

The DCIA Accepts IFPI's P2P Music Licensing Offer

Technology Trade Group Calls Upon Global Music Industry Association to Accelerate Commercial Development of File-Sharing Distribution Channel

November 30, 2005 – Los Angeles, CA – The Distributed Computing Industry Association (DCIA) responded to John Kennedy, Chairman of the International Federation of Phonographic Industries (IFPI), who remarked last week regarding the Australian Federal Court case centering on Kazaa: "It's time for services like Kazaa to move on – to filter, go legal, or make way for others who are trying to build a digital music business the correct and legal way."

"The DCIA, on behalf of our now seventy Members, wishes to publicly accept and endorse John Kennedy's exhortation, and offers our support, while also urging his, for expedited delivery of music licensing agreements that have until now been denied to open P2P application providers," said DCIA CEO Marty Lafferty.

"It is time to turn the corner on past conflicts. Let us, by the end of the year, set the terms for licensing so that there can be a level playing field in the online marketplace for music, including the P2P distribution channel," Lafferty added.

The DCIA has pledged to do all that it can to encourage the process of accelerating a conversion of current major P2P software programs to music-industry-acceptable business models and is actively supporting such a process in the United States.

The DCIA has always viewed licensing negotiations as separate from settlement discussions to close-out litigation between the parties, which must also occur, and should be able to proceed on a parallel track. It has never participated in, nor taken sides in, any lawsuits, except to press for continuing commercial development of the distributed computing industry.

That industry is now at a crossroads in its development, where it is critical to the success of those "who are trying to build a digital music business the correct and legal way," including through sanctioned P2P business models, to complete the conversion of major established P2Ps as expeditiously as possible.

Specifically, the DCIA is reaching out to IFPI, the Australian Record Industry Association (ARIA), and the Recording Industry Association of America (RIAA) to stepup the pace of music licensing negotiations associated with the ongoing conversion process for open P2Ps.

The DCIA has offered to establish a working group comprised of IFPI and DCIA Members with the aim of bringing legitimized P2P to music consumers, and requested that John Kennedy, or his designee(s), meet with DCIA leaders to discuss this approach or alternatives for establishing an accord or a regime for licensing DCIA Members that distribute P2P software – as a matter of urgency.

"We look forward to being able to demonstrate legal P2P business models that can take digital music sales to the next level," concluded Lafferty.

About the DCIA

<u>The Distributed Computing Industry Association (DCIA)</u> is a non-profit trade organization focused on commercial development of peer-to-peer (P2P) file sharing and related distributed computing technologies.

Its Members are listed alphabetically on the Join page of www.dcia.info. BigChampagne serves as the DCIA's official industry data resource.

DCIA Membership is organized into three Groups: Content, Operations, and Platform. The DCIA conducts working groups and special projects, such as the <u>Consumer Disclosures Working Group (CDWG)</u>, <u>P2P PATROL</u>, and the <u>P2P Revenue Engine (P2PRE)</u>. It also publishes the weekly online newsletter <u>DCINFO</u>.

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