

Yeager, Scott

From: Hardie John
To: Yeager Scott
Cc: Roberts Brian; Johnson Jim; Luginbill Steve
Subject: RE: Net 99
Date: Thursday, September 22, 1994 9:35AM
Priority: High

Scott,

Things are progressing with Net-99. Joe Stroup has already signed an MSA and a DSO for a MAE-East connection. Jim Johnson is working on a rider to the MSA that includes our terms and hopes to be finished by Friday. Brian Roberts has spoken with Stroup and Karl Denninger re colo issues and is going to talk with Ken about specific requirements we want to spell out in the contract with respect to remote hands, response time and space.

On Stroup's side, things appear to be moving fast and furious. He says he has orders for at least six T-1's (4 in L.A., 2 in DC) in the cue waiting for him to turn up. We have established that the first cities he will turn up are DC, New York, Boston, Chicago and San Jose. Stroup would like to be operational in as many of these cities as possible by October 1. That may be a stretch for our Ops guys, but we will see what we can do.

Stroup says he is conservatively estimating 50 T-1 customer connections within 90 days.

Stroup has requested (and I agree) that we arrange another meeting with you. He has a lot of interesting ideas. We need to work out a deal for the international sites. He also has some very large scale deals he is working on that would have to be looked at separately from the backbone deal we have now. He wants to go after each RBOC, for instance, and sell them Inter-LATA Internet backbone connectivity. He has asked about whether MFS would be willing to have its account reps sell access to Net-99. Also, he wants to talk about a blanket collocation deal.

So, as you can see, we have a lot to talk about.

Is your schedule open in the next few weeks for a meeting? We could meet either here in DC, down in Houston, or in San Jose. Whatever is convenient. Let me know.

Thanks,

John H.

From: Yeager Scott
To: Hardie John
Cc: Barbour Bob; Johnson Jim; Orona Lonny; Luginbill Steve
Subject: Net 99
Date: Tuesday, September 20, 1994 10:51PM

Make sure to have Jim help define the MSA and special terms and conditions for this shared revenue deal. We are to treat them like a customer in the press and everywhere else not a partner. Lets assume they will try to make the best deal for them and be sure we do not open ourselves up to any legal hassles if they fill up the backbone and do not want to buy more bandwidth. Also do not let them committ to new cities we are not comfortable with or rollout plans.

The letter sounds great but make sure Jim reads it and plays lawyer with it to protect us.

The rollout plan and the initial cities and the timing of new cities is a key to making this work over time. Lets be aggressive but realistic so involve input from ops.