

May 2009

ORIGINAL EQUIPMENT MANUFACTURERS' STATEMENT REGARDING THE EUROPEAN COMMISSION'S PROPOSAL TO REQUIRE THAT MULTIPLE BROWSERS BE CARRIED ON WINDOWS PCs

We are original equipment manufacturers ("OEMs") that manufacture and/or assemble desktop and laptop computers ("PCs"). We preinstall suites of software (including a browser) on the PCs that we supply to our customers.

The software that we install is either specified to us (by our business customers) or selected by us, on the basis of our understanding of consumers' expectations and preferences. In our highly competitive industry, it is imperative that we retain the ability to select the software that we believe best serves our customers.

From press coverage of the European Commission's investigation of Microsoft's integration of its web browsing technology, Internet Explorer ("IE"), into its Windows operating system, we understand that the Commission is considering requiring:

- OEMs to carry multiple browsers on all new Windows PCs they ship (the number and identity of the browsers has not been specified) instead of or in addition to IE.
- Microsoft to redesign Windows so that portions of IE code can be "locked" or "disabled" (the circumstances under which this locking would occur have not been explained).
- OEMs to preinstall code for all of the browsers that they are required to carry and to preinstall only the version of Windows that provides for "locking" IE code.

Overview

We strongly oppose these proposals, in particular the must carry requirement, which we do not believe our customers want or need. Many of the companies endorsing this statement are small and medium sized European companies -- we simply do not have the financial, technical, and administrative resources to absorb the burdens that the must carry remedy will impose, except by cutting back on our businesses in other ways. These proposals would be especially damaging at a time of severe economic recession, reduced customer demand, and increased pressure on profit margins in our sector.

We also note that the proposed burdens in this investigation impact significantly on the OEM sector although OEMs are not the target of the Commission's investigation. In these circumstances, we question the fundamental fairness of a procedure that requires us to change our business model -- and to cede a large measure of control over the software we chose for our own branded products -- when we are not even the main parties to the proceeding.

The Must Carry Requirement is Detrimental to Consumers

As OEMs, we choose the software for our PCs, including the browser, that we believe best suits customers' (home users') needs and will optimize their experience without having to navigate

complex selection and installation processes. The must carry requirement goes in the opposite direction. It will create more burdens than benefits for consumers, and will diminish their overall user experience.

- Ease of use is a key feature for consumers choosing PCs. Consumers want PCs with rich functionality at a reasonable cost that they can plug and play with as little difficulty as possible. It is our job to deliver that experience.
- We believe that many consumers will not like the multiple browser feature that is under consideration -- they will find it confusing, unnecessary, and complicated.
- We also expect that many consumers will consider that it merely slows down the start up process, and others will undoubtedly fail to understand the process and make mistakes that delay their access to the internet, causing further frustration.
- We anticipate that customer inquiries and complaints will increase as a result of the must carry feature, driving up our support costs without any added benefit to our customers.
- We fail to see what value the must carry feature adds. Our consumer customers already download browsers if they find a browser they prefer to the one we have preinstalled. This is a fast and simple process that thousands of consumers employ every day.
- The proposal to “lock” IE code is not in consumers’ interest. Many software applications written by third party vendors use pieces of IE code. If the code required for an application that a customer wants to run is locked, the software would either not run at all or would run with errors.
- Customers encountering run errors caused by code locking would either contact us or the supplier of the software -- either way, a company that is in no way responsible for the problem would end up having to fix it, and having to absorb the costs associated with providing the necessary technical and administrative support.

The Must Carry Requirement is Detrimental to Business Users

Corporate customers, acting through their IT departments are sophisticated and well-informed about their own computing needs. Typically they specify the software that they want us to pre-install, or they wipe clean the hard discs of their new PCs and reimage the machines with their own software suites. The Commission, however, appears to be considering overriding IT departments’ decisions and requiring business customers to present their employees with the multiple browser feature.

- The application of the must carry approach is completely unjustified in the corporate setting. Corporate customers configure their IT environment and choose browsers in accordance with their needs.

- Allowing individual employees to choose their own browser will create significant problems for IT departments -- they will lose control of the software in use on their networks, creating security, interoperability, conflict, maintenance and support issues.
- In our experience, many business customers currently choose IE as their browser because it is particularly suited for the business environment -- it is easy to manage and maintain, it offers superior security and anti-malware features, and it is optimized to run the complex web-based applications that businesses increasingly use.
- The advocates of must carry have not adequately assessed the problems that would result from imposing that requirement on business users. This is troubling given the fact that business users comprise some 60% of the installed base of Windows PCs.

The Must Carry requirement is Detrimental to OEMs, Especially Those Who Are SMEs

The must carry requirement cannot be good for OEMs given its detrimental effects on our customers. In fact, the requirement will increase our costs, divert resources and management attention from more productive uses, and subject us to unjustified and intrusive regulation for which we are ill equipped. These burdens will hit those of us who are small and medium sized businesses especially hard.

- The must carry requirement will require significant ongoing regulation -- there will need to be mechanisms for selecting the browsers to be included, determining their placement and order, possible rotation over time and other presentational aspects, determining how the code for the mandated browsers is to be installed, and so forth. This can only further increase our technical and administrative costs.
- Costs of testing and customer support will obviously increase as well. We will also be at the mercy of the delivery schedules and technical support programs of the companies whose browsers we are required to carry. If they are late in shipping product or experience major technical problems, this will directly hurt our business.
- We also worry that the must-carry requirement for the browser will set a precedent for other functionalities. Once this approach is approved, we anticipate that vendors of software with many other kinds of functionality will also want must carry status. Having given browser companies this status, it will be difficult to deny it to others, further magnifying OEMs' technical, financial and administrative burdens.

Conclusion

If installing multiple browsers were in the interests of our customers, there would be no need for the Commission to require it. As OEMs, we are free to install multiple browsers on Windows PCs and we would do so because satisfying customer demand is the key to our success in the market place. But we do not believe the must carry approach serves our customers well. Just the opposite. And we know that it will drive up our costs at a time of severe economic recession

when we can ill afford to absorb such additional costs. We respectfully request the European Commission to reconsider and abandon the must carry approach.

Signatories:

Intercomp SPA	Italy	
Rosenmeier	Denmark	
Inter-data	Denmark	
bluechip Computer AG	Germany	
Brunen IT Distribution GmbH	Germany	
Ethos	Ireland	
PC Peripherals	Ireland	
Hattelco	Norway	
Avanport	Portugal	
Databox	Portugal	
Inforlandia e JP Sá Couto	Portugal	
Reycom AG	Switzerland	
rotronic micro	Switzerland	

Didi Tech and Distribution Belgium



Computer Networking Belgium Belgium



Medion Germany



Point of View BV The Netherlands



TICNOVA QUALITY TEAM, Spain
S.L.



Infostock Europa de Spain
Extremadura, S.A.



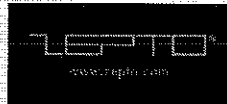
CMS Computers Limited United Kingdom



Hi-Grade Computers PLC United Kingdom



Zepto Computers A/S Denmark



ASEM S.p.A. Italy



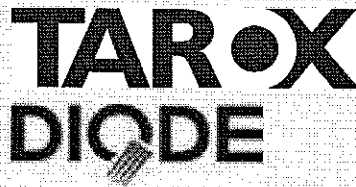
EXON S.P.A. Italy



Quanmax AG Austria



TAROX Systems & Services Germany
GmbH



Diode Spain

Si Computer S.p.A. Italy



Dreamcom Corporation

Switzerland

dreamcom

Novatech

United Kingdom

novatech

Gemm Informatica

Italy



Komplett ASA

Norway



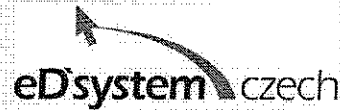
Investronica

Spain

inves

eD system

Czech Republic



T.S.Bohemia a.s.

Czech Republic



atcomp

Czech Republic

ATComputers

100Mega Distribution

Czech Republic



Risk Electronics Ltd.

Bulgaria



MOST Computers

Bulgaria



Bionic Electronics H.T. Ltd.

Cyprus



ML Arvutid

Estonia



AS ORDI kommertsjuht

Estonia



Info-Quest S.A.	Greece	
Plaisio Computers S.A.	Greece	
Multirama S.A.	Greece	
E-shop.gr S.A.	Greece	
Oktabit S.A.	Greece	
Dionic S.A.	Greece	
Interset S.A.	Greece	
Albacomp Zrt.	Hungary	
Flaxcom Kft.	Hungary	
Ddnet Kft.	Hungary	
DTK Computer Kft.	Hungary	
Fefo Computer Kft.	Hungary	
Qwerty Computer Kft.	Hungary	

ZH Distribucios Kft.	Hungary	
EET GRUPA	Latvia	
LatInSoft SIA	Latvia	
ELKO Vecriga	Latvia	
ATEA	Latvia	
AS Capital	Latvia	
SKS Inida	Lithuania	
Advanced IT Systems (Sonex)	Lithuania	
Compleet IS	Malta	
IES Computers Ltd	Malta	
ECA Holding BV	The Netherlands	
NTT Systems S.A.	Poland	

Vobis S.A.	Poland	
PC Factory S.A.	Poland	
Yamo Sp. z.o.o.	Poland	
Icom Sp. z.o.o.	Poland	
Format Sp. z.o.o.	Poland	
Perfektus S.A.	Poland	
Komputronik S.a.	Poland	
Net BRINEL S.A.	Romania	
ETA2U SRL	Romania	
FLAMINGO INTERNATIONAL S.A.	Romania	
MAGUAY IMPEX S.R.L.	Romania	
AGEM Computers	Slovakia	

PC Hand Computers

Slovenia



Comshop d.o.o.

Slovenia



Anni D.o.o.

Slovenia



Digitech AG

Switzerland



HYRICAN
Informationssysteme AG

Germany



ERGO

Italy



Q-force (Jasa bvba)

Belgium



Stone Group

United Kingdom



Caech Computer s.r.o.

Czech Republic



Msystems Ltd.

Greece



ALFA COMPUTER CZ, s.r.o.

Czech Republic

