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The Largest ISP and Getting Larger

JOHN SIDGMORE / President & CEO
UUNET Technologies

Bob Lucky: I'd like to start by introducing one of the most important people in the ISP world, John Sidgmore, president of UUNET and of WorldCom. John started out in GE Information Services. By a twisted little path, he got to UUNET in 1994 when they only had 40 employees. When he got there, nobody had heard of the Internet. Can you believe that? 1994 is only five years ago. Today they've definitely heard of the Internet and they've got 4,000 employees. A lot of companies calculate revenue per employee, but I'd like to calculate *bytes* per employee, because I think that would be a *startling* increase. I asked John if he had any interests or hobbies and he said he plays the guitar, although *not* as well as the guy last night. John, it's all yours. *[Applause]*

John Sidgmore: Good morning. As almost everyone has said in the last couple of days, these are exciting times for our industry. Thanks, partially, to George Conrades and his organization, I've been spending a lot of quality time with the lawyers and the regulators in the last few weeks. Let me tell you something. You have *not lived* until you've spent a few months with the Department of Justice. *[Laughter]* Thank god for Microsoft, because if it weren't for Bill Gates and Microsoft, we would be the number one target of Joel Klein.

I've been predicting the decline in the number of ISPs for four or five years, yet every year there are more than the year before, so it's not 100 percent clear that I'm qualified in that regard. But my guess is there are going to be quite a few ISPs four years from now.

There's a severe handicap speaking on day 3 here when you've already heard from an enormous number of very well informed and highly interesting speakers. I've got to tell you right now, I have *not* had enough caffeine this morning to keep up with Joe Nacchio. *[Laughter]*

I am, however, going to give you a taste of WorldCom's thinking on several key issues as well as give you an idea of how fast we're trying to move through this new industry and through all of these issues. I'm only going to touch on WorldCom and UUNET as examples of what's going on in

the industry, and I'll try to keep the advertising to an absolute minimum. But my UUNET hormones raise up occasionally, and you'll just have to forgive me.

After telling you I wasn't going to talk much about WorldCom, I thought I'd put my comments in context by giving you a one-minute overview of what WorldCom is. The new WorldCom, before MCI, was the combination of three companies—MFS, WorldCom, and UUNET—that came together in early '96. At that time, MFS was the largest provider of local access services in the United States (excluding the RBOCs and GTE), WorldCom was the fourth largest long-distance provider in the United States, and UUNET Technologies was the world's largest Internet Service provider. All together, they brought in just about \$10 billion in revenue.

An overall growth rate of 35 percent per year doesn't sound like much relative to Internet growth, but relative to traditional telecommunications companies, that's *huge*. We grow at more than double the rate of traditional telecommunications companies because we have a richer mix of revenue streams—a higher proportion of Internet revenues to the total, and a higher proportion of international revenues to the total. For the last few years, we have made a *major* strategic effort to build Internet revenues as a percentage of the total. Because the Internet grows at a much

faster rate, the more Internet revenue we add, the more our overall growth rate goes up. Our overall growth rate provides WorldCom's sex appeal and drives our stock price, so it's central to the way we think.

Whether you look at subscriber growth, hosts connected, networks connected, revenue, or whatever, every Internet chart is going to look pretty much the same—a steep slope up and to the right. You'll notice spectacular growth by any measure and you'll notice the growth accelerated dramatically in 1994 with the unveiling of the World Wide Web. This is an extremely young industry with a long, long way to go.

We used to look at the PC industry with its extraordinary explosion of new technology as being analogous to the Internet, but for a while now, we've looked at it in a much different way. We couldn't find any industry, including the PC industry, that has had the kind of growth in infrastructure we're seeing with the Internet. Moore's Law has been very consistent for a long period of time and it says that a computer's performance relative to its cost will double every 18 months. But if you use

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Internet bandwidth demand, bandwidth growth, capacity growth for an Internet analog, you'll find that bandwidth doesn't double every 18 months. It doubles every 100 days. It doesn't sound like much, but do the math—that's 1,000 percent per year. For the last three or four years, this growth has been extremely consistent at UUNET, year in and year out.

That means by the year 2000, half of all the bandwidth in the world will be Internet. Half will be everything else. In terms of bandwidth, the Internet industry has caught up to the hundred-year-old industry in just about six years. If you keep doing that math, and you assume growth stays the same (1,000 percent per year on the

Internet infrastructure, roughly 8 percent on the voice fabric), by the year 2003 the Internet will be more than 90 percent of all the bandwidth in the world.

There are now about 5,000 ISPs in North America. How many will there be by the beginning of 2001 (in 2.5 years)?

- 4% 1. Fewer than 10
- 8% 2. Fewer than 100
- 34% 3. Fewer than 1,000
- 27% 4. Fewer than 5,000
- 6% 5. More than 5,000
- 2% 6. More than 6,000
- 4% 7. More than 7,000
- 7% 8. More than 8,000
- 0% 9. More than 9,000
- 8% 10. More than 10,000

If you take that out just one more year, to the year 2004, you'll find the Internet will be more than 99 percent of all the bandwidth in the world. Now, it won't be 99 percent of the revenue. Today voice is more than 90 percent of the revenue, but when Internet becomes more than 99 percent of the bandwidth that equation is going to change dramatically. In a lot of ways, "When is voice going to be pulled onto the IP infrastructure?" is the wrong question. We won't even know voice is in there. At the end of the day, voice will be a niche market from an infrastructure point of view. And this has enormous, enormous implications.

You're probably thinking, "John, that's really neat, but that's all going to change because you've got the beauty of small numbers when a new market starts up and eventually the market is going to mature and slow down." Every industry in history has eventually slowed down. But if you look over the next few years, you could make the preposterous argument, which we at WorldCom make regularly, that it's not going to slow down, and it's possible that it could speed up. We believe that the growth of the Internet

infrastructure over the last couple of years has been driven *solely* by the addition of new subscribers. Everything we've heard about audio, video, and that rich mix of new services coming onto the Internet is yet to come. With multimedia services added to the mix, you could make the case that the Internet is not going to slow down in the next few years. It may not speed up, but it's going to be a robust growth situation.

This is why WorldCom has aggressively built out infrastructure to support this growth and will continue to keep building. From an infrastructure provider's point of view, the Internet's incredible growth is the greatest single change in the history of communications. The Internet changes everything, not just the infrastructure. Demand is growing so fast because there *is* a dramatic change in cost structure with this new technology. More importantly, for the first time in history this technology and this fabric give businesses the potential to ubiquitously access all their customers, all their employees and all their suppliers in a reasonably low-cost way.

The Internet has completely changed the world. It's leveled the playing field. It's made it possible for small companies to put together national advertising programs for the first time in history. It allows new business models to develop, and it allows little companies like Amazon.com to come on very quickly, and *change* the way books are bought. The depth of this change is enormous. Amazon.com comes on and the bookstore is never closed. You can look for books all night. If you're like me, you can spend money on them all night. Unfortunately. *[Laughter]* This is a very, very pervasive change, and it's not going away.

The technology and the capability behind the Internet are going to continue to improve faster than any other alternative, because this is where the innovation and capital are going. And it's also where the best and brightest engineers want to be. They want to create the next Netscape or Yahoo! or UUNET, or whatever. This pervasive change is not going away.

From the communication industry's point of view, we're seeing the biggest change in history here. This is why we're seeing new aggressive players like WorldCom,

Qwest, Level 3, and Williams. We're seeing new, very aggressive blood coming in and moving very quickly. There are two fundamental reasons for this.

The first reason is that after 100 years, deregulation suddenly makes it possible for people to compete in these markets. The second is that you've also got this new technology wave called the Internet that's changed everything we know about communications. Over the next couple of years, we're going to see a great wave of continued deregulation. There will be static as the current monopoly providers resist the change, but this is a *wave*. Governments around the world will force deregulation to happen over the next two or three years. Because of that, we are going to see enormous changes in the technology, in the kinds of products and services businesses are able to buy, and in the cost structure.

If you think about this market from the point of view of structure, you'll see how *different* it is from the traditional telecom market. We've had limited competition for many, many, many years in the telephone industry and we've had 5 to 10 percent growth—a very static environment. With the Internet we've got a free-for-all competitive environment. We've got over 100 percent per year growth on the revenue line and 1,000 percent per year growth on the infrastructure line. This is a completely new battleground, and it's attracted a lot of well-capitalized new-age communications companies with new ideas. In a world where agility may count more than anything else, new players actually can come in and make a difference in a short period of time. I'll bet that four or five years ago, very few people in this room had ever heard of WorldCom or MFS, and that *nobody* had heard of UUNET. We've gained a lot of notoriety in a very short period of time. These things can change very quickly, and I think we're going to see this continue

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The traditional telcos are moving quickly as well. Roughly 50 percent of international minutes that are currently counted as voice aren't really voice at all—they're fax. That fact forced the traditional telcom people to consider that this Internet thing was not some new niche market they could ignore. They realized if you could find a way to fax over the Internet, which is going to happen very, very soon, their core business was at risk (hundreds of bil-

lions of dollars). That cascades into other pieces, because if you can fax, you can do voice messaging and voice mail. You can do an awful lot of the voice growth segments on the Internet or with Internet technologies. This scared the hell out of the traditional telephone companies, and I would argue that's why they've been so active in acquiring and partnering with ISPs in the last year or two.

For the first time, the communications industry is completely up for grabs.

That's why everyone's talk-

ing about "convergence," which is a buzz word I hate. But they're talking about it because the communications world is up for grabs for the first time ever. And it's tremendously exciting.

As you can tell, I'm pretty excited about the Internet and the possibilities the Internet has brought to the industry. I'm probably the most aggressive person on earth with regard to the potential here. But I am probably a little less far out in terms of my view of how fast the traditional circuit switch network goes away.

As I said, voice growth segments are certainly going to come. A lot of application-based voice will be done over the Internet. You'll be on a customer service site, and want

to talk to somebody, and you'll just push a button. It will be so convenient that even if it's not perfect, you'll do it. Applications like that are going to come in waves. Services like fax messaging and voice mail will come, and there may be a market for low-quality, very low cost Internet voice service that we haven't tapped yet. We've seen time and again that people are willing to accept lower quality for better access—we saw that in the cellular industry. If the parent of a college student could choose to pay \$47 a month to talk to their son or daughter with perfect quality, or to hear a little static for \$3 month, I bet most of them would choose the cheaper, lower-quality option.

What happens with mainstream voice? How fast does it move, and how fast does it have to move? The question isn't whether or not we can do it. We know we can do it. We can fix the majority of the quality problems with new technology or with additional cost structure, overhead, and administration, but is it worth it? Ten years from now there's no question, but over the next few years, is it really worth the expense? We know prices for traditional circuit switching are going to go down with deregulation and additional competition. I think they're going to drop like rocks on the high-cost segments like international. When that happens, is the Internet cost advantage going to erode sufficiently to make you question whether it's worth the additional effort right now? No one knows, but it's certainly a question we need to ask. Will there be additional regulatory pressures? What happens to universal service when you take mainstream voice traffic off the PSTN? I predict that the circuit switched voice fabric will be with us for a lot longer than most people think.

We're betting that international Internet growth will exceed U.S. growth over the next few years. Growth outside the United States has been held back for two reasons. The first reason is that until now, prices outside the U.S. have been too high to enable huge growth. In some countries in Europe, the price for T1 is 10 times what it costs here—that is a major growth inhibitor. If you do the plotting, you'll find a linear relationship between countries that have significant price reductions and the growth of the Internet in those countries. This year, all the major

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cities in Europe are open for competition for the first time.

The second reason, of course, is that content, traditionally, has been mostly in the United States. Even though there's been a huge growth of content in Europe, the growth of content in the United States still exceeds it, so as a percentage of the total, it's a problem. It's a problem because it means when you're online in Europe and you click on a Web site, that click is probably sending a transaction across the Atlantic and back, and that is extraordinarily expensive. As local content builds in Europe, and as new technologies like caching increase, and as we move more of the content to Europe, we're going to see a huge explosion in international growth.

At WorldCom, we think this Internet technology and this new industry is going to be an explosive, dominant force in our industry over the next 10 years. We think the Internet winner will be the winner in the communications industry, period. Ten years from now the people at the top of the pile will not be the people we see today.

We've had a lot of notoriety because of our acquisitions, but that's not our only growth. This last year we deployed over \$3 billion worth of capital building new facilities to support this coming demand from the Internet. In 1998, we're going to deploy almost \$4 billion. We deploy, as a percentage of revenue, more capital than any other large telco, and we're going to continue to do so. Last year we *tripled* the amount of our local access facilities in the United States and Europe. After ten years in business as MFS, in one single year we tripled the amount of our capacity. We more than doubled our long-distance capacity in the United States and we increased our Internet capacity by more than 1,000 percent last year. We're also deploying new technology as rapidly as we can. We're among the most aggressive, if not the most aggressive in the deployment of new dense wave division multiplexing technology, which is the most significant capacity-enhancing technology of the last ten years.

We built an undersea cable in the North Atlantic that just went into service. Capacity on that single undersea cable is roughly equal to all of the capacity on all of the undersea cables that have ever been laid before. That's significant. WorldCom is betting hundreds of millions of

dollars on each segment of this. We're deploying a high-capacity intercity long-distance network in Europe—the first intercity long-distance network in the history of Europe. This is going to have a major impact.

We're doing a lot of things on a lot of fronts because we're betting the ranch that the Internet technology is going to be the winner. We're also making acquisitions. Our acquisition of America Online and CompuServe roughly doubled our Internet-related business overnight. One of our strategic goals was to increase the richness of the mix of our revenue stream by getting more Internet revenue, and this accomplished that in a big way. Our Internet revenue stream is a little less than 25 percent of our total revenue. That may not seem like much, but it's huge compared other telecommunications companies.

Twenty to twenty-five percent of our revenue is Internet, but more significantly, Internet represents 50 percent of our growth. If you do the math, you'll understand it's not going to take long for the Internet to be a substantial piece of our revenue stream.

The merger with MCI had nothing whatsoever to do with the Internet. It was intended to dramatically increase our regional capacity. We think reach and capacity are going to be in short supply for a long time. When you're scaling at 1,000 percent per year on your Internet backbone, you understand capacity is hugely important going forward. Merging with MCI doubled our local network capacity as well as our long-distance network in one fell swoop, and, from the standpoint of the number of fiber system route miles in our network, it puts us on roughly equal footing with AT&T. It's all about moving faster and building capability and capacity during this time of incredible opportunity.

I want to talk about this demand issue again, because I think it's *really* not very well understood. Some people are saying there might be a bandwidth glut on its way.

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They say bandwidth is going to be in huge supply over time because we've got new entrants like Qwest, WorldCom, Level 3, and Williams building new fiber routes. They say we've got much better fiber coming on with different optical characteristics, and we've got new technology coming in across the spectrum of the fabric, and so we may have a glut. But if you buy my argument, you have to buy this. Everyone is missing the demand side of the equation. If you're growing your demand for infrastructure at 1,000 percent per year, you have to deploy ten times as much capacity every year in new fiber or in new DWDM capacity just to stay even. Not 10x over a year. 10x every year.

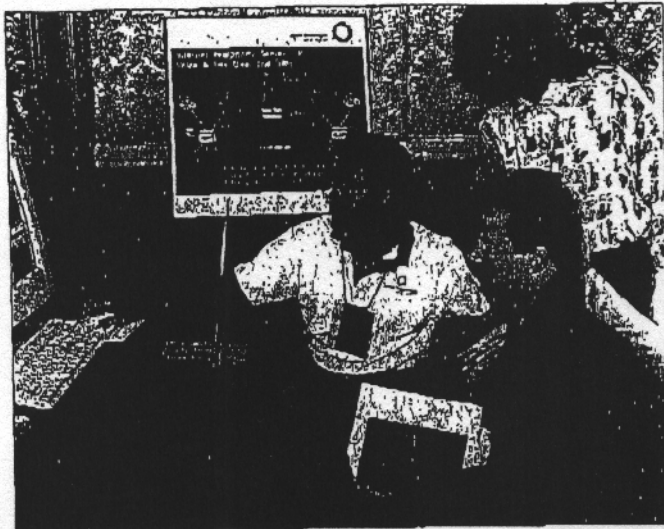
We're going to see continued phenomenal growth in demand from new subscribers and new applications.

We're going to see a *huge* onslaught of traditional corporate applications coming on to the public Internet, or IP-based VPNs for the first time. We're going to see lots of new applications surrounding voice, audio, video, multicasting, and so forth.

Computer-to-computer applications may be the biggest driver of all—what we call silicon cockroaches. Silicon cockroaches will have a different kind of impact on the demand curve than we've ever seen before. These computer-to-

computer applications can grow like crazy. Moore's Law makes them grow fast. These cockroaches, like regular cockroaches, grow in ways you don't really understand. Live, active computer-to-computer communication is very different from traditional communications. Completely different. It uses a lot more bandwidth in a much more bursty way. And the requirements grow much faster. If you compare short bursty flows of huge amounts of data to

traditional voice communications where you've got a slow, very predictable path of traffic going both ways, it's a whole different game. This an extremely difficult thing for telecommunications companies to come to grips with, and it's very difficult to predict and forecast your capacity demands going forward.



I don't understand, this password always works for the Federal Reserve.

Think about the kinds of computers we have today in the silicon cockroach lineup. We've got fax machines, cell phones, PCs with modems, Internet backbones, Web phones, digital daytimers, PDAs, and lots of new devices coming on. Over the next couple of years, these devices are going to grow not only in number, but also in type. I would argue that they're also going to be increasingly mobile. Some seers claim the average person will have five IP objects on their bodies—you can easily imagine a cell phone, pager, PDA, and an Internet watch. There's a company in Virginia called Zynot that just did a deal with Sony to create a new piece of hardware to make your glasses intelligent and online all the time. It sounds bizarre, but things like this are on the way. Even if you had one or two IP objects on your body, it's *significantly*

different. Forget about just the bandwidth. This is a level of complexity people have never seen before.

As you surf the Web today, you do it manually. You go from site to site. If you were shopping for a product, you'd be online for a while looking at various Web sites, but with intelligent agents, you could tell the agent to go out and look at every Web site on earth that talks about cars. You could specify all the things you're looking for and when you get home from work, the agent could give you a report. Think about the amount of bandwidth that that kind of thing can devour.

We have this huge amount of demand coming on one hand, but we have this huge expectation problem on the other hand. The world believes Internet access should be flat out cheap—\$20 a month for all you can eat. The belief is that's the price for Internet access, and when we add broadband to that, it will be included in that price. The theory goes if we could just get the RBOCs and GTE and WorldCom and the others to deploy DSL or cable modems or whatever, all of this would naturally follow. The world believes it's cheap. Bill Gates runs around saying bandwidth should be free. We think *software* should be free. [Laughter]

But Internet access is not cheap. Local access is not the expensive part. I believe the telephone industry will robustly deploy DSL this year and next year. And I *do* think we can provide relatively cheap local access to the Internet. In Denver, we can provide access to Denver content for \$30 or \$40 a month with broadband. But we're not going to deploy broadband access that is capable of communicating full time, 24 hours a day between Denver and Frankfurt at 1.5 megabits for \$20 a month. It's just not going to happen. It's not the way the math works. So, what does that mean? That means that for the Internet to continue to scale, one of a number of things has to happen. Most importantly, the content has to get distributed much more widely, much more broadly, until it essentially becomes local. Because, again, I think we can do local access.

If you could distribute the content so well that it was mostly local, the math would start to work again. That's why caching technology is so critical. I own no stock in a caching company, but that technology, or some

technology like it, is going to be critical to the growth of the Internet on a long-term basis. The advanced physics to cache that much data from such a vast array of sources isn't totally clear yet, but I think it is going to work.

There is another option which is much less popular, and very complicated. We could provide local access for \$20 a month, and you charge additional for long-distance access—kind of like a premium channel in cable. It's possible that new models like this could develop over time. What saves us is what's always saved us: new technology, new thinking, and new innovation. I have great confidence this is going to happen. This is where all the financial capital is going and it's where all the intellectual capital is going.

It's going to take a fundamental rethinking of the technology to make these networks go dramatically faster with lower costs. Despite what many imply today, a big reason for IP's cost advantage is simply regulatory. And it's because of the way we deploy IP networks today: We first build a traditional telephone network, then on top of that we layer an Internet network. In the future, if we're going to dramatically change that cost curve, and take advantage of some of the inherent strengths of IP, we're going to have to holistically rethink this model, and build a different kind of network that has much less expensive transmission equipment and transmission electronics. Technology designed with a view toward transmission through this new infrastructure may allow us to run the fiber at a much darker level and get rid of all the SONET infrastructure we see there today.

The networks of the future will have an optical core and the outer layer will be IP, but the middle layer is blurred. That is going to be the great battleground over the next few years. You're going to see traditional telco

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manufacturers, as you heard yesterday, get upstream into the Internet and you're going to see the traditional Internet guys go downstream.

In the next few years, we're going to see an explosion of new technology change everything. We'll see better fiber, a better DWDM, optical switches, and cross connects for the first time. We'll see all of this because the investments are going to make this new technology grow even faster. A new era of innovation is coming, a new era of new technology is going to start exploding, and there's no question in my mind that this revolution is not going to end. It's just the beginning. We've created an *extraordinary* experiment that's going to continue for the next few years. The Internet is the greatest explosion in technology ever and even if it doesn't take the mainstream voice traffic in the next few years, it's going to take the *dominant* share of the traffic. In 10 years, the winner on the Internet is going to be the winner in our industry.

Thanks for listening.

[Applause]

Lucky: You talked about the merger with MCI and WorldCom, and you said it would give you more reach, but why is this good for Internet users? It sounds good for you, but why is it good for us?

Sidgmore: Well, it *is* great for us, which I think is important. We looked at this merger from several perspectives. We looked at it strategically in terms of expanding telecommunications infrastructure network, but it also creates \$20 billion of financial synergies. This will make us a more effective competitor in the local loop, and in the long-distance fabric, because we redeploy every dollar we have into new facilities. We think WorldCom is the first competitor in history that can actually compete on its own with local RBOCs, with GTE, with PTTs in Europe, and in the local loop. Look at every single market in Europe. There is no one other than WorldCom that has facilities in multiple countries. We're the *only* facilities-based carrier. And so we would argue the more facilities we get, the more prices go down. More new services are going to be

added, because a lot more bandwidth is going to be there for the world. This merger is not only good for America, but it's good for the world.

Lucky: I've heard from you and other UUNET people that you get this factor of ten growth annually, but other people say traffic is growing by a factor of three, annually. Are you growing faster than the other people, or are they wrong, or what's going on here?

Sidgmore: We are growing faster than some other people. We had the highest growth rate among the large players. We don't see all the data, but I would still argue that we are probably growing our infrastructure faster than anybody. A lot of the other ISPs don't have their own infrastructure (they buy infrastructure from others like UUNET), but we're infrastructure based from beginning to end. We have seen a very consistent 1,000 percent per year growth of our infrastructure. Part of the growth, by the way, is a matter of our philosophy. We're in the business market. And in the business market, you can't get away with constraining capacity. You have to have significant capacity. So we don't load our network to 100 percent. We load it to under 50 percent, and that may have something to do with the difference in the numbers.

Dave Schmidt: Dave Schmidt, Management Science. You said you were competing effectively with the Europeans. I'd like to hear your position on Deutsche Telecom.

Sidgmore: We have interconnect agreements with most of the major PTTs in Europe. Deutsche Telecom is a *very* significant competitor, but we are the No. 2 player in Germany, and so even though Deutsche Telecom is *very*, *very* effective in their marketplace, we have been able to grow at a *very*, *very* fast rate in Europe. Our growth rate in Europe in the telecommunications world, where DT is competing with us, is more than three times our growth rate here in the United States. Our philosophy in Europe has been the same as our philosophy here: Build fundamental underlying fiber-based facilities, put switches in, and build a core telecommunications network. Where we have those

access facilities, we have competed extraordinarily well. Deutsche Telecom is a major, *very* strong player, and I doubt we will take them over any time soon. They're going to be a major player, but WorldCom will be as well.

Rod Randall: Rod Randall from Stratus. You mentioned that some of the applications that will move onto the Internet include those old, boring applications like corporate data networks, some of them being mission-critical applications. The telephone network is built on a reliability model that involves a great deal of resilience, but the Internet is built on a growth model. Is it necessary to build telephone network-type reliability into the Internet infrastructure? And if so, what are you doing, or what is the technology doing to achieve that?

Sidgmore: I think there's going to be a bifurcation. You can get dramatically better quality by using IP technology with a virtual private network, and these so-called intranets are going to be a significant percentage of the growth. But even on the public Internet fabric, the quality, reliability, and security have increased dramatically over the last couple of years, and will continue to do so. I would argue that corporations will keep security-critical applications on private intranets, and that security and reliability aren't really as important as they think for the great majority of their applications. When we give CFOs the choice between public Internet access for *x* price with *y* reliability, or private Internet access for 3*x* price and just slightly better quality, you'd be surprised at how many CFOs suddenly forget about their issue with security and quality. *[Laughter]*

I don't want to pooh pooh the security issue, but it's been overplayed in my opinion. If George Conrades were sitting at my desk, what might he see? Most of the things on my desk are incomprehensible even to me. *[Laughter]* So why would I care? Other than pricing and customer information, why would I care? In most cases you'll find most of these applications are not security critical.

Lucky: I heard a great quote last week, that the market favors companies that don't spend money on security, and are lucky. *[Laughter]*

Kevin Bikeman: Kevin Bikeman from SRI Consulting. Could you comment on the impact of pay-per-minute local access on Internet growth outside of the United States?

Sidgmore: I don't know if metered local service is the issue. I think it's the price itself. Whether it's metered or not, local service in Europe is hugely, hugely expensive. But as of January of '98 competition is now allowed, for the first time, in all the major cities in the major countries of Europe. As WorldCom and others build competitive fabrics there and compete, the prices will go down whether they're metered or not.

Lucky: John, thank you very much. You did a great job. I really appreciate it.

Sidgmore: Thank you.

[Applause]