

originate programs

land → prohibition

Mand - acceptance i.e. must owned by members

→ Why would we support company that ~~is~~ competes from w/ our members on the issuing side.

→ ST - if we don't pass prohibition policy

- conversion of Visa to MC
- Visa wouldn't stand by idly
- negative impact
- equity of brand ~~part~~ invested by members would be used by player who didn't invest.
- consumer confusion
- product devel concerns

P-0280

→ see Market Argument

- MC uncomfortable with setting policy/rule, but necessary in this case.

Should we deal w/ issue at total international level

→ Some have chosen - not to mandate. Some have chosen to utilize criteria to decide.

GOVERNMENT DEPOSITION EXHIBIT 750

Hartman

applies to all affiliates.

→ Prohibitions - have ~~all~~ ^{not} been done →

Foreign ownership, etc - - is it going to be practical or are there 60 ways to get around to do what Amer wants

Highly Confidential Subject to Protective Order

EXHIBIT 17

MC 21552 ..

At 7:00 AM of the 3rd of Feb 1991. - in the morning
circumstances will, we can change

Greenwald ⇒ Why now? rule passed in '91.

⇒ case by case basis ⇒ Amex has put out proposal to issuing community.

3rd Wall ⇒ Financial implications relative to Alternative
(Prohibition vs. Free choice)

- detract from support of issuers as they prepare to issue Amex or Discover cards.

Feb 11 ⇒ Know how much was spent on Dean Witter.

⇒ What if they prevail? what would it cost?

⇒ What % of mail share from institutions supporting prohibition

what ⇒ What would be cost to brand if member choice prevailed.

Walsh ⇒ encouragement of Amex share loss.

Metta ⇒ large issuer ⇒ decides to issue Amex →
Mlard must enforce.

Greenwald ⇒ 1's policy identical to Visa

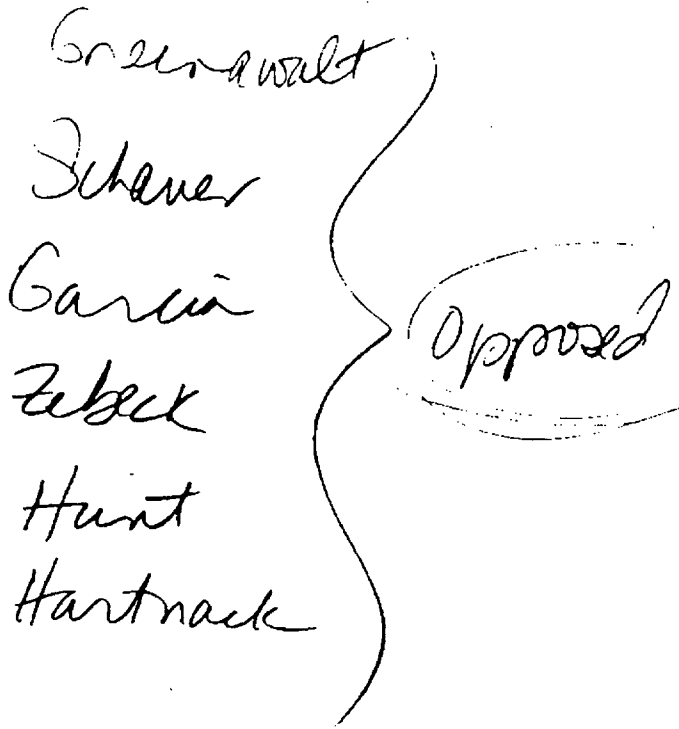
⇒ as result of proposal

⇒ policy should be as result of this proposal

Policy vs Rule

KK:

Have you done your best to convince these larger
issuers ~~that~~ all of the benefits relative to the
policy



EP1/MCI Agreement

Monday => - North => copy of revised paper

Our interests

acquire + own rights to operating platform

-> business case - ~~profitable~~ tech. platform for years 5-10 out

Natural Synergy between member oppty's + proposed platform

Price - significantly less than original issuing price.

... can't be ...
if can't determine success in
FBI

- Key Issue in consumers' mind is security of access.

Next

→ Think of card as device.
AT&T - Clearing 2 years ahead of market.

Forecast

When can we expect to see ...

Will we have context within which to view business case.

FBI ⇒ This item requires full day review to look at all base points in full detail

- Biggest issue is in Europe ⇒ Each country has own standards/systems
- Argues for faster v. slower rollout.

Notes

⇒ are you considering guaranteed auth as part of concept

- retained ledgwick
- ⇒ risk consultants

Intention rollout to all areas

60 sec pick up
4.7 minutes for solution

⇒ Call Me's Program

Issues
no ...
issue

→ initiative system - majority of telco
call-me's to telephone call me's
St. Louis ... ⇒ full stand-in

If we need to ~~to~~ compete against Amer... in going to
guaranteed auth. → this is an additional
cost → we need to decide our referral process
doesn't work.

Bankruptcy

~~Subject~~

Visa - given mkt share dominance, will they spend
more.