



Government Affairs e-Update



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This Week@Cisco in Government Affairs

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New Websites On Stock Options And Digital Rights Management (DRM)

Cisco is a member of coalitions on Digital Rights Management and Stock Options. Please find information on each of these issues at the following coalition websites.

INTERNATIONAL EMPLOYEES STOCK OPTIONS COALITION – (IESOC) - <http://www.savestockoptions.org/>

ALLIANCE FOR DIGITAL PROGRESS (ADP) – Digital Rights Management site – <http://alliancefordigitalprogress.org>

This Week@WASHINGTON, DC

'Plain English' Measure On Stock Options Introduced - Bill would block expensing effort - Silicon Valley companies are rallying behind legislation introduced that would block for at least three years any efforts to require companies to count stock options as an expense on their books. Reps. David Dreier, R-Glendora, and Anna Eshoo, D-Palo Alto, plan to introduce a measure aimed at giving investors "plain English" information on the impact stock options have on a company's bottom line. It forbids the Securities and Exchange Commission from recognizing any new accounting standards related to stock options for three years while it evaluates the effectiveness of new disclosure requirements. <http://www.bayarea.com/mld/mercurynews/business/5436992.htm>

Getting Their Message Across To The FCC - The past four weeks have been anxious ones for dozens of lobbyists and executives who regularly work the Federal Communications Commission. The agency is putting the final touches on a series of regulations that will set the ground rules for competition in high-speed Internet access and local telephone service for the next several years. <http://www.washingtonpost.com/wp-dyn/articles/A34118-2003Mar26.html>

Supreme Court Turns Away Appeal Over Phone Competition - The Supreme Court rejected an appeal over contested rules for competition for telephone and Internet services. The appeal had essentially become moot because the contested rules were being overhauled by the Federal Communications Commission, the Bush administration told the court. New rules were approved last month. <http://www.washingtonpost.com/wp-dyn/articles/A18952-2003Mar24.html>

Senator Calls For Copy-Protection Tags - Software, music and movies that employ copy-protection schemes must be prominently labeled with consumer warnings, according to a bill introduced in Congress this week. The measure, sponsored by Sen. Ron Wyden, D-Ore., would grant the Federal Trade Commission the power to establish labeling methods for technology that limits the ability of consumers to freely copy, distribute or back up digital content. "While digital media companies are racing to develop technologies to combat piracy, some of these antipiracy measures could have the effect of restricting lawful, legitimate consumer uses as well as unlawful copying," Wyden said in a statement. "My bill says that if digital content is released in a form that prevents or limits reasonable consumer use, consumers have a right to be told in advance." <http://msnbc-cnet.com.com/2100-1028-994176.html>

FCC Releases Annual Telecommunications Industry Revenue Report - The report provides a general overview of the revenues of the U.S. telecommunications industry. http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-232352A1.pdf (Adobe file)



Government Creates Its Own Private Cyber Network - The federal government's massive private computer network is trickling toward completion as bureaucrats set up operations centers for various industries to insulate themselves from any major cyber attack launched against the United States. The Cyber Warning Information Network, based on an already-existing platform, is trying to bring together private sector businesses and groups, as well as cyber-security experts, to build portions of the network, including the Information Sharing and Analysis Centers. <http://www.foxnews.com/story/0,2933,82273,00.html>

ITI Names High Tech "Legislators Of The Year" - The Information Technology Industry Council (ITI) today announced it will present Senators Mike Enzi (R-WY) and Max Baucus (D-MT), and Representatives Fred Upton (R-MI) and John Tanner (D-TN) with its "Legislators of the Year" award during its Spring Board of Directors' Meeting tonight on Capitol Hill. The legislators are being honored for their leadership in promoting and advancing high tech's top legislative priorities in Congress in 2002. <http://www.itic.org/2003prs/030318.htm>

This Week@EMEA

European Commission Adopts Recommendation To Promote Public Wireless Broadband Services In Europe - The recommendation encourages member states to allow deployment of public R-LAN access networks without sector specific conditions and subject only to general authorizations. <http://www.europemedia.net/shownews.asp?ArticleID=15528>, http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=IP/03/418|0|RAPID&lg=EN

Compulsory Broadband Access Slated For New Homes - All new homes will be fitted with the infrastructure for broadband access, under a government proposal aimed at boosting the public's use of the internet. The proposal, which would cost the house building industry around £70m a year, was outlined in a consultation paper on changes to the building regulations published last Friday. The change would help the government meet its target of ensuring that everyone who wants it has access to the internet by 2005. <http://politics.guardian.co.uk/egovernment/story/0,12767,921049,00.html>

Delivering Better Healthcare: EU To Showcase 33 "Best Practices" Based On It And Communications Technology - 33 healthcare applications representing "the best of Europe" have been selected for exhibition at the EU's 22-23 May Ministerial Conference eHealth 2003: ICT for health. Ministers responsible for health and for telecommunications from 28 countries will attend the conference to discuss how technology can assist in delivering better and more cost-effective healthcare. http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=IP/03/425|0|RAPID&lg=EN

Commission Calls On Member States To Adapt E-Business Policies To Europe's Changing Environment - The European Commission has adopted a communication calling upon Member States and regions to review their e-business strategies in support of small and medium-sized enterprises (SMEs), to help them adapt to a continuously changing e-business environment. http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=IP/03/451|0|RAPID&lg=EN

Speech: Mr Erkki Liikanen Member of the European Commission, responsible for Enterprise and the Information Society "The Situation of the Electronic Sector in Europe" Telecommunications Council Brussels - http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=SPEECH/03/158|0|RAPID&lg=EN
EU Telecom Council - meeting background and history - http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=MEMO/03/67|0|RAPID&lg=EN
Results of the Telecom Council of Ministers - http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=MEMO/03/75|0|RAPID&lg=EN

New European Action Plan For Libraries - Ministers, policy-makers and practitioners from more than 30 European countries have agreed to four cornerstone priorities and a ten-point action plan to enhance the role of public library services to meet citizens' needs in the information age. <http://www.europemedia.net/shownews.asp?ArticleID=15569>

EU Ministers To Discuss Structural Funds Dispersal For Rural Broadband, 3G Development - With the European Commission having said that it is acceptable for member states to use EU regional aid, or 'structural funds' to build networks in rural areas, ministers are to meet to discuss such dispersal of funds. <http://www.europemedia.net/shownews.asp?ArticleID=15590>

MP's Speak Out On Digital Divide - The government and BT should do more to facilitate wireless broadband rollout, according to ministers who have been debating broadband in rural areas. Sir George Young MP led the debate. He slated the government for failing to close



the digital divide, leaving between 80 and 90 per cent of rural areas without access to affordable broadband. E-commerce minister Stephen Timms was urged to make the 2GHz band available to telecommunications companies, something that BT has been seeking for months. This has so far been refused because the spectrum is already in use by military and security services. <http://www.internet-magazine.com/news/view.asp?id=3286>

Irish Parliament Wi-Fi Hot-Spot? - The Office of Public Works and the Houses of the Oireachtas are currently discussing plans that would provide TDs and Senators with mobile internet access to their laptops. <http://www.europemedia.net/shownews.asp?ArticleID=15493>

UK Sets Sights On Spam - The UK Government is determined to crack down on the menace of unwanted and unsolicited e-mail. It is proposing a fight back against the spammers with strict new rules about how personal e-mail details are used. From October, a European Union directive will make unsolicited e-mails illegal across member states and the UK Government is planning to have its legal framework in place at the same time. Spam accounts for as much as 40% of global e-mail traffic and is causing a headache for businesses, costing them billions in lost productivity. <http://news.bbc.co.uk/2/hi/technology/2891845.stm>

Pub Hot-Spots Deliverer Of Rural Broadband? - Inspired Broadband Networks has said that they would be pleased to allow community broadband networks to piggy-back off his company's hot-spots in areas that are currently without broadband. <http://www.europemedia.net/shownews.asp?ArticleID=15561>

Research Reveals Government IT Spending Plans - Electronic forms, intranets, procurement and document management systems are set to outpace all other technologies this year as the key growth areas in UK public sector IT spending plans. <http://www.europemedia.net/shownews.asp?ArticleID=15567>

Speech - Mr Erkki Liikanen Member of the European Commission, responsible for Enterprise and the Information Society "e-Government and the European Union" The Internet and the City Conference "Local eGovernment in the Information Society" - http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=SPEECH/03/150|0|RAPID&lg=EN

This Week@Asia/Pac

India's Telephone Man: Bridging The Digital Divide - When Ashok Jhunjhunwala speaks of telephones, there is fire in his eyes and commitment in his voice. Over the years he has not just helped churn out idealistic young engineers from the Indian Institute of Technology (IIT) Madras, but also contributed to making telephones more affordable. "I am doing what IITs were meant to do -- make India technologically strong. This is the only justification for society to spend the money it does on IITs," Jhunjhunwala told IANS in an interview. http://www.hindustantimes.com/news/181_220171,0003.htm

This Week@US States

California To Study Internet Tax - State officials moved closer to charging sales tax on consumer items purchased from out-of-state online and catalog companies, a requirement that could ultimately generate \$1.8 billion annually for strained government coffers. A bill that would make California part of a consortium of 36 states working on the issue breezed through a Senate committee with bipartisan approval. And state tax regulators voted to begin limited participation with the consortium, effective immediately. <http://www.latimes.com/technology/la-me-internet27mar27,1,7052673.story?coll=la%2Dheadlines%2Dtechnology>

Missouri Lawmaker Creates Virtual Office - Stepping into state Rep. Rob Schaaf's office in the stately old Missouri Capitol is like crossing a threshold into the future. There's no secretary, no filing cabinet. Business cards and meeting notices are promptly scanned into a computer. Visitors sit in front of a digital camera and leave messages on video disc. In a building that generates thousands of pounds of documents weekly, Schaaf and his office are virtually paperless. During lengthy debate on the floor or in scattered hearing rooms, Schaaf can get work done electronically. http://story.news.yahoo.com/news?tmpl=story2&cid=528&ncid=528&e=5&u=/ap/20030326/ap_on_hi_te/virtual_lawmaker



Other Tech Stories Of The Week

Technology Companies Take Hope In Charity - Microsoft pledged more than \$100 million in technology and training last year as part of a deal to put government services online in Mexico. Cisco Systems, the leading maker of Internet hardware, relies upon nonprofit organizations to run its 10,000 networking academies, which train college and high school students in 150 countries to create computer networks. And Cisco and Hewlett-Packard donated expertise to a recently announced White House program of technology aid to developing countries in the Middle East and Africa. <http://www.nytimes.com/2003/03/23/business/23PHIL.html>

Whatever Happened To Internet2 - And Why You Can't Touch It - Internet2, the next-generation network that supposedly leaves the mainstream Internet in the dust, is still an ivory-tower project cloistered in universities and research labs. If you are a graduate student at a U.S. university with a major computing center, you may get your hands on it, but if you are sitting at home waiting to reap direct benefits from this mammoth project, you face a long wait. http://story.news.yahoo.com/news?tmpl=story2&ncid=1212&e=4&u=/nf/20030320/tc_nf/21047&sid=95573505

Report: 80 Percent Of U.S. To Log On - The number of Internet users in the United States will peak at 80 percent of the country's citizens, or about three-fourths of American households, according to a report from researcher eMarketer. Right now, 55 percent of the U.S. population uses the Internet, according to Ben Macklin, senior analyst at New York-based eMarketer. That's about 58 percent of U.S. households. At the end of last year, about 153 million people were online in this country, and about 10 million are expected to adopt the Net this year. The U.S. Web population will peak in the next 10 years, Macklin said. <http://msnbc-cnet.com.com/2100-1032-994418.html>

Watchdogs: Cable Gouges Broadband Users - U.S. consumer groups on Wednesday charged that cable companies were gouging customers who subscribe only to high-speed Internet service but not to cable television, and asked antitrust enforcers to investigate. The nation's biggest cable provider, Comcast, recently acquired AT&T's cable assets. It then raised prices for those customers who sign up only for high-speed Internet service to \$56.95 (Comcast's monthly going rate), a rise of 33 percent on the previous \$42.95 charge. Customers will receive the \$42.95 price for Internet service if they also sign up for cable television service, Comcast spokeswoman Sarah Eder said. <http://news.com.com/2100-1034-994276.html>

Spam Law A Matter Of Fax? - Like a growing number of people fed up with annoying online marketing pitches, Mark Reinertson decided to take his grievances to court. And like many other antispam activists, he brought his case before a small-claims judge and eventually won a ruling against the defendant, in this case Sears Roebuck, which was ordered to pay \$539 in damages last month. If Reinertson's case was in many ways typical of a growing number of antispam suits heading into the courts these days, it was also different in one important respect: While such cases usually take advantage of a patchwork of state antispam legislation, Reinertson filed suit instead under a federal statute banning junk faxes. <http://news.com.com/2100-1028-994076.html>

Bill Would Allow Check Transfer Electronically - U.S. lawmakers want to let banks exchange checks by electronic image, a process they say will speed up check clearing, benefit consumers and make banks more efficient. Customers will be able to see much more quickly whether a check has cleared or been tampered with instead of having to wait for a bank statement once a month, the bill's supporters say. http://story.news.yahoo.com/news?tmpl=story2&cid=569&ncid=738&e=1&u=/nm/20030327/tc_nm/financial_checks_dc

New Voting Systems Assailed - Computer Experts Cite Fraud Potential - As election officials rush to spend billions to update the country's voting machines with electronic systems, computer scientists are mounting a challenge to the new devices, saying they are less reliable and less secure from fraud than the equipment they are replacing. Prompted by the demands of state and federal election reforms, officials in Maryland, Georgia, Florida and Texas installed the high-tech voting systems last fall. Officials in those states, and other proponents of electronic voting, said the computer scientists' concerns are far-fetched. <http://www.washingtonpost.com/wp-dyn/articles/A39241-2003Mar27.html>

Report On Political Campaigns Online - The Pew Internet & American Life Project is delighted to release its latest report, written together with the Institute for Politics, Democracy and the Internet at The George Washington University. A summary of the report, titled "Untuned Keyboards: Online campaigners, citizens, and portals in the 2002 elections" can be found below, and the full text of the report may be accessed at <http://www.pewinternet.org/reports/toc.asp?Report=85>.

Facts And Stats

Worldwide B2B E-Commerce To Surpass \$1T In 2003 - eMarketer, in its newest report, *E-Commerce Trade and B2B Exchanges*, projects worldwide B2B e-commerce revenues to reach \$1.41 trillion in 2003, with the US share accounting for over one-half of that total at



\$721 billion. By 2004, the US will account for \$1.01 trillion of the worldwide \$2.37 trillion total.
<http://www.emarketer.com/news/article.php?1002129&c=newsltr&n=lead&t=ad>

DSL To Beat Cable Modem Across Europe Over Next 4 Years, Report - The European broadband market will be worth 17.9bn by 2006, according to market analysts Yankee Group. <http://www.europemedia.net/shownews.asp?ArticleID=15547>

Broadband User Base In UK Set To Hit 2M - The Department of Trade and Industry is focusing on using the public sector as a broadband icebreaker for undercovered areas. <http://www.europemedia.net/shownews.asp?ArticleID=15520>

Online Banking Goes Mainstream In US - A recent report from Gartner indicates that 17 percent of Americans used online banking services by the end of 2002. http://www.nua.com/surveys/index.cgi?f=VS&art_id=905358738&rel=true

More Than 60 Million Europeans Bank Online - Over 60 million Europeans now bank online, according to new research from Forrester. http://www.nua.com/surveys/index.cgi?f=VS&art_id=905358746&rel=true

Over 50 Percent Of Japanese Population Online - AsiaBizTech reports that more than 50 percent of the Japanese adult Population is online. http://www.nua.com/surveys/index.cgi?f=VS&art_id=905358740&rel=true

Broadband Adoption On The Up In Europe - Datamonitor predicts that over 41 million European households will be accessing the Internet via high-speed broadband connections by 2006. http://www.nua.com/surveys/index.cgi?f=VS&art_id=905358745&rel=true

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