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This Week@Cisco in Government Affairs

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This Week@WASHINGTON, DC

Lawmakers Revisit Debate On Stock Options - Members of Congress are once again inserting themselves into the debate over whether companies should treat stock options as expenses, setting the stage for a possible political battle when accounting rulemakers tackle the issue in the coming months. A coalition of technology companies helped gather signatures from 40 House members opposed to the rule, according to congressional aides. The group includes Rep. David Dreier (R-Calif.), chairman of the House Rules Committee, and several other members from California. While saying they didn't want to set accounting standards, the letter said expensing options would result in "the disclosure of inaccurate corporate financial information and a flawed picture of company performance." <http://www.washingtonpost.com/wp-dyn/articles/A38375-2003Feb6.html>

Speech: Orson Swindle, Commissioner, U.S. Federal Trade Commission - "Realizing the Potential of the Global Digital Revolution" - <http://www.ftc.gov/speeches/swindle/030115honolulu.htm>

Dream Nears Reality: Ease Up At The F.C.C. - More than five years after he began his career at the Federal Communications Commission as a lonely dissenter, Michael K. Powell is poised to fulfill a long-held vision by unshackling the nation's largest telephone companies and media giants from decades of regulation. Mr. Powell, 39, now the agency's chairman, is in the final stages of negotiations with the four other commissioners on a broad overhaul of the byzantine telephone rules. If, as most expect, the commission adopts a version of the latest draft of the revisions at its Feb. 13 meeting, the new rules will favor the regional Bell operating companies and will hurt the small start-up local carriers and the ailing long-distance giants like AT&T and WorldCom. <http://www.nytimes.com/2003/02/02/business/yourmoney/02FCCC.html?th> (Free registration required)

FCC Phone Rule Proposals Criticized - Conservative leaders and others say the ideas could raise rates and hamper competition - Conservative leaders, joining Democrats and a host of disparate groups, will urge the Federal Communications Commission to pull back on proposals that would dramatically change telephone competition rules. They are expected to say in letters filed with the agency that ideas the five commissioners are considering to reform the telecom industry would lead to higher rates and effectively prevent states from setting local rules for phone and high-speed fiber-optic service. <http://www.latimes.com/technology/la-fi-fcc3feb03,0,3134104.story?coll=la%2Dheadlines%2Dtechnology> (Free registration required)

UNE-P And The Future Of Telecom "Competition" - Opinion from the Cato Institute - <http://www.cato.org/tech/tk/030201-tk.html>

Copyright Legislation Unlikely, Both Sides Say - Tech and media leaders say possibility of war and lack of consensus will stall efforts this year. - Leaders of major entertainment and technology trade groups, often at odds over piracy and copyright issues, have found something to agree on: Chances are slim that Congress will jump into their controversies with significant legislation this year. The shared views mark a surprising shift because advocates on both sides of the copyright and piracy debate have frequently turned to lawmakers for help. "There's going to continue to be a lot of congressional sound and fury," said Bruce Mehlman, assistant secretary of the Commerce Department. But Mehlman saw only a 10% chance of any major legislation being passed. The one possible exception, Mehlman said, might be a narrowly crafted bill requiring the adoption of a so-called broadcast flag, a technology to prevent television programs from being retransmitted over the Internet.



<http://www.latimes.com/business/la-fi-copy5feb05.story>

Bush Approves Cybersecurity Strategy - President Bush has approved the White House's long-awaited national cybersecurity strategy, a landmark document intended to guide government and industry efforts to protect the nation's most critical information systems from cyberattack. In an e-mail sent to White House officials, cybersecurity adviser Richard Clarke said that the National Strategy to Secure Cyberspace has received Bush's signature and will be released to the public in the next few weeks. The strategy has been in development since shortly after the Sept. 11, 2001, terrorist attacks. <http://www.washingtonpost.com/wp-dyn/articles/A6320-2003Jan31.html>

Pentagon, Tech Firms In Wi-Fi Pact - Military had been worried about radar interference - Tech companies and the Department of Defense have reached a compromise on the future of wireless networking, addressing military concerns about radar interference. The two sides said that they had reached a resolution that establishes a new radio frequency threshold for products using unlicensed radio spectrum—primarily Wi-Fi products. Wi-Fi is a technology that lets devices located within a 300-foot radius communicate with one another wirelessly. <http://www.msnbc.com/news/867127.asp>

Statement Of FCC Chairman Micahel Powell On 5-Gigahertz Spectrum Agreement.
http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-230907A1.pdf (Adobe file)

NTIA Statement On 5GHz Spectrum Agreement - <http://www.ntia.doc.gov/ntiahome/press/2003/5GHzagreement.htm>

GAO Report - Telecommunications: Comprehensive Review Of U.S. Spectrum Management - Broad Stakeholder Involvement Is Needed. <http://www.gao.gov/highlights/d03277high.pdf> (Adobe file)

GAO Report - Electronic Government: Progress In Promoting Adoption Of Smart Card Technology - <http://www.gao.gov/cgi-bin/getrpt?GAO-03-144> (Adobe file)

This Week@EMEA

Congratulations To Our Cisco Government Affairs Colleague HENRIK TESCH for being named as one of the 40 most influential lobbyists in Berlin by "Politik und Kommunikation", the German lobbying journal.

German Mediator Recommends Copyright Levy On Computers - A German Patent Office mediator Tuesday asked personal-computer makers to pay copyright owners €12 (\$13) for every new PC they sell as compensation for private digital copying, raising the likelihood of a court battle over the royalties. PC industry representatives immediately signaled their intention to challenge the nonbinding recommendation, which marks the latest chapter in a year-old fight between hardware manufacturers and collecting societies representing copyright owners worried by a significant increase in private copying. <http://online.wsj.com/article/0,,SB1044385225838491533,00.html> (Paid subscription required)

Wi-Fi as Savior? France's Farm Dwellers Hope So - Sillé-le-Guillaume's 6,500 residents call it "grove country." But the area's top official, Michel Quillet, is aiming for a new nickname: "rural technopolis." By May, it will become France's first testing ground for rural deployment of high-speed Internet service using the wireless networking standard called Wi-Fi. Wi-Fi - short for wireless fidelity, and also known as 802.11b - allows computer users equipped with special network cards to connect wirelessly over a radio frequency to a ground station providing high-speed Internet service. Its use is booming in airport lounges, hotels and cafes worldwide, but it is only starting to gain attention as an alternative to cable or phone lines for residential and commercial Internet service. <http://www.nytimes.com/2003/02/06/technology/circuits/06fran.html> (Free registration required)

Speech: Mr Erkki Liikanen Member of the European Commission, responsible for Enterprise and the Information Society Moving towards open platforms and interoperable services in tomorrow's information society - Public Hearing on Open Platforms and Interoperability for Digital Television and 3G - http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=SPEECH/03/58/0|RAPID&lg=EN

European Commission Investigates Possible State Aid To France Télécom - The recent extension of a line of credit to France Télécom by the shareholding French government has provoked an investigation by the Commission into the possibility that the government's action equates to state aid for the troubled telco. <http://www.europemedia.net/shownews.asp?ArticleID=14691>



Access To Information Society Services Through 3G And DTV - While currently access to Information Society Services (ISS) in the EU is done through the PC, in the future Digital TV and 3G will be an alternative, a high level official of the European Commission said. <http://www.europemedia.net/shownews.asp?ArticleID=14774>

ADSL Making Inroads Into Cable's Market Share - A new report predicts that 7.2m European homes will acquire broadband for the first time in 2003. <http://www.europemedia.net/shownews.asp?ArticleID=14674>

Czech Republic Unbundles Local Loop - The Czech government is complying with EU requirements regarding greater privatization before accession to the union. <http://www.europemedia.net/shownews.asp?ArticleID=14686>

BT To Launch Hot-Spots In Ireland - Having made public its belief in Wi-Fi over 3G as the future of wireless multimedia content in the UK, BT is looking to launch a series of Wi-Fi hot-spots in Ireland as well. <http://www.europemedia.net/shownews.asp?ArticleID=14756>

E-Voting Suppliers Named - The vendors have been invited to join a framework of suppliers who will offer IT solutions to councils involved in e-voting pilot projects, commencing with those due to be held in May's local elections. <http://www.europemedia.net/shownews.asp?ArticleID=14740>

South Africa Embraces Open Source - Joining a lengthening list of governments, South Africa adopted an official policy promoting the use of open-source software--but stopped short of jettisoning proprietary applications. The new policy by Africa's wealthiest nation expresses a preference for open-source applications when proprietary alternatives don't offer a compelling advantage. Other nations have taken more extreme positions, mandating the use of open-source software unless no other practical alternatives exist. "The primary criteria for selecting software solutions will remain the improvement of efficiency, effectiveness and economy of service delivery by (the) government to its citizens," reads the policy, which was drafted last month and published Monday in a final version. "OSS (open-source software) offers significant indirect advantages. Where the direct advantages and disadvantages of OSS and PS (proprietary software) are equally strong, and where circumstances in the specific situation do not render it inappropriate, opting for OSS will be preferable." <http://msnbc-cnet.com.com/2100-1001-983315.html>

INITIATIVE FOR SOFTWARE CHOICE - Learn more about the Initiative for Software Choice, a global initiative promoting neutral government procurement, standards and public R&D policies for software - <http://www.softwarechoice.org/>

UAE Women Surge Ahead To Establish Their Reputation In Information Technology - The crucial importance of Information Technology and the flexibility it provides has made it a popular career choice for UAE women. A large pool of educated women qualified for careers in IT has begun to emerge in the country, with female students outnumbering men at the local universities and colleges. Official statistics show that 72 per cent of students enrolling for higher education in the UAE are women. In addition, women comprise 42 per cent of the students at the faculty of Natural Sciences, which includes computer science and engineering. At the Higher Colleges of Technology, the proportion of female students is three times higher than that of men. <http://www.dit.net/news/news.php?id=EpuuVkZuVAoLrsUoFD>

This Week@Asia/Pac

Technology, Democracy A Potent Mix In South Korea - The marriage of a fledgling democracy and broadband technology has spawned a precocious new media child in South Korea that would have been unimaginable 15 years ago. In an exhilarating two months, Web-based journalists have swung a presidential election, stirred tens of thousands of Koreans into anti-American protests and nudged government policy on the nuclear standoff with the North. The leading voice of this New Korea is OhmyNews, South Korea's most influential online news site. With only 40 full-time journalists, it has built up almost as big a readership and as fearsome a reputation for moving public opinion as dailies that have been established for more than half a century. <http://www.nandotimes.com/technology/story/745845p-5412228c.html> (Free registration required)

Viet-Nam Wrestles With Internet Growth - Squeezed shoulder to shoulder in a tiny cafe behind Hanoi Polytechnic University, students sit transfixed in front of computer monitors. On weekdays, the line runs out the door as they jockey for screen time. "In the last year, Internet has become more popular in Vietnam; not only with students but with regular people coming here as well," observes Internet cafe owner Dang Thi Diep. A year ago when Diep opened the cafe, there was barely enough business to pay the rent. Now, her 22 new computers are busy all day long. Diep is hoping to expand. This is what Vietnam's leaders envision when they speak of the Internet's potential. http://www.usatoday.com/tech/webguide/internetlife/2003-02-03-vietnam_x.htm



This Week@US States

High-Speed Net Finds Way To Small-Town Usa - Rural America, starved for high-speed Internet access, is getting more help to get more wired. Rural communities didn't get much of the billions invested in high-speed Internet networks during the telecom boom. That's because such networks are costly, and companies stand a better chance of making money from them in more populated areas. As a result, less than 5% of towns with fewer than 10,000 residents have a common form of high-speed access, digital subscriber lines, vs. 56% of cities with more than 100,000 residents, government figures show. http://www.usatoday.com/tech/news/2003-02-04-ruralnet_x.htm

Growth: Cities Try To Cash In - The future of wireless networks can be found about an hour from Atlanta, in the foothills of Georgia's northeast mountains. There, the small college town of Athens wants to become America's prototypical community built with "Wi-Fi" networks--the reigning standard for wireless technologies that are changing the way businesses and individuals exchange information. Last month, Athens opened one such network in a joint effort with the University of Georgia, the county government and local businesses. "Our project is all about developing compelling applications, not just throwing up a wireless cloud because it is cheap and you can do it," said Scott Shamp, director of the university's New Media Institute, who headed the town's wireless initiative. "Imagine how much stronger economically a community could be if it establishes a reputation as a place that thinks creatively with technology." <http://news.com.com/2009-1033-982322.html>

Over 20 Million US High-Speed Homes - Strategy Analytics estimates that the number of residential broadband subscribers will rise by 40% over this year -- from 17.9 million in 2002 to 25.3 million by the end of 2003. Strategy predicts that by the end of 2008, over 70% of US internet homes will be making broadband connections. Currently, the penetration rate is just 27%. <http://www.emarketer.com/news/article.php?1002027&c=newsltr&n=lead&t=ad>

California Controller Backs Net Tax - State Controller Steve Westly said that he has been asked by Gov. Gray Davis to develop new Internet tax policies. Westly told valley business leaders he envisions changes that will probably mean more widespread sales taxes on online purchases and possibly surcharges on Internet access and software downloads. "I think the Internet ought to be taxed like every other part of the economy," Westly, a former Internet executive, told about 400 leaders at a San Jose Silicon Valley Chamber of Commerce luncheon. <http://www.siliconvalley.com/mld/siliconvalley/5125967.htm>

\$1.8 Billion Telecom Project Gets Perdue's Ax - Georgia Gov. Sonny Perdue pulled the plug on one of his predecessor's most ambitious initiatives: a \$1.8 billion plan to consolidate all state government telecommunications under a private contractor. The Georgia Technology Authority, the state agency that has been overseeing the sweeping project, accepted the governor's recommendation to kill the plan. It would have been the largest contract ever awarded by the state, putting as many as 500 state employees on the private contractor's payroll. <http://www.accessatlanta.com/ajc/business/0203/06telecom.html>

Online Work Balances Play, Survey Finds - Employees with Internet access at home spend more time there doing work for their companies than they spend online for personal reasons at their offices, a survey released yesterday found. Nearly everyone surveyed admitted using company e-mail and Web connections for personal activities. But workers with Internet access both at home and in the office said they logged on from home to do job-related tasks an average 5.9 hours a week and spent 3.7 hours a week at work on personal matters online, according to the fourth annual National Technology Readiness Survey, conducted by the Center for E-Service at the University of Maryland and Rockbridge Associates Inc., a Great Falls research firm. <http://www.washingtonpost.com/wp-dyn/articles/A26443-2003Feb4.html>

Other Tech Stories Of The Week

Internet More Important Than Television - The annual UCLA survey of the Internet and how Americans use it recently came out. According to the survey, Americans who use the Internet consider it at least as important as newspapers and books, even as they've become more skeptical of what they find online. The Internet now exceeds television, radio and magazines in importance among online users according to the survey, which is done by telephone and includes questions asked of 2,000 households. <http://www.ccp.ucla.edu/pdf/UCLA-Internet-Report-Year-Three.pdf> (Adobe file)

Broadband Broadens Its Pitch - Firms Bundle Services, 'Tier' Prices in Effort To Lure New Customers - How goes the broadband revolution? It depends on how you read the numbers. By the research firm ARS Inc.'s figures, there are about 15 million broadband subscribers in the United States today, with 9.4 million using cable modems, which ride on the same wiring as cable TV, and 5.4 million on digital subscriber lines, which piggyback on telephone circuits. Not bad -- but of the 70 percent of American households that could get either cable-modem or DSL service, only 13 percent or so have signed up. <http://www.washingtonpost.com/wp-dyn/articles/A9370-2003Feb1.html>



As Broadband Gains, The Internet's Snails Fall Back - America Online now has some company in the Internet doghouse. Last week, the company said the number of subscribers to its flagship Internet service, by far the nation's largest, had fallen in the fourth quarter, the first decline in its history, further contributing to the woes of its parent, AOL Time Warner. But executives at the America Online division can at least find solace that its plight is shared by the other leading dial-up Internet access providers, EarthLink and Microsoft's MSN, which also have shrinking numbers of dial-up subscribers. The problem is speed. Consumers have been dropping their slow dial-up services and switching to faster service, called broadband. AOL and the other dial-up leaders do offer broadband service, but the latest quarterly results show that consumers are shunning these offers, despite increased promotion. Rather, they are buying broadband services offered by cable and telephone companies. <http://www.nytimes.com/2003/02/03/technology/03ONLI.html> (Free registration required)

Wireless Workings - A Cisco showroom provides a snapshot of how wireless technology is transforming our businesses and our lives. - In Seal Beach, California, Cisco's 3200 series Mobile Access Router sits in the trunk of a police vehicle. It allows the car to remain connected to IP networks, regardless of what types of wireless systems are delivering the signal. This "always-on" network allows police officers in the field to access several types of data and information such as IP-based video surveillance, photos from crime databases, and fingerprints obtained from other officers' scanners and from databases. With the wireless link, officers at the scene of a bank robbery, for example, can view live video surveillance footage from bank cameras to determine how to resolve the situation. <http://www.redherring.com/columns/2003/wednesday/labrat020503.html>

Doctors Online - Following up on a study conducted in 2001, Boston Consulting Group (BCG) and Harris Interactive surveyed over 400 physicians and roughly 10,000 patients in the US in 2002 and found that 90% of physicians say they use the internet to research clinical information. The number of physicians who say they use the internet for continuing education purposes and to attend online medical conferences rose in 2002 over the previous year. <http://www.emarketer.com/news/article.php?1002034&c=newsltr&n=lead&t=ad#article>

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