

Mr Costas Andropoulos,
Head of Unit D4 'Technology for Innovation; ICT industries and e-business'
European Commission
Directorate General Enterprise and Industry
Avenue d'Auderghem 45
1040 Brussels

Brussels, 18 January 2007

Re: Commission-funded FLOSS economic impact study by UNU-MERIT

Dear Costas,

I am writing on behalf of the Initiative for Software Choice (ISC) regarding the Commission-funded study, entitled "Study on the: Economic impact of open source software on innovation and the competitiveness of the Information and Communications Technologies (ICT) sector in the EU" (herein the "Study"). As has been widely reported – we hope erroneously – the Study represents a "ringing endorsement of open source software" by the Commission. While we support the use of all software, FLOSS as well as proprietary, this ostensible change at the macro-policy level greatly troubles the ISC and its hundreds of members, many of whom make their living through FLOSS and proprietary software sales and services.

We have long-held the belief that the official policy of the Commission remains one of software development-model neutrality. The reports from well-established news outlets, however, challenge this understanding. Disturbingly, they posit that the Commission has officially shifted gears, possessing now a FLOSS-preference policy which merits overt public subsidy and exclusive support to the detriment of our members' interests.

To this end, we respectfully urge that you set the record straight, reaffirming that the official Commission policy toward software development is software model / technological neutrality.

We ask this because preference policies such as those reported limit choice. They send arbitrary, market-distorting signals to those who create ICT products, as well as those who purchase such wares. In particular, these deleterious signals conflict with the oft-stated goals of the Lisbon Agenda, needlessly interfering with competitive market dynamics, and seriously threatening to stall an already anemic environment for EU ICT innovation and capital investment.

As you may remember, the ISC was given only 10 days to provide comment on the then 256-page draft Study. On October 10, 2006 you received our summary concerns, outlining, among other things, our belief that the draft:

- Failed to adequately take into account the positive impact of other, non-FLOSS software development models;
- Eschewed the need to promote competitive standards – FLOSS vs. proprietary – in order to foster innovation and growth;
- Denigrated the protection of intellectual property, such as found in non-FLOSS, proprietary models of software development; and

- Belittled and/or ignored the vibrancy of the hyper-competitive EU software market.

Though we believe that a comprehensive study on the state of the EU software industry – FLOSS and proprietary-based – must be pursued, the resulting Study in its final form fails to provide a comprehensive picture of the EU software industry (let alone FLOSS developments). In rejecting our concerns, as well as others' aligned with our point of view it lacks needed gravitas necessary to properly inform policymakers on this complicated issue.

Of course, this myopia only makes the study's flaw ever more visible – i.e., if, as the reports surmises, the state of EU FLOSS exists as unequivocally well-off, why then the need for expansive government programmes, market intervention and FLOSS-preference proposals as recommended? Using the Study's logic, these recommendations are neither requisite, supportable or desirable; they have been mooted by the authors' own arguments.

Because the Study so clearly lacks objectivity, we do not suggest changing the authors' conclusions. What we do seek, however, are some straight-forward answers to two straight-forward questions:

1. Are the reports of Commission endorsement of the study's recommendations true?
2. Does this study represent a new FLOSS preference policy from the Commission?

The Commission's silence on this matter sounds deafening. In being mute, however, it maligns an integral sector within the ICT industry which the Commission must clearly guide and motivate to help all Europeans compete with other leading global, ICT-driven economies. To this end, we call on you to publicly disabuse the press reports surrounding the issuance of the Study.

Sincerely,



Hugo LUEDERS
Director – ISC Europe