



Government Affairs e-Update



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Volume 4, Issue 1 – Happy New Year. Have a great 2004.

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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"

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Also see Q&A with Laura Ipsen, Vice President of Worldwide Government Affairs, as she looks at 2004 and the issues that Cisco is focusing on: http://newsroom.cisco.com/dlls/media_info/public_policy_overview.html

This Week@WASHINGTON, DC

Senator Wants VOIP To Be Regulation Free - U.S. Sen. John Sununu said he's preparing legislation to keep broadband telephone service providers from being "smothered by state and federal regulators." The New Hampshire Republican described the proposed law at the Consumer Electronics Show as a "clear, pre-emptive remedy" that directs state utility regulators to take a hands-off regulatory stance on what's called voice over Internet Protocol (VoIP). The legislation also seeks to make the Federal Communications Commission the main authority over VoIP service providers, the senator said. <http://news.com.com/2100-7352-5138916.html>

Needed: The Atkins Diet - Paul Atkins became the first SEC commissioner to criticize openly a proposal to require companies to treat employee stock options as current expenses. Atkins began by questioning whether the Financial Accounting Standards Board, which has aggressively pushed the change, is truly seeking to address a serious accounting problem. "Is there a significant investor outrage or concern out there about this issue? Are there cadres of investors who are clamoring that they don't understand the footnotes disclosure regarding the effect of options on a company? And is there a fear that the current disclosure method provides unclear or unreliable information about the dilutive nature of options?" <http://www.techcentralstation.com/010904G.html>

American Enterprise Institute – "Expensing Employee Stock Options Looks Like a Major Mistake" – See video and presentations from January 8th event in Washington, DC. http://www.aei.org/events/eventID.710,filter.all/event_detail.asp

Spending Bill Backed By Bush May Collapse - A White House-backed spending bill that would provide \$820 billion to fund most of the government this year could become the first victim of the anti-Washington politics of the Democratic presidential campaigns. <http://online.wsj.com/article/0,,SB107422174527631000,00.html> (Paid subscription required)

Is Congress Helping Build A Toll Booth For The Internet? - On Oct. 31, 2003, the future of the Internet as a driving economic force in America became suddenly uncertain. That date marked the expiration of the temporary ban on Internet-specific taxes first enacted by Congress in 1998. The failure of the House and Senate to extend the moratorium means that state and local governments are now free to impose discriminatory taxes on the information superhighway. <http://www.foxnews.com/story/0,2933,108075,00.html>



Dudas Becomes Acting Chief Of Patent Office - The second-in-command at the U.S. Patent and Trademark Office has become acting head of the agency, succeeding James E. Rogan, who left this month to pursue private interests. Jon Dudas takes over the 7,000-employee agency. There was no indication from the White House about whether Dudas will be nominated for the permanent position, but GOP sources said they expect him to get the nod. <http://www.washingtonpost.com/wp-dyn/articles/A14541-2004Jan13.html>

This Week@EMEA

Report: "Reaping The Telecoms Benefit: Our opportunity for telecoms to drive innovation and productivity in British business and the economy" - "This report presents new evidence and insights that point toward a clear need for a new regulatory approach in the UK that will allow telecoms innovation to flourish. The report also includes new analysis particularly on the current performance of the UK in leveraging telecoms innovation and quantifies the economic gain that improved regulation could deliver." <http://www.indepen.co.uk/panda/docs/Spectrum%20Indepen%20-%20Reaping%20the%20Telecoms%20Dividend.pdf> (Adobe file)

Speech: Mr Erkki Liikanen Member of the European Commission, responsible for Enterprise and the Information Society "Towards the next Generation Internet" Inauguration of the Global IPv6 Services for the Scientific Community - http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=SPEECH/04/18|0|RAPID&lg=EN

European Commission Calls For A Boost In Basic Research - http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=IP/04/48|0|RAPID&lg=EN

European Commission Hosts Inaugural Event To Celebrate The Launch Of The World's First All Ipv6 Research Network - http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=IP/04/43|0|RAPID&lg=EN

This Week@Asia/Pacific

China Poses Trade Worry As It Gains In Technology - To high-technology companies, China has been a land of seemingly pure promise in recent years. Not only is it a fast-growing consumer market, but it has also become a low-cost workshop for assembling technology products for American, European and Japanese concerns. <http://www.nytimes.com/2004/01/13/technology/13china.html> (Free registration required)

Nearly 80m Online In China - The number of Internet surfers in China grew to 79.5 million people at the end of 2003, up an annual 34.5 percent, a semi-official research center said. http://story.news.yahoo.com/news?tmpl=story&ncid=1212&e=1&u=/nm/20040115/wr_nm/china_internet_dc&sid=95573503

Asian Tech Ministers Discuss Western Anger Over Outsourcing - India lobbied its neighbors and business rivals to jointly resist a backlash in America and other developed nations over companies shifting software and customer service jobs to Asia. "This is a matter of concern for all of us," Indian Communications and Information Technology Minister Arun Shourie told ministers and technology officials from 30 Asian countries who gathered in the southern Indian city of Hyderabad for a two-day summit. http://www.usatoday.com/tech/world/2004-01-12-asian-summit_x.htm

Computer Access Unequal In Asian Nations - Women in many Asian countries do not have as much access to computers and the Internet as men, speakers at a technology summit said. The disparity exists in countries from South Korea, the world's largest market for broadband Internet, to India, an emerging software superpower, speakers said at the Asia Information Technology Ministers Summit in this southern Indian city (Hyderabad, India). http://story.news.yahoo.com/news?tmpl=story&ncid=1212&e=10&u=/ap/20040112/ap_on_hi_te/india_tech_bias&sid=95573501

U.S. Investigates Philippine Telecom Companies For Possible Collusion - U.S. federal antitrust enforcers have launched an investigation of Philippine telecommunications companies for possible collusion in setting rates for completing international calls, U.S. officials said. Over the weekend, Federal Bureau of Investigation agents subpoenaed Philippine executives attending an industry conference in Hawaii, ordering them to appear before a Honolulu grand jury this week. <http://online.wsj.com/article/0,,SB107403684735988300,00.html> (Paid subscription required)

Judge Orders End Of Spam By Indian Firm - In a landmark judgment, a court ordered an Indian company to stop jamming an Internet service by sending junk e-mails, or spam, a news report said. Judge R.C. Chopra ordered McCoy Infosystems Private Ltd. to stop transmission



of unsolicited bulk electronic mail to any user of the state-owned Internet services provider, VSN Limited, the Press Trust of India news agency said. The court in New Delhi was ruling on a lawsuit filed by a major Indian telecommunications firm, Tata Sons Ltd. and its subsidiary, Panatone Finvest Ltd., which own a large stake in VSNL. Tata Sons alleged in the lawsuit that McCoy Infosystems was intentionally "trespassing" on VSNL's property by sending vast amounts of spam to its service users.

http://story.news.yahoo.com/news?tmpl=story&ncid=1212&e=10&u=/ap/20040113/ap_on_hi_te/india_spam_ruling&sid=95573501

This Week@Us States

Antitrust Of Bells Sought In Texas - Five telephone service providers and trade groups will ask the Texas attorney general today to investigate whether regional Bell firms conspired illegally to suppress competition, marking the fourth state where action has been sought.

<http://www.latimes.com/technology/la-fi-bells13jan13,1,4442643.story?coll=la-headlines-technology> (Free registration required)

Online Use Is Higher - More than 60% of American adults are online at home, up from 57% in late 2002, according to the latest poll from Harris Interactive. The poll examines Internet use among adult Americans, and finds that while wealthier and highly educated Americans are more likely to be online, the difference in usage rates between demographic groups is narrowing.

<http://online.wsj.com/article/0,,SB107402400781951400,00.html> (Paid subscription required)

Michigan's Online Ballot Spurs New Strategies For Democrats - The virtual ballot box has arrived in Michigan. Democrats in this state are the only voters in the country who have the option of voting online in the presidential primaries this year. Since New Year's Day, voters have been allowed to apply for ballots and vote by mail or Internet in advance of the Feb. 7 caucuses. Or, on Feb. 7, they can go to one of 576 caucus sites and vote the old-fashioned way. By Thursday night, 11,000 people had applied for ballots, three-fourths of them over the Internet, according to the Michigan Democratic Party. About 100 people had voted so far, 90 of them online.

<http://www.nytimes.com/2004/01/10/politics/campaigns/10MICH.html> (Free registration required)

Other Tech News Of The Week

Verizon Outlines Leadership Strategy For Broadband Era; Announces Major New 3g Mobile Data And Wireline Ip Network Expansions - Verizon Chairman and CEO Ivan Seidenberg today unveiled the company's plans for leadership in the emerging broadband industry. He outlined two major new network expansions that are key to bringing the benefits of this new era to homes and businesses across America and said Verizon was committed to investing a total of \$3 billion in its networks over the next two years to bring broadband to the mass market. <http://newscenter.verizon.com/proactive/newsroom/release.vtml?id=83234>

World Trade Organization: Cancun Ministerial Fails to Move Global Trade Negotiations Forward; Next Steps Uncertain.

<http://www.gao.gov/cgi-bin/getrpt?GAO-04-250>

2003 Viruses Estimated To Cause \$55b In Damages - Trend Micro Inc., the world's third-largest anti-virus software maker, said on Friday computer virus attacks cost global businesses an estimated \$55 billion in damages in 2003, a sum that would rise this year.

http://story.news.yahoo.com/news?tmpl=story&cid=569&ncid=738&e=1&u=/nm/20040116/tc_nm/tech_security_trendmicro_dc

Internet Quickens Pace Of Race For White House - The Internet has ramped up the pace of presidential campaigning in the United States, giving candidates warp-speed access to fresh campaign troops and cash donations, and allowing them to quickly fine-tune their message to voters. http://story.news.yahoo.com/news?tmpl=story&ncid=1212&e=8&u=/afp/20040114/tc_afp/us_vote_internet&sid=96001018

Survey: Internet Grows As Campaign News Source - The Internet has emerged as an important source of presidential campaign news for many Americans, on par with weekly news magazines and television talk shows, according to a recent survey released.

http://story.news.yahoo.com/news?tmpl=story&ncid=1212&e=7&u=/nm/20040111/wr_nm/campaign_media_dc&sid=95573503

Spam Nearly Two-Thirds Of All E-Mail - Spam accounted for nearly two-thirds of all email traffic in December, a record high, US-British filter firm MessageLabs warned.

http://story.news.yahoo.com/news?tmpl=story&ncid=1212&e=10&u=/afp/20040114/tc_afp/internet_spam&sid=96001018

Telecoms, Isps Partner In Spam Fight - A group of international telecom providers, Internet service providers and software companies plan to form a "neighborhood watch" to oust junk e-mail from their collective networks, in what is the latest industry coalition bent on



eradicating spam. Telecoms and ISPs including Bell Canada, Bell South, Cox, Internet Initiative Japan and IJ America, along with messaging software company OpenWave Systems, which is leading the initiative. http://news.com.com/2100-1024_3-5140556.html

Fund Planned To Defend Users Of Linux - A group of companies, led by I.B.M. and Intel, plans to announce today that it is setting up a \$10 million legal defense fund to help pay for the litigation costs of corporate users of the popular GNU Linux operating system if they are sued. <http://www.nytimes.com/2004/01/12/technology/12fund.html> (Free registration required)

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