
**IBM System z9
January 2007**

**System z New Application License Charge (zNALC),
z/VSE Version 4 Release 1, and
System z Midrange Workload License Charge (MWLC)**

Frequently Asked Questions

Worldwide



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Announcement Overview

Question:

What is being announced?

Answer:

On January 9th, 2007, IBM announced:

1. IBM System z™ New Application License Charges (zNALC) for z/OS®,
2. z/VSE™ Version 4 Release 1,
3. Midrange Workload License Charge (MWLC) for z/VSE

zNALC offers a reduced price for z/OS operating system on LPARs where you are running ‘new workloads’ such as WebSphere® Application Server, Domino®, SAP, PeopleSoft, and Siebel. The zNALC offering continues the IBM commitment to sub-capacity pricing, allowing customers with new workload to obtain a reduced price for z/OS based on the size of the LPAR(s) executing new workload (assuming all applicable terms and conditions are met). zNALC is the IBM strategic pricing metric for new workloads, replacing both the z/OS.e operating system and the NALC pricing metric.

IBM intends to replace both the z/OS.e operating system and the NALC pricing metric with the zNALC pricing metric, which is available on both IBM System z high-end and midrange systems. If you are considering z/OS.e or NALC, evaluate zNALC instead (all statements regarding IBM future direction and intent are subject to change or withdrawal without notice, and represents goals and objectives only).

z/VSE Version 4 Release 1 (z/VSE V4.1) is designed to help protect and leverage customer investments in VSE information assets. It supports:

- IBM System z9 Enterprise Class (z9 EC), System z9 Business Class (z9 BC), IBM eServer™ zSeries® 990, 890, 900, and 800 servers
- Crypto Express2 adapter and CP Assist for Cryptographic Function (CPACF)
- OSA-Express2 and FICON® Express4 adapters
- Systems Managed Encryption with an IBM System Storage™ TS1120
- IBM System Storage DS8000 and DS6000 (both as ECKD™ and FCP-attached SCSI disks)

z/VSE V4 executes in z/Architecture™ mode only and supports 64-bit real addressing for selected system functions. z/VSE V4.1 is designed to exploit up to 8 GB of processor storage. In addition, z/VSE V4 offers new MWLC pricing metrics and a sub-capacity option for IBM System z9 EC and z9 BC servers.

Midrange Workload License Charges (MWLC) is a new pricing metric that can offer improved price/performance for z/VSE V4 customers. MWLC applies to the z/VSE V4 operating system and 12 key VSE middleware programs when running on IBM System z9 EC and z9 BC servers. If you are migrating to MWLC from Graduated Monthly License Charges (GMLC), Growth Opportunity License Charge (GOLC), zSeries Entry License Charges™ (zELC), or Tiered Entry Workload License Charges (TWLC) IBM expects you to experience improved price/performance based on MWLC price points. You may gain additional price/performance improvements by implementing sub-capacity MWLC.

System z New Application License Charge (zNALC)

Question:

What is System z New Application License Charge (zNALC)?

Answer:

zNALC offers a reduced price for z/OS operating system on LPARs where you are running 'new workloads' such as WebSphere Application Server, Domino, SAP, PeopleSoft, and Siebel. The zNALC offering continues the IBM commitment to sub-capacity pricing, allowing customers with new workload to obtain a reduced price for z/OS based on the size of the LPAR(s) executing new workload (assuming all applicable terms and conditions are met). zNALC is the IBM strategic pricing metric for new workloads, replacing both the z/OS.e operating system and the NALC pricing metric.

zNALC is a monthly license charge price metric for z/OS.

zNALC is available on IBM z/Architecture servers running z/OS.

zNALC applies to the z/OS base feature and z/OS priced features with the exception of HCM and HLASM Toolkit.

zNALC is available for z/OS on any LPARs dedicated to qualified new workload applications. zNALC may be implemented in either full-capacity or sub-capacity mode.

Question:

Why announce zNALC?

Answer:

Currently IBM has two reduced z/OS priced offers – z/OS with NALC and z/OS.e. Both of these offers provide reduced pricing for z/OS in support of new workloads running on z/OS. But, both offers have different structures and terms and conditions. Though z/OS zNALC provides similar pricing to the current NALC and z/OS.e offers, it also provides several benefits over these current new workload pricing offers.

New zNALC will be available on all z/Architecture servers (z800, z900, z890, z990, z9 BC, z9 EC). Currently, NALC is available on the S/390® 9672, z900, z990, and z9 EC servers while z/OS.e is available on z800, z890, and z9 BC only. By being available on the full line of System z servers, zNALC can provide a single, consistent pricing model which can help simplify the planning of server investment and application deployment.

New zNALC provides increased flexibility and granularity in deploying new workload applications on System z. Current NALC is available based on the full capacity of the machine. And though z/OS.e supports subcapacity, it is a separately orderable product with specific technical and contractual restrictions. zNALC provides subcapacity without the complexities of z/OS.e.

zNALC establishes criteria to determine which applications qualify as 'new workload' applications. In general, qualified applications are those that IBM considers 'new workload', such as Java language business applications running under WebSphere Application Server, Domino, SAP, PeopleSoft, or Siebel. NALC is applicable only to select qualifying workloads

listed in its terms and conditions. z/OS.e has a collection of technical fencing and terms and conditions to define its qualifying workloads. With a broader description of qualifying new workloads, zNALC may be applicable to more of the applications you use.

Question:

When is zNALC available, is it available worldwide?

Answer:

zNALC is available world wide.

Key ordering and billing dates are as follows:

Full-Capacity z/OS with zNALC licenses may be ordered and installed starting on March 16, 2007. The billing effective date for the new license will occur on the first day of the month after the license is ordered. The earliest possible billing effective date for Full-Capacity z/OS with zNALC charges is April 1, 2007.

Sub-Capacity z/OS with zNALC licenses cannot be ordered or installed until customers submit an initial Sub-Capacity Report containing z/OS zNALC MSUs. In order to report on z/OS zNALC MSUs, a new version of SCRT is required. IBM expects this new version of SCRT to become generally available on April 10, 2007. The earliest a customer may collect z/OS zNALC SMF data is April 2, 2007. Assuming the new version of SCRT is available April 10, 2007, the customer may generate their first Sub-Capacity Report containing z/OS zNALC MSUs on May 2, 2007; and they may submit this initial z/OS with zNALC Sub-Capacity Report between May 2nd and May 9th, 2007. The April Sub-Capacity Report submitted to IBM in early May would have a billing effective date of June 1, 2007. Therefore, the earliest possible billing effective date for Sub-Capacity z/OS zNALC is June 1, 2007.

Question:

Who would be interested in zNALC?

Answer:

Customers looking to add 'new workload' applications (qualifying applications) to System z as well as existing NALC customers and z/OS.e customers will be interested in zNALC.

Question:

What is different between new zNALC and the current NALC pricing offers?

Answer:

Both zNALC and NALC offer a reduced price for z/OS operating system where you are running 'new workloads' such as WebSphere Application Server, Domino, SAP, PeopleSoft, and Siebel.

zNALC differs from NALC pricing structure in the following ways:

1. NALC (New Application License Charge) is available on the S/390 9672, the eServer zSeries 900 and 990, and the System z9 EC servers only. zNALC will be available on all IBM z/Architecture Servers (z800, z900, z890, z990, z9 BC, z9 EC).
2. NALC supported select qualifying new workloads – specific applications listed in its Terms and Conditions. zNALC is expected to support a wider range of 'new workload' applications.

3. NALC pricing is constant. zNALC will exhibit a moderate price curve – with lower cost of incremental growth of zNALC MSUs above 45 MSUs.
 4. NALC was announced for qualifying workloads only on the full capacity of the machines. zNALC supports new workloads in sub-capacity LPARs.
 5. NALC uses older, manual audit process while zNALC uses SCRT.
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Question:

What is the difference between new zNALC and the z/OS.e priced offers?

Answer:

zNALC and z/OS.e have the following differences:

- 1) z/OS.e is a separately orderable product (5655-G52). zNALC is a pricing structure for z/OS itself – requiring no additional z/OS product licenses.
 - 2) z/OS.e is available on z800, z890, and z9 BC only. zNALC will be available on all IBM z/Architecture Servers (z800, z900, z890, z990, z9 BC, z9 EC).
 - 3) z/OS.e has technical and contractual restrictions on executing functions related to legacy applications, and limits the number of TSO users. zNALC has contractual restrictions and an annual certification, but does not have the technical restrictions of z/OS.e.
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Question:

I currently have NALC pricing, what does zNALC mean to me?

Answer:

zNALC may offer you more ‘new workload’ application choices, sub-capacity granularity for workload deployment, and improved pricing over NALC.

Question:

I currently have z/OS.e, what does zNALC mean to me?

Answer:

With zNALC you can get a similar price point as z/OS.e, with the same z/OS product that you use for legacy workloads.

Question:

What are the prerequisites of zNALC?

Answer:

zNALC is only available on IBM z/Architecture servers (z900, z990, z9 EC, z800, z890, z9 BC, or later) running z/OS (5694-A01) operating system.

Any logical partition (LPAR) that is designated as a zNALC LPAR must follow the naming convention: "ZNALxxxx" where xxxx may be any letters or numbers.

You must have a ‘qualifying application.’

z/OS middleware running on the IBM z/Architecture server which qualifies for Workload License Charges (WLC) or Entry Workload License Charges (EWLC) must be priced WLC/EWLC to qualify.

z/OS is eligible for zNALC pricing when running in an LPAR dedicated to a 'qualified application(s)'. The only other products that may execute in this LPAR are those products that support the qualified application. The LPAR must be used exclusively for the qualified designated application and support of that application.

You must complete a form (a certification) when you establish zNALC charges and you must renew the certification each year to maintain zNALC charges. This form requires you to certify that each LPAR with zNALC pricing meets the zNALC prerequisites, that a qualified workload is present in these LPAR(s), and the LPAR is dedicated to the qualified application and support of these qualified applications, among other requirements.

In addition, Sub-Capacity z/OS with zNALC licenses will require you to submit an initial Sub-Capacity Report containing z/OS zNALC MSUs. In order to report on z/OS zNALC MSUs, a new version of SCRT is required. IBM expects this new version of SCRT to become generally available on April 10, 2007.

IBM has the right to audit servers with z/OS with zNALC charges to ensure compliance with all zNALC terms and conditions.

Question:

Where is zNALC not available?

Answer:

zNALC is not available:

- On any LPARs where z/OS is running as a guest of z/VM
- On any server where OS/390[®] or z/OS.e is licensed or running
- On any server where the pricing metric for z/OS is NALC

zNALC pricing applies only to the z/OS operating system and its features. All other z/OS middleware programs will be priced according to WLC or EWLC, if applicable. In the event that WLC or EWLC pricing is not available for a particular z/OS middleware program, other applicable pricing metrics may be used.

Question:

What is a qualifying application?

Answer:

An application may be considered a "qualified application" if:

- a. It is currently generally commercially available, supported by its manufacturer, and enabled to run under z/OS, and that same Application (with substantially the same functionality) is simultaneously generally commercially available, supported by its manufacturer on, and enabled to run under a UNIX operating system (for example, AIX[®], HP-UX, Linux, or Solaris), or Microsoft[®] Windows[®] (collectively "Distributed Platforms");

Or

- b. It is a database server running under z/OS and it is operating solely in support of a software program that is currently generally commercially available, supported by its manufacturer, and running in a client/server environment where the business logic (e.g., application server) is running on a Distributed Platform.

Or

- c. It is a Java language business application running under WebSphere Application Server (or equivalent). These do not include systems management tools.

For a list of approved zNALC qualifying applications, visit
ibm.com/zseries/swprice/znalc.html

IBM will determine whether a particular application is a qualified application. In the event you want to check if another application can qualify, contact your IBM sales representative or IBM business partner.

Question:

If my application qualifies under NALC does it qualify under zNALC?

Answer:

zNALC is designed to encompass NALC workloads. For a list of approved zNALC qualifying applications, visit

ibm.com/zseries/swprice/znalc.html

IBM will determine whether a particular program is a qualified application. In the event you want to check if an application will qualify, contact your IBM sales representative or IBM business partner.

Question:

If my application runs under z/OS.e, does it qualify for zNALC pricing?

Answer:

z/OS.e was announced and intended for the deployment of new workload applications, such as Java and Web-based application serving, and ERP, BI, and SCM data serving. These workloads are expected to qualify for zNALC. Other workloads may not qualify for zNALC. For a list of zNALC qualifying applications, visit

ibm.com/zseries/swprice/znalc

IBM will determine whether a particular program is a qualified application. In the event you want to check if an application will qualify, contact your IBM sales representative or IBM business partner.

Question:

How is z/OS under zNALC priced?

Answer:

z/OS under zNALC has the following tiered pricing structure. See your IBM representative for prices on the tiers:

Structure	MSUs
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Base zNALC	3 MSUs
Level 0 zNALC	4 - 45 MSUs
Level 1 zNALC	46 - 175 MSUs
Level 2 zNALC	176 - 315 MSUs
Level 3 zNALC	316 - 575 MSUs
Level 4 zNALC	576 - 875 MSUs
Level 5 zNALC	876 - 1315 MSUs
Level 6 zNALC	1316 - 1975 MSUs
Level 7 zNALC	1976+ MSUs

Question:

Can zNALC participate in a Parallel Sysplex®?

Answer:

z/OS with zNALC charges can aggregate across servers that participate in a fully qualified Parallel Sysplex. For more information on software aggregation in a Parallel Sysplex, visit ibm.com/zseries/swprice/sysplex

Question:

Do all z/OS features have zNALC pricing? It appears that not all have more attractive price points.

Answer:

All WLC and EWLC features of z/OS have zNALC price points. However, some z/OS features have more attractive zNALC pricing than other z/OS features. Attractive zNALC pricing has been added to those z/OS features which are intended to be used in a new workload environment. For example, the Security Server, RACF, DFSMS, and other features have the more attractive zNALC pricing. Other features typically used for a legacy environment, e.g. GDDM, will have pricing similar to WLC. The HCM and HLASM Toolkit features will continue to have a flat price per machine.

Question:

Where can I find more information?

Answer:

Here are a list of urls:

zNALC announcement

ibm.com/servers/eserver/zseries/swprice/announce.html

zNALC website

ibm.com/zseries/swprice/znalc.html

SCRT page

ibm.com/servers/eserver/zseries/swprice/sCRT/

z/OS.e

ibm.com/servers/eserver/zseries/zose/

z/VSE Version 4 Release 1

Question:

What is being announced?

Answer:

z/VSE Version 4 Release 1 (z/VSE V4.1) is built on a heritage of ongoing refinement and innovation that spans four decades. It is designed to help protect and leverage customer investments in VSE information assets, and it supports:

- IBM System z9 EC, z9 BC, IBM eServer zSeries 990, 890, 900, 800 servers
- Crypto Express2 adapter and CP Assist for Cryptographic Function (CPACF)
- OSA-Express2 and FICON Express4 adapters
- Systems Managed Encryption with an IBM System Storage TS1120
- IBM System Storage DS8000 and DS6000 (both as ECKD and FCP-attached SCSI disks)

z/VSE V4 executes in z/Architecture mode only and supports 64-bit real addressing for selected system functions. z/VSE V4.1 is designed to support up to 8 GB of real processor storage.

z/VSE V4 is not designed to support 64-bit virtual addressing or allow 64-bit addressing for user applications.

z/VSE V4 offers a new MWLC pricing metric and a sub-capacity option for IBM System z9 EC and z9 BC servers.

Midrange Workload License Charges (MWLC) is a new pricing metric that can offer improved price/performance for z/VSE V4 customers. MWLC applies to the z/VSE V4 operating system and 12 key VSE-related middleware programs when running on IBM System z9 EC and z9 BC servers. If you are migrating to MWLC from Graduated Monthly License Charges (GMLC), Growth Opportunity License Charge (GOLC), zSeries Entry License Charges (zELC), or Tiered Entry Workload License Charges (TWLC) IBM expects you to experience improved price/performance based on MWLC price points. You may gain additional price/performance improvements by implementing sub-capacity MWLC.

Question:

What is the value of z/VSE V4.1?

Answer:

z/VSE V4.1 offers value based on advanced technology and new pricing metrics.

A. Technical

z/VSE V4 operates in z/Architecture mode only and supports 64-bit real addressing. z/VSE V4.1 is designed to help you exploit up to 8 GB of real processor storage. For example, you may be able to use more data-in-memory techniques such as CICS Shared Data Tables, VSE Virtual Disk, or more and larger buffer pools to help improve throughput. In addition, some customers with especially large z/VSE environments may experience lower paging rates. In fact, many z/VSE V4.1 environments may be able to run without a page data set at all (the NOPDS option).

z/VSE V4 support for 64-bit real addressing applies to IBM System z9 as well as IBM eServer zSeries servers.

z/VSE V4.1 also adds new support for hardware-assisted encryption. For example, it supports configurable Crypto Express2 and CP Assist for Cryptographic Function (CPACF) enhancements. It introduces SecureFTP and supports Systems Managed Encryption using the IBM System Storage TS1120 encrypting tape.

B. Pricing metrics

You may be able to lower your Total Cost of Operations (TCO) using z/VSE V4.1 and the new MWLC pricing metrics (on z9 EC and z9 BC). If you are migrating to MWLC from Graduated Monthly License Charges (GMLC), Growth Opportunity License Charge (GOLC), zSeries Entry License Charges (zELC), or Tiered Entry Workload License Charges (TWLC), IBM expects you to experience improved price/performance based on MWLC price points. You may gain additional price/performance improvements by implementing sub-capacity MWLC.

The new MWLC pricing metrics apply only when z/VSE V4.1 is running on IBM System z9 EC (formerly z9 109) or z9 BC servers.

Question:

What are some of the differences between z/VSE V4.1 and z/VSE V3.1?

Answer:

Here are just a few of the differences:

- A. z/VSE V4 operates in z/Architecture mode only and supports 64-bit real addressing. z/VSE V4.1 is designed to support up to 8 GB of real processor storage.
- B. z/VSE V3 operates in ESA/390 mode only and real addressing is limited to 31-bit real addressing. z/VSE V3.1 supports up to 2 GB of real processor storage.
- C. z/VSE V4.1 is available with full-capacity and sub-capacity MWLC pricing on System z9 EC and z9 BC servers.
- D. z/VSE V3.1 is available with TWLC pricing on System z9 EC and z9 BC servers.
- E. In addition, z/VSE V4.1 is designed with new security logging and reporting capabilities, support for added hardware-assisted encryption, and several user requirements.

Question:

What does 64-bit mean for z/VSE?

Answer:

z/VSE V4 supports 64-bit real addressing for selected system functions. z/VSE V4.1 is designed to support up to 8 GB of real processor storage.

Support for 64-bit real addressing may help you exploit more of the large real processor storage available on even the smallest IBM System z servers. For example, you may choose to utilize data-in-memory techniques such as CICS Shared Data Tables, VSE Virtual Disk, or more and larger buffer pools. Customers with especially large z/VSE environments may experience lower

paging rates. In fact, many z/VSE V4.1 environments may be able to run without a page data set (the NOPDS option).

z/VSE V4 exploitation of z/Architecture and 64-bit real addressing is designed to be transparent to user applications.

z/VSE V4 is not designed to support 64-bit virtual addressing. It is not designed to allow 64-bit addressing for user applications. z/VSE V4 supports 31-bit addressing for virtual addresses or data spaces. The maximum size of individual address spaces and data spaces remains limited to 2 GB.

Question:

Are there any prerequisites for zVSE 4.1?

Answer:

z/VSE V4 operates in z/Architecture mode only. That means it requires an IBM System z9 EC (formerly the z9 109), z9 BC, IBM eServer zSeries 990, 890, 900, or 800 server.

Many VSE customers traditionally run multiple VSE guests under VM. When running under VM, z/VSE V4.1 requires z/VM V5.2 or later.

Question:

Does zVSE V4.1 provide additional device/ HW support compared to z/VSE V3.1?

Answer:

Both z/VSE V4.1 and z/VSE V3.1 support IBM System z9 EC, z9 BC, IBM eServer zSeries 990, 890, 900, and 800 servers. The difference is how they are supported. z/VSE V4 operates in z/Architecture mode only and supports 64-bit real addressing. z/VSE V3.1 operates in ESA/390 mode only and supports 31-bit real addressing.

Here are a few other differences:

- Both z/VSE V4.1 and z/VSE V3.1 support Cypto Express2. However, only z/VSE V4.1 supports 2048-bit keys.
 - Both z/VSE V4.1 and z/VSE V3.1 support CPACF. However, only z/VSE V4.1 supports SSL exploitation of AES-128.
 - Both z/VSE 4.1 and z/VSE V3.1 support FCP-attached SCSI disk. However, only z/VSE V4.1 supports point-to-point connectivity (no switch required). Similarly, only z/VSE V4.1 supports program-directed Re-IPL for FCP-attached SCSI disks.
 - Only z/VSE V3.1 supports Multiprise[®] 3000 and S/390[®] G5/G6 servers.
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Question:

Are there any migration considerations when migrating to z/VSE V4.1?

Answer:

Migration to z/VSE V4.1 is expected to be relatively straightforward for most customers. For example, those migrating from z/VSE V3.1 or VSE/ESA[™] V2.7 can choose to the Fast Service Upgrade (FSU) process to quickly migrate to z/VSE V4.1.

An exception is customers who use the German and Spanish NLS versions of VSE. They cannot use the FSU process to migrate from German or Spanish NLS versions of z/VSE V3.1 (or VSE/ESA V2.7) to the English version of z/VSE V4.1.

z/VSE V3.1 is available in German, Spanish, and Japanese National Language Versions (NLS) in addition to English. z/VSE V4 offers only Japanese (and English of course).

We do not anticipate significant issues for those customers using the German or Spanish version. National language versions provide translations of selected product documentation, as well as certain panels designed for use by IT professionals. Elimination of these national language versions does not eliminate or compromise the ability of customers to develop and maintain applications in the national language(s) of their choice. Indeed, unless some unrelated compatibility issue is involved, it is anticipated that existing national language applications will continue to run with z/VSE V4.1. Furthermore, it is expected that new applications can be created and deployed that incorporate the essential elements of “national language” including the language itself, appropriate character sets and code pages, local date and time formats, unique sort sequences, etc.

Question:

Has service and support changed for z/VSE V4.1?

Answer:

There are no changes to z/VSE V4.1 service and support.

Question:

Can z/VSE V3.1 and z/VSE V4.1 coexist?

Answer:

There is no technical reason z/VSE V4.1 and z/VSE V3.1 can't coexist on the same server. However, there may be strong TCO reasons to run z/VSE V4.1 alone. That's because z/VSE V4 sub-capacity MWLC pricing is not allowed in mixed environments.

For example, it is not uncommon for customers to run a mixed software environment during an initial transition period when installing new hardware. Because of the sub-capacity MWLC option, there is likely to be a financial incentive for customers to complete the migration to a pure z/VSE V4 environment as soon as possible.

Question:

When is z/VSE V4.1 available for ordering? When is it generally available for shipment? What are the dates for zVSE V3.1 end-of-marketing (EoM) and end-of-service (EoS)?

Answer:

z/VSE V4.1 can be ordered beginning the day of announcement (January 9, 2007).

General availability (GA) of z/VSE V4.1 (English version) is planned for March 16, 2007. GA of the Japanese (Kanji) version is planned one month later on April 20, 2007.

The current plan is to continue marketing z/VSE V3.1 for an additional year (EoM 1Q2008). That allows customers with Multiprise 3000 and S/390 G5/G6 (not supported by z/VSE V4.1 because they aren't z/Architecture servers) to get relatively current with a supported version and release. As of January 9, 2007 no date has been announced for z/VSE V3.1 EoS.

You can find the status of z/VSE V4.1, z/VSE V3.1, or any VSE version or release at:
www-03.ibm.com/servers/eserver/zseries/zvse/about/status.html

Question:

How do I order z/VSE V4.1?

Answer:

Customers can order z/VSE V4.1 through normal channels. Some may choose to order on-line using ShopzSeries themselves. Others may contact their Business Partners.

Question:

Where do I get more information on VSE V4?

Answer:

The z/VSE Web site is a comprehensive source of information on z/VSE V4.1, News, Product Announcements, z/VSE solutions, Events, VSE in general, product documentation, selected downloads, plus links to related IBM products, partners, and Independent Software Vendors (ISVs).

ibm.com/servers/eserver/zseries/zvse/

zSeries Midrange Workload License Charge (MWLC) for z/VSE

Question:

What changes in pricing are available with z/VSE Version 4?

Answer:

z/VSE V4 offers a new MWLC pricing metric and a sub-capacity option for IBM System z9 EC and z9 BC servers.

Midrange Workload License Charges (MWLC) is a new pricing metric that can offer improved price/performance for z/VSE V4 customers. MWLC applies to the z/VSE V4 operating system and 12 key VSE-related middleware programs when running on IBM System z9 EC and z9 BC servers. Please note, MWLC is not available to the smallest z9 BC server, capacity setting A01 – it remains zELC pricing.

For example, if customers migrate to z/VSE V4 MWLC from a S/390 G5/G6 with Graduated Monthly License Charges (GMLC), a Multiprise 3000 with Growth Opportunity License Charge (GOLC), a z800 with zSeries Entry License Charges (zELC), or a z890 with Tiered Entry Workload License Charges (TWLC), they may experience improved price/performance based on MWLC price points. z/VSE V4 customers may gain additional price/performance by implementing sub-capacity MWLC.

Question:

Is MWLC available on all System z servers?

Answer:

The MWLC pricing metric for z/VSE and its sub-capacity option are for IBM System z9 EC and z9 BC servers only.

Question:

If I acquire a new z9 BC server, what pricing metric is available for z/VSE V3?

Answer:

z/VSE V3 on a z9 BC continues to be eligible for the Tiered EWLC (TWLC) pricing metric. When you upgrade to z/VSE V4, the new MWLC pricing metric may be an option.

Question:

If I'm running z/VSE V4 on other than a z9 EC or z9 BC, what pricing metric is available?

Answer:

For supported servers, z/VSE V4 has the same pricing metrics as z/VSE V3. For example, on a z890, Tiered EWLC is available, and for z990 the Group pricing and ELC are available.

Question:

What is z/VSE sub-capacity pricing?

Answer:

IBM z9 servers with sub-capacity MWLC pricing may license and pay for MWLC-priced programs based on the utilization of the Logical Partitions (LPARs) where the program executes. Sub-capacity MWLC pricing is only available on servers where z/VSE V4 is the only VSE operating system and prior versions of VSE use and license have been discontinued.

Please note, if zVSE V4 under MWLC is to run as a guest under VM, then it must be z/VM 5.2 or later.

Question:

How will sub-capacity pricing be measured?

Answer:

System z9 servers with sub-capacity MWLC pricing may license and pay for MWLC-priced programs based on the utilization of the Logical Partitions (LPARs) where the program executes. In a sub-capacity MWLC environment, LPAR utilization will be measured based on the highest observed rolling 4-hour average utilization. LPAR utilization will be reported each month using the Sub-Capacity Reporting Tool (SCRT) and pricing will be adjusted monthly based upon the Sub-Capacity Report. If you elect sub-capacity MWLC, then you must generate sub-capacity reports and submit them to IBM each month, among other requirements.

Question:

What products are eligible for sub-capacity pricing?

Answer:

z/VSE Version 4 along with 12 key VSE-related middleware programs are eligible for sub-capacity pricing. Note that all terms and conditions for sub-capacity pricing must be met.

The products are:

- 5686CF8 z/VSE V4 (z/VSE Central Functions V8)
- 5686069 IBM PL/1 for VSE/ESA
- 5648054 CICS[®] TS for VSA/ESA
- 5648099 DITTO/ESA[®] for VSE
- 5686065 ACF/VTAM[®] V4 VSE/ESA
- 5686068 IBM Cobol VSE/ESA
- 5686A01 C/VSE
- 5686A04 TCP/IP for VSE
- 5686A06 MQSERIES[®] VSE/ESA
- 5696234 High Lvl Ass. VSE & VM/ESA[®]
- 5697F42 DB2 Server for VSE & VM
- 5746SM3 IBM DFSORT[®]/VSE V3
- 5746XX1 DL/I DOS/VS

Question:

Do I have to use sub-capacity pricing?

Answer:

No. Customers who select the MWLC pricing metric have the option of using full capacity pricing or sub-capacity pricing.

Question:

When might I benefit from sub-capacity pricing with z/VSE V4?

Answer:

Customers who select the MWLC pricing metric with sub-capacity pay for software based on the highest observed rolling 4-hour average utilization of the LPAR(s) in which the product runs. Therefore, the sub-capacity pricing may benefit customers that have white space on their server, or customers with multiple operating systems running on the same server, e.g. z/OS and z/VSE. Sub-capacity pricing may provide a cost effective way for you to consolidate a VSE server onto a larger server running a different operating system such as z/OS.

Question:

What do I need to do to take advantage of the new MWLC pricing metric?

Answer:

A server running z/VSE Version 4 on z9 BC and/or z9 EC servers is eligible for MWLC full capacity pricing, subject to applicable terms and conditions. There are two new contracts:

Attachment for IBM System z Midrange Workload License Charges (Z125-7452).

IBM System z Midrange Workload License Charges Exhibit (Z125-7453).

Please note, if zVSE V4 under MWLC is to run as a guest under VM, then it must be z/VM 5.2 or later.

Question:

What do I need to do to report z/VSE subcapacity utilization?

Answer:

z/VSE V4 will generate SCRT89 records. SCRT89 records are data that SCRT analyzes to produce a Sub-Capacity Report. You must run the Capacity Measurement Tool (ships with z/VSE V4) to enable z/VSE V4 to generate SCRT89 records. You must run the Capacity Measurement Tool for an entire month to generate a month of SCRT89 records before you can create a valid Sub-Capacity Report.

As of this announcement, SCRT can analyze log data from a z/VSE V4 system (SCRT89 records) and from a z/OS system (SMF70/SMF89 records); however, SCRT can run only on a z/OS system. Therefore, if you have both z/OS and z/VSE V4 then you can generate your own Sub-Capacity Reports by providing all the log data to SCRT. However, if you only have z/VSE V4 then you will not be able to run SCRT at this time. Instead, you will send your SCRT89 records (and other required information) to IBM. IBM will use your SCRT89 records to produce a Sub-Capacity Report.

Question:

When can I start with z/VSE V4 sub-capacity pricing?

Answer:

IBM programs eligible for MWLC charges cannot be ordered at sub-capacity MWLC or installed until you submit an initial Sub-Capacity Report containing z/VSE V4 MSUs. In order to report on z/VSE V4 MSUs, a new version of SCRT is required. IBM expects this new version of SCRT to become generally available on April 10, 2007. The earliest you may collect z/VSE V4 SCRT89 records is April 2, 2007. Assuming the new version of SCRT is available on April 10, 2007, you may generate your first Sub-Capacity Report containing z/VSE V4 MSUs on May 2, 2007, and you may submit this initial Sub-Capacity Report between May 2 and May 9, 2007. The April Sub-Capacity Report you submit to IBM in early May has a billing effective date of June 1, 2007. Therefore, the earliest possible billing effective date for sub-capacity MWLC is June 1, 2007.

However, the effective billing date for sub-capacity is 2 months after you start data collection according to the contractual terms. Therefore, if you start data collection on August 2, the effective date for sub-capacity billing would be October 1.

Question:

Where can I find more information?

Answer:

Here are a list of urls:

MWLC announcement

ibm.com/servers/eserver/zseries/swprice/announce.html

MWLC website

ibm.com/zseries/swprice/mwlc.html

z/VSE

ibm.com/servers/eserver/zseries/zvse/

Statements of Direction*

* All statements regarding IBM future direction and intent are subject to change or withdrawal without notice, and represents goals and objectives only.

Question:

What does the z/OS pricing Statement of Direction mean?

Answer:

In 2007, IBM intends:

- To replace both the z/OS.e operating system and the NALC pricing metric with the zNALC pricing metric, which is available on both IBM System z high-end and midrange systems. If you are considering z/OS.e or NALC, evaluate zNALC instead.
- For z/OS.e Version 1 Release 8 (5655-G52) to be the final release of the z/OS.e operating system. Marketing, ordering, support, and service for z/OS (5694-A01) remain unaffected.
- To allow ordering of z/OS.e V1.8 until the planned withdrawal from marketing in October 2007. IBM intends to provide service for z/OS.e V1.8 until its planned end of service in September 2009 – this is in accordance with IBM program service policy.
- To continue marketing of the NALC pricing metric until 4Q2007. After 4Q2007, you cannot request new NALC licenses for either OS/390 or z/OS, but you may keep your existing NALC licenses.

It means that zNALC is the IBM strategic pricing metric for new workloads, replacing both the z/OS.e operating system and the NALC pricing metric.



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