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This Week@Cisco in Government Affairs

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This Week@WASHINGTON, DC

A Hard Line On Stock Options As Expenses - FASB Chief Herz Says He'll Fight for Change - The head of the private group that writes U.S. accounting rules told members of Congress yesterday that he supports treating stock options as corporate expenses and will resist political opposition or challenges from companies that oppose change. "We are in the change business," Robert H. Herz, chairman of the Financial Accounting Standards Board, testified before a House Energy and Commerce subcommittee. "We're going to do what we think is right." His remarks came as the FASB prepares within the coming weeks to consider whether to take up the issue of expensing stock options, which is strongly opposed by technology companies and their political supporters. http://www.washingtonpost.com/wp-dyn/articles/A42477-2003Mar4.html

Future Of Spectrum Policy Hearing - Full Senate Commerce Committee hearing was held this week to review the Federal Communications Commission's (FCC) Spectrum Policy Task Force Report and major spectrum issues facing policymakers. Testimony:
http://commerce.senate.gov/~commerce/press/03/2003228502.html
Senator Burns (R-MT) statement: http://burns.senate.gov/index.cfm?FuseAction=PressReleases.Detail&PressRelease_id=826

Congress Questions FCC Copyright Plan - A political rift over copy-protection standards for digital TV has developed between the Federal Communications Commission and a key panel in Congress. During a hearing Thursday, members of the House of Representatives' subcommittee overseeing intellectual-property law warned the FCC that a possible proposal for digital TV regulations could encroach upon Congress' turf. In August, the FCC voted unanimously to take the first step toward developing regulations involving a "broadcast flag" to designate shows that may not be copied freely. http://msnbc-cnet.com/2100-1028-991482.html
Witness list: http://www.house.gov/judiciary/courts030603.htm

Senate Hearings Urged Over FCC Broadband Decision - Two consumer groups demanded that lawmakers overturn a recent Federal Communications Commission decision to deregulate the broadband industry. FCC commissioners voted 3-2 last month to eliminate rules forcing broadband network owners to dramatically discount what they charge competitors to use their high-speed Web networks. The FCC kept in place the same rules, which are meant to spur competition, for telephone network owners. The Consumer Federation of America and the Consumers Union on Wednesday demanded the Senate's Commerce Committee conduct hearings about the decision. http://news.com.com/2100-1037-991216.html

Congress Sets Up Cybersecurity Panel - In a sign of the federal government's heightened interest in securing the Internet, the U.S. Congress established its first panel devoted to cybersecurity. In its kickoff meeting, the new House Homeland Security Committee voted to create five subcommittees that will focus on border security, emergency preparedness, counterterrorism, and internal committee rules. The fifth will oversee the federal government's "cybersecurity, science, and research and development" efforts relating to homeland security. http://news.com.com/2100-1028-991049.html
Chairman Christopher Cox (R-CA) Press Release: http://cox.house.gov/html/release.cfm?id=619

White House Launches Technological Peace Corps - On Tuesday, the White House and the U.S. Department of Commerce announced the creation of the Digital Freedom Initiative, a program designed to help developing nations grow their technology industries. Senegal , a

mostly Muslim nation in West Africa, will be the first participating country in a three-year pilot program, and if the Senegalese experience is successful, the U.S. government would send volunteers to 20 countries in the following five years.
http://www.infoworld.com/article/03/03/05/HNpeacecorps_1.html
Department of Commerce Press Release: http://www.commerce.gov/opa/press/2003_Releases/March/04_Digital_Freedom_release.htm

Providing The Technology Vision - Federal Government's Chief Information Officers at Center of E-Gov Revolution - Just as the technology revolution of the 1990s reshaped how Corporate America operates, it has forever changed how the federal government works. Like the private sector, Uncle Sam is learning to put a premium on coordinating how it buys and uses technology -- a mammoth task now headed in both worlds by an entirely new type of leader, the chief information officer, or CIO for short. http://www.washingtonpost.com/wp-dyn/articles/A47136-2003Mar5.html

Technet Visits Washington To Outline 2003 National Policy Agenda - TechNet, a national network of CEOs and senior executives in the high technology and biotechnology communities, this week held the organization's annual "TechNet Day" to discuss its top national policy priorities for 2003 with White House and Congressional officials. Cisco Senior VP Sue Bostrom and VP Laura Ipsen attended as Cisco representatives. http://www.technet.org/press/Press_Releases/?newsReleaseId=1747

This Week@EMEA

EU Commissioner Monti Backs State Outlay On Telecoms In Poor Areas - Mario Monti, European competition commissioner, has given the green light for millions of euros of government money to be invested in mobile telephony and high-speed internet access for poorer regions. The initiative could give a much-needed boost to a hard-pressed telecoms sector that has suffered badly in the business downturn. The move, revealed in a letter to the French government, comes as the European Commission prepares to issue guidelines for the use of European Union subsidies for poor regions to aid broadband access for high-speed internet. About €10bn ($10.9bn, £6.9bn) of EU funds has been earmarked for purposes such as "improving digital literacy" and "upgrading the digital infrastructure" over the 2000-2006 period, although the global figure does not refer solely to the telecoms sector.
http://search.ft.com/search/article.html?id=030305000670&query=Monti&vsc_appId=totalSearch&state=Form

Wealthy U.K. Users Dominate 'Net - Three times as many well-off families are going online for the first time as those with low incomes, a new report has revealed. The charity Citizens Online also found more than six times as many homes were online in some parts of the country than in others. Wokingham in Berkshire was the UK's best connected town, with almost six in 10 households online. In Blaenau Gwent, South Wales, fewer than one in ten homes had access to the internet. http://news.bbc.co.uk/2/hi/uk_news/england/2819905.stm

Oftel February DSL Report - http://www.oftel.gov.uk/publications/broadband/dsl_facts/index.htm

Europe Promised Rash Of Wi-Fi Hot Spots - International telecommunications company Swisscom wrapped up a pair of acquisitions that should lead to the spread of wireless "hot spots" across Europe. The Swiss giant announced Friday it acquired Megabeam Networks, a U.K.-based provider of Wi-Fi hot spots. Financial details of the deal have not been disclosed. The company also bought WLAN AG, a German public wireless LAN provider, to gain a wider pan-European footprint. A new organization called Swisscom Eurospot will be set up on the back of the deals. Swisscom Eurospot will deal with end-users, resellers and location partners for wireless hot spots--public places where wireless Web access is generally available for a fee or for free--in 12 European countries. http://msnbc-cnet.com.com/2100-1039-991565.html

EU Backs Single Patent In Competitive Drive - European Union ministers endorsed plans for a new EU-wide patent system that would halve the cost of registering new inventions as part of moves to boost competitiveness and spur growth. Ending a 30-year stalemate to get the new system approved, the ministers struck a deal after agreeing they would set up a centralized court for patent decisions by 2010.
http://story.news.yahoo.com/news?tmpl=story2&cid=581&ncid=581&e=19&u=/nm/20030303/tc_nm/economy_eu_patent_dc

This Week@Asia/Pac

China Considers Rule Favoring Local Firms In Software Purchases - In a potential setback for Microsoft Corp., Oracle Corp. and other international computer-software makers, China might require its central and local governments to buy most of their software from domestic vendors. The State Informationization Leading Group, an interagency task force in charge of the central government's information-technology planning, proposed the procurement guidelines last week in a meeting between vice ministers and domestic software executives, according to two people who attended. One part of the proposal would apply to central and local budgets for "E-Government," a multibillion-

dollar initiative to upgrade the computer and communications networks of the tax administration, customs authority, and several other key departments. At least 70% of the initiative's software budget would be earmarked for domestic products. http://online.wsj.com/article/0,,SB1046986618710440920,00.html (Paid subscription required)

Australian ISPS Raided In MP3 Probe - Federal police have executed search warrants on Telstra and internet company Eftel in one of Australia's largest investigations into alleged music piracy, which could be worth up to $60 million. Warrants were also executed at several other un-named internet service providers, with more warrants possible as the investigation continues. It's understood the police were seeking information about the identities of particular subscribers, as well as music files that may have been stored by them on servers. http://australianit.news.com.au/articles/0,7204,6081015%5E15306%5E%5Enbv%5E,00.html

Online Newspaper Shakes Up Korean Politics - For years, people will be debating what made this country go from conservative to liberal, from gerontocracy to youth culture and from staunchly pro-American to a deeply ambivalent ally — all seemingly overnight. For most here, the change is symbolized by the election in December of Roh Moo Hyun, a reformist lawyer with a disarmingly unfussy style who at 56 is youthful by South Korean political standards. But for many observers, the most important agent of change has been the Internet. http://www.nytimes.com/2003/03/06/international/asia/06SEOU.html (Free registration required)

Intel Works To Smooth Out Wi-Fi Roaming - Intel and the Infocomm Development Authority of Singapore have teamed on an ambitious plan to cut through the tangle of network standards, so that users can stay connected in wireless and wired networks wherever they are. Networking groups and companies have been working to improve roaming between Wi-Fi hot spots. Hot spots are areas where wireless Web access is available to the public. Wi-Fi refers to wireless networking technology based on the 802.11b, the 802.11a and--by midyear--the 802.11g standards. Improving the ability to roam between networks is expected to further the education and convenience of the market for Wi-Fi and hot spots. http://news.com.com/2100-1039-991064.html

This Week@Americas/International

A Tele-Surgery First In Canada - A three-armed robot directly translates a surgeon's natural hand, wrist and finger movements, allowing the surgeon to operate on a patient hundreds of miles away. This may sound like science fiction, but it's now reality following the completion of the world's first hospital-to-hospital telerobotics assisted surgery. http://newsroom.cisco.com/dlls/prod_030403.html

This Week@US States

Oregon Bill Opens Doors To Open Source - Oregon could become the first state to require that open-source software be considered by its agencies as an alternative to any proprietary solution, if a bill introduced this week passes muster. The Open Source Software for Oregon Act would mandate that any state government agency consider open-source software for all new software acquisitions and make purchasing decisions based on a "value-for-money basis." Moreover, under the act, state workers would have to avoid buying products that don't comply with open standards. "Long term, my hope is we will get computer systems away from proprietary operating systems and towards open standards," said Rep. Phil Barnhart, D-Ore., who introduced the bill. http://news.com.com/2100-1012-991462.html

Massachusetts Blue Cross To Pay Doctors For Online Advice - Blue Cross and Blue Shield of Massachusetts will begin a pilot program this summer to pay doctors for consulting with patients online, an effort to increase patients' access to their physicians for nonurgent medical problems. The state's largest health insurer said it's the first health plan in Massachusetts to reimburse doctors specifically for responding to members' e-mails, although Blue Cross plans in other states also are testing the strategy. http://www.boston.com/dailyglobe2/066/business/Blue_Cross_to_pay_doctors_for_online_advice+.shtml

Laptops Win Over Skeptics, Even In Maine - Attendance is up. Detentions are down. Just six months after Maine began a controversial program to provide laptop computers to every seventh grader in the state, educators are impressed by how quickly students and teachers have adapted to laptop technology. In a language arts class at Freeport Middle School, for example, muted howls could be heard recently as students researched projects related to Arctic stories, including "The Call of the Wild" by Jack London. Following Internet tracks created by their teacher, Janice Murphy, some students, inspired by the story, were researching wolves. http://www.nytimes.com/2003/03/05/nyregion/05LAPT.html

Tennessee Lawmakers Move To Tax Net, Catalog Sales - Hoping to cash in on an estimated $600 million in lost taxes this year, Tennessee is considering joining a national plan to collect sales taxes on most Internet and catalog purchases. But don't rush online yet. Your

Lands' End chinos and L. L. Bean boots bought online or through a catalog aren't likely to be taxed this year - but Tennessee and most other states are moving in that direction. http://www.gomemphis.com/mca/midsouth_news/article/0,1426,MCA_1497_1771157,00.html

Other Tech Stories Of The Week

Pondering Value Of Copyright vs. Innovation - Technology scholars, business leaders and policy makers gathered at California conferences this weekend to argue whether a mismatch between two different technologies and the legal policies that govern them could inhibit free expression and innovation. At one conference, held at the University of California at Berkeley, the technology in question was software known as digital rights management, which allows copyright holders to set rules on how people can use a wide range of products, from DVD's to garage-door openers. The use of such software has grown since the Digital Millennium Copyright Act was passed by Congress in 1998. The law, aimed at restraining Internet piracy, made it illegal to break the digital locks protecting copyrighted material. http://www.nytimes.com/2003/03/03/technology/03COPY.html (Free registration required)

U.S Companies Get Better Bang For It Buck - U.S. companies are getting a better bang for their IT buck than their European counterparts, according to a new study that says the top companies don't necessarily spend more than their competitors. Analytical tools company Alinean said public companies in Europe are spending almost twice the percentage of their revenue on IT than U.S. companies. According to the study, which looked at about 9,000 public companies in the U.S. and Europe, the average company in the European Union spends about 7.3 percent of its revenue on IT, compared with 3.7 percent for U.S. companies. http://news.com.com/2100-1011-991221.html

For Homeland Agency, Transitions Just Starting - The Department of Homeland Security is an adolescent among federal agencies: Most of its biggest changes are ahead of it. Born Jan. 24 with just a few hundred employees, the new department underwent a growth spurt over the weekend, absorbing most of its 22 component agencies and 179,000 workers. It also acquired a new chain of command -- with Homeland Security Secretary Tom Ridge at the top -- that makes the department responsible for deterring terrorism and responding to attacks or natural catastrophes such as floods and hurricanes. http://www.washingtonpost.com/wp-dyn/articles/A36906-2003Mar3.html

Egyptian Online Library Wants It All, Every Book - The legendary library of Alexandria boasted that it had a copy of virtually every known manuscript in the ancient world. This bibliophile's fantasy in Egypt's largest port city vanished, probably in a fire, more than a thousand years ago. But the dream of collecting every one of the world's books has been revived in a new arena: online. http://www.nytimes.com/2003/03/01/arts/01ALEX.html (Free registration required)

Wireless Broadband Waits In Wings - When organizers of the Daytona 500 wanted to provide turbo-charged Internet access for the press box, race officials made a traditional choice - they called the local phone company, BellSouth Corp. But instead of hauling in its usual, expensive connection gear, BellSouth pulled off the equivalent of a fast pit stop, giving the Florida speedway wireless modems that could communicate with antennas already being tested in the area. "It was definitely well received," said Glenn Robinson, a technology manager for International Speedway Corp. "If I were looking at this as a private homeowner, it's even easier than installing a cable modem." http://www.washingtonpost.com/wp-dyn/articles/A32222-2003Mar3.html

Facts And Stats

Broadband vs. Dial-Up Internet Usage - The latest Internet and Multimedia report from Arbitron and Edison Media Research indicates that a vast majority of both digital subscriber line (DSL) and cable modem broadband users are satisfied with their Internet connections -- 71% and 73%, respectively. However, just 31% of dial-up Internet users say they too are satisfied. http://www.emarketer.com/news/article.php?1002089&c=newsltr&n=lead&t=ad

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