

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: January 16, 2004
Interim Status Report

**NOTICE OF ISSUANCE OF MICROSOFT
CONSENT DECREE COMPLIANCE ADVISORY**

PLEASE TAKE NOTICE that Plaintiff, the United States of America, will issue the attached Microsoft Consent Decree Compliance Advisory today, Thursday, January 15, 2004, by posting the Advisory on the Antitrust Division's website, <www.usdoj.gov/atr>.

Respectfully submitted,

/s/

PHILLIP R. MALONE
RENATA B. HESSE
PAULA L. BLIZZARD
PATRICIA A. BRINK
JOAN V. FARRAGHER
AARON D. HOAG
JEFFREY D. NEGRETTE
BARBARA J. NELSON
JEFFREY J. VANHOOREWEGHE

Trial Attorneys
U.S. Department of Justice
Antitrust Division
600 E Street, N.W.
Suite 9500
Washington, D.C. 20530
202/514-8276

Microsoft Consent Decree Compliance Advisory – January 15, 2004

As first announced on August 5, 2002, the United States periodically issues Microsoft Consent Decree Compliance Advisories as part of its monitoring of Microsoft's implementation of the Consent Decree agreed to by Microsoft, the United States, and nine settling Plaintiff states (as approved and entered by the Court as a Final Judgment on November 12, 2002). This is the fourth such advisory.

Section III.H of the Final Judgment requires Microsoft to allow end users and OEMs to specify a non-Microsoft middleware product – such as a web browser, e-mail client, or media player – as the default middleware product to be launched in place of Microsoft's corresponding middleware product.

As part of the Department's ongoing review of Microsoft's compliance with Section III.H, the Department has investigated a feature within Windows XP called "Shop for Music Online," which allows a user to go online to purchase music compact discs from retailers. The Department was concerned that the "Shop for Music Online" feature invokes Microsoft's Internet Explorer even when the user has chosen a different default web browser, such as Netscape, Opera or Mozilla. The Department concluded that the invocation of Internet Explorer by the 'Shop for Music Online' feature violated Section III.H of the Final Judgment. The Department discussed its concerns with Microsoft. Without necessarily agreeing with the Department's position, Microsoft has agreed to remove the override of the user's default browser contained in "Shop for Music Online." Microsoft expects to have this modification to Windows XP available to consumers in February or March, through a "Windows Update" download. The Department is strongly committed to ensuring that end users and OEMs are able to take full advantage of the opportunity afforded by the Final Judgment to choose which middleware products to use with the Windows operating system.

In addition, R. Hewitt Pate, Assistant Attorney General in charge of the Antitrust Division, today announced that Paula Blizzard and Patricia Brink will serve as Special Counsel for Microsoft Decree Enforcement. Ms. Brink and Ms. Blizzard will report directly to Assistant Attorney General Pate to facilitate his involvement in overseeing the enforcement of the Microsoft Final Judgment following the departure of Deputy Assistant Attorney General Deborah P. Majoras. Ms. Blizzard and Ms. Brink have been heading up the team of Antitrust Division attorneys and economists who monitor Microsoft's efforts to comply with the Consent Decree since 2002. After joining the Antitrust Division in its San Francisco Field Office in 2000, Ms. Blizzard participated in the negotiation of the United States' settlement with Microsoft and has worked on the case for the last three years. Ms. Brink has represented the Antitrust Division in a wide range of cases since 1989 and served as a Special Assistant in the Office of Operations. The Antitrust Division's Microsoft matters are supervised by Renata B. Hesse, Chief of the Networks and Technology Section.

Communication to the Department regarding Microsoft's compliance with the Final Judgment may be addressed to: Renata B. Hesse, Chief, Networks & Technology Section, Antitrust Division, U.S. Department of Justice, 600 E Street, NW, Suite 9500, Washington, DC 20530.