

GENERAL ELECTRIC  
COMPANY

13430 NORTH BLACK CANYON HIGHWAY, PHOENIX, ARIZONA 85019 TEL. AREA 602--941-2900

May 2, 1969

Prof. J. C. R. Licklider  
Director of Project MAC  
545 Technology Square  
Cambridge, Mass.

This is to confirm our telecon of 30 April 1969 during which General Electric's revised position relative to the 645/MULTICS Program was reviewed with you.

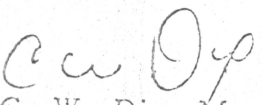
As discussed with you, General Electric's previous position in this matter, as documented in the paper entitled "GE's Position - 645/MULTICS, 1969 Operating Basis" dated 15 January 1969, is considered as having been abrogated by BTL's recent decommitment from the Program. Further, inasmuch as the Bell Telephone Laboratories represented the most immediate and representative "industrial" user of the contemplated MULTICS commercial service offering, GE's interest in proceeding with that offering at this time is considerably diminished by virtue of BTL's withdrawal. Accordingly, the following revised General Electric position is established effective this date:

- o GE is withdrawing its commitment at this time to offer a commercial on-line MULTICS service.
- o GE will continue its active support of and participation in the MULTICS Development Program through the 3rd quarter 1969, provided that MIT and ARPA continue to support the program at a level which will permit the attainment of an operational MULTICS status and the announcement of such status by the end of the 3rd quarter 1969. ("Announcement" is defined as a mutually acceptable declaration by GE and MIT that the MULTICS software is sufficiently stable to reliably support a nominal level of 30 simultaneous users with CTSS - equivalent response times).
- o The level of GE's support of the Program beyond the 3rd quarter of 1969 will be a function of the use to which the 645/MULTICS system is applied. It is proposed that, on or about the above mutually declared operational date, the 645/MULTICS system be utilized for an on-line MULTICS service, with such service to be provided by and offered by MIT at prices to be established by MIT to the MIT community and to GE, plus other users to the degree acceptable to MIT.

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- o Provided that the above proposal is implemented by MIT, GE will support the continuing refinement and evolution of MULTICS beyond the 3rd quarter of 1969 at a personnel level commensurate with the increasing stability of the system versus time. (Use of the on-line system by these personnel at no cost is assumed.)
- o GE will continue to provide the B-Model 645 hardware system to the Program for the period of 1 February through 31 December 1969, provided that rental of the A-Model 645 hardware system as currently configured and priced is continued by MIT for the same period.
- o GE will retain its option to offer a MULTICS service, under the constraints of a normal commercial business venture, with its election of the option being a function of the performance and user acceptance of the MULTICS service as offered by MIT.
- o The provisions for improved GE-645 hardware and for the support of MULTICS software for such hardware remain as stated in paragraphs g and h of GE's formal 645/MULTICS position of 15 January 1969.
- o As of 1 January 1970, GE will turn over to MIT at rental prices to be mutually established that configuration of B-Model 645 hardware required by MIT for continuation of its on-line MULTICS service, plus such additional 645 hardware as may be required by MIT/Project MAC for the continuing off-line refinement and evolution of the MULTICS software. On-site equipment that is not required by MIT will be de-installed and returned to GE at GE expense.

I shall be pleased to discuss the above in further detail with you and Mr. Mills, particularly as regards our collective and respective planning for MULTICS and related activities beyond 1969.

  
C. W. Dix, Manager  
Engineering  
Large Systems Department

/ljs

cc: C. Clingen  
E. David  
R. Mills