

**Consumer Federation of America  
U.S. PIRG  
Consumer Federation of California  
ConnPIRG  
Media Access Project  
MassPIRG  
Connecticut Citizen Action Group**

**CalPIRG  
Consumers Union  
Florida PIRG  
Massachusetts Consumers' Coalition  
Iowa PIRG  
Florida Consumer Action Network**

**NATION'S CONSUMER GROUPS:  
MICROSOFT-DOJ PROPOSAL NOT IN THE PUBLIC INTEREST,  
SHOULD BE REJECTED**

**For Immediate Release**  
*Friday, January 25, 2002*

*Contact:*  
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(Washington, D.C., Friday, Jan. 25, 2002)— In comments filed today at the Department of Justice, consumer groups from California, Connecticut, Florida, Iowa, and Massachusetts, joined by leading national consumer and civil rights groups, sharply criticized as “fundamentally flawed” the final judgment proposed by Microsoft and the Department of Justice, and urged the District Court to reject it.

The Department of Justice (DOJ) is required, under the federal Tunney Act, to seek comments from the public on the proposed settlement and provide these, with a DOJ response, to the court. Public comments submitted will assist Judge Colleen Kollar-Kotelly of the District Court for the District of Columbia to determine whether the Microsoft-DOJ proposal is in the public interest.

According to Mark Cooper, director of research of Consumer Federation of America, “The public interest is not served by this ‘win-lose’ proposal – Microsoft wins and consumers lose.” He added that, “the final judgment needs to stop Microsoft’s antitrust violations, deny the company the ‘fruits’ of its illegal conduct, and prevent further violations. What Microsoft and DOJ have proposed does none of the above.”

Accompanying the groups’ filing was a comprehensive 100-page analysis prepared by the Consumer Federation of America and Consumers Union, in which the groups detailed the proposal’s myriad shortcomings.

The analysis demonstrates that every provision of the proposed settlement has a loophole, or is ambiguously worded. As a result, the settlement:

- fails to create an environment in which independent software vendors and alternative platform developers are free to develop products that compete with Windows and with other Microsoft products;
- leaves computer manufacturers vulnerable to retaliation from Microsoft and undermines their incentive to install non-Microsoft products on new PCs; and

- continues to give Microsoft an immense advantage in presenting programs to consumers, which undermines the consumer's ability to choose between Microsoft and non-Microsoft products in an unbiased manner.

"CFA has estimated that consumers have already been overcharged between \$20 and \$30 billion as a result of Microsoft's monopoly abuses," Cooper noted, "and the problem will grow much worse under the Microsoft-DOJ proposal because its monopoly power will spread to the Internet."

According to Cooper, Judge Kollar-Kotelly has a strong and workable alternative already before her—that proposed by the state attorneys general continuing to prosecute the case. He concluded, "The District Court should not hastily adopt a supposed 'quick fix.' Instead, the Court should take the time necessary to impose an effective remedy to end the Microsoft monopolies once and for all."

This press release, formatted:

[http://www.consumerfed.org/Groups\\_tunney\\_comments\\_release\\_20020125.PDF](http://www.consumerfed.org/Groups_tunney_comments_release_20020125.PDF).

[Free Adobe Acrobat reader required to view. Reader available at <http://www.adobe.com/products/acrobat/readstep.html>.]

The groups' Tunney Act comments are available online at

[http://www.consumerfed.org/Groups\\_tunney\\_comments\\_20020125.PDF](http://www.consumerfed.org/Groups_tunney_comments_20020125.PDF).

The analysis is available online at:

[http://www.consumerfed.org/CFA\\_tunney\\_comments\\_20020125.PDF](http://www.consumerfed.org/CFA_tunney_comments_20020125.PDF)

Information on the groups signing the letter is available online:

- CalPIRG: [www.calpirg.org](http://www.calpirg.org)
- Connecticut Citizen Action Group: [www.ccag.net](http://www.ccag.net)
- ConnPIRG: [www.connpirg.org](http://www.connpirg.org)
- Consumer Federation of America: [www.consumerfed.org](http://www.consumerfed.org)
- Consumers Union: [www.consumersunion.org](http://www.consumersunion.org)
- Florida Consumer Action Network: [www.fcan.org](http://www.fcan.org)
- Florida PIRG: [www.floridapirg.org](http://www.floridapirg.org)
- Iowa PIRG: [www.iowapirg.org](http://www.iowapirg.org)
- Massachusetts Consumers' Coalition: <http://www.massconsumers.org/>
- MassPIRG: [www.masspirg.org](http://www.masspirg.org)
- Media Access Project: [www.mediaaccess.org](http://www.mediaaccess.org)
- U.S. PIRG: [www.pirg.org](http://www.pirg.org)