

For Immediate Release**ISC Hails Brazilian Supreme Court Decision,
Calls Biased Software Acquisition Law Unconstitutional**

Ruling will benefit public and private sector stakeholders by increasing choice

Sao Paulo, Brazil, April 30, 2004 - The Initiative for Software Choice (ISC) today hailed Brazil's recent unanimous Supreme Court Ruling, which bars enforcement of Brazilian state Rio Grande do Sul's open source software (OSS) preference law. In the ISC's view, the ruling reaffirms the principles of wide-open software choice, and sends an important message both within and beyond the region that arbitrary rules which limit the purchase of information and communications technology (ICT) are harmful to democracies and constituents.

"The 10-0 ruling shows that the Court sides with open competition driven by merit, not by intentional bias designed to limit options," stated Gilberto Galan, Latin American representative for the ISC. "Thankfully for public and private stakeholders, the ruling will promote greater choice by allowing all parties to sit at the table instead of a chosen few."

Over the past two years, the Brazilian federal government, as well as several of its states, has become actively involved in the promotion of OSS. In the state of Rio Grande do Sul, the state legislature passed a law that essentially restricts the acquisition of state software to OSS only. In November 2003, the Court was petitioned by Brazil's Party of the Liberal Front (PLF), which challenged the law's constitutionality. Earlier this month, the Court agreed with the PLF, granting a temporary injunction against its enforcement because the law: interferes with open competition based on principles of non-discrimination; illegally preempts federal procurement prerogatives; and violates the state's own separation of powers.

"These types of laws are devastating to the local ICT industry," noted Galan. "Our research shows that more than 80 percent of the Brazilian ICT industry sells or develops commercial solutions. When you wall this group off from access to government markets, you had better have a compelling reason for it. Yet, none exists. The market works, the local ICT industry thrives, local innovation flourishes, and consumers are receiving what they need and want. The Court must have seen this, realizing that the Rio Grande do Sul's preference law is inimical to free competition, which has brought about tremendous public and private-sector benefits."

Added Galan, "As this case moves forward, we hope the Court ruling sends a powerful signal to Brazil's other states, the federal government, as well as countries throughout the region about the detriments of a biased ICT procurement process. Where choice gets limited, consumers, governments and the local industry can never win."

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About the ISC

The Initiative for Software Choice (ISC) is a global coalition of large and small companies committed to advancing the concept that multiple competing software markets should be allowed to develop and flourish unimpeded by government preference or mandate. For more information, please see us on the web at: www.softwarechoice.org.

Contacts

Gilberto Galan, Latin American Director for the ISC, +55 (11) 3834-8810, ggalan@uol.com.br

Mike Wendy, Manager of Media Relations for the ISC, 703-812-1333, ext 205, mwendy@comptia.org