IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,

Plaintiff,

Civil Action No. 98-1232 (CKK)

V.

MICROSOFT CORPORATION,

Defendant.

Next Court Deadline: February 15, 2008 Supplemental Status Report

SUPPLEMENTAL STATUS REPORT ON MICROSOFT'S COMPLIANCE WITH THE FINAL JUDGMENTS

Microsoft hereby files its Monthly Supplemental Status Report regarding its compliance with the Final Judgments. This Supplemental Status Report details Microsoft's progress in revising the technical documentation in connection with the Microsoft Communications Protocol Program ("MCPP") and other Windows-related matters.

I. <u>Microsoft's Progress in Modifying the Technical Documentation</u>

Microsoft has completed delivery of all Milestones as set forth in the schedule for the revised MCPP documentation. Moreover, as Microsoft first noted to the Court in its April 2007 Supplemental Status Report, it will make available overview/reference materials to assist licensees in addressing scenarios that may arise while using the technical documentation. Microsoft has delivered to the Technical Committee and Mr. Hunt (collectively referred to as the "TC") a set of these overview/reference materials.

On December 5, 2007, the TC provided Microsoft with written technical feedback relating to additional areas that it would like Microsoft to address. In light of this feedback, Microsoft provided the TC with plans to reorganize the overview/reference materials in accordance with the structure suggested by the TC. As part of this reorganization effort,

Microsoft will provide additional detail in order to explain relationships among the various MCPP protocols. This will include the creation of extensive technical diagrams.

Moreover, Microsoft will produce an additional set of overview/reference materials that describe various other "complex scenarios" for using the protocols.¹ Microsoft and the TC are scheduled to meet on January 16, 2008, to discuss the preparation of templates for addressing these additional complex scenarios. In the interim, Microsoft has informed the TC that it will provide a subset of the newly addressed complex scenarios to the TC in March 2008. Also, Microsoft will update the Court in future status reports regarding its schedule for releasing additional overview/reference materials.

A. Current Status of Microsoft's Progress in Resolving Technical Documentation Issues ("TDIs") through December 31, 2007

As noted in previous Status Reports, Microsoft is working to address the TDIs in the old technical documentation in the course of rewriting the new technical documentation.

Accordingly, Microsoft has reviewed the Online Build documentation for each Milestone as it was produced to ensure that all previously existing TDIs relating to each Milestone (including those that were previously closed and those that were not addressed in the old documentation) are addressed. All but three of the TDIs in the old documentation have been addressed in the new documentation and have been closed. The remaining three TDIs involve a number of complex and highly technical issues that Microsoft is working to resolve in consultation with the TC.

The current status of TDIs in the old documentation for the previous month is set forth below:

2

¹ In some cases, a discussion of certain complex scenarios will be added to the existing overview materials, rather than being provided as separate documents.

Old Documentation TDIs	As of 11/30/2007	Period Ended 12/31/2007
60-Day TDIs Submitted by the TC		
Submitted this period		0
Closed this period		1
Outstanding	4	3
Other TDIs Submitted by the TC		
Submitted this period		0
Closed this period		0
Outstanding	0	0
TC Subtotal Outstanding	4	3
TDIs Identified by Microsoft		
Identified this period		0
Closed this period		0
Outstanding	0	0
Total Outstanding	4	3

Microsoft will continue to update the Court regarding its progress in resolving TDIs from the old documentation.

As explained previously, in light of the volume and complexity of the new technical documentation, it is inevitable that additional TDIs will emerge in the newly rewritten documentation, even as TDIs in the old documentation are being resolved. As part of its analysis, the TC is identifying TDIs in the new Online Build documentation according to the three priority levels that were described in the March 6, 2007 Joint Status Report.

In addition to TDIs identified by the TC, Microsoft is tracking the number of TDIs that have been identified through Microsoft's own rigorous testing efforts. The primary objective of Microsoft's testing is to improve the documentation. Identifying new TDIs is an inevitable

byproduct of this work. Over the past six months, the quantity of documentation being tested by Microsoft has increased substantially. Accordingly, Microsoft has seen an increase in the number of TDIs being generated from its testing effort. This trend was expected given the overarching goals of the testing project and the sheer size and complexity of the documentation. Currently, there are 364 outstanding TDIs that have been identified by Microsoft as part of this effort.

The current status of TDIs identified in rewritten documentation through December 31, 2007, is noted in the chart below.

New Documentation TDIs	As of 11/30/2007 ²	Period Ended 12/31/2007
Priority 1 TDIs Submitted by the TC		
Submitted this period		16
Closed this period		11
Outstanding	91	96
Priority 2 TDIs Submitted by the TC		
Submitted this period		125
Closed this period		49
Outstanding	153	229
Priority 3 TDIs Submitted by the TC		
Submitted this period		87
Closed this period		29
Outstanding	70	128
TC Submitted		228
TC Closed		89
TC Outstanding	314	453
TDIs Identified by Microsoft ³		
Identified this period		230

The TDI numbers as of November 30, 2007, reported in this chart differ slightly from the numbers provided in the previous Status Report because the dynamic nature of tracking TDIs in multiple databases occasionally results in categorization and exact TDI closure dates changing after the previous reporting period.

In some cases, TDIs are opened by Microsoft in response to questions or comments from licensees, although Microsoft does not track the precise number of TDIs opened in this fashion.

Closed this period		350
Microsoft Outstanding	484	364
TDIs Identified by the TC in		
Overview/Reference Materials ⁴		
Identified this period		10
Closed this period		31
Overview Outstanding	131	110
Total Outstanding	929	927

II. <u>Technical Documentation Testing</u>

A. Protocol Test Suite

Since the previous Status Report, Microsoft has continued its efforts to test the newly rewritten protocol documentation. Microsoft completed its testing on Cluster 4. As planned, Microsoft completed test passes on 20 documents as part of Cluster 4. Microsoft held a meeting with the TC on January 8, 2008, to review the results of this Cluster.

B. Interoperability Lab

On August 30, 2006, Microsoft announced to MCPP licensees the availability, at no charge, of Microsoft's Interoperability Lab in the Microsoft Enterprise Engineering Center for testing licensee implementations of MCPP protocols. The Interoperability Lab offers direct access to Microsoft product development teams and technical support from Microsoft's engineering staff to address issues that may arise during testing. One licensee has scheduled an Interoperability Lab visit for March 2008, and another has scheduled a visit for April 2008.

C. *Plug-fests*

As noted in previous Status Reports, Microsoft hosted its plug-fest for licensees of the Media Streaming Protocols from December 12-14, 2006, and for licensees of File Server Protocols plug-fest from April 30-May 3, 2007. Microsoft held the Authentication and Certificate Services plug-fest during the week of September 17, 2007. The overall feedback

At the request of the Plaintiffs, Microsoft has included the number of outstanding TDIs identified by the TC in the overview/reference materials that Microsoft is producing in the above chart.

Microsoft received was positive. Microsoft is planning a future event for Firewall/Proxy licensees in February 2008. Two licensees have confirmed their attendance thus far.

Additionally, Microsoft is planning three additional plug-fests for later in 2008 (for File Sharing, Media Streaming, and Active Directory licensees).

III. 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.

Approximately 630 Microsoft employees and contingent staff are involved in work on the MCPP technical documentation. Given the substantial overlap between the MCPP and the European Work Group Server Protocol Program, all of these individuals devote their efforts to work that relates to both programs or that is exclusive to the MCPP.

Of these, approximately 320 product team engineers and program managers are actively involved in the creation and review of the technical content of the documentation. There are approximately 25 full-time employees and over 35 contingent staff working as technical writers, editors, and production technicians. Additionally, as the protocol testing effort continues, over 35 full-time employees and approximately 220 contingent and vendor staff work as software test designers, test engineers, and test architects. Significant attention to 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.

IV. Windows Vista and XP Related Matters

In the December 2007 Status Report, Microsoft described a potential "bug" in Windows XP relating to a single link for "Outlook Express Help." Microsoft has addressed this issue by removing the Outlook Express Help link in question. The change will be shipped to customers as part of Windows XP Service Pack 3.

Dated: January 15, 2008

Respectfully submitted,

FOR DEFENDANT MICROSOFT CORPORATION

/s/ CHARLES F. RULE
CHARLES F. RULE (DC BAR No. 370818)
JONATHAN S. KANTER (DC BAR No. 473286)
Cadwalader, Wickersham & Taft LLP
1201 F Street, NW
Washington, DC 20004
(202) 862-2420

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

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