



DIGITAL EQUIPMENT CORPORATION

Russell A. Gullotti
Vice President

Merrimack, New Hampshire
03050-4303

November 9, 1993

Mr. William J. Nass
Director of Computer Services
4246 East Avenue
Rochester, NY 14610

Dear Mr. Nass:

Thank you for taking the time to communicate with us regarding our software licensing practice. Your feedback and input is vital to our understanding of the performance of our business practices and our people in meeting our customer's needs. I regret your perception of a lack of concern on Digital's behalf regarding your recent situation with software license paks. Let me assure you, Digital is very concerned that our business practices meet the needs and expectations of all of our customers.

I would like to address the two specific issues pointed out in your letter. I appreciate your offer to provide regular reporting on the use of our software as a condition for the grant of this software license. Our perspective was that setting an automatic expiration to the software license was an approach that would eliminate the requirement of a reporting burden on our customers while continuing to provide Digital with the protection of our intellectual property. Please understand, our practice was not implemented due to a lack of trust. Digital expects that all of our customers will honor their licensing agreements.

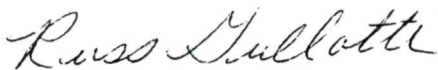
Your alternative suggestion in this regard, to have the system communicate notification of impending license expiration to the system manager, has been well received by our product management organization. They will be reviewing this approach for future releases of this program. I am asking Kathy Landers to keep you informed of our progress.

Regarding your second point, it is Digital's intent to implement programs which provide a first rate level of service and support to meet the business needs as defined by our customers. We have no provision for the implementation of a level of support or service which is below that expected by our customer. Your experience regarding our inability to quickly meet your critical need is one which concerns me. This situation will be remedied by continued emphasis, throughout the Digital organization, of our commitment to provide top quality, a consistent level of support to all of our customers.

Please feel free to give me a call if you are not satisfied with this response Mr. Nass. I also invite you to call or write any time you believe we are not doing all that we can to have you remain as a satisfied, loyal Digital customer.

Thank you for writing.

Sincerely,



Russ Gullotti
Vice President, U.S. Area

CC:

Stephen C. LaSalle, V.P. for Finance, Nazareth College
Ellen Minter, Digital Equipment Corporation
Betsy Carroll, Digital Equipment Corporation
Kathy Landers, Digital Equipment Corporation
Mary Piehler, Digital Equipment Corporation
Bob Schmitt, Digital Equipment Corporation



October 13, 1993

Russell Gullotti
Vice President for Customer Service
Digital Equipment Corporation
Digital Drive
Merrimack, NH 03054

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Dear Mr. Gullotti:

I have experienced recently some difficulties with the policies and procedures of the CSLG program, and I am writing to you to express my concern for how those difficulties reflect a lack of concern for the needs and reasonable expectations of customers.

On September 16, 1993, all of our systems, both administrative and academic, became functionally inoperative due to the expiration of CSLG program software. For the Ultrix systems, the immediate support from DEC was good, and the systems were running in about 2 hours. The VMS support people were helpful in identifying the problem and were friendly and sympathetic, but stated that they could not do much without reissued "CSLG Pak" keys (the same keys that were no major problem for the Ultrix support group). The VMS system was running 12 days later (although some of this delay was due to the limited way in which the Vax is used at Nazareth). This inconsistency between the Ultrix and VMS groups is not one of the major problems that I feel need to be addressed, but I would hope that someone would relay to the VMS group the details of handling CSLG expirations more effectively. I would like to repeat that in spite of the delays in this situation, the VMS group is good to work with.

CSLG Pak renewals are normally shipped by DEC well in advance of the software expiration. The reason that these CSLG software products expired was related to an internal delivery problem at Nazareth College. As best we can determine, the package was delivered to Nazareth but not to the Computer Services department. I can address that issue internally and accept responsibility for that situation.

There are two specific issues that I believe Digital management needs to give serious attention to:

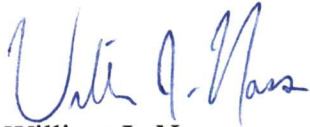
First, the expiration of software under the CSLG program is completely uncalled for. If we pay full fees for the software, we are trusted to honor agreements regarding the legal use of that software, but when it is granted to us by Digital, we are no longer trusted to honor the terms and conditions of that grant. I would be more than happy to report regularly to Digital on the use of the software as a condition to continuing to use it legally. The automatic expiration of software under this program implies an insulting lack of trust of a specific customer group. If Digital feels that it is absolutely essential to continue this expiration policy, at a very minimum there should be messages repeatedly sent by the system to the system manager well in advance of software failure.

Second, despite our history of using DEC products for 15 years or more and the significant amounts of money we pay monthly for hardware and software support, the only permanent resolution to the problem of the expired licenses was completely renewing the CSLG contract

(as it happens, under the new and costly terms). I consider this to be a very petty and unprofessional approach. With the large number of institutions that receive CSLG Paks from Digital annually, it is inevitable that several of these Paks will get lost or misplaced every year. Digital should certainly be able to quickly provide replacement Paks as a cost of doing business. I was told several times during the phone conversation on this issue that the CSLG program was a "free" program and that the level of support should not be expected to be the same. This "be-happy-with-what-you-get" attitude shows a serious lack of concern for the customer that may be installing this software in a critical need area. Digital instituted the CSLG program for educational institutions for the same reasons that Apple Computer began supplying high volume at low cost to schools - "get them using it while young and they will buy it when they get older". In the long term, Digital stands to gain as much from this partnership as the educational institutions do. Apple's success was primarily a result of the excellent support that they integrated with the programs. To support such programs at a "third rate" level will inevitably cause short term dissatisfaction with the program and will undermine the partnership in the long term.

I hope that, based on these comments that I have made, there can be some positive changes made to the CSLG program and its successor.

Sincerely,



William J. Nass
Director of Computer Services

cc: Stephen C. LaSalle, Vice President for Finance, Nazareth College
Ellen Minter, Marketing Operations Manager, Digital Equipment Corporation
Betsy Carroll, Marketing Manager, Digital Equipment Corporation
Kathy Landers, Account Representative, Digital Equipment Corporation
Mary Piehler, Sales Manager, Digital Equipment Corporation