

Comments on the FTC Conference on P2P File Sharing (December 15-16 2004)

My name is Doug Price and I am 27 years old. I am a musician, visual artist, technology entrepreneur and bonafide nerd. I attended the FTC workshop because I am passionate about the future of p2p technology, both in its capacity to decrease costs of media access and distribution as well as to enable a more democratic, well-informed (if not better entertained) society. I am writing to share my thoughts on the conference in hopes of offering perspective that, in my opinion, was underrepresented at the conference- that of those most intimate with the technology itself- the Youth.

In her address, Commissioner Pamela Jones Harbour states that the FTC's

*goal in sponsoring this workshop is to bring together individuals and groups who develop and use peer-to-peer technology, as well as those whose existing business models are affected by it, to ensure that policy-makers and the public areas **well-informed** as possible.*

I applaud Commissioner Harbour and the FTC for taking deep interest in the current state and future of p2p technology, yet I feel the conference failed to put together panels of representatives that:

- **Possess the technical knowledge** necessary to accurately and scientifically represent the technology (i.e. *the Programmer*)
- **Incorporate p2p technology in their everyday lives** as a source of entertainment, learning, research and/or social interaction (i.e. *the End User*)
- Claim to have **benefited financially** through p2p distribution (i.e. *the Remixer*)
- Claim to have been **hurt financially** due to file sharing (i.e. *the 12 year RIAA target; the Indie Production Company*)

Phrased in question form:

Where were the developers? Where were the young artists who use p2p to distribute their works? Where were the people who have been sued? And where were the creators who fear that file sharing is directly cutting into their sales?

Perhaps above and beyond this, it appears to me that very few of the panelists grew up with computers, the Internet, or p2p technology- as such it is likely that many lack the intrinsic understanding and intuition of p2p's potential, social value, and contextual meaning. How well informed can we as consumers be if those that use the technology daily are not represented? How holistic of a view of p2p can we achieve when the bulk of the panels represent the Television Generation (as opposed to the Internet Generation)?

Technologically speaking, many panelists committed gross errors, put forth outright misrepresentations and conveyed basic misunderstandings about the way decentralized p2p systems work. Instead of harping on these factual mistakes (I'd prefer to let someone

like Adam Fisk, the Gnutella extraordinaire formerly of Limewire fame comment), I will share with you my thoughts on the major issues touched upon in Commissioner Harbour's opening remarks and overview of Day Two. These issues include present concerns about p2p and the current and future potential uses of p2p technology. Finally I will make some recommendations for future dialog.

During the conference, "vulnerability to unwanted content" and "spyware/viruses" were the two major concerns raised with respect to negative impacts of p2p on the consumer. Anyone literate in the most mundane of Internet functions can tell you that this problem exists not only in the world of p2p but on an exponentially grander scale through email and web-surfing. If p2p is to be scrutinized for aiding and abetting the spread of viruses and unsolicited media, then the makers of the operating system with the most security flaws (i.e. Windows) and the purveyors of spam, adware, spyware, email- and web-born viruses should be quarantined far in advance. I would bet that these problems exist in email and on websites at a much greater scale even proportionate to the estimated number of US p2p users (20 million; *Von Lohman presentation*) vs. US Internet users (140 million; *Nielsen*).

As with any conversation on file sharing activities, the issue of piracy was also raised. The RIAA and MPAA claim that every p2p download directly eliminates a sale. This flies in the face of studies like that of Oberholzer-Gee (Harvard University) and Strumpf (University of North Carolina) that show no statistically significant correlation between downloads and lost sales. Although I feel that no study is absolutely conclusive or includes a sample size large and robust enough to give extremely accurate measure (i.e. more *could* be done), the fact remains that both the film and music industries have experienced record sales over the past 2 quarters (CD sales are up 6% for Q1 -Q3 2003; *Von Lohman presentation*). It is important to note that this growth exists despite the fact that the overwhelming majority of music is currently sold through Wal-Mart (thus limiting consumer selection), despite overall decreased consumer satisfaction, despite an ardent hesitancy to embrace new disruptive technologies and finally in light of the record and film industry's practice of suing their own adolescent customers.

My rationale for the standoffish attitude the RIAA and MPAA have taken towards p2p lies in the age-old concept of fear. Most high-up executives in the music and film industries are over 35 years old and did not grow up with computers, let alone the Internet. P2P is completely foreign to them and has fundamentally eliminated distribution costs while significantly increasing sheer per capita access to media. Put simply, p2p is foreign to most Baby Boomers. There is a high and unnatural learning curve and the ability to adapt creatively is intimidating if not dismaying when one wants to spend long weekends in luxury vacation homes as opposed to tightening the old belt and grinding elbows with those who intrinsically understand the technology could offer suggestions for embracing p2p to garner even more profits. It is this **fear that is limiting the progress of science and advancement of useful arts**. P2p has clearly proven itself more economically efficient than centralized client-server distribution models and I personally believe p2p holds the promise to advance society if not global humanity.

Fear is the main source of superstition, and one of the main sources of cruelty. To conquer fear is the beginning of wisdom.

Bertrand Russell, *An Outline of Intellectual Rubbish* [1950]

In her opening remarks, Commissioner Harbour also touched on positive aspects of p2p, stating specifically that

Peer-to-peer file sharing may substantially improve the Internet experience by increasing speed and access to content, while decreasing the need for storage space.

Economically speaking, p2p has proven to significantly decrease if not eliminate the costs for media distribution and access. For example, even the venerable BBC is using p2p technology to distribute their content. It is cheaper and more efficient- **p2p is simply a better horse**. Centralized digital models can't compete on delivery cost and inventory management alone strikes physical distribution from the race even before it began. Despite this, despite unquestionable scientific rationale, p2p continues to be prematurely demonized and outcast by corporate conglomerates who fear that change in traditional modes of distribution may threaten their long-standing monopolies on mind and media. Because p2p eliminates the costs of dissemination, an untapped potential is emerging for new and previously unknown content to gain instant audiences. **The possibility for more voices to be heard, based on merit not marketing dollars**, is quickly becoming a reality. Congruently, a greater representation of available media is becoming freely accessible to the masses.

Could the world grow smaller and larger at the same time?

I think the traditional media industry is starting to sense the rise of direct-to-consumer business models, where artists will have more say in and control of their distribution channels. The ability to sell directly and profitably to customers already exists; the sharp ones are beginning to unravel their own story. While this mode scares the presiding copyright regime, I don't think it scares most young artists - we are creative (*Danger Mouse*) AND we will find a way (*Wilco*). Change can be scary yet fruitful with a bit of savvy.

Among the musicians in our online survey, two-thirds say file-sharing poses a minor threat or no threat at all."

–Pew Internet & American Life
Project, 5 Dec. 2004

As for my own music, I am giving away my latest instrumental album (onliness_v1.0.1) for free on p2p and even ftp while my bandwidth threshold supports it:

http://site.prosoundeffects.com/onliness_v1.0.1_56kbps_MP3.zip

Onliness v1.0.1 will be updated and constantly upgraded with remixes and new vocalists. You can buy future versions if you like (for \$7 as opposed to the industry standard \$17). I also have a return policy (cash back), and I'll ask that you support via Paypal or just by spreading the word if you like my work (if not that's OK too- no sweat). Donationware.

Do I think I can make a living this way? YES (even though I absolutely choose not to). Do I think most major labels and studios like this mode of thinking for their artist? NO (even though they should try to learn from it).

Sometimes you get places by giving things away. Put another way, as an artist, there is more danger in not being heard than in being heard for free. At least you build a foundation for future following.

I digress to tangential relevance, depending how you look at relativity.

Put in perspective, the professional artist's ability to harness p2p to provide career sustenance is far less exciting to me (and certainly tiny in proportion) than p2p's ability to make personally relevant amateur and quasi-professional media available- this includes perhaps more personally relevant content from friends, friends of friends and perfect strangers – all of which would make your world a lot cooler. For example, I'd be more interested in seeing "O" in the club last night via lo-res videophone than watching another episode of Alf ;>).

What amazes me is that, on the one hand, the tools to create multimedia are becoming cheaper, easier to use and universally more accessible (i.e. Garageband, iMovie, video/camera phones, \$99 Epson Glossy printers). On the right hand, once media is created, p2p provides the cheapest form of distribution for any digital file, whether 200k or 200 GB. A wealth of amateur media exists largely as stagnant, unused and untapped content. Reality TV anyone?

To demonstrate statistically, the Pew Internet project just released the following:

32 million Americans consider themselves artists and about 10 million of them get some kind of compensation for their creations and performances.

–Pew Internet & American Life
Project, 5 Dec. 2004

That leaves 22 million “artists” with non-commercial media that is most likely doing nothing except for sitting static on their hard drives (or perhaps just in their head as well ;). So if you accept the fact that, on the low end each amateur artist has created 2 pieces of work, then 44 million non-commercial pieces exist in the US alone. Most likely the audience for these pieces is small if non-existent, but that doesn’t mean this content doesn’t have meaning for some, that the artists couldn’t garner an audience, aren’t worthy of respect or even a laugh, that the creators themselves aren’t personally relevant, or that their wouldn’t be of interest ever.

We are now starting to talk to each other.

It’s obvious to me (and perhaps not at all to those unfamiliar with new media creation technologies) that **a new language is emerging**, where the youth can speak more expressively and dimensionally to each other through sound, sight, motion and words. We grew up and are growing up with accessible creative tools as the innovation of our times. Open dissemination and access is the next stage. We want to interact with the media that comprises the world around us.

In short, I believe that:

- P2P will provide a far richer way of communicating and connecting with others through information and art forms
- P2P technology has the potential to ensure the diversity of media, opinion and ideas and will be integral to enabling free culture, unifying people, and generally making the world a more interesting and open place

By method of personal example:

During the first day of the conference I felt compelled to get Commissioner Harbour’s attention. I needed to voice my feelings about inadequate developer, artist, user and youth representation and make a case for a second, more encompassing FTC hearing. I approached the Commissioner and handed her a manila folder with an 8.5”X 11 “ glossy my latest graff”d-on-found-object work along side my business card.

(It’s in the .zip file on my [ftp](#)- called DOCDEMON.jpg)

The Commissioner looked somewhat surprised yet curious, opened the folder and politely asked, “Are these for me to keep?”

I replied, “Sure- this is what peer to peer is all about”

I then elaborated on my case and asked her for 5 minutes of her time. Before the Second Day’s opening remarks, she pointed and called me out as I walked through double doors.

“You. Twenty minutes. Two PM.”

I'm not arguing that everything should be given away for free, I'm just saying that some times good things happen as a result that make it all worthwhile.

Thank you Commissioner Harbour,

For your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Douglas Brian Price", written over a horizontal line.

Douglas Brian Price

A highly stylized, cursive handwritten signature in black ink, possibly reading "Douglas Brian Price", written in a circular, overlapping fashion.