From: Kurt Kolb
Sent: Thu, 9/25/1997 4:52 PM
To: Pascal Martin's Direct Reports
Cc: Bengt Akerlind
Subject: FW: NETPCs and OS licensing

In your staff meeting you mentioned that OEM's seemed to be confused about this, potentially as a result of Intel's agressive selling of Landesk Configuration Manager. I would greatly appreciate clarification/proof as to whether Intel is:

· telling OEMs that PCs don't need to ship w/ an OS.
· LCM is req'd as part of the netpc
· pre-install should not be req'd
· etc.

Need any input before end of next week 10/2.
Thanks,
Kurt

-----Original Message-----
From: **Kurt Kolb**
Sent: Thursday, September 25, 1997 9:01 AM
To: Domestic OEM Sales; International OEM Sales
Subject: FW: NETPCs and OS licensing

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SUMMARY
With this week's Net PC announcements from our major OEMs I would like to clarify our OS licensing policy for Net PCs as well as our position on third-party utilities that allow for remote pre-boot OS install over a network:

DETAILS
The Net PC design guideline requires the Net PC to have the capability of performing remote pre-boot installs of the operating system over the network. (A remote pre-boot install allows a naked PC without an OS to boot and connect to a server on the network, which then configures and loads an OS onto the local hard drive.)

MS OS Policy: A Net PC includes an OS License and a pre-installed OS.

Some OEMs have asked whether the Net PC's remote pre-boot install capability offers an excuse to ship naked Net PCs to the end customer, leaving the OS purchase and installation to the end customer. Under <u>no</u> circumstances do we support the delivery of naked operating system machines to customers. While OEMs are free to build and ship naked systems we need to remind them that Full OS licensing is available only through our OEM channel - it is <u>not available</u> through Select of MOLP. Any OEM that ships a naked Net PC is performing a disservice to their customers by forcing them to buy full-packaged product at retail at full retail prices.

Microsoft's OEM license agreements also require the operating system to be pre-installed on the hard drive, and the Net PC's remote pre-install capability does

not change this policy. The Net PC is designed to run whether or not the network is working or not - and to meet this design criteria the OS must be pre-installed. Additionally, there is not universal support for remote pre-install and the only way for MS to guarantee a workable and well-tested end customer experience with our OS is to continue to require configuration, and pre-installation by the oem.

Microsoft does not currently provide native support in Windows NT 4.0 to support pre-boot installs, but will provide native support for pre-boot installs in Windows NT 5.0. There are third-party solutions from vendors such as Intel, LanWorks and IBM today, with Intel's LANDesk Configuration Manager (LCM) currently the most popular choice. These products are not required as part of the Net PC specification, and we do not support any of these products as a vehicle to distribute software on naked machines. We do view these products as viable disaster recovery (and upgrade) utilities only.

Finally, it's important that if any of your customers are receiving conflicting information from any of these vendors mentioned above that you email me imediately.

QUESTIONS?
Email Kurt Kolb (mailto:kurtk). For additional information and news, see the Net PC page on the OEMSALES internal website: http://oemsales/docs/netpcframe.htm

Thank you,
Kurt