GOVERNMENT EXHIBIT 321
PENGAD-Bayonne, N.J.

From: Kurt Kolb
Sent: Thursday, April 16, 1998 5:06 PM
To: Bill Koszewski; Autumn Neault (Womack)
Cc: Daniel Bourgoin; Michael Aldridge; Jose M. Alvarez; Stephanie Hooper
Subject: RE: ISP Referral Rude Q's

one nit question below.

-----Original Message-----
From: Bill Koszewski
Sent: Thursday, April 16, 1998 2:17 PM
To: Autumn Neault (Womack)
Cc: Kurt Kolb; Daniel Bourgoin; Michael Aldridge; Jose M. Alvarez
Subject: RE: ISP Referral Rude Q's

Can i continue to have icons on the desktop for ISP signup?
yes, however, we recommend you do not overwhelm the user by providing additional signup mechanisms.

The strategic direction for Internet signup in Windows 98 is the Internet Connection Wizard as part of the Windows welcome screen. Microsoft will promote this signup route in all of our communications related to Windows 98. You should take advantage of this opportunity by including your featured ISP(s) in the Internet Connection Wizard, and should expect a commensurate decline in traffic to desktop Internet signup icons.

You are of course free to install whatever additional icons or software you like on the desktop; all this software will continue to function normally.
ICW is well integrated with W98 and if you want to make sure your ISPs are included, you should take advantage of the MS Referral Server Custom option.

Why does MS still have the MSN and OLS icons on the desktop. When will these go away?
Microsoft has contractual commitments to include certain ISPs in the OLS folder. The OLS folder is also provided for compatibility with any OLS offers out in the marketplace that might direct Windows users to the icons contained in it. Microsoft will not be investing in the OLS folder going forward (e.g., no new icons, no promotional effort devoted to the folder, etc.); our emphasis is on the Internet Connection Wizard.

Can i replace MS' Referral Server with my own which is better integrated with my ISPs signup?
no. MS referral server is well integrated with W98. It offers a bunch of features the ISP can use.... <g>
An important goal of Windows 98 is to provide an easy, reliable, and standard way to connect to the Internet. This is an important and heavily-promoted feature of the product. We have carefully engineered the Internet Connection Wizard in Windows 98 to deliver a high-quality signup experience for the end user, and to properly configure Windows so that all types of software can connect to the Internet. Replacing this core piece of functionality runs the risk of disrupting the core Windows Experience, and also introduces the risk of increased support cost or incompatibility with applications that depend on the configurations applied by the Internet Connection Wizard.

Internet Connection Wizard provides the ability for you to specify the ISP(s) you prefer as the default choices. Our goal is to provide an Internet signup platform that meets your business needs while still providing a standard, tested, and reliable Internet experience.

i appreciate the options MS has given me to provide a good choice of ISPs for my customers. however, why are you limiting the Custom Option to only 3 ISPs?
since MS will be managing the referral server, we wanted to make the number manageable to service all OEMs... We chose 3 as the limit based on feedback from the key OEMs in the marketplace. ***[Kurt Kolb]*** billk can we discuss tomorrow? how big an issue is it if we standardize on the same number as provided in the standard list?

what countries will MS be offering the "Standard", "Highlighted ISP" and "Custom" options for?
US, UK, Japan, France, Germany and your country of origin. Again from a management standpoint, we can only manage this for all OEMs if we limit the countries involved.

what happens if my preferred ISP or Custom ISP is one of the ISPs from the MS referral list?
the OEM will have the direct relationship with that ISP and MS will not be involved in the bounty transfer. Also, the ISP will only show up once in the case of the Preferred ISP option (soon after Launch!)

This is fine. You should go ahead and negotiate any special deal and offer with that ISP for your systems. Microsoft will be able to support any additional offer you arrange, and Microsoft will not be involved in the referral fee arrangement with the ISP in those cases. We can amend our contract with the ISP if needed to reflect your arrangement.

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What support will MS provide to make sure my ISP is ready for W98 Launch?

Microsoft has arranged with <name of 3rd party system integrator> to support all ISPs in the Referral Server program. Either you or the ISP will need to arrange for the necessary support with <SI> to bring your Signup Server online and create your offer. The Referral Server Administrator at Microsoft will handle posting and maintenance of your offers on the Referral Server system.

My ISP has told me that MS can terminate their contract if they do not meet the technical and business terms. When and how will you notify me (OEM) and can i replace that ISP with another?
as soon as we inform the ISP, we will inform the OEM. yes, you can replace the ISP, that is one of the benfefits of the MS Referral server, it's dynamic server-side capability.

If we detect a problem, the ISP will have 60 days to fix it before being removed from the program.

How will MS estimate the 50% bounties? How often will i get a check from MS?

[Frequency should be determined by the OEM business group. It will depend more on the cycles available from accounting than on anything else.]

Microsoft requires that all ISP participants in the Referral Server program report the net number of signups (completed signups on the referral server system less any of those users who stay with the ISP less than 60 days). The referral server system itself can identify the source of signups to each participating ISP. Using this data, we can calculate what percentage of an ISP's net signups originated from each OEM's PC. We will use this information to pay you the right share of the Referral Fees.

How will MS estimate the network charges? With what frequency will i be billed?

We will bill only our direct network operation costs, based on the charges we receive from our telecommunications and server operation vendors. The referral server system can identify the origin of each transaction, whether from the Windows retail box or a specific OEM system. We will pro-rate our expenses based on the transactions we measure.

what does my OPK engineering team need to do to use the MS referral server?
for standard option, nothing. for Highlighted ISP, add a value in a field in the OEMINFO.INI file. for Custom, ?? (need SimonS input)

what do i have to do to make sure my ISPs show up on my PC systems?
submit a list of your ISPs to your AM and...
1. Complete a Referral Server agreement with Microsoft to nominate your selected ISPs.
2. Make sure the ISPs also complete a Referral Server agreement with Microsoft so that they can participate in the program.
3. Ensure that each ISP implements an offer and a signup server that meets the technical specifications of the program.
4. Configure your systems properly using the OPK to make them compatible with your custom offers on the Referral Server.
5. Communicate with your OEM Account Manager when your ISPs are ready to go -- Microsoft will need to do a final test of all the offers, and then tell the Referral Server administrator to make your offers live.

can i choose a different option for each segment of my business. for example, can i choose the "Highlighted ISP" option for my consumer business and "Standard" otpion for my commercial business?
yes.

can i choose a different option for each of the countries you are offering this opportunity in. for example, can i choose "Standard" in Japan, "Highlighted ISP" in UK and "Custom" in US?
yes

how exactly, does the MS Referral Server work? what is the flow?
customer uses ICW, calls MS Referral server for his region (determined by localized version? locale TAPI setup?), customer is displayed a list of ISPs (depending on the OEM deal), selects an ISP, calls the ISP directly (now the ISP signup is in control and network charges may apply to the OEM).

I believe SimonS has some documentation on this.

Can the ISP download any code to enhance their internet capability?
Not during the Internet Connection Wizard process. To ensure a high-quality signup experience, we limit the amount of data that can be downloaded from the Referral Server and the Signup Server. However, once the end user is signed up with the ISP and connected via a standard POP, the ISP can do whatever they like. Additional software installations off the ISP Run Once page or Home Page are completely supported.

can i brand my OEM with the ISP signup?
No. The Internet Connection Wizard configures the Internet features of Windows, and Windows cannot be rebranded. You can of course modify the Windows 98 Active Desktop to add your own branding, links, ISP information, and so

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on.

some of our ISPs host a private community for our OEM customers. we give them free access to a OEM-at-home website where they find support info, mktg data, etc. can i still offer this to my customers?
(FYI: Bill-- IBM has a deal like this and ICW launches when the user types in the http address of the free IBM community website, thinking the user needs an ISP to connect to the internet. IBM wants to temporarily disable ICW at this time and then immediately enable ICW when the user exits from the free IBM website. can we work with them on this?)

[Tough technical question. We will need to drill down on this with the dev team.]

Yes. The Internet Connection Wizard is very flexible. You can implement a custom ISP setup or a custom Referral Server offer that provides free access to services. Any existing solutions (using custom dialers, browsers, etc.) also continue to work on Windows 98.

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