



IBM Systems and Technology Group

z/VSE V4.1 Live Virtual Classes

Part 1: z/VSE and MWLC Announcement Overview
February 1, 2007

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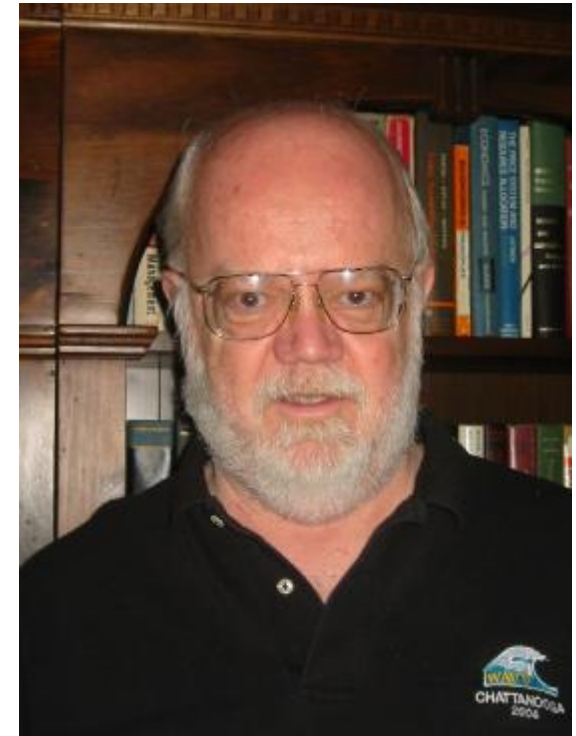
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§ Agenda for z/VSE V4.1 LVC Part 1

- z/VSE Version 4 Release 1
- Midrange Workload License Charges (MWLC)
- z/VSE Version 4 Strategy
- Summary
- Q & A session





z/VSE Version 4 Release 1



z/VSE Version 4 Release 1

§ Preview 4/27/2006

§ Announce 1/9/2007

§ **General Availability 3/16/2007**

§ **z/Architecture mode *only***

- 64-bit *real* addressing (31-bit *virtual* addressing)
 - up to 8 GB real processor storage
- IBM System z9 EC and z9 BC servers
- IBM eServer zSeries 990, 890, 900, and 800 servers

§ **Capacity Measurement Tool (CMT)**

- fulfills SOD from July 2005

§ **New MWLC pricing metrics (z/VSE V4 on z9 EC and z9 BC *only*)**

- Improved price/performance with full-capacity MWLC price points
- Sub-capacity MWLC option for added price/performance

§ **Encryption enhancements**

- CPACF enhancements (AES-128)
- Configurable Crypto Express2 (new accelerator option)
- SecureFTP
- IBM System Storage TS1120 encrypting tape



z/VSE Version 4 Release 1 (cont.)

§ TCP/IP for VSE/ESA V1.5 Service Pack E enhancements, including

- Performance
- Security and SSL
 - CPACF AES-128
 - Crypto Express2 2048-bit RSA keys
 - SecureFTP
- Message Logging, FTP, Telnet, eMail, BSE/C Socket API

§ SOA and Interoperability

- VTAPE interface to Tivoli® Storage Manager (TSM) to backup VSE data
- VSAM Capture Exit
- upgrade to JDK 1.5 (Java5) standard

§ Component changes

- ACF/VTAM V4.2 31-bit buffers
- BSM security logging and reporting
- VSE/POWER enhancements
- LE/VSE enhancements and z/OS affinity

§ FSU from z/VSE V3.1 and VSE/ESA V2.7

§ Requires z/VM V5.2 (or later) if running under VM



z/VSE support for IBM System Storage



IBM System Storage	DS6000	ESS 750, 800, 800Turbo	DS8000, DS8000 Turbo
ESCON	<i>Not Avail</i>	Yes	Yes
FICON	Yes	Yes	Yes
FCP/SCSI	Yes	Yes	Yes

z/VSE support for IBM TS1120 Tape Drive Encryption

§ IBM System Storage TS1120 - first encrypting tape drive

- Standard feature on new TS1120 tape drives
- Supports data encryption using 256 bit AES encryption
- Microcode enhancements for encryption policy and key communications
- Encryption performed with minimal (< 1% data rate performance impact)
- Data is compressed *and* encrypted – no change in media utilization
- Supports “traditional” and “encrypted” modes of operation
- Encryption “disabled” unless otherwise specified
- Chargeable upgrade feature for existing TS1120 Drives



TS1120
500 GB
100 MB/sec

§ z/VSE V4.1 designed for Systems Managed Encryption

- Support may be available via PTF after z/VSE V4.1 GA
- SOD for z/VSE V3.1

§ Innovative IBM Encryption Key Manager (EKM) component for Java platform™ supported on a range of systems including:

- z/OS, AIX, Linux (incl System z), i5/OS, HP, Sun, and Windows

§ Integration with IBM tape systems, libraries

**Encryption Key
Manager**



z/VSE Comparison

§ z/VSE V3.1* (GA 3/2005)

- ESA/390 (31-bit) mode only
 - up to 2GB real processor storage
 - System z9 EC *and* z9 BC
 - zSeries 990, 890, 900, 800
 - **Multiprise 3000 & S/390 G5/G6**
 -
- HiperSockets
- CPACF
- Crypto Express2 (configurable)
- FCP/SCSI disks & NPIV
 - DS8000, DS6000, ESS
- FICON Express2 & 4
- OSA Express2
- 31-bit buffers for ACF/VTAM (via PTF)
- **SOD for TS1120 encrypting tape**

§ z/VSE V4.1 (GA Planned 3/2007)

- **z/Architecture (64-bit) mode only**
 - **up to 8 GB real processor storage**
 - System z9 EC *and* z9 BC
 - zSeries 990, 890, 900, 800
- **MWLC Pricing Metric (z9 only)**
 - **Full-capacity & sub-capacity mode**
- HiperSockets
- CPACF + **enhancements**
- Crypto Express2 (configurable)
- FPC/SCSI disk & NPIV + **point-to-point**
 - DS8000, DS6000, ESS
- FICON Express2 & 4
- OSA Express2
- 31-bit buffers for ACF/VTAM
- TS1120 encrypting tape

z/VSE Status

VSE Version and Release	Marketed	Supported	End of Support
z/VSE V4.1	Yes	Yes	tbd
z/VSE V3.1	Yes	Yes	tbd
VSE/ESA V2.7	No	Yes, but ...	02/28/2007

Introducing a New Price Metric for z/VSE V4

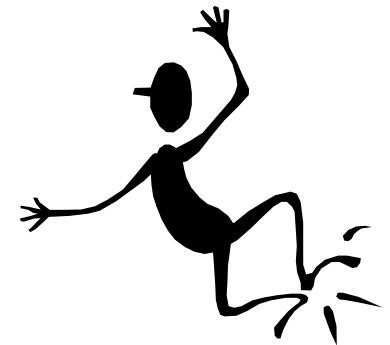


Midrange Workload License Charge (MWLC)

- § Requires current hardware (IBM System z9 EC or z9 BC) *and* z/VSE V4
 - exception: z9 BC Capacity Setting A01 remains zELC

- § Full-capacity and sub-capacity MWLC options
 - full-capacity mode offers improved price/performance compared to GOLC, zELC, and TWLC alternatives
 - additional price/performance possible through sub-capacity mode

- § Structured to help address new z9 opportunities



VSE & VSE-related Products Eligible for MWLC

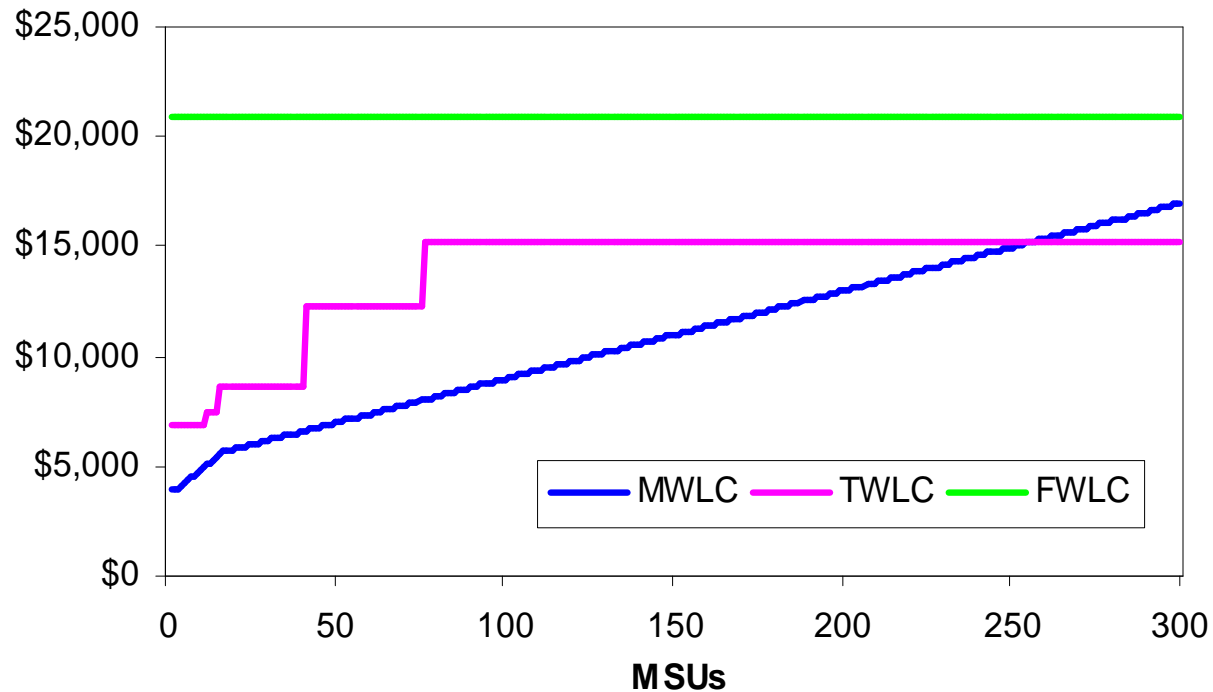
§ Base

- 5686 CF8 VSE Central Functions
- 5696 234 HLASM
- 5648 054 CICS TS for VSE/ESA V1
- 5686 065 ACF/VTAM® VSE/ESA V4
- 5686 A04 TCP/IP for VSE/ESA V1.5
- 5648 099 DITTO/ESA® for VSE
- 5697 F42 DB2 Server for VSE & VM

§ Optional Products

- 5686 068 IBM COBOL for VSE/ESA
- 5686 A01 IBM C for VSE/ESA
- 5686 069 IBM PL/1 for VSE/ESA
- 5746 SM3 IBM DFSORT/VSE V3
- 5746 XX1 DL/I VSE
- 5686 A06 MQSeries® for VSE/ESA

MWLC Sample Stack vs. TWLC and FWLC



- § Customers may choose between MWLC/TWLC or MWLC/FWLC as appropriate to their machine
- § Additional price/performance may be possible with sub-capacity mode

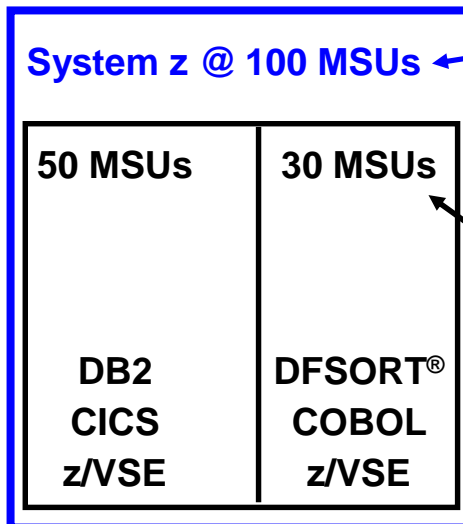
*Sample software stack includes: VSE CF V8, HLASM, VTAM, DITTO, COBOL

*Prices subject to change without notice; all prices shown in USD

What is sub-capacity?

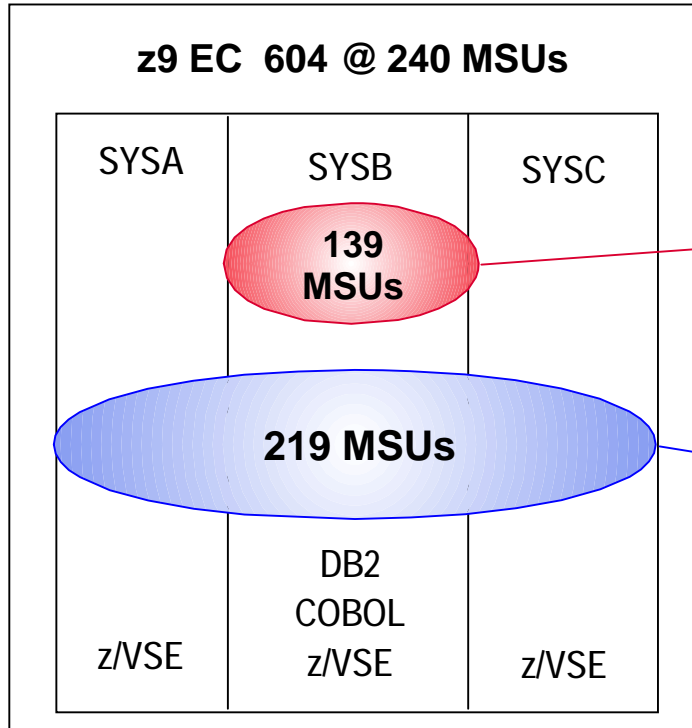


Full-Capacity pricing metric relies on the *total rated capacity* (measured in MSUs) of the MACHINE where a product executes.

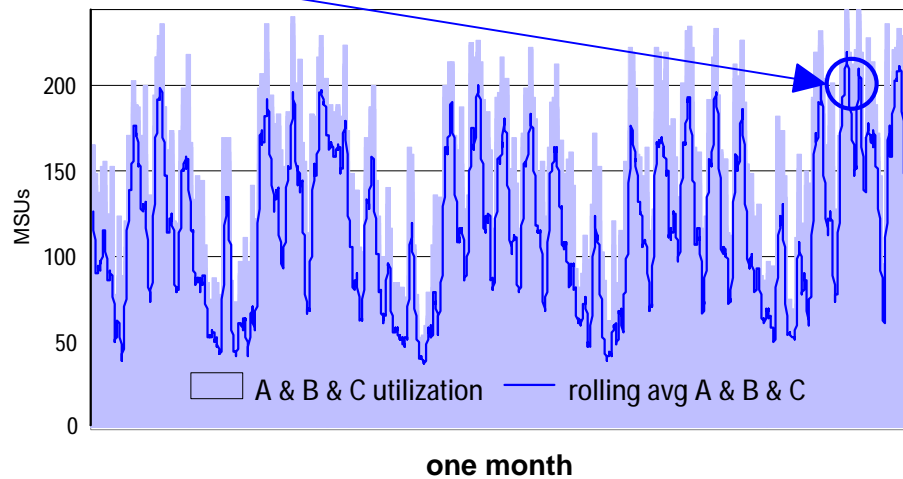
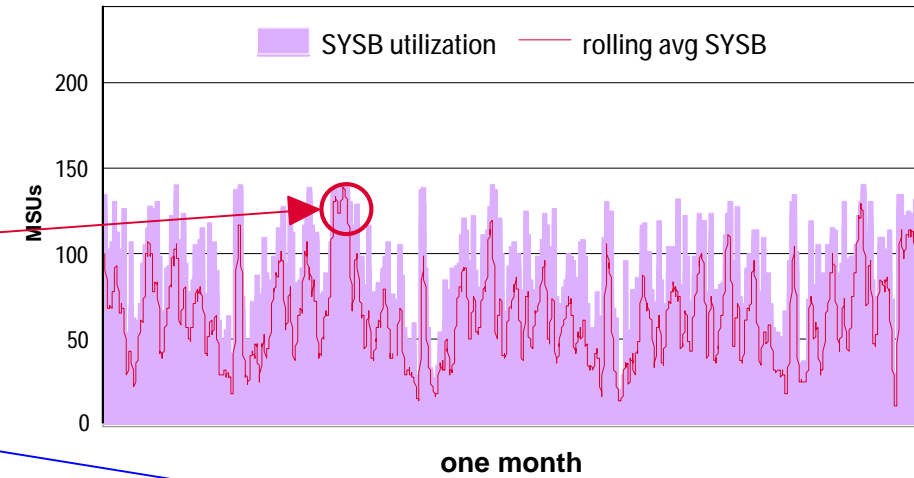


Sub-Capacity pricing metric relies on the utilization (based on peak *4-hour rolling average* each month) of the LPAR(s) or guest Virtual Machines where a product executes.

Generic sub-capacity example



Product	Sub-Cap MSUs
DB2	139 MSUs
COBOL	139 MSUs
z/VSE	219 MSUs



New Opportunities with MWLC



§ More MSUs for the same, or lower, IBM software \$

- More capacity for future growth, workload spikes, seasonal factors, emergencies, etc.
 - disconnect hardware growth from software charges
 - grow into installed capacity gradually with a 1 MSU level of granularity
- IBM software \$ respond to normal cyclicality
- Isolate middleware products to reduce software costs (depending on workload)
 - examine workload to identify where you might limit product use to specific LPARs (or VM guests)
 - limit LPAR (or VM guest) utilization to control software costs (optional)
 - expand priority LPARs (or VM guests) without impacting other LPARs (or VM guests)
- Add IFL(s) and Linux-based IBM middleware to the mix for new workloads

§ Pick the server that best meets your customer needs

- High end and midrange IBM System z9 servers are no longer priced differently

§ Server consolidation in large accounts

- Consolidate remote, vulnerable VSE workloads onto LPARs on System z9 EC servers primarily running z/OS at HQ

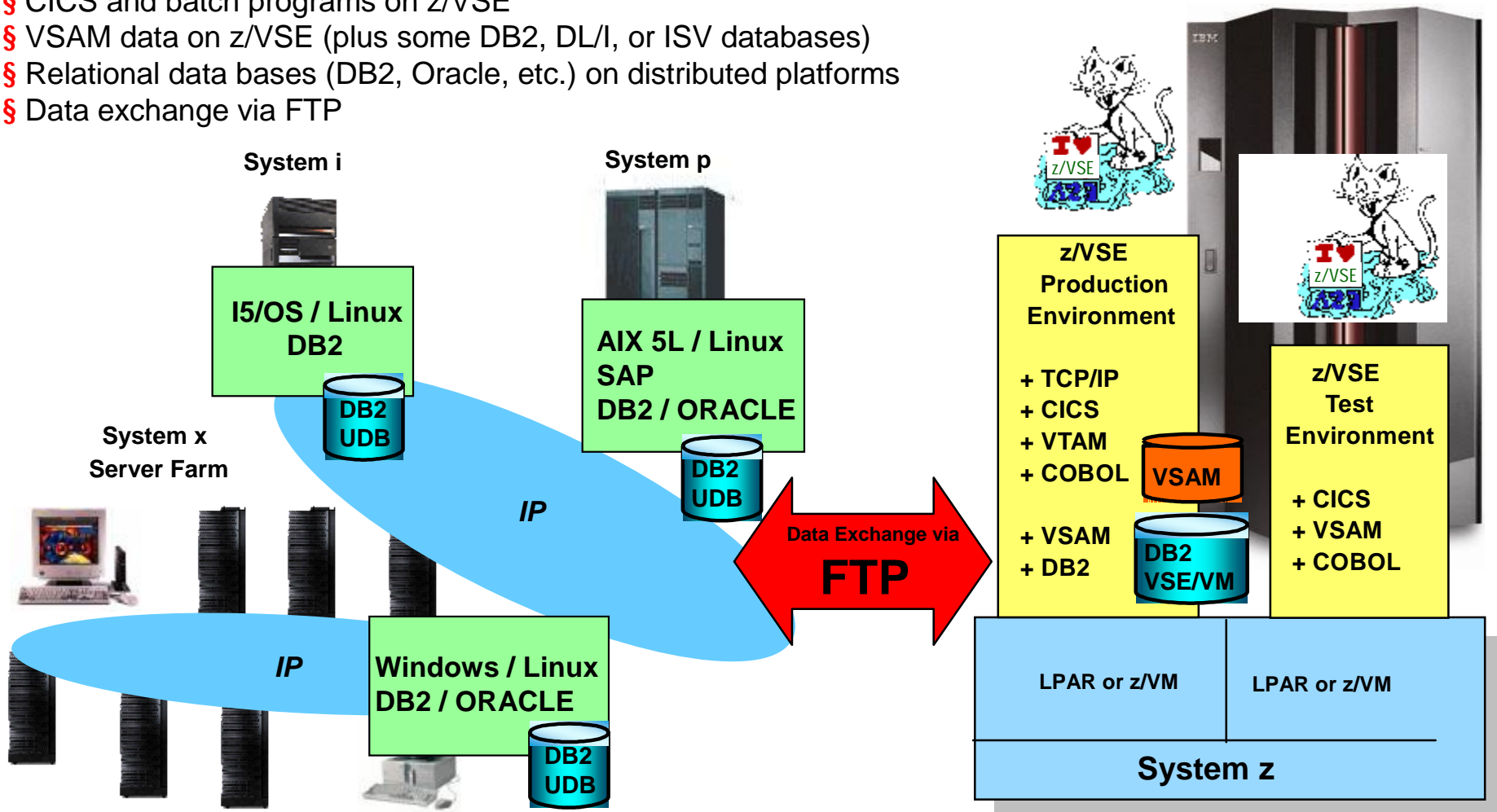
§ Same MSUs for lower IBM software \$



z/VSE Strategy

VSE Customer Environment

- § Mixed servers (System z, System p, System x, System i, and competitive)
- § CICS and batch programs on z/VSE
- § VSAM data on z/VSE (plus some DB2, DL/I, or ISV databases)
- § Relational data bases (DB2, Oracle, etc.) on distributed platforms
- § Data exchange via FTP



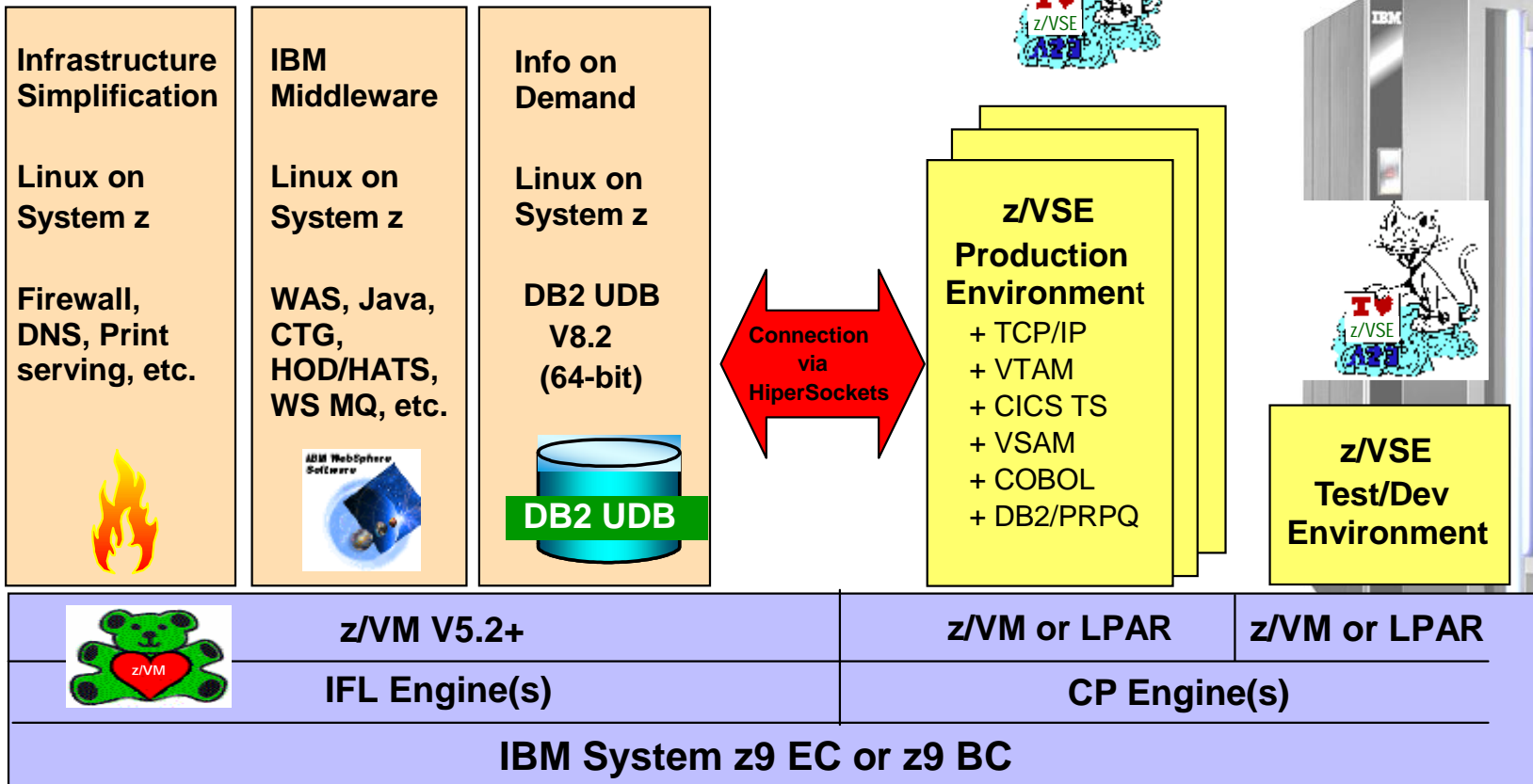
Most important requirement: Access to new applications!

z/VSE “PIE” Strategy

- § Help **P**rotect existing customer investments in core z/VSE programs, data, equipment, business & IT skills, *plus* business processes, end user training
 - Modernize, i.e. extend z/VSE resources to Web
 - Exploit IBM servers, storage, and software
 - z/OS affinity
- § Help **I**ntegrate z/VSE with the rest of IT, based on open and industry standards
 - VSE connectors and SOA Web services
 - IBM middleware
- § Help **E**xtend solutions with Linux on System z
 - Linux as a preferred platform for new workloads
 - leverage existing core VSE investments
 - low cost, low risk, fast time-to-market
 - New line-of-business applications
 - Low TCO and infrastructure simplification

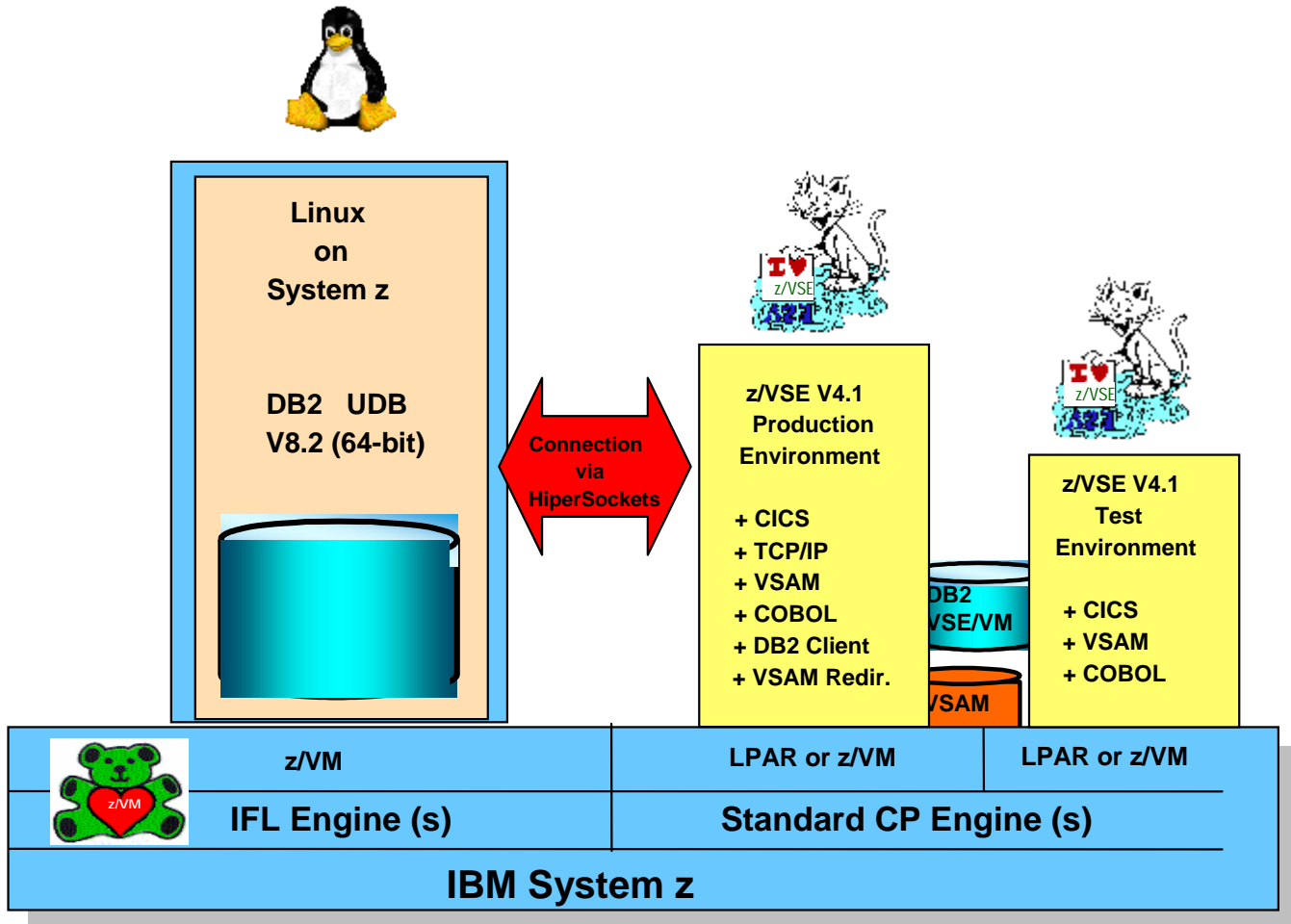


z/VSE V4 and Linux on System z



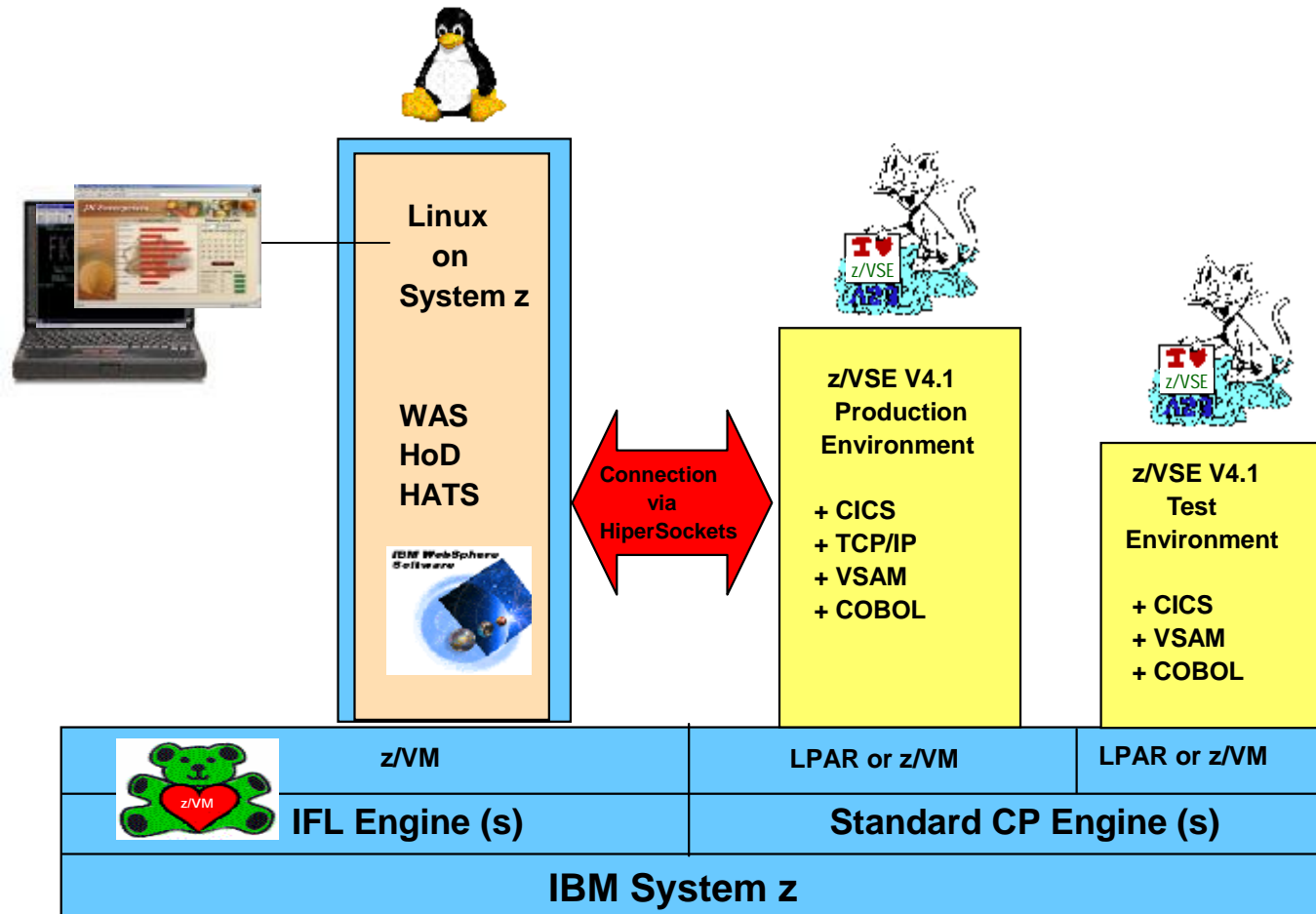
Scenario 1: DB2 UDB (64-bit) for VSE Customers

Data consolidation and data warehouse solutions with DB2 UDB on System z



Scenario 2: „Webification“ of VSE Applications

Web enable existing applications with Browser / Graphic front end





Summary/Wrap-up

z/VSE Version 4 Release 1

§ Announce 1/9/2007 (Preview 4/29/2006)

§ **General Availability 3/16/2007**

§ **z/Architecture (64-bit) mode only**

- Up to 8 GB real processor storage
- System z9 EC *and* z9 BC
- zSeries 990, 890, 900, 800

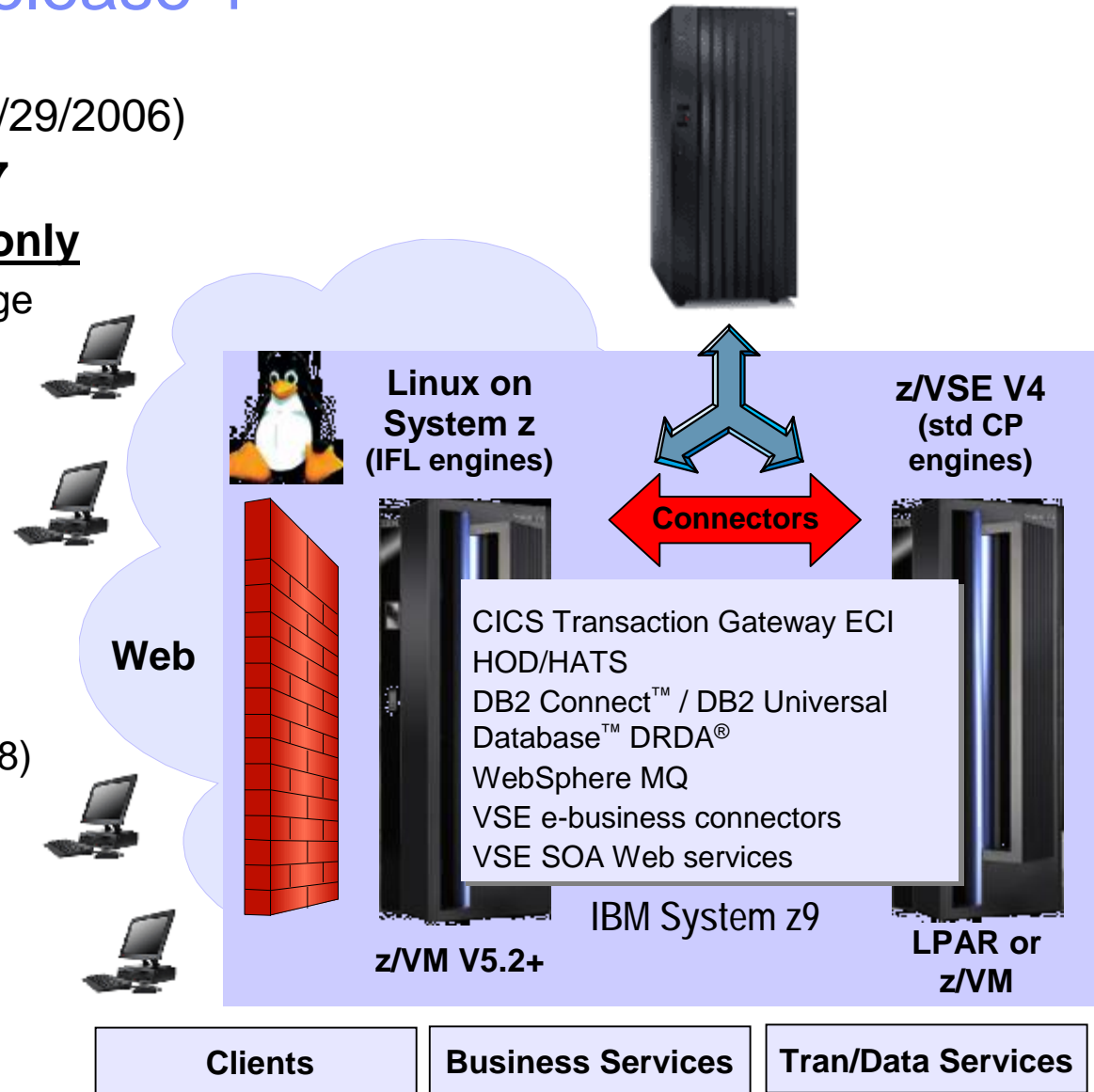
§ **New MWLC pricing metrics (z9 only)**

- Low full capacity price points
- Sub-capacity option

§ **Encryption enhancements**

- CPACF enhancements (AES-128)
- Crypto Express2 (configurable)
- SecureFTP
- TS1120 encrypting tape

§ **SOA and interoperability**



More z/VSE Learning Opportunities

§ z/VSE V4.1 Live Virtual Classes

§ #1 z/VSE and MWLC Announcement Overview

- G. M. (Jerry) Johnston
- February 1

§ #2 Midrange Workload Licence Charges (MWLC)

- Dr. Klaus Goebel
- February 22

§ #3 z/VSE V4.1 Solutions based on SOA and DB2

- Wilhelm Mild
- March 15

Note: Charts will be available on the z/VSE web site the day following each call. Replay will be available one week later. For more information, please see the z/VSE web site at:

<http://www-03.ibm.com/servers/eserver/zseries/zvse/>

§ z/VSE-related Events in 2007

§ GUIDE-SHARE-EUROPE (GSE) -

- March 26 – 28
- Berlin

§ European IBM 2007 System z and Storage Technical Conference -

- featuring z/OS, z/VM, z/VSE, and Linux on System z
- April 16 - 20
- Munich

§ 2007 WAVV Conference -

- featuring z/VM, z/VSE, and Linux on System z
- May 18 - 22
- Green Bay, WI

§ US IBM 2007 System z Expo -

- featuring z/OS, z/VM, z/VSE, and Linux on System z
- September 17 – 21
- San Antonio, TX