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This Week@Cisco in Government Affairs

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This Week@WASHINGTON, DC

Lawmakers, CEOs Criticize Fasn For Options Move - It was billed as a round table, but seemed more like a boxing ring Thursday as lawmakers and CEOs rained verbal blows on America's accounting rulemaker for moving towards a requirement to expense stock options. Robert Herz, chairman of the Financial Accounting Standards Board, left the Capitol Hill hearing room bloody but unbowed, saying he would proceed with the effort to develop new rules on stock option accounting. He indicated he did not want to be like the FASB of the 1990s, which sought to require companies to list stock options granted to executives and employees as an expense, but which backed down under pressure from lawmakers and high-tech companies that have traditionally used stock options to attract workers. http://biz.yahoo.com/rc/030508/congress_options_1.html

Speech: "If You Want to Network the Home, You Need to Plug Into Washington" - Remarks by Bruce P. Mehlman, Assistant Secretary for Technology Policy, United States Department of Commerce - "Growth is passé and profit is king. It turns out there may not be a "new" economy after all, but rather one, whole integrated economy. Yet beyond the ashes of the dot com flameouts and notwithstanding the NASDAQ carnage, the broadband revolution is alive and well. In fact, it's prospering. New and old, economies around the world are fundamentally transforming themselves via high-speed Internet applications and usage, just like all of the humbled visionaries once said they would. The Internet is indeed changing everything." <http://www.ta.doc.gov/Speeches/BPM-030508.htm>

Speech: "TRUST THE MARKET", REMARKS BY FCC COMMISSIONER KATHLEEN Q. ABERNATHY TO THE WOMEN'S HIGH-TECH COALITION, MAY 6, 2003. (As Prepared for Delivery) http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-234175A1.pdf (Adobe file)

GAO Report: Information Technology: DOD Needs to Leverage Lessons Learned from Its Outsourcing Projects. <http://www.gao.gov/cgi-bin/getrpt?GAO-03-371>, <http://www.gao.gov/highlights/d03371high.pdf>

U.S. WRC Delegation Announced – David Case of Cisco Systems is a part of the official accredited US delegation to the World Radiocommunication Conference (WRC). He will be a private sector advisor to the US during the proceedings. For more information, you may contact him at davecase@cisco.com. Information on the conference: <http://www.itu.int/ITU-R/conferences/wrc/wrc-03/index.asp>

This Week@EMEA

Commission Report – "Investing in Research: An Action Plan for Europe" – http://europa.eu.int/comm/research/era/3pct/pdf/com2003_en.pdf (Adobe file)

Speech - Mr Erkki Liikanen Member of the European Commission, responsible for Enterprise and the Information Society "eGovernance in the EU and in South East Europe" Tools for eGovernance Conference Athens, 2 May 2003 - http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=SPEECH/03/226/0/RAPID&lg=EN



OECD Study Urges Governments To Maintain Competition Rules As Telecoms Sector Restructures - Confidence is slowly returning to the telecommunications sector after the "boom and bust" years of the 1990s. Although the necessary restructuring now underway in the industry is painful, a new OECD study says governments and regulators should resist the temptation to provide relief to companies by easing competition requirements or by providing financial help. The study, *After the Telecommunications Bubble*, says that the current state of the industry in OECD countries does not justify a major shift in telecommunications regulatory policy as a way of encouraging new investment. Indeed, competition is still hampered in some market segments, particularly high-speed internet access, which deprives consumers and businesses of some of the benefits of technological innovation. <http://www.oecd.org/EN/document/0,,EN-document-0-nodirectorate-no-12-40921-0,00.html>

OFTEL Report On Broadband - OfTel has published a review of the wholesale broadband access market. A full copy of this document can be viewed at: http://www.oftel.gov.uk/publications/eu_directives/2003/eu_dsl/dsl.pdf. The press release to accompany this document can be viewed at http://www.oftel.gov.uk/press/releases/2003/pr23_03.htm. OfTel has also published a statement on narrowband and broadband services. A copy of the statement is available at http://www.oftel.gov.uk/publications/eu_directives/2003/state0403.htm

Commissioner Erkki Liikanen And German Chancellor Gerhard Schröder Emphasise Importance Of Broadband For Europe - Commissioner Erkki Liikanen and Chancellor Gerhard Schröder attend a high-level meeting in Berlin as part of the German initiative for fostering growth of the Information Society. Speaking on the importance of Information and Communication Technologies (ICT) for competitiveness and growth, Commissioner Liikanen said: "By improving quality and reducing prices, ICT are an important enabler of innovation and organisational change that enhance productivity. The eEurope initiative is the European framework for stimulating this process". http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=IP/03/659/0|RAPID&lg=EN

Commission Approves Third-Generation Mobile Network Sharing In The UK - Mobile operators T-Mobile and Mmo2 have entered into to share 3G site infrastructure ('site sharing') and to roam on their 3G networks in the UK and Germany. In February 2002, the parties asked the Commission for clearance, or alternatively an exemption, of their agreements under the anti-trust rules. <http://www.europemedia.net/shownews.asp?ArticleID=16138>

Grand Wireless Experiment In Paris Metro - A partnership of Cap Gemini Ernst and Young, Cisco Systems and the Paris Metro has begun a bold experiment that could ultimately make the whole of Paris one giant wi-fi hot-spot. <http://www.europemedia.net/shownews.asp?ArticleID=16191>

Dutch Telcos Concerned About Local Government Broadband Activities - The Association of Dutch Telco Operators is concerned that local fibre optic network initiatives are interfering with the liberalization of the telecommunications sector in the Netherlands and wants the government to put a stop to it. <http://www.europemedia.net/shownews.asp?ArticleID=16182>

This Week@Asia/Pac

America's Broadband Dream Is Alive In Korea - As Cho Won Hee zips effortlessly from one Web site to another, his doting mother at his side, it is easy to understand why Silicon Valley views South Korea as the promised land of instant access to the Internet. The Chos' high-speed digital line — 100 times faster than the typical dial-up connection in the United States — is their zippy gateway to home entertainment, education and shopping, all for \$32 a month. And despite the relatively recent arrival of such connections, the Chos, like many Koreans, are already as addicted to their broadband hookup as most Americans are to their television sets. <http://www.nytimes.com/2003/05/05/business/worldbusiness/05BROA.html> (Free registration required)

Australia Forms I.T. Thinktank - The Federal Government is to form a group comprised of the chief executives of multinational IT and communications companies to identify investment opportunities and sell Australian technology offshore. The group - a joint initiative of the Australian Information Industry Association (AIIA) and the government — was announced by IT and Communications Minister Senator Richard Alston at the CeBIT trade show in Sydney. <http://australianit.news.com.au/articles/0,7204,6396589%5E15306%5E%5Enbv%5E,00.html>

This Week@Americas/International

"Transforming Services For Canadians" — Presentation by Government of Canada CIO Michelle d'Aurey. http://www.cio-dpi.gc.ca/cio-dpi/pres/CIPS2/page01_e.asp?bp



Digital Economic Infrastructure 'Strong And Progressing': Study - Government and private-sector Internet initiatives have been given a grade of B Plus by the Canadian e-Business Initiative for overall performance in promoting the growth of e-business and the digital economy. In its fourth annual report, called Fast Forward 4.0: Growing Canada's Digital Economy, the CeBI benchmarking and metrics team reported that the digital economic infrastructure and environment is strong and progressing, and that Canadian consumer and business Internet connectivity are among the highest in the world. The venture-capital environment has proved resilient to the downturn in the economy and the tax and regulatory environment is improving. <http://www.globetechnology.com/servlet/story/RTGAM.20030501.gtjackmay1/GTStory>

This Week@US States

CA Senate Okays Internet Tax Bill - The state Senate voted Thursday to force online retailers, such as barnesandnoble.com and Dell Computer, to charge sales tax to their California customers. The legislation, sponsored by Sen. Dede Alpert, D-San Diego, is somewhat broader than a similar bill Gov. Gray Davis vetoed three years ago but said he would reconsider as the Internet matured. Alpert's bill would apply not only to online sellers such as barnesandnoble.com that are affiliated with companies that have retail outlets in California, but also to out-of-state computer makers such as Dell that offer local repair services to their California customers. <http://www.siliconvalley.com/mld/siliconvalley/5822826.htm>

Virginia Threatens Spammers With Jail Time - Internet mavens who clog computers with massive volumes of unsolicited e-mail pitches now risk landing in prison and losing their riches under a tough Virginia law recently signed. <http://www.cnn.com/2003/TECH/internet/04/30/fighting.spam.ap/index.html>

Other Tech Stories Of The Week

Web Links Teens, Mentors - Brooklyn group helps low-income youngsters learn about technology. - A nonprofit in Brooklyn, N.Y., hatched by a foundation formed by a Wall Street hedge-fund manager is using the Web to connect low-income teens with mentors and help the youngsters learn about technology. Now in its fourth year, iMentor is working with 400 students it recruits at schools and community organizations, up from 100 its first year, says Caroline Kim Oh, the group's executive director. <http://www.philanthropyjournal.org/more.asp?ID=2722>

Hollywood Antipiracy Chief Seeks Peace With Technology Industry - When Hollywood studios consider their digital future, they turn to Scott Dinsdale for guidance. Film is increasingly being distributed digitally, by DVD and over digital cable and the Internet. Mr. Dinsdale leads studios' combined efforts in these areas, including lobbying and fighting piracy, as the Motion Picture Association of America's executive vice president for digital strategy. <http://online.wsj.com/article/0,,SB10523179531747500,00.html> (Paid subscription required)

Judge: Fileswapping Tools Are Legal - A federal judge in Los Angeles has handed a stunning court victory to file-swapping services Streamcast Networks and Grokster, dismissing much of the record industry and movie studios' lawsuit against the two companies. <http://msn.com.com/2100-1105-998363.html>

Amazon Exec Expects Internet Taxes - Amazon.com's chief financial officer said yesterday he believes collecting sales taxes for Internet purchases is "inevitable," although the company later said it doubts that could happen anytime soon. At the Ragen MacKenzie investment conference in Seattle, Amazon CFO Tom Szkutak said collecting sales and use taxes on behalf of states, municipalities and other taxing jurisdictions is "inevitable and it's certainly something we support doing" -- provided that the process is drastically simplified. http://seattlepi.nwsource.com/business/121158_amazontax09.html

AOL's New Tune Picks Up The Tempo - Transition to Offering High-Speed Services Hasn't Been Easy - With the thunderous beat of the Foo Fighters shaking the bar stools at the Black Cat club in Washington, the band's lead singer, Dave Grohl, told hundreds jamming the stage that their reach extended all the way through cyberspace. "Hey, man," Grohl shrieked into the microphone. "I'm live on A-O-L." <http://www.washingtonpost.com/wp-dyn/articles/A32300-2003May8.html>

FASB Says Firms Can Expense Cost Of Options When They Vest - Companies that award stock options would be allowed to deduct their cost from profit based on when employees receive them rather than when they are granted, the Financial Accounting Standards Board ruled. <http://www.latimes.com/business/la-fi-wrap8.1may08,1,926594.story?coll=la%2DHeadlines%2Dbusiness> (Free registration required)



Internet Access For The Cost Of A Cup Of Coffee - As the Wi-Fi trend sweeps through the air, one question appears to be cropping up with increasing frequency: to charge or not to charge? Wi-Fi, for "wireless fidelity," allows fast wireless connections with the Internet using a protocol called 802.11. Wi-Fi is finding its way into airports, hotels, universities, truck stops and cafes, especially Starbucks, which charges for connections through T-Mobile, a wireless carrier. <http://www.nytimes.com/2003/05/08/technology/circuits/08wifi.html> (Free registration required)

MSN UK Tests Net-Connected Portable Potty - <http://www.msnbc.com/news/908511.asp>

Making Sense Of Broadband - The technology's rapid spread will affect the market structures of many industries. Be prepared! - So many broadband providers disappeared after the dot-com boom that casual observers might think broadband itself has met with indifference from Internet users. Nothing could be further from the truth; in fact it has enjoyed striking growth throughout the world over the past three years. This expansion has implications not only for providers of broadband access and content but also for companies beyond the telecommunications and media sectors. http://www.mckinseyquarterly.com/article_page.asp?ar=1296&L2=38&L3=98&srid=17&gp=0 (free registration required).

Applied Materials Morgan Steps Down As CEO - Applied Materials Inc., the largest maker of equipment used to make semiconductors, has recruited a senior Intel Corp. executive to replace James Morgan, one of Silicon Valley's longest-tenured chief executives. Michael R. Splinter, 52 years old, was executive vice president of sales for Intel and had previously been a customer of Applied as the top manager of the giant chip maker's manufacturing operations. <http://online.wsj.com/article/0,,SB105173372154717100,00.html>

Facts And Stats

Estonia Becomes A Wi-Fi Hotspot - 6.8 per cent of all wireless internet areas in Europe are located in Estonia, although the 1.4m Estonians make up only 0.2 percent of the continent's population of 728m. <http://www.europemedia.net/shownews.asp?ArticleID=16176>

Russian Internet Penetration Up 2.7% In April - Overall internet penetration in Russia now stands at five per cent says new report, while in Moscow and the Moscow Region the figure has risen to 17 per cent. <http://www.europemedia.net/shownews.asp?ArticleID=16154>

Your Speed May Vary - All broadband is not created equal, as a comScore report finds that there is little consistency in the actual network speed delivered by cable modem and DSL providers, and the average cable modem connection was more than 50 percent faster than the average DSL connection. http://cyberatlas.internet.com/markets/broadband/article/0,,10099_2196961,00.html

March 2003 Internet Stats - The average Internet activity — both at work and at home — in March 2003 for surfers in the U.S., UK, and Australia, as reported by Nielsen//NetRatings Inc. http://cyberatlas.internet.com/big_picture/traffic_patterns/article/0,,5931_2192741,00.html

Canadians Caught Speeding - Canadians have been caught speeding, as findings from comScore Media Metrix Canada indicate that more than half of the nation's Internet users are cruising along at broadband speed. Analysis reveals that as of January 2003, broadband users represented fully 53.6 percent of the Canadian online population, compared to 33.8 percent of the U.S. online population. http://cyberatlas.internet.com/markets/broadband/article/0,,10099_2176381,00.html

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