Lesley Halverson (LCA)

From:	Bill Gates
Sent:	Friday, December 15, 1995 9 18 PM
To:	Paul Mantz (Exchange), Brad Silverberg (Xenix)
Cc:	Brian Fleming, Steve Ballmer (Xenix), Brad Chase David Cole, John Ludwig, Mike Conte
Subject:	Internet add-on

I disagreed strenuously with people who said we should announce Windows 96 at this event I couldn't be more hard core about not trying to get existing users to all upgrade to something other than Windows95 during calendar 1996 Announcing a Windows 96 would be a disaster for our relationship with our customers The amazing thing is that other than this suggestion there was NO input at all on how we should put together a message about the various Internet additions to Windows I received not a single message from anyone So I created the Internet add on. I don t know what choice there was but to give a name to the set of things and say they would be available as a "product"

In terms of the price of the Internet add-on I asked many times if there was a plan to make IE 3 0 available independent of the shell integration I was told no by everyone I asked Since I know IE 3 0 has to be free and I was being told it would be shipped only with the new shell integration then that means the shell integration has to be free It is a complete change for me to hear you think IE 3 0 is separate from the shell That was the plan we had that people told me to forget about I am the one who thinks sharing Win32 applications over the Internet is important I am still dealing with the myth that HTML somehow is far better for sharing than serialized Windows calls and that Windows calls are obsolete I highlighted the importance of demonstrating Oprah at the Internet event and was told it didn't get done in time However a piece of mail from John Ludwig said that we hadn t gotten the team focused on that as a high priority Given how little backing Win32 sharing has inside Microsoft I feel it has to be available for free so Win32 has a chance of being a popular API that people understand can allow for sharing of visual displays

Again I am not blaming any one for this problem In the case of the Internet add-on I should have gotten more dialog going The night of the event I somehow didn't see Brad or John at all A massive number of people from a number of groups were there past midnight and we went through a lot of issues Another case where putting this thing together quickly put us at a disadvantage

Where do we go from here? This is a case where I did say the Internet add-on would be free and I did define what was included There was very little press coverage of this that I have seen but if we change it then we will have to admit that it was a change I am not sure what is the best plan

I think its a little strange to ship IE 3 0 for free and Oprah for free and then charge for the part where we integrate with the shell We could go to this plan It is complex in terms of not knowing what the message from Microsoft on the Internet is It could work however and if people decide this is the right plan I will go along with it It would get us additional revenue

One aspect of all this that is very unclear is when NT would be able to match the elements of the Internet add-on This needs to be carefully considered as part of our strategy!

This is another case where we need to decide and send a clear message We can change what I said if we do it promptly and clearly I apologize for my part in this being confusing

As a separate issue I would like to understand why our views on Oprah/Win32 are so different

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From: Brad Silverberg (Xenix)
Sent Thursday, December 14, 1995 11.13 AM
To Bill Gates, Paul Mantz (Xenix)
Cc Brad Chase David Cole, John Ludwig, Mike Conte
Subject ISW and Windows

- "The Internet Add-on will be free" and listed new shell active pages, collaboration, internet phone, and single button signup (already there if you mean MSN) We are planning to sell the "Nashville Win95 addon" available at retail We *were* planning to make IE 3 0, which includes the new sweeper architecture including the OCX and docobj elements, available for free It is a standalone web browser that runs on Win95. We can even include Oprah for free, as it mostly consists of API's that we want out broadly But we want to keep the cool new shell for the retail product, which would include the otherwise-free internet stuff as well as a whole host of other features (aka the product content of Nashville) The cool new shell is the anchor feature of the retail product

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