



Government Affairs e-Update



Volume 4, Issue 4
20 February 2004

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This Week@Cisco in Government Affairs

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This Week@Washington, Dc

Editorial: Congress Must Stop Clumsy Stock Option Expensing Rules – Cooling Off Period is Needed to Study the Impact - Now that an international accounting standards group has ruled that companies must count stock options as an expense, its U.S. counterpart is expected to follow suit with its own mandate. Only Congress can put a stop to clumsy expensing rules that could be disastrous to the tech industry and threaten to derail a budding economic recovery. Forcing companies to expense stock options would undermine the broad-based employee stock option plans that have been Silicon Valley's formula for success. At a time of intensifying global competition, it would make the Valley less competitive. What's more, expensing rules, which are based on imprecise formulas for valuing stock options, will make financial statements more confusing, not clearer, for investors. And forcing companies to expense options will do little to curb excesses in executive compensation, a key goal of expensing advocates. It's time for the accounting purists and the anti-corruption zealots to cool off for a while. That's precisely the intent of proposed legislation in Congress that would impose a three-year moratorium on expensing rules in the United States. The cooling-off period will give lawmakers time to fully study the economic impact of expensing rules and to devise alternate policies that preserve broad-based stock options for Valley workers while providing clearer financial statements to investors. <http://www.mercurynews.com/mld/mercurynews/news/opinion/7998100.htm>

FCC Raises The Broadcast FLAG - We've examined recent government efforts to spur transition from the nearly 65-year-old analog television system to digital TV by requiring manufacturers to include a digital tuner in almost all new TV sets. But even if the FCC succeeds in getting more DTV sets into homes, they won't be much use without accompanying digital programming. To assure content producers that their digital creations won't become the next target of online file swappers, the FCC issued another mandate: the so-called broadcast flag. <http://online.wsj.com/article/0,,SB107454569644805493,00.html> (Paid subscription required)

Research Note: The Economic Impact Of Taxing Internet Access - The Internet Tax Freedom Act of 1997 imposed a moratorium on taxing Internet access, which expired in November 2003. The House passed legislation to continue the moratorium, but the Senate has failed to pass a corresponding bill. <http://www.heritage.org/Research/InternetandTechnology/wm424.cfm>

Skilled Worker Visas Limit Reached - The federal government won't accept any more applications for a popular visa program that provides skilled foreign labor to U.S. companies, the office of Citizenship and Immigration Services said. http://story.news.yahoo.com/news?tmpl=story&u=/ap/20040218/ap_on_go_ca_st_pe/high_tech_visas_2



U.S. Firms Lament Cutback In Visas For Foreign Talent - Companies say too few in U.S. have the needed math and science skills. Critics claim the H-1B program is misused. <http://www.latimes.com/technology/la-fi-visa16feb16,1,4187356.story?coll=la-headlines-technology> (Free registration required)

Council Of CIOs Issues Priorities For Homeland Security - The Homeland Security Department's council of chief information officers (CIOs) revealed a list of areas where the CIOs think the department should focus its attention in 2004. <http://www.govexec.com/dailyfed/0204/021704c1.htm>

Commentary: Despite The Outcry, Mankiw Was Right About Outsourcing - White House economist Gregory Mankiw has exposed one of the great rifts in the current U.S. political debate. It isn't Republicans vs. Democrats; it's economists vs. everybody else. <http://online.wsj.com/article/0,,SB107697443520630844,00.html?mod=politics%5Fsecondary%5Fstories%5Fhs> (Paid subscription required)

This Week@Emea

Connecting Europe At High Speed: Reviewing The eEurope 2005 Action Plan - EU Member States and accession countries have made good progress in rolling out broadband access and in getting public services on line, says a mid-term progress report published by the European Commission on the eEurope 2005 Action Plan.

http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=IP/04/239|0|RAPID&lg=EN

Re-Organisation Of Public Administrations Boosts The Quality Of Online Services - Public administrations that combine the use of information and communication technologies to deliver new services with the substantial reorganisation of the way they work get higher appreciation ratings from business and citizens.

http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=IP/04/230|0|RAPID&lg=EN

Digital Content For High Speed Internet: Fuelling The Eu's Information Needs - As part of its commitment to eEurope, the European Commission has today proposed a new €163 million programme, eContentplus (2005-2008). The programme will support the development of multi-lingual content for innovative, on-line services across the EU.

http://europa.eu.int/rapid/start/cgi/guesten.ksh?p_action.gettxt=gt&doc=IP/04/210|0|RAPID&lg=EN

This Week@Asia/Pacific

Australian Gov't To Make E-Mail Interception Easier - The federal Government moved to give greater powers to spy agencies to intercept people's emails. The Telecommunications (Interception) Amendment Bill 2004 also allows warrants to be sought in connection with the investigation of a wider range of serious offences, including terrorism.

<http://australianit.news.com.au/articles/0,7204,8728745%5E15306%5E%5Enbv%5E,00.html>

China Sets Deadline To End Junk Mail With Blacklist Of 656 Spam Servers - China's Internet police has published a blacklist of 656 spam servers across the world, setting a deadline for them to stop sending junk mail, state media reported.

http://story.news.yahoo.com/news?tmpl=story&cid=1509&ncid=738&e=11&u=/afp/20040219/tc_afp/china_internet_spam

This Week@Americas/International

Canada's Music Industry Seeks Song-Swap Crackdown - Canada's biggest music producers asked the courts on Monday to order Internet service providers to identify customers who swap songs illegally on the Internet as the Canadian firms try to match a U.S. crackdown on music piracy. http://story.news.yahoo.com/news?tmpl=story&ncid=1212&e=3&u=/nm/20040216/en_nm/life_canada_music_dc&sid=95573503

This Week@Us States

U.S. Cable Modem Growth Slows, Opening Door To Dsl - As the market for high-speed Internet connections moves into many American homes, telephone companies are finally starting to take market share from once-dominant cable companies.

http://story.news.yahoo.com/news?tmpl=story&cid=569&ncid=738&e=3&u=/nm/20040219/tc_nm/media_broadband_dc



Survey Finds Rural Americans Less Likely To Go Online - Although Internet use has grown steadily among rural residents over the past several years, Americans in rural areas still are less likely to use the Internet than their counterparts in urban and suburban locales.

http://story.news.yahoo.com/news?tmpl=story&ncid=1212&e=5&u=/nm/20040218/wr_nm/tech_rural_dc&sid=95573503

FULL PEW INTERNET REPORT: <http://www.pewinternet.org/reports/toc.asp?Report=112>]

California Court May Demand More Security For E-Voting - A California state court was asked to require 18 counties in California to install additional safeguards on their e-voting machines before the state's March 2 primary.

http://www.usatoday.com/tech/news/techpolicy/2004-02-17-calif-evote-patch_x.htm

New Hampshire Program Teaches Internet Safety To Kids - New Hampshire on Wednesday unveiled an interactive computer program to educate children about the dangers of the Internet.

http://story.news.yahoo.com/news?tmpl=story&ncid=1212&e=10&u=/ap/20040218/ap_on_hi_te/internet_safety&sid=95573501

Aol Sues Floridians Over Spam - America Online Inc. has filed suit against three Florida residents accused of sending millions of unwanted e-mail messages as part of an international spam ring. <http://www.washtimes.com/business/20040218-093458-5071r.htm>

Other Tech News Of The Week

Hot-Spot Use To Heat Up In 2004 - Hot spots" around the world that enable people to connect to the Internet via Wi-Fi wireless technology should expect to serve more than three times as many customers this year, the Gartner research firm predicted. http://news.com.com/2100-7351-5161031.html?tag=nefd_hed

Outsourcing To Grow, But Deals To Shrink - Huge outsourcing deals are on the outs, according to new research from Gartner. The research firm predicted a shift away from full-service, 10-year, multibillion-dollar outsourcing deals for technology service providers. In the future, the trend will be toward smaller outsourcing agreements with specific business goals, Gartner said. <http://news.com.com/2100-1011-5162244.html>

W3C Risks Patent Tussle In Standard Push - A pending industry standard for voice-activated computer commands is moving ahead, despite potential patent entanglements, dealing a black eye to investigators handling the case's intellectual-property claims. http://news.com.com/2100-1032_3-5162070.html

Cingular/Att Wireless Deal Will Reshape Industry - The huge deal that the U.S. wireless industry had been anticipating for more than two years came together literally at the eleventh hour. <http://online.wsj.com/article/0,,SB107686092482730235,00.html> (Paid subscription required)

Cisco To Unveil Video Feature For Internet-Phone System - Cisco Systems Inc. announced that it will add a video-conferencing feature to its Internet-telephone system. The San Jose-based network-equipment maker will begin shipping a camera, called VT Cam, in three weeks, said Vice President Marthin De Beer. The necessary software, CoreManager 4.0, is already available. <http://online.wsj.com/article/0,,SB107708819939632490,00.html?mod=technology%5Fmain%5Fwhats%5Fnews> (Paid subscription required)

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