



Government Affairs e-Update



Volume 3, Issue 3
20 January 2003

Brought to you by Cisco Government Affairs Online



Cisco Government Affairs E-Update

Volume 3, Issue 3

20 January 2003

Brought to you by Cisco Government Affairs Online: <http://www.cisco.com/gov>

This Week@Cisco in Government Affairs

Cisco's E-Update keeps you up to date on the major policy news of the week. Focusing on broadband, education and e-government areas, but covering high-tech and telecom in general, the E-Update is a great source of information for policymakers. To subscribe, send a message with "subscribe" in the subject line to "Subscribe-eUpdate@cisco.com"

If you have high-tech public policy news or announcements that you think other e-update subscribers would be interested in, please send them to jeanhar@cisco.com. There are over 950 subscribers to Cisco Government Affairs' eUpdate.

This Week@WASHINGTON, DC

OMB's Daniels: '04 It Budget About \$60 Billion - Mitchell E. Daniels Jr., director of the Office of Management and Budget, today said the Bush administration's request for federal IT funding for fiscal 2004 could increase by more than 15 percent over the 2003 request. Daniels, who addressed the outlook for 2004 and the president's stimulus package at an U.S. Chamber of Commerce event in Washington, said the agency IT budget request would be "about \$60 billion" next year. The administration requested about \$52 billion in 2003 and Congress has passed only two of 13 appropriations bills. http://www.gcn.com/vol1_no1/daily-updates/20879-1.html

White House Intensifies Push For Tax Plan - Administration Presses Business Lobbyists, Whose Support for Economic Proposal Has Been Tepid - The Bush administration is ramping up efforts to rally the business community behind its ambitious \$674 billion economic plan, hoping to turn a lukewarm reception into the kind of enthusiasm that pushed the president's first tax cut to passage two years ago. The largest high-technology trade group, the American Electronics Association, began blanketing Capitol Hill this week with an alternative economic growth plan that includes no dividend tax cut. <http://www.washingtonpost.com/wp-dyn/articles/A63037-2003Jan15.html>

Statements Of Chairman Michael K. Powell, Commissioners Kathleen Q. Abernathy, Michael J. Copps, Kevin J. Martin, And Jonathan S. Adelstein. Before the Committee on Commerce, Science and Transportation, United States Senate. http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-230241A1.pdf http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-230241A2.pdf http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-230241A3.pdf http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-230241A4.pdf http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-230241A5.pdf http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-230241A6.pdf (Adobe files)

Homeland Security IT Cost \$2.9 Billion - The U.S. government spent at least \$2.9 billion in 2002 on information technology related to homeland security and will spend at least that amount again this year, Congress' auditing arm said. In a report released Tuesday, the General Accounting Office also said the two-year, \$5.8 billion figure may be low because of potential IT-related costs not captured in the report. Such costs include multi-agency IT infrastructure, new intelligence systems and funding for existing agency missions that seem related to homeland security, such as efforts by the Department of Defense and the Federal Aviation Administration. <http://msnbc-cnet.com.com/2100-1001-980670.html>; The report - <http://www.gao.gov/new.items/d03250.pdf> (Adobe file)

FEDs: Power Lines Promising For Broadband Internet - The same power lines that bring electricity to televisions and toasters may become the next pathway into homes for high-speed Internet access, federal officials said. They said the technology offers an alternative to cable and telephone lines as a way to get broadband service, with its ability to quickly deliver large amounts of data and high-quality video signals. "Every power plug in your home becomes a broadband connection," said Edmond Thomas, chief of the Federal Communications Commission's Office of Engineering and Technology. He said companies developing the technology have overcome many hurdles in the past year. "It's starting to look like a very viable technology," said Thomas, who described the technology in a presentation to the agency's five commissioners. "We're very excited." http://news.yahoo.com/news?tmpl=story2&cid=528&ncid=528&e=6&u=/ap/20030116/ap_on_go_ca_st_pe/power_lines_internet



Overview Of UNE-P - Regulatory Future? More Uncertainty - As the FCC conducts its triennial review of rules for the telecommunications industry, glimpses into the secretive process give hints of deep ideological and political divides within the commission, with little apparent room for agreement or compromise. The Federal Communications Commission (FCC) is reviewing the rules that allow CLECs and ISPs access to incumbent phone companies' infrastructure. The FCC reviews rules every three years. This is the second triennial review since 1996, and the first under the new Republican administration. <http://www.isp-planet.com/politics/2003/uncertainty.html>

FCC: Open Up TV Waves To Wireless - The Federal Communications Commission is quietly considering opening the television broadcast spectrum for use by other wireless devices, including Wi-Fi products. The proposal, revealed in a notice of inquiry adopted last month, would allow devices using unlicensed spectrum--bandwidth not licensed to broadcasters--to operate in the TV broadcast spectrum. However, they would tap into only those parts of the TV spectrum not being used and only be allowed to do this when they wouldn't interfere with authorized services. <http://news.com.com/2100-1033-981047.html>

FCC Open Commission Meeting - January 15, 2003 - Presentations by senior agency officials regarding implementations of the agency's strategic plan and a comprehensive review of FCC policies. <http://www.fcc.gov/realaudio/presentations/2003/011503/>

Senators Add Wi-Fi To Broadband Debate - Two U.S. senators are proposing Wi-Fi networks as an alternative to digital subscriber lines and cable modems for getting broadband Internet access to rural areas and small cities. Sens. Barbara Boxer, D-Calif., and George Allen, R-Va., on Tuesday proposed the Jumpstart Broadband Act, which would allocate additional radio spectrum for unlicensed use by wireless broadband devices. The two senators had been promoting the legislation as a means of bringing broadband access to the masses. The bill proposes the use of an additional 255MHz of contiguous spectrum in the 5GHz band. Wi-Fi, also known as 802.11b, is a technology that allows the creation of wireless networks with a radius of around 300 feet. <http://msnbc-cnet.com.com/2100-1033-980890.html>

Warning Of Iraqi Hackers - Intelligence officials are concerned that a recent rise in electronic attacks against government and military computer networks in the United States may be the work of pro-Iraqi hackers and could signal a "potential crisis" in national security, according to a classified F.B.I. assessment. The assessment, prepared last week by the National Infrastructure Protection Center at the Federal Bureau of Investigation, warned intelligence officials that the attacks, which have been relatively limited, are likely to grow more widespread and "more dangerous" as tension over a possible war against Iraq grows. <http://www.nytimes.com/2003/01/17/technology/17HACK.html> (Free registration required)

NASA Reviews Spending On Information Technology - NASA has instituted a review of spending for nonessential information technology, an action that the industry says illustrates how the long-expected boom in tech spending has been slow to arrive. The National Aeronautics and Space Administration is requiring all of its field offices, from the Johnson Space Center in Houston to the Kennedy Space Center in Florida, to review IT purchases before proceeding. <http://www.washingtonpost.com/wp-dyn/articles/A63039-2003Jan15.html>

Many Taxpayers Can File Returns For Free On Internet - If you're planning to do your taxes over the Internet this year, there's a good chance you can do it for free. More than a dozen tax software companies will offer free Internet tax preparation and electronic filing to eligible taxpayers, the Internal Revenue Service said Thursday. The majority of taxpayers will qualify for free e-filing under the program, the IRS said. The initiative is designed to encourage more taxpayers to e-file, which saves the IRS time and money. http://www.usatoday.com/tech/news/2003-01-16-tax-filing_x.htm

This Week@EMEA

Speech: MR ERKKI LIIKANEN Member of the European Commission, responsible for Enterprise and the Information Society Welcome address to the 1st meeting of the Radio Spectrum Policy Group 1st meeting of the Radio Spectrum Policy Group Brussels - http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=SPEECH/03/10/0|RAPID&lg=EN

Cable Companies Face New Internet Rules - Hard-pressed cable companies could face new regulations to prevent them from dominating the market for high-speed internet, under plans drawn up by the European Commission. Draft plans by the Commission, which have been seen by the Financial Times, would give national regulators the power to crack down on cable companies' internet activities. This will put them on an equal footing with incumbent telecommunications companies, which have been lobbying to reduce Brussels' influence on their own businesses. The financial difficulties experienced by many cable operators make it unlikely that the proposed new rules will have a significant impact on the sector in the short term. However, the regulations could limit cable companies' growth in the internet in years to come. <http://news.ft.com/servlet/ContentServer?pagename=FT.com/StoryFT/FullStory&c=StoryFT&cid=1042490909542&p=1012571727248> (Paid subscription required)



Farewell To The Ballot Box? - Geneva is moving a step closer to becoming the first place to introduce voting via the Internet. As the whole country votes on important national and local issues, 16,000 Geneva students will become electoral guinea pigs, giving the canton's e-voting system its first major workout. "It will be the first time it has been used in a real-life situation, with a real load on the system. We're pretty optimistic," says Michel Warynski, head of the project. The test will be closely watched, not only in Switzerland, but also elsewhere in Europe, where e-voting is seen as having great potential for improving democracy. But it is also not without risks. <http://www.swissinfo.ch/sen/swissinfo.html?siteSect=105&sid=1169918>

I.T. In British Schools Fails To Raise Standards - According to recent study by the British government, computer and Internet use has done little to improve pupil achievement in England. Between 1999 and 2002 the British Educational Communications and Technology Agency studied and computer use in 60 schools in England. The report uncovered "no consistent relationship between computer use and pupil achievement in any subject at any age." The report, however, did not recommend the cessation of IT investments in schools. Instead, it suggested that schools need continuing support, including more funding for equipment that can be used flexibly, and more training for teachers in how to integrate IT with subject learning. <http://www.vnunet.com/News/1138036>

Uganda Telecom Offers "Freenet" - Local telecommunications company, uganda telecom, has made it possible for "every landline to be an internet line." This new product was recently presented to the public by Askan Schmeisser, the marketing and sales manager at Rwenzori Courts in Kampala. He said it will be called the "freenet" service. "freenet is a service that enables every uganda telecom landline to immediately access the internet without a registration or the payment of subscription fees," Schmeisser said. "This means that every uganda telecom customer can immediately access the internet from his computer wherever. The customer does not have to contact anybody of any company in order to get the internet," Schmeisser added. <http://allafrica.com/stories/200301150102.html>

This Week@Asia/Pac

Asia To Bridge Digital Divide In Region - Representatives from Asian governments, businesses and grass-roots groups vowed to wipe out inequalities in Internet growth Wednesday, wrapping up a three-day meeting to hammer out a regional agreement for a U.N.-initiated technology world summit in December. The Tokyo Declaration was adopted at the final session of the Asian Regional Conference, which drew about 500 people representing 48 countries, 21 international organizations, 53 businesses and more than 100 nongovernment groups. <http://asia.cnn.com/2003/TECH/internet/01/14/asia.information.ap/>

U.S. Warns Asia Over Copyright Piracy - The United States told the Philippines and Taiwan to take tough action against criminal gangs producing illegal copies of Hollywood movies and fake brand-name goods or risk having trade privileges revoked. William Lash, U.S. Assistant Secretary of Commerce for market access and compliance, praised Thailand and Malaysia for positive steps to stamp out piracy, but said there had to be more prosecutions of crimes which were costing U.S. firms billions of dollars. "You are responsible for your own house," Lash said. "People have to go to jail. There has to be more sentencing, more prosecutions." <http://www.siliconvalley.com/mld/siliconvalley/4951101.htm>

This Week@Americas/Intl

Taking Down Trade Barriers - Congresses in U.S., Chile are to vote on a deal - When Hewlett-Packard's wholly owned subsidiary in Chile imports office equipment from the parent company, such as HP printers, it must pay a 6 percent Chilean import duty. That fee will disappear if a proposed free-trade agreement between the United States and Chile becomes law, as expected. That, in turn, could help HP Chile lower its operating costs and grab market share from Canadian and Japanese companies that already benefit from their countries' free-trade agreement with Chile, said HP Chile's marketing manager, Axel Heilenkotter. <http://sfgate.com/cgi-bin/article.cgi?file=/chronicle/archive/2003/01/12/BU191827.DTL&type=business>

This Week@US States

Bellsouth Snips Wires In Florida - BellSouth said that it began testing a powerful wireless network it believes can help bridge the nation's digital divide. The telephone and broadband provider will use "fixed wireless" equipment to deliver high-speed Web access to 100 customers in Daytona, Fla., for the next three months, according to a BellSouth representative. The trial run is a crucial step before a full-scale launch. Verizon Communications and Sprint PCS are testing similar so-called fixed wireless equipment, which can wirelessly deliver 1.5Mbps of Web access up to 20 miles at a time. <http://msnbc-cnet.com.com/2100-1033-980396.html>



Lack Of Cash Squeezes School Tech - A statewide budget crisis has forced a project designed to connect California's schools with high-speed, high-bandwidth Internet networks to scale back. The Digital California Project, whose goal is to bring the next-generation Internet2 to California public schools, faces a \$1.1 million reduction under Gov. Gray Davis' proposed \$21 billion in statewide budget cuts.

<http://www.wired.com/news/school/0,1383,57193,00.html>

Digital California Project site: <http://www.cenic.org/DCP.html>

California Technology Center Aims To Close 'Digital Divide' - The Pacoima facility offers job training and Internet access for adults, as well as homework assistance for youths. A computer center that opened in the northeast San Fernando Valley is more than just a place to type a resume. The Pacoima Community Technology Center offers training for medical office jobs as well as online college classes for adults and computer instruction and homework help for children. The center houses the Valley Family Technology Project, a \$3-million government-industry partnership launched in October 2001 to help close the so-called "digital divide" in the community.

<http://www.latimes.com/technology/la-me-center17jan17,0,6443194.story?coll=la%2Dheadlines%2Dtechnology> (Free registration required)

Other Tech Stories Of The Week

Recording, Technology Industries Reach Groundbreaking Agreement On Approach To Digital Content Issues -

Representatives of the recording and technology industries today announced that they have reached agreement on a core set of principles to guide their public policy activities in the new Congress regarding the distribution of digital content. The landmark agreement, embodied in a document issued by the Business Software Alliance (BSA), the Computer Systems Policy Project (CSPP), and the Recording Industry Association of America (RIAA), represents new and common ground for the industries, which have been working to address piracy concerns while also seeking to embrace the digital age and meet consumer expectations. The agreement is significant in that it promotes cross-industry coordination to elevate consumer awareness of piracy issues, a unified consensus on how content creators should be able to use technology to protect their property, and an agreement between the industries that government technical mandates are not the best way to serve the long term interests of consumers, record companies and the technology industry. <http://www.bsa.org/usa/press/newsreleases//2003-01-14.1418.phtml>; The Principles: http://www.bsa.org/usa/policyres/7_principles.pdf (Adobe file)

Cable Operators Draft Plans For VoIP Telephony Push - Voice-over-IP is slowly winning cable's telephony holy war — even as the industry churns out profits using constant bit rate (CBR) switched technologies. Both vendor and operator executives made that clear last week as they outlined their plans for 2003 at two investor conferences. "The fundamental [telephone] business is a great business and we love it. I hope some of my other colleagues will see their way to get there," said Jim Robbins, president and CEO of Cox Communications, speaking at Salomon Smith Barney's 13th Annual Global Entertainment, Media and Telecommunications Conference in La Quinta, Calif. "It's not an easy business." http://telephonyonline.com/ar/telecom_cable_operators_draft/index.htm

Family Doctors' Push To Switch To E-Records Looks Salutary - Is your family doctor ready to give up those hand-scribbled medical records and go paperless? On Saturday, the American Academy of Family Physicians is expected to approve a plan to pursue development of an "open-source electronic health record." Doctors using the system would be able to create electronic medical records for a nominal cost, maintain them in a secure Internet site, and easily share them with patients and other physicians. David Kibbe, AAFP's director of health information technology, says the aim is to get 10,000 of its 95,000 doctors using the electronic records by the end of next year, for starters. AAFP has approached other medical societies representing 400,000 doctors with other specialties about joining the program.

<http://online.wsj.com/article/0,,SB1042662230180932104,00.html> (Paid subscription required)

Ivy League Schools Begin To Offer Online Courses - Next year, Harvard University public-health professor Marcello Pagano will have to stay up late to teach his biostatistics class. His two dozen students, doctors studying clinical-trial design, will be in sitting in front of computers many time zones away, in Asia. Mr. Pagano is piloting a program set to begin in July 2004 that will offer a master's degree to students taking most of their coursework over the Internet. Using a video link, they will watch the professor on their screen and be able to ask questions in real time. Just a few years ago that would have been unthinkable. Elite schools such as Harvard had largely avoided the "distance-learning" boom, which has elevated the fortunes of some entrepreneurs in the private sector, including the thriving University of Phoenix, and bolstered enrollment at public colleges. <http://online.wsj.com/article/0,,SB1042594341876820384,00.html> (Paid subscription required)

Lufthansa Flight Trial Provides Boeing's New Fast Web Service - When Lufthansa Flight 418 departs Wednesday from Frankfurt to Washington Dulles International Airport, the passengers onboard will have no excuses for not staying connected during the flight. They will be on the first commercial jetliner equipped to allow them to send e-mail and surf the Internet over much of the planet. Boeing Co. and Lufthansa outfitted the 747 jetliner with Boeing's Connexion service, which uses satellites to provide broadband Internet service, as part of a three-month trial to gauge how well the system holds up under heavy use by multiple passengers. A similar trial is expected to begin in the middle of February with another 747 operated by British Airways between London and New York.



<http://online.wsj.com/article/0,,SB1042579976457820504,00.html> (Paid subscription required) The technology in this service:
http://newsroom.cisco.com/dlls/ts_011503.html

Computer As Concierge - Ever yearn to meet up with folks who share a single, powerful passion? It might be "Xena: Warrior Princess," knitting, ferrets, the French language, jewelry making, the video-game Ultima, motherhood, live journals or any one of more than 700 different interests. Enter Meetup, a free Internet-based service that organizes local gatherings about anything for anybody in any city in any country. It's designed to nudge people off the couch, away from too much TV and computer time, into face-to-face interaction with people who have similar interests. <http://www.latimes.com/technology/la-wk-stay16jan16,0,3972392.story?coll=la%2Dheadlines%2Dtechnology> (Free registration required)

Facts And Stats

Internet Access Device Market Set To Grow - The market for Internet access devices is expected to grow at an overall annual rate of 28.2 percent between 2001 and 2006. http://www.nua.com/surveys/index.cgi?f=VS&art_id=905358699&rel=true

Online Spending Reaches New High In US - US Consumers spent nearly USD13.7 billion online during the holiday season, according to Goldman Sachs, Harris Interactive and Nielsen-Netratings. http://www.nua.com/surveys/index.cgi?f=VS&art_id=905358692&rel=true

Italians Sent 70 Billion Email Messages In 2002 - Europedia reports that 180 million email messages were sent daily in Italy during 2002. http://www.nua.com/surveys/index.cgi?f=VS&art_id=905358691&rel=true

Online Retail Spending To Soar In The US - Jupiter forecasts that online retail spending in the US will grow by 28 percent in 2003 to USD52 billion. http://www.nua.com/surveys/index.cgi?f=VS&art_id=905358701&rel=true

E-Update Archive

To view past issues of Cisco's Government Affairs E-Update, visit our [E-Update Archive page](http://www.cisco.com/gov/archive/eupdates/index.html).
<http://www.cisco.com/gov/archive/eupdates/index.html>

Disclaimer

Positions in articles and papers from outside sources are in no way endorsed by Cisco Systems' Office of Worldwide Government Affairs. We offer articles on topics of interest to our audience to further the debate on the issues that are important to high-tech. To view our positions on the policy matters that we care about, please visit our [Government Affairs homepage](http://www.cisco.com/gov). – <http://www.cisco.com/gov>

Cisco.Com/Gov And E-Update Feedback

Please send any feedback to John Earnhardt at jearnhar@cisco.com.
To contact any member of the Government Affairs team, please visit our "Contact Us" page. http://www.cisco.com/gov/contact/index_ext.html

Subscribing/Unsubscribing

You are receiving this update because you requested it. If you received this message because it was forwarded to you and you wish to subscribe to this weekly E-Update, please send a message to Subscribe-eUpdate@cisco.com with "Subscribe" in the subject line. Or, visit our Government Affairs homepage (www.cisco.com/gov) and click on the "Subscribe" button in the lower left-hand corner.

If you no longer wish to receive this update, send a message with "unsubscribe" in the subject line to Subscribe-eUpdate@cisco.com.

**Corporate Headquarters**

Cisco Systems, Inc.
170 West Tasman Drive
San Jose, CA 95134-1706
USA
www.cisco.com
Tel: 408 526-4000
800 553-NETS (6387)
Fax: 408 526-4100

European Headquarters

Cisco Systems International BV
Haarlerbergpark
Haarlerbergweg 13-19
1101 CH Amsterdam
The Netherlands
www-europe.cisco.com
Tel: 31 0 20 357 1000
Fax: 31 0 20 357 1100

Americas Headquarters

Cisco Systems, Inc.
170 West Tasman Drive
San Jose, CA 95134-1706
USA
www.cisco.com
Tel: 408 526-7660
Fax: 408 527-0883

Asia Pacific Headquarters

Cisco Systems, Inc.
Capital Tower
168 Robinson Road
#22-01 to #29-01
Singapore 068912
www.cisco.com
Tel: +65 317 7777
Fax: +65 317 7799

Cisco Systems has more than 200 offices in the following countries and regions. Addresses, phone numbers, and fax numbers are listed on **the Cisco Web site at www.cisco.com/go/offices.**

Argentina • Australia • Austria • Belgium • Brazil • Bulgaria • Canada • Chile • China PRC • Colombia • Costa Rica • Croatia • Czech Republic • Denmark • Dubai, UAE • Finland • France • Germany • Greece • Hong Kong SAR • Hungary • India • Indonesia • Ireland • Israel • Italy • Japan • Korea • Luxembourg • Malaysia • Mexico • The Netherlands • New Zealand • Norway • Peru • Philippines • Poland • Portugal • Puerto Rico • Romania • Russia • Saudi Arabia • Scotland • Singapore • Slovakia • Slovenia • South Africa • Spain • Sweden • Switzerland • Taiwan • Thailand • Turkey • Ukraine • United Kingdom • United States • Venezuela • Vietnam • Zimbabwe

Copyright 2003 Cisco Systems, Inc. All rights reserved. Cisco, Cisco Systems, and the Cisco Systems logo are registered trademarks or trademarks of Cisco Systems, Inc. and/or its affiliates in the U.S. and certain other countries. All other trademarks mentioned in this document or Web site are the property of their respective owners. The use of the word partner does not imply a partnership relationship between Cisco and any other company. (0301R)