager for Netcom

Mike I'll review the subsequent emails and make sure we get coordinated.
I'd like to meet with you again soon.
Thanks - Steve
-----Original Message-----
From: Mike Kallet [mailto:Mike.Kallet@corp.netcom.com]
Sent: Wednesday, March 11, 1998 6:00 PM
To: Steve Hale
Cc: Gregg Truex
Subject: Re: Microsoft Account Manager for Netcom

Steve,
Sorry for the delay in getting back to you. Of another urgent matter.

Evidently Netcom is not on the referral server for IE 4.0. We've submitted 3 changes and are told that they need confirmation that we signed the 4.0 addendum. As Gregg can tell you, we had some issues around the restrictions with respect to what browsers we can distribute where (especially in retail and in direct mail, not to mention the fact that our customers such as OEM, request what browsers from us). We had some verbal understanding of the intents, but this was not eveloped into a new document for us to sign. I also understand that MS has relaxed many of these restrictions, so many of these points might now be moot.
Now we find that we're not a part of the program for 4.0 and evidently this has been this way for awhile.
How can we resolve this immediately.
thanks
Mike

Steve Hale <stevehal@MICROSOFT.com> on 03/03/98 03:57:13 PM
To: '"michael.kallet@corp.netcom.com"' <michael.kallet@corp.netcom.com>
cc: Chuck Dietrick <charlesd@MICROSOFT.com>, Chuck Abendroth <chucka@MICROSOFT.com>, Brentley Beerline <brentb@MICROSOFT.com>, Gregg Truex <greggt@MICROSOFT.com>, Paul Sciame <paulsc@MICROSOFT.com> (bcc: Mike Kallet/WRO/NETCOM/US)
Subject: Microsoft Account Manager for Netcom

Hi - Mike it was a pleasure meeting you last week and I'm looking forward to
a great working relationship with Netcom.
One of the action items I'm working on right now is setting up the executive
briefing in Redmond.
The topics I took note on were:
* Strategy Discussion with Microsoft execs to determine mutual synergies with Netcom and Microsoft moving forward
* IP Telephony discussion
* Small Business Server support
* IE & Office 97 Small Business Edition referral server
* Local technical sales support for Netcom
* Any thing else you'd like to add.

Please let me know if there is anything I missed or that you would like ot see added.
Ideally I'd like to settle on a time good for all of us so I can start planning.
Thanks
Steve Hale
Internet Business Development Manager
Northern California
415-573-4991

-----Original Message-----
From: Mike Kallet [mailto:Mike.Kallet@corp.netcom.com]
Sent: Tuesday, March 17, 1998 1:17 PM
To: Steve Hale
Cc: Gregg Truex; Paul Sciame
Subject: MS 4.0 referral agreement

Steve,
I haven't heard back from you yet. Let me be more specific, as this is now negatively affecting our business, both with signups and customers

wondering why we are not on the IE 4.0 referral server.

I didn't want to sign an agreement knowing that my competition violates essential the same agreement and I would have to violate the agreement in order to compete and in order to satisfy my customers and our distribution channel. For example, others that are on the referral server, who I compete with, were freely distributing Netscape disks at Internet World.

Why is Netcom being punished for being honest about the fact that we do our best to honor our contractual agreements and therefore cannot sign something that asks us to comply with something that others do not and would negatively affect our business.

I think Netcom has done everything reasonable to comply with just about every MS wish. This includes a very significant effort for the IE 4.0 launch. It also includes little things like real time reporting signups, which we did on faith that we would get monthly reporting from MS (which has not happened, as I'm told that "not all report".). How many of your ISP's support the MAC, Win 3.1 and Win'95? (Netcom does). Who was the first company out of the gate to support the referral server in the first place? (Netcom was)
Is this fair?

As you can probably tell, I'm very concerned about this. I know you're new to the team, and Gregg and Paul were supportive as well. This issue needs to be escalated, as it is currently in an unacceptable state.
thanks
Mike

Steve Hale <stevehal@MICROSOFT.com> on 03/11/98 06:46:31 PM

To: Mike Kallet/WRO/NETCOM/US
cc: Gregg Truex <greggt@MICROSOFT.com>
Subject: RE: Microsoft Account Manager for Netcom

Mike I'll review the subsequent emails and make sure we get coordinated.
I'd like to meet with you again soon.
Thanks - Steve
-----Original Message-----
From: Mike Kallet [mailto:Mike.Kallet@corp.netcom.com]
Sent: Wednesday, March 11, 1998 6:00 PM
To: Steve Hale
Cc: Gregg Truex
Subject: Re: Microsoft Account Manager for Netcom

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Mike