

H. Eugene Lockhart  
President &  
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November 13, 1995

Mr. Edmund P. Jensen  
President and Chief Executive Officer  
Visa International  
P.O. Box 8999  
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Dear Ed:

Thank you very much for your phone call on Friday. I must admit you caught me "on the hop," as I had just gotten back from a long trip.

As regards our conversation on Internet Standards, I have done some following up inside MasterCard and Netscape. To the best that I can ascertain, here is the current situation:

1. Ed Hogan's letter of October 20 remains a draft, unsigned document. In addition to Ed's six principles, four additional ones need be applied:
  - the standard in and by itself must enable fully interoperable implementations across all hardware and software platforms,
  - The Certificate Authority's root key must be owned by the two associations and not be a derivative of another root key,
  - there can be no patents or copyrights on the specification nor on any of the underlying technologies required by the standard, except for RSA,
  - the standard must utilize, where applicable, pre-existing industry available standards.
2. You indicated that there was going to be a meeting this week between Netscape and Microsoft. You indicated that it was a technical meeting. As I understand it, you indicated that the two teams were going to look at the comparabilities between STT and SEPP and ascertain if a common specification could be developed.

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In a conversation with Jim Barksdale, CEO of Netscape, he was not aware of such a meeting. However, Jim indicated that if a significant meeting were to occur, Netscape would only be there if MasterCard, Visa, and IBM were also in attendance as Netscape is strongly committed to an open standard. Jim emphasized that publication and implementation of the standard cannot advantage any one or group of vendors in time to market. We have subsequently found that Ms. Barbara Fox of Microsoft, while visiting Visa, telephoned Taher Elgamal of Netscape, and asked if she would "drop by" to visit, but with no specific agenda.

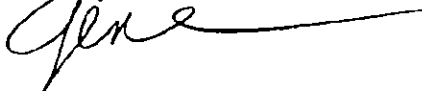
3. You asked me about SEPP. We discussed a presentation regarding SEPP at COMDEX next week in Las Vegas. In my jet lag, I must confess I confused the words SEPP with another acronym we have been using internally. In any event, I now understand that it is our intention to present SEPP and host an open forum to respond to questions and comments, as we have been doing on our open electronic forum, SEPP-TALK, on the Internet.

ANSI has already initiated a working group, X9A10, to address this topic. We would be happy if ANSI were to be the integrating party to take SEPP and STT and bring them together. Both IBM and Netscape concur with this approach. ANSI has agreed to "fast track" this effort, given the market pressures.

What is essential for a single standard to occur is that efforts to implement STT and SEPP be put on hold. Both Visa and MasterCard, together with their technology partners, should submit the two competing documents to ANSI. We should lead the ANSI effort by sponsoring an open pilot of the evolved common standard at the earliest date possible.

I hope this letter clarifies at least our current understanding. I really hope we can work this out, because I do feel that it is important to have one industry standard.

Sincerely,



H. Eugene Lockhart  
President & Chief Executive Officer

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cc: Edward J. Hogan