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Market Roundup
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IBM and German Ministry Announce Linux and Open Source Software

By Joyce Tompsett Becknell

IBM and the German Federal Ministry of the Interior have announced a contract for hardware, software, and services support for Linux and open source software. The German Bundesinnenministerium (BMI) announced that it would move its administration to Linux and open source software. Under the terms of the contract, IBM and the BMI will work together to develop solutions for the ministry based on open standards. In addition, public authorities in Germany will also be able to purchase IBM hardware, software, and services. IBM stated that it would offer pre-installed Linux (from SuSE Linux AG, Nuremberg) on their eServer family of servers — no specific mention is made of desktops. IBM will also create an open source portal as well as provide a consultancy hotline and offer test licenses.

This announcement is significant on a couple of levels. The BMI is one of the first public administrations in Germany to take active steps toward embracing Linux and open standards. There has been significant interest and debate in German government and academe for a while now regarding the switch to open source. Various proposals have been made and groups have formed to support the adoption of these standards, but this is one of the first contracts signed that gives the initiative real purchasing power. The Minister of the Interior, Otto Schily, was quoted in the BMI release as saying that the initiative for this contract stems in part from the events of September 11, and German IT managers are increasingly concerned with security and believe open source software is better positioned to solve the problem. Specifically the Ministry claims that it has achieved increased security through the prevention of a "monoculture" in IT, reduced dependency on a single software provider, and achieved better software prices through this agreement with IBM.

These goals seem to be levied as much an argument against Microsoft as they are a statement of support of the open source software community. While Microsoft will continue to have contracts with the German government and its agencies, this is sure to be causing consternation with Microsoft corporate. Thus, we believe that the battle lines have just been drawn, and that Microsoft will increase their resources in Germany to rise to the challenge. The BMI is just one in a growing list of public bodies turning toward open source that are positioning themselves as precursors in the creation of greater diversity in the IT landscape. While these may seem to be lofty goals, the weight of a company like IBM standing behind it makes the statement much more credible since none of the individual open source companies is large enough at present to support the ministry's intentions on their own. Nonetheless, it will be interesting to see how this contract develops over the next year. While BMI's initiative is admirable, its success will be the incontrovertible proof we will all be watching for.

Dell/Oracle/Red Hat Partner for Enterprise-Ready Linux Solutions

By Charles King

Dell, Oracle and Red Hat have announced a partnership to develop and deliver business-ready Linux solutions for enterprise customers. The new solutions will combine Dell PowerEdge Servers, Dell/EMC and PowerVault storage systems, Release 2 of Oracle 9i Database with Real Application Clusters (RAC), and the Red Hat Advanced Server operating system. Additionally, Dell announced certified configurations for platforms based on the Oracle and Red Hat solutions involved in the partnership, along with plans to integrate Oracle Enterprise Manager and Dell OpenManage systems management software. Oracle and Red Hat said they have been collaborating to technically enhance Red Hat Linux Advanced Server, and Oracle announced that it would provide fully-integrated customer support for Oracle products running on Red Hat Advanced Server. No pricing or availability information was included in the announcement.

Like most every business alliance, the Dell/Oracle/Red Hat deal includes a mixture of old and new products that its members hope will add up to a sum greater than its parts. On paper, at least, it could work for the trio. Oracle's presence in enterprises is well established. Red Hat has largely succeeded in solidifying its position as an important Linux consultant among businesses and enterprise hardware vendors. Dell continues to leverage its position on the corporate desktop into sales of Intel-based servers, and recently bolstered its situation by partnering with EMC for storage solutions. In fact, EMC's leadership in enterprise storage could help the company both popularize and benefit from the alliance's Linux solutions. Additionally, Oracle's Real Application Clusters (based on technology Oracle originally licensed from Compaq) may help enhance these Linux/Intel solutions among cost-conscious large enterprises that have typically looked to vendors such as IBM and Sun for their database heavy lifting.

Does that mean this newly announced partnership is poised to take the competition by storm? Hardly. First, it should be noted that despite its members' enterprise muscle, the Dell/Oracle/Red Hat deal is not likely to win many points for originality. Though the alliance allows Dell to be the first hardware vendor to deliver 9i RAC support for Red Hat, HP has offered 9i RAC support for Linux with SuSE since last summer, and is reportedly working on delivering 9i RAC for ProLiant servers in the near term. Additionally, IBM already offers Linux clustering solutions for its own DB2 database products, which have been giving Oracle a run for its money among enterprise clients. Will either of these considerations cut the legs out from under Dell, Oracle, and Red Hat? Not to our way of thinking. Overall, this alliance offers logical extensions of Dell's evolution as a player in the enterprise space, Oracle's leveraging of RAC technology to extend its presence on Intel-based systems, and Red Hat's position among Linux-happy enterprises. In fact, the three allies are really depending on the growing importance of Linux in enterprise computing to provide the lightning in a bottle they hope will help this joint venture catch fire.

Controlling Digital Content? Nope.

By Jim Balderston

The Broadcast Protection Discussion Group (BPDG) — a coalition of movie studios, television networks, and computer industry representatives — released a proposal this week to prevent digital images from being traded or made available online. The group proposes that digital television manufacturers include a component to recognize a "watermark" on the digital content that will allow content to be recorded and played on DVD players and other home media components. However, the watermark encryption technology will not allow the file to be transmitted over the Internet, preventing the kind of file swapping that has become so prominent — and legally contentious — in the music industry. The BPDG will ask the Federal Communications Commission to force electronics companies to implement the watermark encryption schema. The proposal has been met with skepticism and outrage from various groups which argue that the measure tramples consumers' rights to fair use. Also, some computer industry representatives have expressed concern that Hollywood is attempting to stifle innovation. The BPDG is expected to begin lobbying the federal government for action on this matter.

Consumer behavior is moving in a particular direction: toward the broadest possible use of digital content of any form, be it music, video, movies, or simply email. That content increasingly is being brought to places unheard of just a few years ago with the able assistance of a variety of consumer electronics and computer industries. Cars with video players, PCs playing DVDs, movies on handhelds, and increasingly sophisticated home network-based entertainment systems would have been unimaginable just a decade ago. To our way of thinking, there is no turning back. The movie industry tried to enjoin the manufacture and distribution of the Betamax, the first VCR. Luckily for the industry, this effort failed, as the movie moguls reap no small amount of their annual revenues from tape sales and rentals. Perhaps it is time for the entertainment industry to look forward to this past lesson as a guide.

The entertainment industry has little choice in the matter. This is not really a battle between copyright protection and consumer fair use, but the collision point between the last generation of media technology companies and the newest generation. Broadcast is replaced by narrowcast, analog with digital, and TV and radio are being replaced by a host of Internet-enabled devices that connect around a nexus of the PC or another device that looks and smells very much like one. The attempts to limit the incursion (or perhaps evolution) of this latest generation by means of encryption or poorly crafted laws are doomed to failure. Not only is every encryption schema breakable, but cracking tools are easily obtained online and code to break the watermark system will spread like wildfire from places beyond the reach of U.S. law. The recent move of an online bootleg movie service from Taiwan to Iran is just the latest example of how hard it will be to shut down distributors of bootlegged content. Instead of trying to come together and create encryption schemata that have no chance of working, the entertainment and IT communities should sit down and figure out how the video content providers can leverage their vast libraries of new and old content within the framework of an entirely new media infrastructure and the needs of its audience. At least in this way, Hollywood and the media companies have a stream of revenue that supports the irresistible technological developments underway, instead of trying to ignore or crush them.

Sun Delivers Grid Engine Enterprise Edition 5.3
By Charles King

Sun Microsystems has introduced Sun Grid Engine Enterprise Edition 5.3, the newest version of the company's grid computing software. Sun Grid Engine Enterprise Edition 5.3 provides new resource management tools to allow clients to more easily manage grid computing environments and reallocate resources as they are needed. Additionally, Sun said that software stacks including Sun ClusterTools and Sun ManagementCenter can be integrated with Grid Engine to provide additional infrastructure management capabilities. Sun Grid Engine Enterprise Edition 5.3 is currently available with software licensing fees ranging from $20,000 for up to 50 CPUs to $80,000 for up to 2,000 CPUs. The company recommends that Sun Enterprise Services be used to provide full product support, training, and installation for Sun Grid Engine Enterprise Edition 5.3.

Since grid computing is a current hot (i.e. hyped) topic du jour, a bit of background may be helpful. Simply put, a computational grid is a group of networked (often widely geographically dispersed) computers or computer clusters that can operate coherently and in concert, allowing the resulting infrastructure to handle highly complex and powerful computing tasks. Since arising in the late 1990s as a subset of distributed computing, much of the work in grid computing and many grid installations have been sponsored by U.S. and European government agencies, and have focused largely on interconnecting high-performance and supercomputing facilities in universities and government labs. Grid computing has fired a large number of imaginations, and virtually every hardware vendor on the planet has its fingers involved in grid initiatives. Additionally, distributed computing consultants and integrators like Platform Computing offer custom grid solutions to corporate clients. Commercial grid solutions offer promises of higher utilization, greater efficiency, and better ROI for enterprise computing infrastructures.

Where does this leave the new Sun Grid Engine? More than most other hardware vendors Sun focused its efforts at making grid computing solutions generally available for its business clients. In July 2000 Sun bought

Gridware, a German company that had developed a resource management solution that Sun distributed freely as Grid Engine. Since then, Sun claims over 5,000 grids have been deployed via Grid Engine, and that the number is growing by 20% annually. The company has used this issue to laud the commercial potential of Grid Engine, but is this reasonable? In a word, no, since we believe there are usually essential differences in the potential popularity of freeware and an enterprise application whose base cost is $20,000. Additionally, while there certainly are enterprises that will pay for computational grids, the sheer complexity of the projects generally requires the assistance of experienced consultants/integrators (such as Platform Computing offers) or dedicated services/support staff (as Sun recommends on its Grid Engine Web site). While Sun's Grid Engine freeware may have allowed a large number of companies and tech workers to experiment with grid environments, we do not expect its popularity will lead droves of users to the commercial version. For the time being, at least, we believe interest in Sun Grid Engine Enterprise Edition 5.3 will likely be found primarily among dedicated, adventurous, and deep-pocketed Sun enterprise clients.

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