

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

MICROSOFT CORPORATION,

Defendant.

Civil Action No. 98-1232 (CKK)

Next Court Deadline:

September 7, 2006 Status Conference

**JOINT STATUS REPORT ON MICROSOFT'S  
COMPLIANCE WITH THE FINAL JUDGMENTS**

The United States of America, Plaintiff in *United States v. Microsoft*, CA No. 98-1232 (CKK), and the Plaintiffs in *New York, et. al. v. Microsoft*, CA No. 98-1233 (CKK), the States of New York, Ohio, Illinois, Kentucky, Louisiana, Maryland, Michigan, North Carolina, and Wisconsin (the "New York Group"), and the States of California, Connecticut, Florida, Iowa, Kansas, Massachusetts, Minnesota, Utah, and the District of Columbia (the "California Group") (collectively "Plaintiffs"), together with Defendant Microsoft, hereby file a Joint Status Report on Microsoft's Compliance with the Final Judgments, pursuant to this Court's Order of May 14, 2003.

## **I. INTRODUCTION**

At the May 17, 2006 Status Conference, the Court directed the Plaintiffs to file a Status Report updating the Court on activities relating to Microsoft's compliance with the Final Judgments entered in *New York, et. al. v. Microsoft*, CA No. 98-1233 (CKK), and in *United States v. Microsoft*, CA No. 98-1232 (CKK).<sup>1</sup>

The last Status Report, filed May 12, 2006, served as a six-month report, containing certain relevant information requested by the Court. Order at 1-3 (May 14, 2003). This Report is an interim report relating only to recent enforcement activities. Section II of this Report discusses Plaintiffs' efforts to enforce the Final Judgments; this section was authored by Plaintiffs. Section III discusses Microsoft's efforts to comply with the Final Judgments; this section was authored by Microsoft. Neither Plaintiffs nor Microsoft necessarily adopts the views expressed by the other.

## **II. UPDATE ON PLAINTIFFS' EFFORTS TO ENFORCE THE FINAL JUDGMENTS**

### **A. Section III.E (Communications Protocol Licensing)**

Plaintiffs' work concerning Section III.E and the Microsoft Communications Protocol Program ("MCP") continues to focus on efforts to improve the technical documentation provided to licensees. As described in the last Status Report, Plaintiffs and Microsoft have agreed to proceed with a project for rewriting the technical documentation that involves four key

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<sup>1</sup> Plaintiffs filed previous reports on April 17, 2003, July 3, 2003, October 17, 2003, January 16, 2004, April 14, 2004, July 9, 2004, October 8, 2004, January 25, 2005, June 1, 2005, October 19, 2005, February 8, 2006, and May 12, 2006 to inform the Court as to the Plaintiffs' efforts to enforce the Final Judgments and Microsoft's efforts to comply with the Final Judgments. Plaintiffs also filed a Supplemental Joint Status Report on November 18, 2005.

steps: (1) the parties must agree on a specification for the new documentation; (2) the parties must agree on a project schedule for all the protocols; (3) Microsoft must rewrite the documentation for each protocol according to this schedule; and (4) the resulting new documentation must be tested and validated to ensure its completeness and accuracy. As this project to rewrite the technical documentation will require a significant amount of time to complete, Plaintiffs also obtained Microsoft's consent to an extension of Section III.E and supporting provisions of the Final Judgments.<sup>2</sup>

The first step in this plan calls for Microsoft to work with the TC and Craig Hunt, the California Group's technical adviser,<sup>3</sup> to develop a specification for the new documentation. The TC and Microsoft have worked together closely during the past several months to complete this work, using as a starting point the specification agreed upon between Microsoft and the European Commission's Monitoring Trustee. The parties reached a provisional agreement on the content of three specification templates for different categories of documentation and agreed that Microsoft would rewrite three sample protocol documents in accord with the new templates to allow the TC and Microsoft to identify and make any necessary changes prior to finalizing it. Microsoft delivered these sample documents to the TC on August 14. Preliminary indications are that the new template specifications improve the consistency and completeness of the presentation across documents and can be finalized shortly with only modest changes, though issues with the technical content of these specific documents will still need to be addressed. The

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<sup>2</sup> The parties today filed with the Court the necessary papers to obtain this extension.

<sup>3</sup> Plaintiffs would like to emphasize that the TC is working closely with Mr. Hunt on all of these technical documentation issues. Whenever reference is made to Microsoft working with the TC in this section, this should be taken to include Mr. Hunt as well.

TC intends to closely monitor the quality of Microsoft's initial efforts to rewrite the technical documentation to make sure that the goals of the rewrite project are attainable.

In a meeting with the TC on August 22, Microsoft initiated a review of their proposed schedule to rewrite the MCPP documentation to conform to the new specification and address all specific outstanding issues identified by the TC. The TC met with Microsoft again on August 29 to continue the dialogue concerning the schedule. Under the proposed schedule, as currently envisioned by Microsoft, Microsoft will begin producing rewritten technical documentation to the TC and licensees in the Fall of this year and will continue providing groups of rewritten documents periodically into mid-2007. In delivering each group of documents to the TC, Microsoft will also provide information demonstrating how the revised documentation addresses each outstanding technical documentation issue identified before the rewrite project began. After receiving the rewritten documents from Microsoft, the TC will adopt them as part of its continuing effort to develop a prototype implementation, and will file additional technical documentation issues with Microsoft, as needed. Plaintiffs emphasize, however, the obligation to provide accurate and complete technical documentation on a timely basis is Microsoft's alone.

Plaintiffs are surprised that Microsoft believes the rewrite project will take as long as envisioned. However, additional information, review, and dialogue are needed before Plaintiffs are able to reach any conclusions regarding Microsoft's proposed schedule and the adequacy of the resources that Microsoft is committing to the project. The TC's discussions with Microsoft thus far have been constructive and that dialogue is ongoing. The discussion focuses on a number of potential ways to refine the schedule, including giving priority to the documents most likely to be useful to licensees — especially those relating to Longhorn Server — so that these

documents are delivered to the TC and licensees towards the beginning of the overall project schedule.

Plaintiffs anticipate that Microsoft will be in a position to provide the Court with a draft project schedule reflecting the current state of these discussions before the Status Conference. Plaintiffs and the TC will continue to analyze the proposed schedule and consult with Microsoft after the hearing. Plaintiffs therefore suggest that, subject to the Court's approval, Microsoft's regular October monthly supplemental report include a section by Plaintiffs that addresses the schedule in more detail, and any response that Microsoft may wish to make.

Since the May Status Conference, the TC has also had productive discussions with the Monitoring Trustee appointed by the European Commission regarding the specification and the technical documentation rewrite project more generally. The TC and the Monitoring Trustee plan to hold regular calls to discuss developments. Plaintiffs believe that such regular contact between the technical experts on both sides of the Atlantic will prove useful to both programs, promote convergence, and allow for the sharing of knowledge and expertise.

Plaintiffs and Microsoft continue to discuss the most appropriate approach to testing and validating the technical documents. The current MCPP approach relies on a combination of the TC prototype implementation project, the TC's validation project, and the release of protocol parsers for licensees. Plaintiffs anticipate that Microsoft's protocol parser project will continue as scheduled.

The TC has continued its current prototype implementation activity on a provisional basis using the existing documentation, submitting issues to Microsoft that in most cases Microsoft will address in the new version of the documentation. The TC and Microsoft have agreed that

once Microsoft delivers the new documentation for a particular protocol, the TC will suspend reporting issues on the previous version of the documentation for that protocol; at that point, the TC will use the new documentation in their prototype implementation efforts and report issues against the new documentation, rather than the old documentation.

In connection with the TC's validation project, during July the TC and Microsoft jointly made considerable efforts to collect additional network traffic from a test pass underway in one of Microsoft's Redmond facilities. While analysis of the data revealed an improvement in the coverage of the underlying protocols being tested, it still did not result in a data set that was sufficient to thoroughly validate the technical documentation. Rather than attempting to expand its current approach of capturing network traffic generated by Microsoft's test labs, the TC will rely upon the MCPP Protocol Conformance Test Suite — which Microsoft committed to develop as part of its new documentation effort — to provide a more thorough set of network traffic data.

In the last Status Report, Microsoft announced its intention to create two new programs for MCPP licensees. First, Microsoft agreed to establish an interoperability lab in which licensees can test and debug their protocols and obtain on-site access to Microsoft engineering assistance. The lab will provide a testing facility, training, best practices, trouble-shooting and technical support for licensees implementing protocols from the MCPP documentation. Second, Microsoft agreed to sponsor “plug-fest” events at which several companies can test and debug their protocol implementations with the goal of improving interoperability amongst each other and with Microsoft. The first “plug-fest” for MCPP Media Streaming Task licensees will take place in December.

Microsoft has informed Plaintiffs that, in planning the technical documentation rewrite

project, it is also enhancing the format for delivery of the documentation to licensees. Initial indications are that licensees will benefit from increased flexibility in accessing and using the documentation. In particular, Microsoft is easing some of the usage restrictions on the documentation, allowing licensees to “copy and paste” and print excerpts of the documentation, and enabling licensees to access the documentation from any web browser on any operating system. Plaintiffs are encouraged by these developments.

In the last Status Report, Plaintiffs reported that Microsoft had agreed to provide each MCPP licensee with a 100% interim royalty credit beginning on April 1, 2006 and continuing until Plaintiffs determine that the documentation for that licensee’s tasks is substantially complete. Microsoft notified licensees of this royalty credit in June and the royalty credit is now in effect for all MCPP licensees.

Finally, Microsoft has committed to accelerate the time frame for licensing the communications protocols used in the successor to Windows 2003 Server, currently code-named “Longhorn Server.” Under the terms of the existing license, Microsoft need not make these protocols available for license until release of the last major beta of Longhorn Server, which is still several months away. While draft documentation of these protocols has been available for evaluation by prospective licensees for some time, until now companies have not been able to sign a license for the Longhorn Server protocols to obtain the draft documentation and begin development work. Plaintiffs are therefore pleased that Microsoft has agreed to make these protocols available for license now. Plaintiffs believe this may prove to be useful to those licensees who wish to start implementing these protocols in their products, thus assuring that their products will be compatible with Longhorn Server as soon as it is released. Plaintiffs

understand that Microsoft plans to post on its website a new MCPP license including the Longhorn Server protocols on or about September 7; this license has already been sent to current licensees. Pursuant to these licenses, Microsoft will provide draft versions of the documentation of the Longhorn Server protocols to licensees on a rolling basis as soon as possible.

**B. Section III.C and III.H (Competing Middleware and Defaults)**

Plaintiffs, with the assistance of the TC, continue to monitor developments regarding Windows Vista, Microsoft's successor to the Windows XP operating system, to assure compliance with the Final Judgments. This includes extensive testing by the TC of developmental builds and betas of Windows Vista and Internet Explorer 7. Plaintiffs, with significant cooperation from Microsoft, have increased these efforts since the last Status Conference to push towards the parties' mutual goal of ensuring that Vista ships with no known issues related to its treatment of Middleware under the Final Judgments. To assist in correcting known issues, the TC and Microsoft have adopted new procedures to share and track middleware-related bugs in Vista.

Microsoft has also appointed Steven Sinofsky, Senior Vice President, Windows and Windows Live Engineering, as the senior executive with oversight of Microsoft's Section III.H compliance efforts. The TC intends to set a series of regular meetings with Mr. Sinofsky. Plaintiffs view this as a positive step and look forward to working with Mr. Sinofsky in the coming months.

As detailed in the October 19, 2005 Status Report, Windows Vista will handle middleware settings on a "per user" rather than the previous "per machine" basis. This change to the operating system requires middleware ISVs to alter the way in which they register for file-



type associations and defaults within the “Default Settings” framework. A failure by an ISV to adapt to the “per user” paradigm will cause incompatibilities that could result in unpredictable behavior related to middleware settings and defaults. For this reason, the TC and Microsoft have recently increased their cooperation in several ways to help ensure that middleware ISVs achieve “Vista-readiness” prior to the shipment of Windows Vista.

First, the TC and Microsoft are working together to improve communications with middleware ISVs. These communications will emphasize the importance of these middleware-related Vista compatibility changes and provide access to information on the required changes. Microsoft has sent middleware ISVs separate letters from Microsoft and the TC warning them of the middleware-related Vista compatibility issues. In October, Microsoft will host an ISV Vista-readiness Open House, which will include TC involvement and presentations. Microsoft has also opened up its Vista compatibility lab to middleware ISVs to allow them to easily test and troubleshoot their implementations for Vista-readiness. The TC has participated in select hands-on sessions and expects to continue doing so.

Second, Microsoft is working with the TC to make the TC’s ISV tool available to ISVs. This software program, described in the October 19, 2005 Status Report and since adapted for Vista, will assist ISVs in verifying that their middleware products register properly in Vista. The TC has already shared the tool with two middleware ISVs and the response was extremely positive. The tool will be made available to ISVs on Microsoft’s devreadiness.org website and will undergo further beta-testing in Microsoft’s hands-on lab. The TC letter to ISVs, referred to above, informs ISVs of the tool’s availability.

Alongside these joint efforts, the TC has already had significant direct contact with

leading middleware ISVs related to Vista-readiness issues. The TC will continue to reach out to additional middleware ISVs — both on its own and in conjunction with Microsoft — over the next several months.

Finally, Plaintiffs would like to add one clarifying note to their discussion of the “search box” feature in Internet Explorer 7. In the last Status Report, Plaintiffs reported that a user upgrade from Internet Explorer 6 to Internet Explorer 7 preserves the user’s existing search engine default settings. Plaintiffs have since learned that Internet Explorer 6 contains up to five distinct search interfaces, each of which could have a different default search engine. Internet Explorer 7, however, has only one default search engine. At Plaintiffs’ suggestion, Microsoft agreed that if any of the search interfaces in Internet Explorer 6 are set to use a non-Microsoft search engine as the default, that non-Microsoft default will be migrated to Internet Explorer 7.<sup>4</sup> Further, the first time the user launches Internet Explorer 7 after an upgrade, the default search engine will be displayed on the Internet Explorer 7 “run once” welcome page. At that point, the user will have an opportunity to change the default. Although the parties are still discussing the exact details of this migration, Plaintiffs continue to believe that the upgrade from Internet Explorer 6 to Internet Explorer 7 preserves user choice.

### **C. The Technical Committee**

The TC and staff currently comprise forty individuals. Roughly two-thirds of these staff members work out of the TC’s Bellevue, WA office, with the remaining one-third working in the TC’s Palo Alto, CA office. To accommodate this staff, the TC has leased additional office space

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<sup>4</sup> If there are two or more non-Microsoft default search engines present in Internet Explorer 6, an algorithm will determine which of these defaults to use as the default search engine in Internet Explorer 7. The exact methodology of the algorithm is still under discussion.

in Bellevue. The TC recently created the position of General Manager to assume day-to-day responsibility for operational matters, project coordination and management, and human resources. Ron Schnell, who joined the TC in 2005, has been promoted to that position.

### **III. UPDATE ON MICROSOFT'S COMPLIANCE WITH THE FINAL JUDGMENTS**

In this section of the report, Microsoft focuses on its compliance work relating to Section III.E. Also this section provides Microsoft's monthly update on its progress with the parser project and in supporting the TC's prototype implementation and validation projects. In addition, this section briefly summarizes the activities of the compliance officers under the Final Judgments, as well as the complaints and inquiries received by Microsoft since the May 15, 2006 Joint Status Report.

#### **A. Section III.E (Communications Protocols Licensing)**

##### *1. MCPP Status Update*

As described in the previous Joint Status Report, there are currently 26 MCPP licensees, 12 of whom are shipping products under the MCPP. In addition to those 26 licensees, there are five companies that have taken advantage of the royalty-free protocol license offered on MSDN.

Since the last Joint Status Report, Microsoft has worked to promote offers for MCPP licensees to receive Technical Account Manager support and to obtain access to Windows source code at no additional charge. To date, five companies have signed up with Microsoft to receive free Technical Account Manager support: ONStor, Vbrick, Unisys, Blue Coat, and BlueLane. In addition, the following five companies have signed up for access to view Windows source code at no additional charge: Hitachi, ONStor, Vbrick, Blue Coat, and BlueLane. Microsoft is in contact with several other MCPP licensees who are considering signing up for one or both of

these programs that Microsoft offers to MCPP licensees at no additional cost.

As described in the Plaintiffs' section of this report Microsoft has accelerated the availability of the protocols that will be used in Microsoft's forthcoming Longhorn Server product. Accordingly, MCPP licensees now have been notified of the early availability of new and modified MCPP protocols relating to Longhorn Server, and have been provided with the new license agreement covering these protocols. As part of these communications with licensees, Microsoft also promoted a number of additional forthcoming opportunities for licensees, including free access to Microsoft Interoperability Labs for licensee product testing and "plugfest" events that provide access to Microsoft experts. Microsoft also plans to contact prospective licensees that previously indicated interest in Longhorn protocols to inform them of the availability of the MCPP Longhorn protocols and license agreement and, as noted by the Plaintiffs, is working toward publishing the agreement on the MCPP website on or about September 7, 2006.

2. *Technical Documentation*

a. *Current Status of Microsoft's Progress in Resolving Existing Technical Documentation Issues ("TDIs") through July 31, 2006*

As the technical documentation is being rewritten, the TC will continue to identify issues in the existing technical documentation of protocols for which they have not yet received revised technical documentation. The following chart represents the status of the TDIs during the past month. As noted in previous Status Reports, Microsoft expects to address the outstanding TDIs as part of its work to rewrite the technical documentation.

	As of 6/30/2006	Period Ended 7/31/2006
<b>60-Day TDIs Submitted by the TC</b>		
Submitted this period	-----	11
Closed this period	-----	3
Outstanding	60	68
<b>Other TDIs Submitted by the TC</b>		
Submitted this period	-----	49
Closed this period	-----	60
Outstanding	540	529
<b>TC Subtotal Outstanding</b>	600	597
<b>TDIs Identified by Microsoft</b>		
Identified this period	-----	156
Closed this period	-----	150
Outstanding	93	99
<b>Total Outstanding</b>	693	696

b. *Microsoft's Progress in Modifying the Technical Documentation*

As described in the Plaintiffs' section of this report, since the previous Monthly Status Report, Microsoft has worked closely with the TC to establish an overarching specification to govern the way in which the technical documentation will be rewritten. As described in greater detail above by Plaintiffs, Microsoft and the TC have continued their efforts to complete three distinct specification templates for different categories of protocol documentation to guide Microsoft as it implements the overarching specification. Microsoft submitted drafts of these specification templates to the TC during May, June, and early July of 2006 and has received the TC's feedback. Microsoft and the TC have reached a provisional agreement on the templates, subject to sample testing as described below.

Specifically, Microsoft and the TC have established a process to assess the

effectiveness of the specification templates. This process involves Microsoft rewriting three sample protocol documents in accordance with the specification draft templates, thereby allowing the TC and Microsoft to identify and make any necessary changes prior to finalizing the templates. Microsoft delivered the sample protocol documents to the TC on August 14, 2006. Microsoft received feedback from the TC on August 29, 2006. Microsoft reviewed the TC's feedback and met with the TC on the same day to discuss it. Microsoft believes that these discussions with the TC were substantive and productive; they will enable Microsoft to finalize the specifications and sample documentation in the most expeditious way and help ensure an efficient process for rewriting the technical documentation.

On August 22, 2006, Microsoft submitted to the TC a proposed schedule pursuant to which the MCPP documentation will be rewritten to conform to the new specification. Since delivering the proposed schedule, Microsoft has worked diligently to provide the TC with additional information to assess the basis for the various milestones, the sequence of delivery of the milestones, and the elements included within each milestone. This information is being provided so that the TC and the Plaintiffs can verify that Microsoft is devoting the maximum resources and effort so that all parties can ensure that the revised documents are delivered to licensees in the most expeditious manner. Microsoft's proposed schedule also places a heavy emphasis on delivering as early in the process as possible the documentation for the protocols that the Plaintiffs and current and potential licensees have indicated will be of the most immediate and greatest use.

Microsoft is committed to ensuring that the agreed upon schedule will represent the most efficient and expeditious way to deliver revised documentation to licensees. Microsoft will

devote the maximum resources available to ensure that the milestones set forth in the agreed upon schedule are achieved. As mentioned in the Plaintiffs' section of this report, Microsoft expects to be in a position to provide the Court with the latest proposed schedule prior to the forthcoming Joint Status Conference.

### 3. *Technical documentation team staffing*

Robert Muglia, the Senior Vice President for Microsoft's Server and Tools Business, continues to manage the documentation effort along with additional senior product engineering team managers. Altogether, approximately 245 Microsoft employees and contingent staff are involved in work on the MCPP technical documentation. Given the substantial overlap between the MCPP and the WSPP, all of these 245 individuals devote their efforts to work that relates to both programs or that is exclusive to the MCPP. Of these, approximately 160 product team engineers and program managers are actively involved in the creation and review of the technical content of the documentation. In addition, there are approximately 29 employees and 29 contingent staff working as technical writers, editors, and production technicians who are working on the technical documentation. There also are approximately 27 other technical architects, managers and employees from the Windows product development organization and the Competitive and Regulatory Affairs team who devote a substantial amount of time and effort to the technical documentation and the MCPP in general. Significant attention and involvement in the technical documentation and the MCPP extend through all levels of the Microsoft organization and draw upon the resources of numerous product engineering, business, technical, and legal groups, as well as company management.

4. *Parser development efforts*

Microsoft's parser development and delivery efforts have been completed successfully and according to schedule. On July 31<sup>st</sup>, Microsoft shipped Network Monitor 3.0 and completed Cluster One, Cluster Two, Cluster Three, and Cluster Four parsers.

As discussed in the previous status reports, Microsoft committed to developing and delivering protocol parsers to MCPP licensees on a rolling basis, with additional parsers becoming available each month. Parsers were delivered first in pre-release form, with the final version of each parser delivered to licensees approximately two months after delivery of the pre-release version. Microsoft refers to a group of parsers released in a particular month as a "cluster." There were a total of four clusters of parsers committed to by Microsoft.

Microsoft has completed the Netmon and parser development in accordance with the following schedule:

<b>Release Date</b>	<b>Pre-Released Protocols</b>	<b>Final Protocols</b>
February 2006	21	-
March 2006	23	-
April 2006	19	21
May 2006	21	23
June 2006	-	19
July 2006	-	21

Microsoft also has committed that it will continue Network Monitor and MCPP protocol parser development throughout FY07. Current plans are to provide maintenance updates and parsers for new protocols to licensees on an approximately quarterly basis. Efforts will be made to coordinate the delivery of new protocol parsers with the schedule for delivery of new documents.



With respect to staffing, Microsoft has added a Technical Evangelist to the Netmon team, with responsibility for providing support to the Technical Committee and licensees. The parser development and Netmon development teams now have a total of 39 members working at Microsoft's headquarters in Redmond, Washington and its facilities in China.

5. *Microsoft's Cooperation with the TC's projects*

Microsoft delivered XML mark-up builds to the TC on August 3, 2006 and August 14, 2006. The purpose of these deliveries was to provide the TC with updates to address data type name and inconsistency issues noted by the TC. The XML markup project, as it was originally defined and as reflected in the schedule below, has been completed. On a going forward basis, future changes to the XML markup will be incorporated as part of the broader rewrite effort.

<b>Target Date</b>	<b>Microsoft Deliverable</b>	<b>Date Delivered</b>
<b>End of January</b>	10% of MCPP protocols	February 1, 2006
<b>End of February</b>	25% of MCPP protocols	February 28, 2006
<b>End of March</b>	40% of MCPP protocols	March 14, 2006
<b>End of April</b>	60% of MCPP protocols	May 1, 2006
<b>End of May</b>	80% of MCPP protocols	May 31, 2006
<b>End of June</b>	100% of MCPP protocols and 100% of the royalty-free documents	July 5, 2006

Additional work, however, will continue as new issues are discovered in connection with the rewritten documentation. Currently, Microsoft has nine employees working full-time on the XML markup.

## **B. Compliance Officers**

Since the Initial Status Report was filed on July 3, 2003, the compliance officers have continued to ensure that newly-appointed Microsoft officers and directors receive copies of the Final Judgments and related materials (ongoing), that Microsoft officers and directors receive annual briefings on the meaning and requirements of the Final Judgments (annual training sessions have been held for the most recent year in March and April 2006) and complete the required certifications (completed February 2006), and that required compliance-related records are maintained (ongoing). In addition, the compliance officers are actively engaged in Microsoft's extensive and ongoing training programs and commit to monitor matters pertaining to the Final Judgments.

Microsoft has appointed Kevin Kehoe, currently a Senior Attorney in Microsoft's Law and Corporate Affairs department, as its Federal Compliance Officer under the Final Judgment. Mr. Kehoe will replace the current Compliance Officer, David Dadoun, who has transferred to Microsoft's corporate offices in Paris, France. Mr. Kehoe received both his undergraduate degree and law degree from Georgetown University. Prior to joining Microsoft, Mr. Kehoe practiced law at Cravath, Swaine & Moore.

## **C. Complaints and Inquiries Received by Microsoft**

Microsoft has received 12 complaints or inquiries since the May 15, 2006 Status Report. None of these complaints or inquiries were related to any of Microsoft's compliance obligations under the Final Judgments.

Dated: August 30, 2006

Respectfully submitted,

FOR THE STATES OF NEW YORK,  
OHIO, ILLINOIS, KENTUCKY,  
LOUISIANA, MARYLAND, MICHIGAN  
NORTH CAROLINA, AND WISCONSIN

FOR THE UNITED STATES  
DEPARTMENT OF JUSTICE'S  
ANTITRUST DIVISION

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ELIOT SPITZER  
*Attorney General of New York*  
JAY L. HIMES  
*Chief, Antitrust Bureau*  
*Assistant Attorney General*  
120 Broadway  
New York, New York 10271  
212/416-8282

---

AARON D. HOAG  
JAMES J. TIERNEY  
SCOTT A. SCHEELE  
PHILIP A. GIORDANO  
ADAM T. SEVERT  
*Trial Attorneys*  
U.S. Department of Justice  
Antitrust Division  
600 E Street, N.W.  
Suite 9500  
Washington, D.C. 20530  
202/514-8276

FOR THE STATES OF CALIFORNIA,  
CONNECTICUT, IOWA, KANSAS,  
FLORIDA, MASSACHUSETTS, MINNESOTA,  
UTAH, AND THE DISTRICT OF COLUMBIA

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KATHLEEN FOOTE  
*Senior Assistant Attorney General*  
Office of the Attorney General of California  
455 Golden Gate Avenue  
Suite 11000  
San Francisco, California 94102-3664  
415/703-5555

FOR DEFENDANT MICROSOFT  
CORPORATION

BRADFORD L. SMITH  
MARY SNAPP  
DAVID A. HEINER, JR.  
Microsoft Corporation  
One Microsoft Way  
Redmond, Washington 98052  
425/936-8080

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CHARLES F. RULE  
Fried, Frank, Harris, Shriver & Jacobson LLP  
1001 Pennsylvania, Avenue, N.W.  
Washington, DC 20004  
202/639-7300

STEVE L. HOLLEY  
RICHARD C. PEPPERMAN II  
Sullivan & Cromwell LLP  
125 Broad Street  
New York, New York 10004  
212/558-4000

*Counsel for Defendant  
Microsoft Corporation*