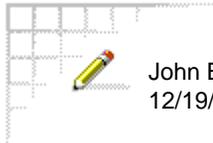


**Bill Collins**

12/20/1999 10:32 AM

To: John Bloomer/Enron Communications@Enron Communications  
cc: David Cox/Enron Communications@Enron Communications, Scott Yeager/Enron Communications@Enron Communications, John Griebing/Enron Communications@Enron Communications, Kevin Garland/Enron Communications@Enron Communications  
Subject: Re: Microsoft Strategy - coupling the wolf pack 📧

see comments in red below  
John Bloomer



John Bloomer  
12/19/99 08:55 PM

To: Bill Collins cc: David Cox, Scott Yeager, John Griebing, Kevin Garland  
cc: David Cox/Enron Communications@Enron Communications, Scott Yeager/Enron Communications@Enron Communications, John Griebing/Enron Communications@Enron Communications, Kevin Garland/Enron Communications@Enron Communications

**Subject:** Microsoft Strategy - coupling the wolf pack

Bill - it sounds like you and Rich. D. are making great progress. I would like to assist you, where I can during this busy week - cell 610 574 3945, palm VII johnbloomer@palm.net for fast response.

A few thoughts that may prompt us to have further face to face conversation while I'm in Portland M-Th this week:

**1) Investment, NBC** - If there is some kind of tightly-coupled security, I am sure NBCi would like to invest - probably not \$100MM, but significant at least in name. Very compatible. Feels like the MS+NBC deal all over again, this time with a new network delivery paradigm that controls the value. I CC's David to be sure the investment team considers this.

I think MFST would welcome the NBC participation.

**2) Embracing Microsoft's Active Directory** - Can do. Need to do (there's no bookkeeping now). Easy enough to build one solution and not assume it's the only one - from both a network service and app front. Sounds like I should get a directory services water walker in here ASAP.

Well discuss further -- I'm putting the onus on MFST to give me the roadmap for these issues which will only be nominally defined by the 10th LOI but we'll need to have core competencies in this area and the sooner the better. (FYI: Shawna's an old LDAPer and wants to play a role in this going forward -- but we'll need breadth and depth in our resources within your team.)

**3) Is a Sun Bronze Box OK?** - We are strangled in some markets not having a drop-ship, Internet-fed but upgradeable box. Sun had volunteered to me to do this (help design, channel sales, etc.) Should we assess a Windows NT, or Linux deployment drop-ship solution? I can't afford to burn cycles on this.

Let's discuss off-line. I think there are ways of dramatically simplifying this entire process and that Sun is complicating it and -- yes -- we need a program that works for NT also. I want to talk to you and McLain in the room or on the phone at the same time.

**4) Other Sun Dealings** - Related to the Bronze Box, we've also been looking at the superior economics of moving to an all Sun solution for all current & future streaming, based on their now commercial MediaCentral platform. Does this represent a problem, given I assume we get AD running under Solaris. Also, should we be concerned that edge caching with Inktomi on Solaris will dominate our future deployments. We must look for & avoid contract constraints between MSFT & Sun.

We can forget about doing a deal with Microsoft where we cache or streams serve WMP off of Solaris. Shawna and others have been mentioning this but we need to nip this thinking in the bud. There are lots of ways I'm sure it'd make your life simpler -- but a better approach may be to ask the question: why not do everything on Windows 2000? We are not going to be a Microsoft platform of reference running on Solaris --- nor are they going to buy streams to be hosted on Solaris. This is a major issue and not one we are going to be able to somehow magically resolve by telling Microsoft to get over it -- nothing is more central to their objectives than getting W2000 into the core of our network -- and at the expense of Solaris boxes from Sun.

Don't get confused by the fact that just because it works on Solaris and MFST has licensed Inktomi to incorporate some technology into their engine that therefore they endorse, by extension, Solaris as a WMP platform. The Inktomi move is defensive one for Microsoft, not some sort of initiative to see network services migrate to Solaris -- particularly with us.

We could of course choose to do everything on Solaris -- we just can't get Microsoft money for creating promotional credits (read: \$\$\$\$) to give content providers or get them to invest in our company or assign WMP technical resources or make us part of their BB Jumpstart program if we choose to go the pure Solaris route. Seriously -- since Real is not stepping up to be an industry partner with financial resources of any great magnitude and Sun is not in the streams technology business per se -- we might be better served by making the bulk of all our G2 and WMP streams serving run on W2000. You may want to contemplate that this is how it's going to be at some point before too long if MFST has their way with us. (I know you can't change the go to market platform but V2 may need to take into consideration these new variables in January so it's the momentum behind the thinking that we may need to control now.)

It may be that a good compromise is to have only W2000 servers in the ISP POPs running G2 and WMP and all file distribution across the network and through the city POPs to those servers is via Solaris -- I don't know. But on some level -- not 100% -- this is a quid pro quo deal dressed up marketing program and that's life in the big city.

If Rich D. is engaged in both, OK, otherwise I believe Berbarian now has picked-up the idea of spinning-out a piece of the BOS into the Solaris kernel and was running with it. You may need to peak over Crowder/Bernarian's shoulder. I still like the non-exclusive, source-code core give-away - make the rest of the world support and improve it (Linux, NT, Solaris, whatever) and we'll lean hard on it, always staying a step ahead with services and extensions.

Rich is going to have to navigate this issue because there is the potential for to be at cross purposes telling different stories at different levels in the organization at Microsoft. I'd hoped Microsoft would have never heard the words "Broadband Operating System" from us or in the context of what we are doing with Sun until after we ink a deal with MFST and get past the analysts' meeting -- since you can bet they are going to have a strong reaction to having an investment and tactical deal appear to be dressed up as something they are doing to support the development of a new operating system that they don't own and control, that we position is to make up for shortcomings in Windows 2000 et al. In my mind there is no potential bigger show stopper than us thinking we are going to tell them that they need US to support THEM in the evolution of their OPERATING SYSTEM strategy....so I'll defer to Rich on this to mitigate the conflict and get the information as to what Skilling and Berbarian put in front of Balmer last week.

It's possible to make our grand plan work -- but not simultaneously in two poker games with different games being played. We'll get nabbed as double dealers and find ourselves blasted out of town with our asses on fire. We have to be careful here .... and I will defer to Rich to compare notes and get the various parties in sync.

**5) The BOS Must Be Ubiquitous** - I do believe that a grass-roots type movement, releasing a bunch of perl scripts to drive SNMP\_Puts() into routers and access differentiating services is a must for us to succeed and scale - to catalyze demand. We are smarter, and can move quicker than the rest of the

industry, but nimbleness is a must 'cuz it's the big guys with box or major OS/server S/W pull thru that will win the BOS game, in my humble estimation. Evidence, the state of the middleware and web transaction processing services markets are today. BEA acquires weblogic, Sun gets NetDynamics, Microsoft.... the list goes on.

The BOS *Dreams* of Being Ubiquitous -- but as long as it's not doing anything in our network and isn't ready and doesn't work -- the analogy to other industry technologies is not quite apropos. We're not in much of a position since today BOS and EIN API has 0% market share, 0 customers, 0 installed base. I don't care what lipstick and rouge you paint that bitch up with -- she's still just dead meat lying on the sofa, just threatening to stand up and steal the show.

**6) Touching The Endpoint (Equator Equity)** - very consistent with a MSFT and/or NBCi play is reaching the endpoint to create demand thru accelerated (cheap & easy) broadband, esp. DSL, embedded WebVision (WV) experiences.

Equator appears to be hanging in the breeze neither aligned with Microsoft and at the same time competing with Sun since the MAGC chip is Sun's play. So I think we absolutely should align with thin client CPE vendors -- I just think it'll take time and resources we don't have yet and should be pushed down a notch in terms of priority since it's a whole new swamp that needs draining and we've got the attention of too many alligators right now.