



Government Affairs e-Update



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This Week@Cisco in Government Affairs

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This Week@WASHINGTON, DC

F.C.C. Leaves Most Rules On Network Leasing In Place - A deeply divided Federal Communications Commission largely left in place rules that are meant to foster local telephone competition by requiring the four regional Bell companies to lease their local networks to their rivals at low prices set by state regulators. But in a compromise order, the agency relieved the companies of their obligation to give rivals low-cost access to many of the crucial elements of the Bells' new high-speed Internet networks.

<http://www.nytimes.com/2003/02/21/business/21PHON.html> (Free registration required)

San Jose Mercury News - <http://www.bayarea.com/mld/mercurynews/5230424.htm>

Washington Post - <http://www.washingtonpost.com/wp-dyn/articles/A37942-2003Feb20.html>

Wall Street Journal - <http://online.wsj.com/article/0,,SB1045758414299218383,00.html> (Paid subscription required)

Telephony Online - http://telephonyonline.com/ar/telecom_fccs_triennial_review/index.htm Wired -

<http://www.wired.com/news/business/0,1367,57755,00.html>

FCC Ruling And Commissioner Statements (All Adobe files)

Ruling - http://www.fcc.gov/Daily_Releases/Daily_Business/2003/db0220/DOC-231344A1.pdf, Attachment -

http://www.fcc.gov/Daily_Releases/Daily_Business/2003/db0220/DOC-231344A1.pdf

Chairman Powell - http://www.fcc.gov/Daily_Releases/Daily_Business/2003/db0220/DOC-231344A3.pdf

Commissioner Abernathy - http://www.fcc.gov/Daily_Releases/Daily_Business/2003/db0220/DOC-231344A4.pdf

Commissioner Copps - http://www.fcc.gov/Daily_Releases/Daily_Business/2003/db0220/DOC-231344A4.pdf

Commissioner Martin - http://www.fcc.gov/Daily_Releases/Daily_Business/2003/db0220/DOC-231344A7.pdf

Commissioner Adelstein - http://www.fcc.gov/Daily_Releases/Daily_Business/2003/db0220/DOC-231344A8.pdf

Congressional Statements -

House Energy and Commerce Chairman Billy Tauzin (R-LA) statement - http://energycommerce.house.gov/108/news/02202003_795

Fred Upton (R-MI), Chairman of the Energy and Commerce Subcommittee on Telecommunications and the Internet, Statement -

<http://www.house.gov/upton/press-02-20-03.html>

Senator Fritz Hollings (D-SC) Statement - <http://hollings.senate.gov/~hollings/press/2003220A02.html>

Industry Statements -

Verizon - <http://newscenter.verizon.com/proactive/newsroom/release.vtml?id=78793>

BellSouth - <http://bellsouthcorp.com/proactive/newsroom/release.vtml?id=42268>

SBC - no statement available on website

Qwest - http://www.qwest.com/about/media/pressroom/1,1720,1208_archive,00.html

AT&T - <http://www.att.com/news/item/0,1847,11358,00.html>

Sprint - no statement available on website

WorldCom -

<http://www.worldcom.com/global/about/news/news2.xml?newsid=7051&mode=long&lang=en&width=530&root=/global/about/&langlinks=of>
f



Association Statements -

TechNet - http://www.technet.org/press/Press_Releases/?newsReleaseId=1688

High Tech Broadband Coalition – The High Tech Broadband Coalition (HTBC) represents the leading trade associations (BSA, CEA, ITI, NAM, SIA, TIA) of the computer, telecommunications equipment, semiconductor, consumer, electronic, software and manufacturing sectors. - <http://www.unibex.com/ibx/users/GetCom1/CIAJ1/website/index.cfm>

Broadband Question And Answer - The Federal Communication's Commission vote on local telephone competition was the headline grabber, but the FCC also voted on a proposal that could have a lasting impact on how much consumers pay for high-speed Internet access. The commission voted 3-2 to free the nation's four "Baby Bell" local phone giants from rules that would require them to make their Internet access lines available to competitors at regulated rates. <http://www.washingtonpost.com/wp-dyn/articles/A35983-2003Feb20.html>

FCC's Powell Reacts To Defeat On Local-Phone Deregulation - Moments after a decisive defeat Thursday rejecting his deregulation plan, Federal Communications Commission Chairman Michael Powell lashed out at his opponents in the agency. Here are excerpts of an interview with Wall Street Journal reporter John Wilke. *What were the principles at stake?* "We won a lot here. We took some bold steps, creating incentives for new investment in broadband and advanced architecture and to bring more fiber closer to the home." [But the majority] "wanted to punt the decision at the federal level and kick it to the states, and I think that's a hazardous decision." <http://online.wsj.com/article/0,,SB1045794751247948383,00.html> (Paid subscription required)

FCC Chairman Powell Profile - From broadband to cable and wireless to broadcasting, FCC Chairman Michael Powell believes in a free market and minimum government intrusion - Michael Powell is an unabashed gadget freak who owns three cell phones, three personal digital assistants, five personal computers, six TVs, a wireless wifi network and of course what he calls "God's Machine" -- TiVo. But this techno nerd does more than tinker with his toys -- he wields considerable power to shape the future of the tech industry. As chairman of the Federal Communications Commission at a pivotal moment in tech's history, Powell, 39, will help craft the rules of the road to a new digital promised land, where the lines between computers and entertainment devices blur and consumers have access to a vast array of new services. A die-hard Republican free-marketeer, he aims to do so with as little government intrusion as possible. <http://www.bayarea.com/mld/mercurynews/business/5146559.htm>

High-Speed Service May Cost More - Of the roughly 20 million users of high-speed Internet service, only a few hundred thousand customers are likely to have their rates increased as a direct result of yesterday's ruling by the Federal Communications Commission. But some executives argue that eliminating this form of price competition will lead to increased overall prices for the service, also known as broadband. <http://www.nytimes.com/2003/02/21/business/21BROA.html> (Free registration required)

FCC Eases Ultra-Wideband Restrictions - Technology that can see through walls to help police track criminals and aid firefighters searching for victims received a boost from federal regulators. Responding to industry requests, the Federal Communications Commission tweaked restrictions on ultra-wideband technology, which sends millions of narrow pulses each second over airwaves to get a precise reading of an object's location and distance. The signals also can carry huge amounts of data over a short distance. The technology has many potential uses, from wireless home networks of computers and other appliances to collision-avoidance systems in cars. Ground penetrating radar systems using ultra-wideband can detect objects or people buried under earth or debris. http://news.yahoo.com/news?tmpl=story2&cid=528&ncid=528&e=3&u=/ap/20030214/ap_on_hi_te/fcc_ultra_wideband

Oregon Democrat Leads Charge Against Extra Taxes On Internet - Sen. Ron Wyden (D, Ore.) is moving forward with legislation that would extend, permanently, an existing moratorium on Internet taxes. The current moratorium is set to expire this fall. But with so many states reporting fiscal deficits, Sen. Wyden says he wants to protect the Internet before governors and local politicians get the idea that taxing electronic commerce will help solve their budget woes. "There are thousands of taxing jurisdictions and if all of them, or a significant portion of them, can take a bite out of electronic commerce, I think the consequences would be staggering," says Sen. Wyden. <http://online.wsj.com/article/0,,SB1045262386225624343,00.html> (Paid subscription required)

Rep. Berman May Not Revive Internet Piracy Bill - Rep. Howard L. Berman said he may abandon his controversial proposal to help Hollywood battle Internet piracy, in part because of complaints from an unexpected source: Hollywood. Berman (D-CA) introduced a bill in July to give movie studios, record companies and other copyright holders limited immunity from lawsuits if they used technology to block piracy on file-sharing networks such as Kazaa or Gnutella. The immunity would not have applied to tactics that damaged users' computers or legitimate file-sharing activities. <http://www.latimes.com/technology/la-fi-berman21feb21,1,4879496.story?coll=la%2Dheadlines%2Dtechnology> (Free registration required)



This Week@EMEA

Europe Proposes Rules On Telephone Competition - The European Commission proposed detailed new rules today meant to ensure that regulators in the 15 member nations keep careful watch over the business practices of the giant former state telephone monopolies that still dominate on the Continent. The rules would require national telecommunications regulators, which are often accused of being too cozy with the former monopolies, to scrutinize 18 specific segments of the business to make sure rivals have a fair chance to compete. High-speed Internet access and mobile phone services, both extremely competitive, are included in the segments. The dominant telephone companies, for example, could be asked under the new rules to open their lines to rivals offering cheaper high-speed Internet services.

<http://www.nytimes.com/2003/02/13/business/worldbusiness/13FONE.html>

EU Press Release - http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=IP/03/221|0|RAPID&lg=EN&display=

Commissioner Liikanen Press Conference -

http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=SPEECH/03/73|0|RAPID&lg=EN&display=

Commission Urges Europe To Move To Broadband -

http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=IP/03/219|0|RAPID&lg=EN&display=

The eEurope 2002 Action Plan Has Been A Success In Bringing Europe On-Line - The eEurope 2002 Action Plan, designed to bring Europe online as fast as possible, has been a major success, according to the Commission's eEurope 2002 Final Report -

http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=IP/03/220|0|RAPID&lg=EN

Germany's Broadband Networks - Innovation On Hold - The market for information and communication technologies is changing rapidly. Products and applications that used to be completely separate are becoming almost interchangeable. Sweeping change lies ahead in voice and data telephony: the fixed-line telephone network faces new competition from innovative technologies. This report concentrates on analysing the economic potential of TV-cable and electricity networks as internet-access media, and discuss the prospects for the communications market. <http://www.dbresearch.com/PROD/999/PROD000000000052187.pdf> (Adobe file)

EU - Commission Finalises New Framework For Electronic Communications -The European Commission seeks to roll back regulation where it is no longer required and provide greater legal certainty for suppliers of communications networks and services.

<http://www.europemedia.net/shownews.asp?ArticleID=14907>

EE - Internet Penetration In Central And Eastern Europe 17% In 2003, report Estonia and Slovenia stand out as leaders in the region, as both countries have internet penetration levels on par with Western Europe. <http://www.europemedia.net/shownews.asp?ArticleID=14988>

Croatia - Telecommunications Minister Outlines Plans For Development Of Croatian Telecoms Sector - Croatian Minister for Transport and Communications Roland Zuvanic has said that his government plans to further liberalise and develop the market, and that a tender would shortly be announced for granting a concession to a third GSM network operator.

<http://www.europemedia.net/shownews.asp?ArticleID=14912>

Czech Republic - Cesky Telecom Privatisation Recommended For 2005 - The Finance Ministry has requested the cabinet draft a plan for privatising Cesky Telecom. <http://www.europemedia.net/shownews.asp?ArticleID=14945>

France - Orange France Rolls Out Wi-Fi - Orange France hopes to bring service to 400 key sites in 2003, and cover 50 per cent of prime business hubs in France by 2005. <http://www.europemedia.net/shownews.asp?ArticleID=15009>

Russia - Russia Increases Number Of Post Offices With Public Internet Access - The country is making steady progress in its plan to have all 40,000 of Russia's post offices connected. <http://www.europemedia.net/shownews.asp?ArticleID=14922>

Why European ISPs Need Partners - As compared with independent Internet service providers, European telcos have certain advantages that helped them gain and hold greater market share than their US counterparts, which were left in the dust by strong independent ISPs such as AOL and EarthLink. The continuing strength of the telcos might deter entrepreneurs from entering the ISP market—but shouldn't. The upcoming round of growth in Internet services will offer new revenue streams for companies that choose their partners wisely.

http://www.mckinseyquarterly.com/article_abstract.asp?ar=1280&L2=22&L3=77&srid=17&gp=0



French Companies Commit To Broadband Development - The CEOs of six major French corporations: Serge Tchuruk of Alcatel, Thierry Breton of France Telecom, Grégoire Olivers of Sagem, Patrick Le Lay of TF1, Denis Ranque of Thales, and Charles Dehally of Thomson, met with the French Minister of Economy, Finance and Industry, Francis Mer, to express their intention to cooperate in order to accelerate the development of interactive broadband services in France. They commit to providing attractively priced equipment and content that will help reach the government's goal of giving 10 million French homes access to broadband by 2008. A jointly signed letter that they gave to the minister was the tangible expression of this commitment. http://www.alcatel.com/news/minefi_1402.htm

Speech - MR ERKKI LIIKANEN, Member of the European Commission, responsible for Enterprise and the Information Society - "Progress towards ensuring an Information Society for All" - European voice conference on security, trust and convenience -Brussels, 18 February 2003 - http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=SPEECH/03/91/0|RAPID&lg=EN

Bridging The Digital Divide In Southeast Europe - As the European Union prepares for enlargement, there is a vital need for digital communications networks in non-EU European countries to be improved, to match those linking existing member states. A project funded by the European Commission has begun to tackle this problem for researchers and educators in South East Europe. <http://www.biomedcentral.com/news/20030213/07/>

Rwandan School Computerisation Program Launched - Rwanda has launched a national programme to provide computer laboratories, Internet access and computer training for teachers in secondary schools. In a statement, the government said the programme, called Schoolnet, had the support of the World Bank and USAID. It is being implemented by World Links, an international NGO specialising in providing computers and training in secondary schools in developing countries. <http://allafrica.com/stories/200302130326.html>

This Week@Asia/Pac

Peddling The Internet In Laos - Villagers in this remote jungle hamlet have lived for years without electricity or telephones, relying on occasional visitors and a sluggish postal system for news of the outside world. But soon many of its residents will be jumping on stationary bikes to pedal their way onto the Information Superhighway. Custom-built computers - running on bicycle-powered generators - will transport villagers from rice fields to chat rooms and Web sites worldwide. They'll be able to monitor rice and vegetable prices, sell handicrafts and e-mail relatives. <http://www.cbsnews.com/stories/2003/02/12/tech/main540378.shtml>

Indian Govt To Spend \$2.5b On E-Governance And E-Learning - The government will spend Rs 12,000 crore in next four years on e-governance and to take e-learning to schools in every district across the country, IT secretary Rajeev Ratan Shah said on Tuesday evening. "The government will launch a pilot project to take e-learning to 20 schools in the country spread over seven districts", Shah said at the inaugural of Nasscom 2003 here. To be funded by government and the industry, the project would eventually cover all the six lakh schools in India. Computer labs would also be set up to aid the learning process, where students can use multimedia and other software to enhance their learning capabilities, he added. <http://economictimes.indiatimes.com/cms.dll/html/uncomp/articleshow?artid=37189814>

This Week@US States

California Wireless Regs Would Harm Consumers - New Study Says Competitive Market Serves Callers Well - A proposal by the California Public Utilities Commission to impose significant regulations on the state's highly competitive wireless telephone industry is unnecessary and extreme, and would harm the very consumers it seeks to protect. That is the conclusion of a new study by Emory University Professor of Economics and Law Paul H. Rubin. <http://www.pff.org/Publications/RubinWireless.pdf> (Adobe file)

Kentucky: A Broadband Hookup In Every Home - Has a fast Net connection become as essential a modern utility as electricity and running water? The state of Kentucky thinks so. Taking an aggressive stance on the issue of the digital divide, the Kentucky Housing Corporation, or KHC, has listed broadband Internet access among the inalienable rights of its low-income housing residents. <http://www.wired.com/news/politics/0,1283,57249,00.html>

Projects Gets Urban Dwellers On The Web With Wireless Technology - The wireless signal was there, but the connection wasn't. The technician sat by the apartment window with a laptop balanced on his knees, configuring the computer to pick up the encrypted wireless reception from a rooftop antenna a half a block away. Not bad at all, considering that the wireless "hotspot" was intended not for cafe-hoppers and Internet hackers with money to burn and hours to spare, but for urban public housing residents who only a few years before had been fighting roof leaks and overflowing sewers. <http://digitalmass.boston.com/news/2003/02/19/projects.html>



Loss Of Telecom Grants Scares School Officials - Critics say Perry's plan for tech fund will hurt poor kids - David Disko's workday is supposed to end at 4:30 p.m., but he usually stays late because students at Del Valle Junior High are hungry for more time on the computers. Every day after school, the computer lab teacher and more than a dozen students tackle advanced technology projects such as robotics. "I have to throw them out at 6 p.m.," Disko said. The school computers are the only ones many of these kids know. About 75 percent of Del Valle Junior High's 1,150 students come from families that can't afford computers, and school officials say the district can barely afford them. So officials rely heavily on grants from the state's \$1.5 billion Telecommunications Infrastructure Fund, established in 1995 to bring schools, hospitals and libraries -- especially those in poor or remote areas -- into the technology age.
http://www.austin360.com/auto_docs/epaper/editions/tuesday/news_4.html

Other Tech Stories Of The Week

Internet Telephony Poised To Take Off - A new day is dawning for Internet phone service, promising cheap calls without today's hassles. For nearly a decade, adventurous PC owners have used the Internet to avoid long-distance and even international tolls on the public phone network. But both parties to a conversation had to have compatible software. Often only one could talk at a time. And the choppy sound quality made many wonder whether a tin can and string might be better. <http://www.newsfactor.com/perl/story/20780.html>

Plan Approved To Save U.S. Digital History - The Library of Congress announced last week a plan to archive Web content in a manner similar to its preservation of the written word. The National Digital Information Infrastructure and Preservation Program (NDIIPP) draws support from past congressional appropriations as well as private funds. The task will not be an easy one -- Google estimates that it currently catalogues some three billion Web pages, and the Library of Congress notes that half of the Web content created in 1998 had disappeared by 1999. "The digital history of this nation is imperiled by the very technology that is used to create it," said Librarian of Congress James H. Billington. <http://www.washingtonpost.com/wp-dyn/articles/A10278-2003Feb14.html>

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