



MASSACHUSETTS INSTITUTE OF TECHNOLOGY
INFORMATION PROCESSING SERVICES
CAMBRIDGE, MASSACHUSETTS 02139

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J. H. SALTZER

1 October 1975

Memorandum to:

J. D. Bruce
F. J. Corbato
M. L. Dertouzos
W. L. Porter
J. H. Saltzer ✓

I thought you might be interested in some data concerning the way in which the substantial reduction made in most of the Multics prices on July 1, 1975, has affected average online charges and usage during the subsequent three months.

The attached table provides data about the average online charge for using Multics to the MIT revenue user community (i. e. all revenue users except Honeywell, most of whom represent MIT projects, but a significant number of whom are at other institutions). As you can see, the average online charge per terminal hour ranged from \$9.68 to \$14.83 during Fiscal 1975 with an average of \$11.94. The average during the first quarter of Fiscal 1975 was \$12.18. Data for the first quarter of Fiscal 1976 show that the average online charge has been reduced to \$7.55 (a 38% reduction) and that the average number of terminal hours recorded per day has risen from 167 to 182 (a 9% increase). I expect that, as the load builds on the system due to the increase in the Honeywell workload, the seasonal growth in MIT usage during the year, and the continuing growth we expect as a result of the price reductions, more users will move from the first to the second shift which will tend to decrease the average charge even more and bring us closer to our goal of a 50% reduction.

The degree to which the increase in terminal hours per day is meaningful is hard to understand because it is hard to separate seasonal factors, usage growths and reductions due to increased or decreased funding, and usage growths and reductions due to lowered or raised prices. We have made predictions of where we expect the Multics revenue to come from this fiscal

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year by source, and we are meeting or exceeding our expectations from all internal sources. Three external sources are behind our predictions so far and we are now investigating this issue. The total picture after three months appears to me to be quite acceptable and the trend is positive.

Please let me know if there is any more data you would like about this situation.



Robert H. Scott
Director

RHS:ssw
Attachment

cc: W. J. Burner
R. C. Daley
P. E. Gray
W. A. Rosenblith

Data on the Use of Multics in Fiscal 1975 and 1976

(MIT Paying Users Only *)

<u>Month (Days)</u>	<u>Interactive Revenue</u>	<u>Terminal Hours</u>	<u>Avg. Cost Per Terminal Hour</u>	<u>Avg. Terminal Hours Per Day</u>
July (30)	\$ 71,226	5,846	\$12.18	195
August (30)	58,871	4,826	12.20	161
September (31)	55,531	4,570	12.15	147
October (31)	57,580	5,263	10.94	170
November (27)	60,320	5,912	10.20	219
December (33)	56,110	5,795	9.68	176
January (31)	73,116	5,438	13.45	175
February (28)	56,573	4,199	13.47	150
March (29)	61,575	4,776	12.89	165
April (32)	78,617	6,740	11.66	211
May (30)	67,932	6,332	10.73	211
June (33)	79,049	5,330	14.83	162
July 74-June 75 (365)	\$776,500	65,027	\$11.94	178
July 74-Sept 74 (91)	\$185,628	15,242	\$12.18	167
July (29)	\$ 44,390	5,709	\$ 7.78	197
August (29)	41,230	5,387	7.65	186
September (32)	37,853	5,265	7.19	165
July 75-Sept 75 (90)	\$123,473	16,361	\$ 7.55	182

*All revenue users except Honeywell.

Robert H. Scott
30 September 1975