



Press Release

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Oracle Anticompetitive Policies challenged by SIA with increased actions in U. S. and Europe

SAN DIEGO, CA February 16, 2011 – The Service Industry Association has filed complaints with all 50 states Attorneys General and the European Union about what it considers as Oracle, Inc.’s (ORCL:NASDAQ) anti-competitive policies pertaining to hardware maintenance of Oracle’s Sun Microsystems products. The SIA contends the new policies are directed at capturing the \$2.4 billion dollars of Sun hardware maintenance business currently contracted to Independent Service Organizations (ISOs). SIA believes Oracle’s new hardware maintenance policies are the most onerous of all within the IT service and maintenance industry and are created solely to monopolize the Sun hardware maintenance business. SIA is awaiting a response on its similar complaint filed in late 2010 with the U.S. Department of Justice.

In the complaints filed with the 50 states Attorneys General and the European Union, SIA contends Oracle’s policies are an abuse of its dominant market position and deliberately prevents ISOs from servicing the hardware break-fix needs of Sun hardware users. In a shift from decades of prior policy, Oracle has restricted access to its operating systems software updates exclusively to users with current Oracle hardware maintenance contracts. This effectively prohibits all users needing software support from competitively selecting their hardware maintenance service. Further, according to *Oracle Hardware and Systems Support Policies: 14-January-2011, page 2*, for those customers who elect to use an ISO initially but later return to Oracle support, Oracle has imposed onerous “Return to Oracle” service restoration fees clearly intended to intimidate customers from leaving Oracle support in the first place. The customer is required to select Oracle for *all or none* of its Sun hardware maintenance needs. Oracle will deny any type of service (including time and materials service) to customers that select an ISO for any portion of their contemporary Sun hardware support needs. Oracle will not allow customers to split their service requirements for contemporary Sun hardware between Oracle and an ISO even in cases where Oracle does not have a physical presence in the area.

According to the Executive Director of SIA, Claudia Betzner, “we have conducted interviews and received many responses from the states Attorneys General on the complaints filed with them, and have received *global* interest on this issue from companies that are adversely affected by these onerous policies and from the worldwide press. It is not just a U.S. problem; it is a global problem and the rest of the world looks to the precedents set by the U.S. We have therefore also filed complaints to the European Union and the Federal Trade Commission.”

Specifically, if a customer selects an ISO for hardware maintenance of contemporary (other than end-of-service life) Sun hardware, Oracle will:

- Refuse to support any Sun/StorageTek hardware in the Enterprise.
- Refuse to repair equipment on a “time and materials” basis.

If a customer does not select Oracle support for all of their equipment, Oracle will:

- Penalize customers to re-qualify equipment if they return to Oracle support with a reinstatement fee equal of 150% of the support fee from the lapsed date.
- Refuse access to formerly freely available security patches and firmware updates, even if those updates are related to embedded chip sets or micro-code.

Because these changes are so restrictive, it is the opinion of the SIA that the sole purpose of these policies is to destroy the independent service market so as to monopolize the revenue stream for hardware support.

The Mission of **Service Industry Association** is to create a forum *where service partnerships are made and business transactions are completed* and to serve as a forum where every member can enhance their business and to take collective action for the betterment of the industry whenever necessary. SIA enhances the high-tech Medical and IT industry by promoting an open environment of interdependence & co-operation between manufacturers, independent servicers and users by providing value-adding solutions and choices for customers. For information on SIA go to their website at www.servicenetwork.org.