

The media muddle

IT IS hard to tell what the Government thinks about the entry of foreign media into India. There have been so many subtle shifts of stand, so many conflicting signals and so much debate that any objective observer has a right to be confused. For those with no great interest in this complex subject, the facts are as follows. In the Fifties, various foreign newspapers wished to take over the Indian media. Alarmed by what it saw as a threat to our national sovereignty, the Cabinet, headed by Jawaharlal Nehru, passed what has come to be known as the 1955 resolution opposing the entry of foreign media into India. Two significant efforts were made at overturning this consensus; once in the Sixties when a Canadian media group wanted to start a paper here and again in 1986-87, when an NRI group wished to bring the *International Herald Tribune* to India. Both were turned down.

Then, in the post-liberalisation phase, some newspaper houses took the line that as foreign investment was being welcomed in so many other areas, the media could not be an exception. The Government received two proposals — one for an Indian edition of a British daily and the other for an American newsmagazine — which appeared to have the support of the Finance and Industry Ministries. To resolve the issue once and for all, the Narasimha Rao Government appointed a group of ministers to consider the matter. Once this group had filed its report, Mr Rao took a decision to the effect that the media could not be seen as just another area of the economy and decided against allowing foreign equity in the press. The matter should have rested there but it has kept cropping up with a disturbing regularity during the tenure of the NDA Government.

During her first stint at the Information and Broadcasting Ministry, Sushma Swaraj was categorical that her Government was committed to the 1955 resolution. But after Mrs Swaraj moved on to be Chief Minister of Delhi, her successors gave the impression that they were not fully convinced of the relevance of the 1955 resolution in today's context. And indeed, when Ms Swaraj finally reclaimed her ministry in the last Cabinet expansion, even she appeared to abandon the finality of her old position and called instead for a fresh debate on the issue.

The arguments raised in this debate (the parallel of satellite TV, the rise of the internet etc.) are the same old ones that were rejected by Narasimha Rao's group of ministers. Fortunately, Ms Swaraj appears to have conceded that the broad contours of the 1955 resolution should be respected. But worryingly, she has left the door slightly ajar by suggesting that scientific and technical journals may be allowed — with foreign ownership. Nobody disputes the need for the latest scientific information, but the point is that India can have access to all of this information without offering ownership to foreigners. Licensing agreements, royalty arrangements (similar to the one that allows *Cosmopolitan* to be published in India) and syndication rights already allow us to access pretty much anything we want. So why contravene the spirit of the 1955 resolution — which the Government now says it wants to uphold — by allowing foreign ownership when none is required or necessary? Ms Swaraj needs to think this one through a little more carefully.

THE HINDUSTAN TIMES

22 NOV 2000

MONDAY, NOVEMBER 20, 2000

NO TO FOREIGN PRINT MEDIA

A DEBATE THAT was not necessary in the first place has now been closed with the Government ruling out a change of the decision taken in 1955 forbidding foreign equity ownership in the print media. This issue was discussed threadbare in the mid-1990s after which it was decided that the ban would stand. But it was needlessly flagged again by Ms. Sushma Swaraj, who, soon after assuming office as Minister for Information and Broadcasting, called for yet another discussion on foreign entry into the print media. Fortunately, the Government has finally taken an unequivocal decision that the interests of Indian society are better served with an Indian-owned print media.

There are many sound reasons, consistently articulated by the majority of interests in the Indian print media, why this activity should remain the exclusive preserve of Indian institutions. First, the instrumental role of the media in contesting as well as shaping the national agenda on political, economic, social and cultural issues can be performed only by an entity that is an organic part of the nation. A media which includes foreign corporations will be influenced by outside interests and will therefore be incapable of carrying out such a function. Second, the role of the media in informing the citizen — its educative role — is of crucial importance in a developing country and can be fulfilled only by local and not foreign institutions, since the latter more likely than not will be both unaware of and insensitive to domestic needs. The autonomy required in the nation-building project will therefore be considerably reduced if foreign agents are allowed to operate in as important an area as the fourth estate. It is not xenophobic to argue that the tensions involved in building the nation require interventions by Indian and not foreign agents. A third and constitutional reason against permitting foreign ownership is that Article 19, which guarantees the freedom of expression, is available only to Indian citizens. There are two sets of arguments which are proffered in favour of foreign ownership. One is that at a time when the

walls against foreign ownership are being lowered all round the economy, there is no reason to treat the newspaper industry separately. The second is that with the airwaves frequented by foreign providers, it is meaningless to maintain the barriers in the print media. Neither argument stands scrutiny. Foreign ownership in the production of goods and services is indeed encouraged in the economy now. But it is precisely because a newspaper is not a product or service like any other that the print media should be kept free from foreign ownership. It is for the same reason that most West European countries do not permit foreign entry in the print media and where it is allowed it is usually subject to ownership restrictions. Further, foreign ownership of the media in the U.S. and the U.K. in the age of globalisation has encouraged powerful monopolies which have adversely affected pluralism in news and views; this is a dangerous trend that India can well do without. The electronic media in India has, of course, a very visible foreign presence. But because newspapers can serve as a counter to the electronic media — where a growing “dumbing down” of news and analysis has disturbing implications for dissemination of information — foreign ownership should be kept out from the print media.

The Indian print media is, of course, not perfect. Despite a tradition going back more than two centuries, its record in the past half century has been mixed. It has at times reflected more the interests of particular strata, inevitable in a highly unequal society. In recent years, many sections have been less than honest in their interrogation of the cancer of communalism. It has also begun to lose some of its pluralism as monopolies have begun to take root in the industry. However, none of this can take away anything from the imperative of preserving an Indian-owned media, which with all its failings, is still best situated to reflect the interests of India's civil society. The Indian print media must remain Indian.

THE HINDU

20 NOV 2000

Internet to have seven new suffixes

SAM LISTER
THE TIMES, LONDON

WASHINGTON, Nov. 18. — A chaotic scramble is expected for seven new domain names intended to meet growing demand for addresses on World Wide Web.

A surfeit of suffixes was criticised as the new names were unveiled yesterday as: *.biz*, *.name*, *.pro*, *.info*, *.coop*, *.aero* and *.museums*.

A typical company address might appear with the suffix *.biz*, such as *www.grocers.biz* when the names become available early next year.

Companies and individuals around the world are expected to join the rush to reserve the

best addresses for themselves. The decision to bring in the new domain names there are three at present for public use: *.com*, *.net* and *.org* was taken because the Internet has reached overload. There are about 30 million addresses now registered around the world.

According to ICANN, the Internet Corporation for Assigned Names and Numbers, the new classification will ease demand, stemming a gold rush that has led to addresses changing hands for millions of pounds.

The scheme has been criticised, however, for providing a

haphazard array of new suffixes. Huge demand is expected for *.name* (for individuals), *.biz* (for businesses) and *.pro* (for professionals), while some experts have questioned the relevance of *.aero* (for the aeronautical industry) and *.museums*.

Domain names were selected by ICANN from a list of 44 applications sent in by companies and organisations, along with pounds 35,000. The chosen seven consortiums will act as wholesalers for their domains, with independent domain name registry firms acting as retailers for customers wanting

to set up a web address.

Richard Wentk, author of the "Which? Guide to the Internet", said: "The decisions that have been made are simply baffling. This was discussed for over four years but I have no idea what's behind the thinking they have arrived at. There has just been a bureaucratic hotch potch of different things. It is adding extra levels of complication that should easily have been avoided. The problem is that the internet is no longer being organised by academics, designers and computer programmers who were trying to make an efficient

NAMES TO BECOME AVAILABLE EARLY NEXT YEAR

system. It is now under the control of business."

Mr Wentk said that *.names* was the only concession towards the individual user.

"The importance of the Internet is what it offers for the individual. But now the commercial side of things has become much more important."

The WHO, which wanted to set up *.health* to help ensure the quality of information about health on the Internet, is believed to be among failed applicants. The UN health agency in Geneva said yesterday it was disappointed if unconfirmed reports of its bid rejection were true. "We'll begin immediately to explore ways of recourse," a spokesman said.

'NO NEED TO MEDDLE WITH POLICY'

Foreign equity holdings in print media ruled out

By Our Special Correspondent

NEW DELHI, NOV. 17. The Government has categorically decided against allowing foreign equity holdings in the print media industry, the Minister for Information and Broadcasting, Ms. Sushma Swaraj, said today even as she indicated that the matter had been discussed at the level of the Prime Minister and the conclusion reached was that there was "no need" to meddle with the print media policy as it stands today.

It was Ms. Swaraj herself who had raised the issue soon after she was inducted as Cabinet Minister for Information and Broadcasting. Then she had said that the Nehru Cabinet decision, perhaps, needed to be debated now as the situation had changed over the last 40 years. She had asked for a "national debate" on the issue. Her predecessor in the Ministry, Mr. Arun Jaitely, had also done some kite flying by indicating several times informally that "personally" he did not think there was anything wrong in allowing foreign equity holdings in the print media.

It seems that through Mr. Jaitely and Ms. Swaraj the Government was only testing the waters. But it seems that the feedback from the industry has been adverse, as has been the reaction from the party. During the Narasimha Rao Government also a similar exercise was conducted and it was reiterated that the 1955 Cabinet decision disallowing foreign capital influx will continue to stand.

It seems that though the issue has not been dis-

cussed at any length within the BJP, there are strong feelings in the party that the move could open the way for outside interference in domestic politics, a matter which could have dangerous implications.

Two BJP leaders, Mr. Pyarelal Khandelwal and Mr. J.P. Mathur, today said they did not think the party would approve the move, but added that the matter had not come up before any party forum.

It seems that the Government may decide to take a different view in relation to technical and scientific journals and magazines. On this, the option was still open, Ms. Swaraj said today while interacting informally with reporters.

As already indicated by the Minister for Parliamentary Affairs, Ms. Swaraj said that the Government would try to bring the Convergence Bill before Parliament this winter session starting on November 20.

Guidelines are to be finalised for the direct-to-home television services and she hoped that the confusion over sectoral caps would be removed.

CBI raids

Responding to questions on the CBI raids on Doordarshan officials, she said that of the six officials involved, three had retired or were no longer with Doordarshan. As for the other three, Ms. Swaraj said she was awaiting CBI advice on whether anything incriminating was found and what action the agency expected from the Ministry.

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Media

Implementing e-governance

By V. Jayanth

THE IN thing now for State Governments is to switch over to e-governance. It may not be a bad idea and there may be some benefits for the citizens who spend quite some time in various Government offices waiting for some certificate or clearance from the authorities at various levels. Computerisation of records and Government departments may therefore be a useful step. But the basic question is: are the States ready and will their employees rise to the challenge with a citizen-friendly approach? Otherwise, it may be another futile, costly effort.

Andhra Pradesh, Karnataka and Tamil Nadu have launched their systems of e-governance and some of the other States, including Maharashtra, have also moved forward. They may vary in their approach to the scheme and even their priorities may differ. Ultimately, the objective will be to offer all Government related services and utilities on-line. It is not just about knowing your current dues or bills on-line; it is not just having computerised bills and receipts for all these services; it also includes accessing all information on Government records without having to waste hours or even days searching for files or missing papers in a taluk, treasury, police, collectorate or any other Government office.

This is not an easy task. It involves both vertical and horizontal integration and connectivity. From the Government Secretariat in the State capital, to the remotest taluk and tahsildar, every wing and division of the administration has to be computerised and connected. Perhaps, a State Government will begin selectively, with the people-centred, service departments and gradually encompass all its offices. At every stage, the administration must check on the viability, efficiency and reliability of the system before expanding it to cover all functions of the Government.

To make it really useful and efficient, it requires a dynamic leadership both at the political and the administrative level to put in place an effective system. This kind of connectivity, can provide the Chief

Minister, any of the Cabinet Ministers, the Chief Secretary or any top official of the Government at the State capital, an uninterrupted flow of information from the ground. They will be able to monitor any event, any project or complaint from their office at the click of the mouse. By linking it to the telecom network, there will be the added advantage of direct communications or teleconferencing.

According to systems analysts and solution finders, it all boils down to the kind of software and package that the State

lements such as the old-age pensions from the taluk-level computer system. Once this is complete, the six Municipal Corporations will be taken up to deal with both services and revenue. Apart from issuing the same certificates, all the taxes and revenue collections will also be fully computerised. The third priority will be what are called 'vertical' departments such as the Electricity Board, Registration and Transport. After completing these, the State plans to link all its departments for internal management and communi-

The basic question is: are the States ready and will their employees rise to the challenge?

wants to build into its e-governance. Several approaches are possible, with the recommended prescription being a combination of different programmes for the service-oriented departments and the purely administrative or internal functions. They could be fused for common access at different levels.

The Andhra Pradesh Chief Minister, Mr. N. Chandrababu Naidu, engaged Singapore's Government agency to advise the State on the systems and approach. Now well into its phased implementation, Andhra Pradesh may turn out to be a pioneer in this venture. But Karnataka and Tamil Nadu are close behind.

The two aspects to electronic governance are its uses for the administration and then the people. Tamil Nadu's approach, according to Dr. M. Anandakrishnan, Adviser to the Chief Minister, seems to be people-centred. In the first phase, 50 of the 206 taluks in the State have been wired. All the taluks will be operational by March 2001. They will be in a position to provide all the certificates and clearances that the people in their area of operation want, at the touch of a button. The Government has launched the process of digitising all its records, beginning with land administration.

Tackling grassroots governance first, Tamil Nadu plans to start issuing all certificates, land records and the other entit-

cations. The final phase will be a switch to Geographic Information Systems, for which the standards and themes have to be worked out.

It may not be difficult for any State Government to implement a package of its choice. What matters will be how effectively and efficiently the system is operated, maintained and serviced. If the sophisticated, computerised machines installed at the Government hospitals are any indication, the prospects for computerisation and e-governance do not appear very bright. In dozens of Government hospitals across the country, costly diagnostic and treatment machines are lying idle because they are non-functional and there are not enough trained technicians to keep them going. Maintenance standards are appalling to say the least.

When the entire Government administration is computerised and a system of e-governance put in place, things may be hunky-dory for a while — at least as long as the equipment is under the warranty period and maintained by the suppliers. What happens after that? Does a taluk or treasury office in a remote village have any qualified or trained staff to attend to repairs in computers and systems? Even if there are no air-conditioners, will the environment be dust-free for proper upkeep?

Before completing the entire exercise, a

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PM not to be first digital signatory

By Sandeep Dikshit

AD-10

NEW DELHI, NOV. 11. The threat of hackers has forced the Ministry of Information Technology (MIT) to abandon plans of issuing the country's first digital signature to the Prime Minister, Mr. Atal Behari Vajpayee. Instead plans are afoot to bestow the honour of being the first Indian to possess a validated signature in cyber space on the President, Mr. K. R. Narayanan.

"It will be disastrous to the nation if hackers manage to do something with the Prime Minister's signature," said an official, explaining why the MIT Minister, Mr. Pramod Mahajan's desire of making Mr. Vajpayee the first digital signatory is being given short shrift till near-effective systems to deal with computer virus attacks are in place.

The first digital signature will, however, only herald India's entry in the short roster of countries to have subscribed to trade on the Internet or e-commerce. The office of the "Controller" of the IT sector is still working out ways to tackle the deluge of applications when digital signatures are allowed. Widespread use of digital signatures may only take place next year when all systems are in place.

Officials want to wait for effective computer security and cyber enforcement systems before permitting digital signatures of top Government leaders to be accepted on the Net. In particular, the MIT is looking at efforts by the U.S.

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Government's National Infrastructure Protection Centre (NIPC) to developing "elements responsible for warning, analysis, computer investigation and development and application of technical tools". Set up under a presidential directive, the NIPC, with several successes under its belt such as apprehending the perpetrators of Melissa virus and the Love bug, is approaching other countries to minimise the threat of cyber crimes.

Officials admit that India's advent in cyber commerce has been delayed due to a lack of focus. Ministers along with top officials and favoured IT entrepreneurs in tow have rushed from country to country signing ineffective but publicity garnering MoUs. Structures to govern cyberspace were put in place with much fanfare but no progress was made in installing systems and organisations to tackle and study cyber crimes.

While Mr. Mahajan proudly proclaims that India is among the digital dozens, his incessant globe-trotting may have made him aware of the fact that only half-a-dozen countries have set up NIPC-type organisations to impart confidence to entities trading on the Net and India has not even made a beginning. As a result, Mr. Vajpayee's digital signature will be on hold till the country's IT czars are confident that mischiefmakers can be tracked down in any part of the globe.

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12 NOV 2000

Govt. has open mind on foreign print media entry: Sushma

NEW DELHI, NOV. 10. The Government had an "open mind" on the issue of allowing foreign equity in the print media, which had generated adverse reaction from professional bodies so far, the Information and Broadcasting Minister, Ms. Sushma Swaraj, said today.

Talking to reporters, she said 80 per cent of representations received by the Government were against allowing foreign equity while the rest favoured it. She, however, made it clear that no timeframe had been set for taking a decision on the issue. "Media is just not another sector of trade and a view needed to be taken with extra caution and care."

Ms. Swaraj sought to emphasise that the Government was not approaching the issue with "pre-conceived" notions or a "biased" mind and had not taken any view of either allowing or disallowing. "We have an open mind," she said adding that the Government had only raised a national debate on the issue and would decide only after going through the pros and cons.

At the same time, she said there was a need to look

at the issue in the context of the new millennium and in view of the changed information scenario since the Cabinet resolution in 1955 which disallowed entry of foreign media. Stating that no thought had been given to the issue over the years, she said "we should at least think in the changed scenario. We can reach the conclusion that the concerns expressed in 1955 are still valid in 2000".

Vacancies to be filled soon

Turning to the vacancies in Prasar Bharati, Ms. Swaraj said the Government had renominated the name of journalist, Mr. T. V. R. Shenoy, as the presidential nominee on the selection committee headed by the Vice-President, Mr. Krishan Kant, to expedite the filling up of vacant posts. The third member of the committee is Mr. Justice P. B. Sawant, chairman of the Press Council of India.

The Minister said the Vice-President was being asked to expedite the selection process of the chairman and three part-time members of the board as there was no dispute on that issue. — PTI, UNI

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11 NOV 2000

Dotcom wave: Major language obstacle to be removed today

REUTERS
HONG KONG, NOV 9

A major language barrier on the Internet crumbles on Friday when registration begins for domain names in three Asian languages, to go with the extensions .com, .net and .org.

Until now, these domain names were recognised only in Roman letters and Arabic numerals, but the new breakthrough will allow users to register names in Chinese, Korean and Japanese.

Calling it "the next Dotcom wave", a leading domain name registrar, registrars.com, is urging people to sign up fast for the Asian script names so as to beat the crowd and avoid the problem many have had with cyber identities in English.

Securing a good Internet name has proven tricky at times.

Well-known names including

pop diva Madonna, fashion house Chanel and Internet search engine Yahoo! have all had to seek the aid of international arbitrators to recover their web identities from "cybersquatters".

International standards, which apply to the multi-lingual system, permit certain types of domain name trading. Only words in the dictionary can be bought and sold at a price. Neither brand names nor their variations can be traded.

Some 48,000 new domain names are being registered around the world every day.

Asia started late in domain registration but is catching up fast, with domain registrations growing 78 per cent between 1999 and 2000. Registrar.com said the latest development is particularly crucial for businesses taking a crack at the Asian market.

"On the Internet, your domain name is your brand name," said

Lucy Chan, the company's director of business development. The company now charges customers US \$ 50 for every successful registration.

In the strictest sense, the system does not altogether localise domain names because the users will still need to type ".com" in Roman letters. Nonetheless, the industry by and large looks forward to the latest development.

China-channel.com is one company trying to tap what it sees as a potential gold mine. "An estimated 25 per cent of Internet users nowadays surf only in Chinese," it said. The company boasts it has the technology to snap up names for customers at lightning speed when real-time registration opens, giving it an edge over competitors.

It said it received some 50,000 applications within the first three days of the pre-registration in late October.

INDIAN EXPRESS

10 NOV 2000

Trinamul slams attack on journalists

STATESMAN NEWS SERVICE

CALCUTTA, Nov. 4. — The Trinamul Congress today criticised the attack on journalists by police and Coordination Committee members yesterday and described the actions as indications of impending dark days under the would-be chief minister's regime.

Party spokesman, Mr Paras Dutta, said the assault by the police on a journalist of a Bengali daily in Deganga of North 24-Parganas, showed that indiscipline in the police force under the home (police) minister, Mr Buddhadev Bhattacharya, has reached the nadir.

"How can we expect Mr Bhattacharya to run the state administration while he could not even enforce the minimum discipline in the police force?" he asked. The use of the police for political purpose by the CPI-M has "eroded the discipline" of the force, he said.

Mr Dutta said members of the Coordination Committee, while extending a farewell to Mr Basu, abused journalists and prevented them from covering the ceremony in front of the Writers' Buildings in the presence of ministers and senior police officers. Some of the Coordination Committee members held the journalists responsible for Mr Basu's quitting office, he said.

Mr Dutta said the ministers present there ignored the incident. The action of the Coordination Committee members, is the "expression of their desperation for fear of defeat in the coming Assembly polls" and the silence of the ministers was a tacit encouragement which indicated the "shape of things to come".

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TELEGRAPH

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5 NOV 2000

Jaitley calls for common laws to regulate broadcasting

By Our Special Correspondent

CHENNAI, NOV. 3. The Union Minister for Law, Justice and Company Affairs, Mr. Arun Jaitley, today called for "some rethinking" to protect consumer interests from monopoly while opening up DTH (direct-to-home) telecasting.

The Union Cabinet on Thursday took a policy decision to allow private and foreign capital into DTH services. Mr. Jaitley said it catered to the top end of the market and had a tendency to "gravitate towards monopoly".

Inaugurating the two-day 'Media UnConvention - Trends, Technologies and Tasks', organised by the Confederation of Indian Industry (CII), he said given the convergence of technologies or instruments of receipt and instruments of carriage of data and messages, it was necessary to go in for a common regulatory framework instead of multiple authorities to regulate telecommunications and broadcasting.

India was comfortably placed in this respect because it either had no legislation to cover various activities related to communications or had legislation which were very old, such as the Telecommunications Act of 1891 (and therefore would be easily amenable to change without resistance). In contrast, in the U.S., the Federal Communications Commission was finding it difficult to bring about legislation commensurate with the needs of the fast-changing media and communications scenario.

Malaysia was the only country which had enacted a convergence legislation and India's legislation, now under preparation, was also well-timed as it was ahead of the emergence of convergence in a significant way.

Mr. Jaitley said ensuring the financial health of any medium should be considered a vital part of ensuring the "freedom of expression", which the country had preserved and nourished except during the brief period of the Emergency.

He said despite the expansion of the electronic media and the Internet, traditional media, including the English and regional language press, would continue to play a major role, in the context of the "phenomenal" increase in literacy rates and spread of educational institutions of various kinds, particularly in the private sector.

However, the media would have to guard against the tendency towards inaccurate reporting and speculation arising from competition for exclusivity in reporting, so that their credibility was not affected.

Mr. Subash Chandra, Chairman of the CII national committee on media, striking a different note in his keynote address delivered earlier, said the scope for different media to thrive was so wide in the emerging situation that henceforth "it would not be possible for one media institution to kill another".

Media institutions could hereafter die only by "committing suicide" through complacency and failing to respond to changing consumer needs (rather than through competition).

Imposition of restrictions in the name of countering "monopoly" would also pose the problem of how to measure it — share of eyeballs or voice.

Mr. Chandra said new issues such as protection of intellectual property would need to be tackled with the convergence of media. For instance, in the U.S., a company had taken to "videocasting" by beaming through the Internet programmes of many TV channels (without authority from the latter), upsetting the market.

Mr. N. Murali, Chairman of the Media UnConvention, in his theme address, said the emergence of new media through the convergence of digital/computing technology, telecommunications and television, posed both a challenge and an opportunity to traditional media. The new direction of technology was changing the way businesses dealt with customers and had major implications for marketers.

He stressed the need for a transparent and effective regulatory mechanism and conditions of fair competition to ensure that the media continued to play its vital role in strengthening democracy.

Mr. Anil Kumar V. Eapur, Chairman, CII-Southern Region, said while the media constituted a major industry, they were also tools for other industry sectors to reach out to the customer, who had emerged as the "king" in the competitive environment.

The Media UnConvention was part of the CII's efforts in promoting the competitiveness of Indian industry and was aimed at understanding the media scene from the point of view of the user.

THE HINDU

4 NOV 2000

HQ-12
SATURDAY, NOVEMBER 4, 2000

OPENING THE DOORS TO DTH

Media

THE DEBATE ON Direct-to-Home (DTH) broadcasting has been raging for some time now. DTH simply means distribution of multi-channel TV programmes through satellite in the Ku band, by providing the signals directly to subscribers, without any intermediaries such as cable operators. The Centre has now opened the doors, with no cap on the number of players to provide this service. But there are curbs on foreign equity, particularly foreign direct investment, evidently to satisfy the 'Swadeshi' constituency. Also, the Centre has laid down certain conditions — it must be under Indian management, with not more than 49 per cent foreign equity, of which only 20 per cent can be FDI. The earth station must be set up on Indian soil to ensure that uplinking is from India and so under content regulation. The domestic advertisement and programming code will apply to DTH as well. It cannot carry channels prohibited by the Information Ministry and should show all the Prasar Bharati channels on 'most favoured terms'. Besides meeting one of the demands from niche markets, DTH has the potential to be a revenue spinner for the cash-strapped Government. There will be an entry fee of Rs. 10 crores and annual revenue sharing of 10 per cent. To finalise this policy, the Centre set up a committee under the Home Minister, Mr. L. K. Advani, to go into all the so-called sensitive aspects of licensing DTH. As an offshoot of this critical study, a penalty of Rs. 50 crores and revocation of the licence has been prescribed for violation of the terms and conditions.

When over 100 television channels are already available to Indian viewers thanks to the satellite revolution, via the cable operators, there was really no reason for all the fuss being made over an alleged 'cultural invasion' if the DTH was allowed. If the Centre and the I & B Ministry think that the 'Swadeshi' lobby has been pacified by the riders or conditions, they may be mistak-

en. The cable operators' lobby may also join hands with other antagonists of the DTH to raise new objections or the same old slogans. But the fact of the matter is that DTH is already there in a limited way. Those who can afford the roof-top antennas can enjoy this facility even now. By introducing this DTH licensing system, the Centre will only regularise and license this operation, to extend its reach. If there is going to be no cap on licences, the message is clear — the operators have to be competitive. They have to compete not only among themselves, but with the cable operators who have dug themselves in for some years now. True, there will be an initial cost for the small antenna and a set-top box in addition to the monthly subscription. But the benefit will be in terms of clarity and personal choice.

Given the pockets of affluence in the country, it cannot be denied that DTH will have its own constituency. When the world's choicest television brands are now freely available here, quite a significant segment of the people will not mind paying more for that elusive clarity on the screen. With the ever-increasing live shows of key events around the world, every member of a family has his or her own favourite show to watch. If there is one agency which will suffer most, it could be the Government-owned Doordarshan. Even with the private channels in competition and the cable operators providing the best of choices to viewers, DD is finding it difficult to retain viewership. Unless it is freed of political interference, bureaucratic controls and allowed to function professionally, it could find the going tough in the future. DTH could be one more nail in DD's coffin. If the Government wants to retain this organisation, it has to think afresh on how to make it viable, efficient and competitive to retain at least a share of the vast and expanding viewership.

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CURBS ON FOREIGN EQUITY, MANAGEMENT

Private sector allowed to operate DTH services

By Our Special Correspondent

NEW DELHI, NOV. 2. The Union Cabinet today allowed the private sector to operate direct-to-home (DTH) television services that will enable subscribers to view over 100 channels through a small satellite dish and a TV set-top box containing a SIM card.

The Cabinet placed restrictions on foreign equity and composition of the management board to protect national interest and incorporated provisions to ensure that the channels prescribed to the country's advertising and programme codes.

Companies will have to pay up-front fees of Rs. 10 crores, bank guarantee of Rs. 40 crores and an annual fee of 10 per cent of their income for the 10-year licence. There will be no restrictions on the number of licenses.

Basing the policy on a report submitted three days ago by a Group of Ministers headed by the Union Home Minister, Mr. L. K. Advani, the Cabinet prescribed a penalty of up to Rs. 50 crores and revocation of the licence for violation of the terms and conditions. However, before taking such action, the licensee will be given an opportunity to be heard.

All proposals for foreign equity shall be routed through the Foreign Investment Promotion Board (FIPB). The ceiling for foreign investment has been fixed at 49 per cent. Of this, the cap on FDI share will not exceed 20 per cent.

The company must inform the Government each time the equity holding pattern is changed. It must have Indian management control and a majority of the board members should be Indians. The CEO of the company must be a resident Indian.

"These stipulations took care of our major worry of protecting national security and moral and social values," said the Information and Broadcasting Minister, Ms. Sushma Swaraj, at

a brief news conference after the Cabinet cleared the policy.

The Government barred DTH from being used for other means of communication such as voice, fax and data. In other words, DTH operators will be unable to provide Internet and voice communications services for now. The operators will be bound to carry all channels of Prasar Bharti on the most favoured financial terms extended to another channel.

Companies have been asked to establish uplink earth stations in the country within 12 months from getting the license.

Uplinking will be allowed only through the earth station. Content will have to pass through the common encryption and conditional access system, located within the earth station.

They have been asked to provide access to all facilities, including equipment, records and systems, to Government agencies. They must provide access to all content providers and channels on a non-discriminatory basis but must not carry channels prohibited by the Information and Broadcasting Ministry.

FDI allowed in textiles sector

By Our Special Correspondent

NEW DELHI, NOV. 2. In a move that could raise the hackles of the Swadeshi lobby, the Centre decided to throw open the garment industry for investment by big players — both domestic and foreign, without any restriction. Till now, the industry was reserved for the small-scale sector.

Unveiling a new national policy, which was cleared by the Union Cabinet earlier in the day, the Textiles Minister, Mr. Kashiram Rana, said there would be no cap on FDI in the sector.

The Government, however, decided not to

accept other controversial recommendations of the expert committee, headed by the former Textiles Secretary, Mr. S.R. Sathyam, to do away with the Handloom Reservation Act and the Hank Yarn Obligation.

The new policy includes setting of a target to increase textiles and apparel exports to \$ 50 billion by 2010 from the present level of \$ 11 billions, and a commitment to encourage the private sector to set up integrated complexes and units and to assist it in setting up specialised financial arrangements to fund the diverse needs of the industry.

It also envisages a review of the duty structure, launching of a technology mission on jute, increase in cotton productivity by at least 50 per cent and setting up of a venture capital fund to encourage entrepreneurship among technocrats.

Explaining the rationale for dereservation from the SSI sector, Mr. Rana said it was necessary to ensure that the industry was fully prepared to meet global competition, particularly in the context of the total dismantling of the quota regime (multi-fibre arrangement) by 2005.

Garment exports were the single largest foreign exchange earner. It amounted for \$ 6 billion of the \$ 11 billion earned by the textile industry as a whole, and the aim was to ensure that it continued to do so. The new policy envisioned that garment exports would be of the order of \$ 25 billion by 2010, Mr. Rana added.

The dereservation issue had become a bone of contention between the small-scale sector and the big players ever since the Government took the first step towards formulation of a new policy with the appointment of the experts committee. The Government finally set up a group of Ministers, headed by the Union Home Minister, Mr. L.K. Advani, to resolve the issue. The group presented its report recently, leading to the Cabinet decision today.

THE HINDU

3 NOV 2000

Online markets: redefining the space

There is a whole new breed of technical buyers and sellers, finds **Shabbir Sharaf**

ONLINE marketplaces are a new trend and cannot be ignored. Online marketplaces introduce a completely new channel or method of buying and selling goods and services. In traditional trading, a buyer may take out a list of sellers and ask them to submit quotations or invite bids from a larger group of sellers. These quotations or bids will then be evaluated, terms and conditions agreed upon and the order placed.

The problem in this method is that the buyer does not have complete information about other vendors willing to sell goods at competitive prices and better quality. He is limited to his own shortlist of vendors. If he invites bids from the larger community of sellers, the cost of buying increases.

On the sell-side, if the seller has to increase his reach, he has to set up offices or franchises and advertise in the prospective areas. Geography and organisational constraints restrict him. The cost of selling is high.

Online marketplaces remove a lot of inefficiencies on both sides. The buyer submits his requirements, which is electronically forwarded to all the registered sellers of the required item. Interested sellers submit bids and quotations online to the buyer. The buyer gets a readymade comparative statement of the offers made by various sellers. The buyer can just click on the most competitive vendor and place the order.

The order is electronically forwarded to the seller who confirms the receipt of the order — electronically. The buyer can pay by credit card or through other means of payment available at the marketplace. To extend the idea, the buyer can also check the inventory level of the particular item in the seller's warehouse

are market leaders and have the muscle power to push things forward are taking lead in building marketplaces. The best example is in the automobile industry. Auto majors like GM and Ford have set up their own marketplace for auto parts considering the large volume of transactions and the efficiencies that would accrue.

Telco, in India, has also built its own auto parts marketplace. Other industry specific ones are anupam.net for electronic components, 01Markets.com for IT requirements.

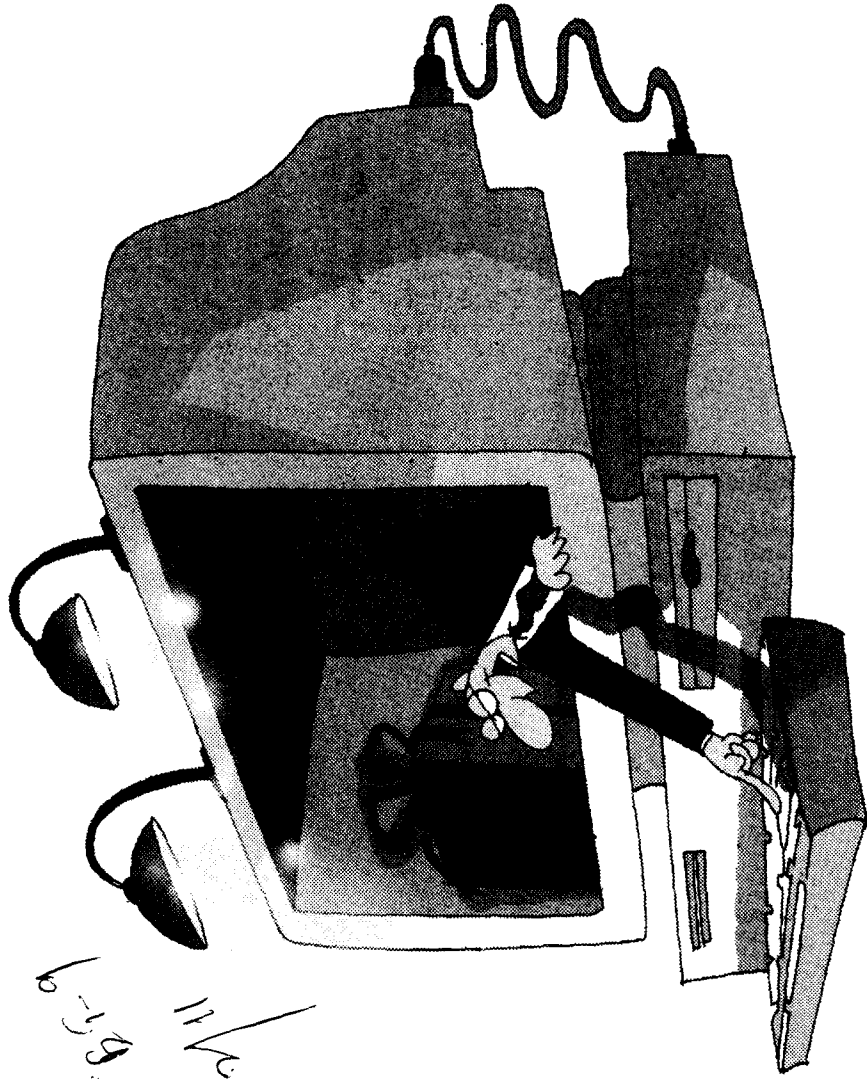
Other players have built generic online marketplaces based on the technical expertise that they possess. Global players like CommerceOne and Arriba fall under this category. They provide technology to build marketplaces for companies who have domain expertise.

Sabeer Bhatia's Arzoo.com is an online marketplace of technical skills. Technical experts can register themselves with the website to provide guidance and solutions to whoever seeks their expertise. The seeker of expertise will bid what he considers a suitable price.

Once the price is agreed upon, the expert will answer the technical question of the seeker and provide references in terms of books, websites and articles. The seeker can rate the expert according to the benefits derived. Other seekers can then bid for the expertise based on the rankings of previous seekers.

Marketplaces can be of great help for small and home businesses. Imagine pickle makers getting bulk orders from corporates, or the small tailor landing a huge order for company uniforms. The benefits can be huge.

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channel.

Large companies across the world have faced high resistance from distributors, dealers and retailers. Service organisations make up the majority of the early adopters because they are flexible in nature, have less rigid selling processes, and are apparently easier to sell through online marketplaces. Inventory, schedules, supply chain constraints and product specifications are impediments to selling manufactured goods through the marketplace as they build complexity into the equation.

But this opportunity is too big to be ignored. Organisations who

Perceived risks in participating are channel conflict, change in selling processes, less predictable demands and pricing, technology costs and loss of margin control.

Smaller companies are early adopters in this game today. The reason is that they are getting the benefits of, but are less sensitive to the risks of online marketplaces. Large companies are waiting and watching the space to develop because they are highly sensitive to the risks. The biggest risk for the sell-side participants is the channel conflict. Organisations need to figure out ways in which this new channel of sales will not affect the traditional sales

and agree upon the preferred mode of delivery.

Who are the players?

Companies can choose to build, participate, do both or remain uninvolved as far as online marketplaces are concerned. The level of involvement depends upon the industry, the size of the company and the nature of its business. Reasons to participate in online marketplaces are increased visibility and access to buyers, access to information and expertise, reduced purchasing costs, lower customer acquisition costs, high transaction volume and access to global markets.

Double-Edged Pen

Foreign Ownership in the Print Media

By SIDDHARTH VARADARAJAN

A stray remark by information and broadcasting minister Sushma Swaraj last week has set off a lively debate on whether foreign ownership of Indian newspapers should be allowed. In 1955, when the Union cabinet decided not to allow foreign-owned companies to own and publish newspapers in India, the prime concerns were those relating to national security and cultural identity. Even though the new information and communication technologies have, in a sense, rendered those concerns inoperable — foreign companies can reach the Indian public effortlessly through the Internet and satellite broadcasting — the increasing monopolisation of media ownership internationally is generating new dangers that must be taken note of. More than national security and Indian culture, it is the concept of media pluralism — however fragile its existence in our country may be — which could be imperilled.

Ms Swaraj may have meant 'foreign media' as an abstract category when she said their entry was "being considered" but never before has the world media industry been synonymous with such a small number of players. If Indian laws are changed, it is not, say, the venerable, independently-owned Florida daily, the *St Petersburg Times*, that will enter, but the largest media conglomerates with war chests bulging from the exploitation of monopoly power the world over.

Far from contributing to media pluralism and diversity, lifting the standards of journalism and serving the public interest, these companies would only further constrict an already atrophying public sphere.

In 1982, when Ben Bagdikian, the dean of US media watchers, wrote *The Media Monopoly*, 50 corporations controlled half or more of the media business in that country. By the time the book's second edition was out in 1986, the number was down to 29, and by 1993, the number had hit 20. Today, writes Bagdikian, "the number of media corporations with dominant power in society is closer to 10". These companies — Time Warner, Disney, Bertelsmann, Viacom, News Corporation, Sony, TCI, Universal and NBC — straddle every aspect of the information and entertainment industry from newspaper and magazine publishing to

television, books and movies. Some have begun to move into the pornography industry as well.

The Internet has brought for them even greater opportunities for expansion, as exemplified by the AOL-Time Warner merger earlier this year. According to media analyst Robert W McChesney, "the global media cartel may be evolving into a global communication cartel".

'Global' is, of course, a euphemism for the US. As McChesney puts it: "A specter now haunts the world: a global commercial media system dominated by a small number of super-powerful, mostly US-based transnational media corporations. It is a system that works to advance the cause of the global market...while denigrating journalism and culture not conducive to the immediate bottom line...It is a disaster for anything but the most superficial notion of democracy, a democracy where, to paraphrase John Jay's maxim, those who own the world ought to govern it".

The level of competition in the Indian newspaper industry — both English language and vernacular — may be far from satisfactory, but in the US, 99 per cent of the 1,500 daily newspapers which exist there are the *only* daily in their cities. The picture for television networks and cable systems is just marginally better. Foreign entry may initially increase competition in the Indian print media but eventually, concentration of ownership will result, just as surely as it has in other countries where the media have been 'globalised'.

While the US and the UK have no alien ownership restrictions for their newspaper industry, other countries wary of being swamped by the Anglo-American media have put in place rules seeking to limit the extent of foreign control. In Australia, foreign ownership of the print media is regulated under the Foreign Acquisitions and Takeovers Act 1975. Individual foreign ownership by foreign owners of a mass circulation newspaper is limited to 25 per cent and aggregate ownership by foreign owners to 30 per cent. The current threshold limits were established as recently as 1993, in response to Canadian media baron Conrad Black's attempt to buy the Fairfax newspaper group.

In Canada, the Canadian Tax Act allows newspapers a tax deduction

for advertising only if they are less than 25 per cent foreign-owned. Given the immense financial and political clout of US media corporations, Canadians live in mortal fear of losing their individual national and cultural identity.

According to Canada's heritage minister Sheila Copps, "Those who would like to open up restrictions on foreign ownership would like to have only one media industry for the world, and I don't think that's healthy for anybody. I think it's important that we have diversity of opinion".

But even as countries batten down the hatches, there is the danger that the battle might already be half lost. In his seminal book, *The Media are American*, Jeremy Tunstall has pointed to the increasing tendency for films, television and media around the world "to be put primarily into American packages". To some extent, this has always been the case: American-style 'popular journalism' was copied in Europe in the 1880s, from the 1920s, Hollywood conquered other national film industries, and since World War II, American popular music has ruled the roost. Today, however, "American programming, news, music and star performers are available on an unprecedented scale".

As far as the print media is concerned, the American dominance is the product of a lazy response to domestic competition: Rather than invest in their own news gathering operations, many newspapers around the world choose either to emulate the American packaging formula or simply to purchase US content. Thus, American media discourse has steadily invaded the world's newspapers, and when that happens, ownership tends to follow as an unpleasant inevitability.

Tunstall sees hope in countries like India evolving their own national idiom, drawing on both 'international' and 'local' media discourses to produce newspapers, television programmes and films that can stand their own in the global marketplace. Even as they resist the pressure from the international media conglomerates, therefore, Indian newspapers have to seek ways to improve their own coverage, invest more in their journalism and continue to focus on the concerns and interests of their readers.

THE TIMES OF INDIA

2 NOV 2001

End of the hacker ^{man}

ON THE face of it, Russia-based hackers breaking into the sanctum sanctorum of the information technology industry is the stuff of computer mythology. Microsoft admitted a few days ago that hackers gained access to the source codes of its next generation of operating systems. The source code lies at the heart of such software. Microsoft's penchant for keeping its codes secret is one reason it is facing a tough anti-trust battle with the United States Government. The idea that what the US Government has been unable to secure may be lying in a stack of floppies in the untidy bedroom of a St. Petersburg teenager would tickle the heart of any computer geek. However, there is reason to believe the hackers who did the dirty on Microsoft were not doing it for a lark but were engaged in industrial espionage. This would be violative of the spirit of hackerdom. The Microsoft break-in would be nothing but straightforward theft, though a 21st century variant. ^{VII} ^{KG-10}

If Microsoft was robbed for money, it is a statement of how hacker culture has lost its way in a new internet age dominated by venture capitalists, marketing specialists and dotcom managers. The original hacker was often seen as a technological offspring of Woodstock, the Sixties going cyber. Hacker philosophers like Eric Raymond argue that hackers saw the internet as a place to create the New Left dream of an egalitarian world where private property did not exist and electronic democracy wiped out political hierarchies.

The most successful hacker was Linus Torvalds, the inventor of a free operating system that is giving Microsoft a run for its money in the server computer market. It is in keeping with the no-secrets world of the hacker that Linux's source code is open to the world. However, as the internet became a serious commercial proposition the hacker ideal has slowly but surely been sidelined. Hackers themselves have slowly become suborned by cyber-capitalism. Many have formed their own profit-making firms or work for lots of money rather than the fun of creating a binary universe. Though Microsoft is among the most common victims of hacker attacks, that the most spectacular hack attack should have been driven by greed is a denouement of the original hacker.

THE HINDUSTAN TIMES

2000

Group of Ministers clears DTH

SRINJOY CHOWDHURY
STATESMAN NEWS SERVICE

NEW DELHI, Oct. 29. — The Group of Ministers today "cleared" direct-to-home (DTH) television but the exact format acceptable to the government will be finalised tomorrow.

"Things have moved well but the issue will be put on paper tomorrow morning," an official said today. Such an assertion would have seemed optimistic but after the morning meeting today, the ministers met again in the evening to sort out their differences. If the issue is cleared tomorrow, it will be sent to the Cabinet.

There were sharp differences on the issue of "vertical integration", but some of them have been resolved. DTH allows the viewer to pick up TV transmissions directly from the satellite, without going to the cable operator. It is an expensive option and viewers will have to pay about Rs 15,000 initially, and perhaps, about Rs 1,000 a month after that.

The vertical integration caused a lot of concern. Officials said top media houses — Star and Zee in this case — have channels and also, cable operations. If they were allowed into DTH, it would ensure their monopoly. There was also a strong representation for a laissez faire system with everyone getting licences and the market deciding

which operator stays and which one dies out.

The options before the GoM were:

- Ensure Doordarshan has the platform with the private sector providing content
- A free-for all system and
- A joint venture with DD and the private sector, with the former owning 25 per cent, the bigger companies 10 per cent and the smaller ones 5 per cent of the capital or a mix of them. The vertical integration issue was raised to keep Star and Zee out, but both are backed by influential people. Of the three options, a DD-led platform will be unacceptable to the private sector. A free-for-all system could hurt the consumers while keeping out Star and Zee in the name of vertical integration would ensure that the two top players were out of it.

The meeting, chaired by Mr LK Advani began this morning. Other ministers who are part of the group are Mr Yashwant Sinha, Mr George Fernandes, Mrs Sushma Swaraj, Mr Pramod Mahajan, Mr Arun Jaitley and Ms Vasundhara Raje Scindia.

DTH transmissions, through the Ku-band transmitters, were banned by a notification of the Deve Gowda government four years ago. At that time, Star was ready to go and publicly said so after making considerable investments. Other media companies were also readying to go.

THE STATESMAN

30 OCT 2000

CLIPPINGS

Barnala confirms he'll be Governor

FORMER UNION Minister Surjit Singh Barnala on Sunday confirmed that he was being appointed as the first Governor, of Uttaranchal. Mr Barnala said he would devote himself to the service of the people and would take care of the Sikhs settled in the region.



UNI, Sangrur

Medha ends fast

NARMADA BACHAO Andolan (NBA) leader Medha Patkar on Sunday ended her five-day fast in protest against the October 18 Supreme Court verdict giving green signal to the Sardar Sarovar Project. She announced that the NBA would soon file a review petition in the apex court against its judgement.

PTI, Bhopal

DTH policy on the anvil

Unhindered access to multiple TV channels to be a reality

Siddharth Zarabi
New Delhi, October 29

THE GROUP of ministers headed by Home Minister L.K. Advani, which is framing the policy on direct-to-home (DTH) broadcasting, is likely to recommend that multiple television channels be allowed to offer services over this technology platform.

The group, which held two rounds of discussions here today, will hold a brief meeting again on Monday to give finishing touches to the recommendations that will have to be approved by the Union Cabinet. A top government functionary said the Cabinet would soon discuss the proposal.

DTH technology is primarily a distribution platform for television channels. In a literal sense, it means that subscribers can directly receive and view programmes without intermediaries like cable TV operators.

Using small dish antennas (12 to 18 inch diameter) and TV set-top boxes, subscribers will be able to decode channels and view a plethora of

Freeing the airwaves

- Direct-to-home broadcast of TV channels to become a reality.
- Tough competition for cable TV operators.
- Areas bereft of cable TV can view channels using DTH technology
- Govt. to regulate content and address security concerns.
- Users will need small dish antennas & TV 'set-top' boxes

programmes. The cost of a set-top box and antenna ranges between Rs 10,000 and Rs 15,000. Users are also provided "channel cards" which are essentially pre-paid debit cards.

However, the actual cost to a subscriber can be much lower as satellite TV channels in the countries where DTH is legal, usually sell the system at a subsidised cost to the consumers. Companies recover their costs through the subscription fee that accrues to them from the sales of the channel cards.

DTH services will also herald an era of competition for cable TV operators and force them to improve quality. Users will have access to high quality programming on pay channels (eg Star Movies), while persons in far flung areas where cable operators are yet to provide service can use dish antennas for receiving channels.

In technical terms and in the context of broadcasting regulations, DTH refers to the distribution of multi-channel TV programmes in Ku or higher frequency band (11.7 to 14.55 gigahertz - Ghz) by using a satellite system that transmits programmes directly to the subscribers.

Presently, all satellite broadcasts in India take place in the lower C-band in the frequency range of 3.4 to 6.65 Ghz. The basic difference between Ku band and C band transmission lies in the fact that Ku band signals require a very small dish antenna of 12 to 18 inch diameter while lower C band requires a large dish antenna of 8 to 16 feet diameter.

The group of ministers headed by Mr Advani was constituted nearly two years ago when Pramod Mahajan was the I&B Minister.

THE HINDUSTAN TIMES

10 OCT 2000

25/10 65-7 Cyberlaws: hype or hope?

Now that we have cyberlaws, did we really need it? Does the Information Technology Act effectively deal with issues that are unique to the internet? Rahul Matthan discusses

EVER since the Information Technology Bill passed unopposed through both the houses of Parliament, sighs of relief have been heard from all quarters. Several distinguished personalities have been quoted as saying that at long last India can take its rightful place in the digital world, implying, that this was the one thing that was holding India back.

But was it all really necessary. To the untrained eye, India was doing just fine without the Information Technology Act, 2000 (the Act). The software and internet economy was booming. Venture capital was flooding the market at unreal valuations. Millions of dollars were being pumped into ideas and the people who dreamt them up. Even the ailing advertising industry got a shot in the arm as corporate adspend on digital domains surged through the roof.

India, before the Information Technology Act, was certainly not a country held back. Speak to any potential startup and no one is worrying about the potential pitfalls posed by an uncertain legal environment. They are all aware that there is no law in the country that specifically deals with digital documents, contracts or signatures, that our evidence laws do not, in so many words, recognize many of the constructs of the digital age and that our law enforcers are at sea when it comes to electronic mischief such as computer hacking. What makes them go ahead regardless?

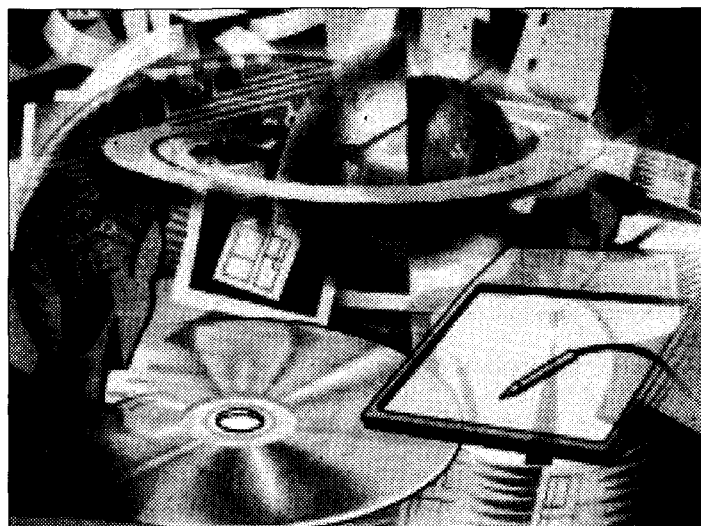
To many, the confidence to actually take part in electronic commerce springs from the fact that despite the protestations of naysayers, our legal system is actually malleable enough to provide effective redressal of electronic disputes even though it may not be equipped with specific legislations.

The most widely occurring contractual relationships created online are those that spring from e-shopping on websites offering books, music and other such products. Are these transactions unenforceable in the absence of a special law pertaining specifically to electronic commerce? Apparently not. Under the Sale of Goods Act, 1930, a contract of sale is stated to be made when an offer

to buy or sell goods for a price is accepted. The offer and acceptance can be made in writing, orally or can be inferred from the conduct of the parties. If an online purchase were to be assailed in a court of law, even in the absence of specific legislation dealing with the implications of online contract formation, the courts would be entitled to rule on these transactions, merely on the grounds that a contract could clearly be inferred from the conduct of the parties.



TALKING POINT



The Indian Contract Act, 1872 does state that agreements made without consideration are void unless 'written' and registered in accordance with the applicable laws in this regard.

Electronic contracts could easily run aground on statutory provisions such as these, since written contracts must necessarily be inscribed on a tangible medium and physically initialed or signed by the parties. It would be stretching things to imply physicality to the electronic medium when electronic documents are no more than a series of binary instructions.

But how many electronic contracts that one would seek to enforce are actually not made for consideration? The vast majority of electronic contracts are for the performance of a service or the sale of goods. All these contracts are made for valuable considera-

tion and consequently do not need to be either written or registered in order to be enforced. So long as they meet the basic requirements of a contract—offer and acceptance—the terms of such contracts will be upheld in court, regardless of the medium in which they are stored. Certainly, there is nothing in the text of the contract statute that would prevent or prohibit the conclusion of contracts in electronic form.

In fact, the essential logic of the digital world allows accurate and often tamper-proof evidence to an extent otherwise not traditionally available. Digital signatures prove beyond reasonable doubt, and with a degree of certainty no ink signature can hope to replicate, that the electronic document which it seals has not been tampered with.

Time stamping affords accurate and irrefutable proof of the time of communication of an offer or the revocation of a contract down to the last second in a way that traditional forms of communication could not.

The beauty of India's contract law is that its language is so broad that all these essentially electronic constructs could be enforced just as easily as written contracts. Under the law, the communication of acceptance and the revocation of proposals are deemed to be made by any act or omission of

a party. Nothing in the contract Act implies that such acts or omissions could not be made electronically.

Yet, despite the inherent flexibility of the law there are some types of contracts which, under the present law, must be concluded in writing. Under the law relating to transfer of property, for example, all contracts pertaining to the transfer of interest or title in immovable property must, in order to be treated as a valid transaction, be reduced to writing and registered. This explicit language makes it clear that the sale or lease of land cannot take place through an electronic contract.

If the Act actually addressed this issue and specified what it would take to make transactions in immovable property enforceable if concluded electronically, there may have been some value in enacting a new legislation. The Act, however expressly states that it does not apply to transactions relating to immovable property or to wills or powers of attorney.

The new law does not appear to be significantly different in principle from the old. In substance, it just reinforces everything that would otherwise have had to be implied from the expansive language of the old law.

All the Act seems to have done is to expressly include concepts of the digital age into the existing legislation. Had the Act not been passed, courts may have had to spend a little more time in analyzing the law each time an electronic dispute was brought before them. At the end of the day, it is unlikely that justice would not have been done solely because the law did not specifically refer to electronic documents.

So is there a need for cyber laws? Most definitely. But not the type that has been dished out under the Information Technology Act. What is needed is a law that accurately addresses issues that are unique to the internet such as jurisdiction, intellectual property issues, data protection and the like. None of this has been addressed in our new cyber law. After all the shouting is done, we have been left with little more than when we started.

Courtesy: Matthan and Ayappa (Trilegal)

Meow
H9-12

CHALLENGE OF IT

5/10

THE EXPLOSION IN information technology and the visible increase in the number of IT professionals in the younger age groups as well as the companies which have come up in this segment might have created the impression that the private sector in India has responded with dynamism to the new technologies. It is, therefore, disappointing to be told by Mr. Pramod Mahajan, Information Technology Minister, about the inadequate private sector investments made in IT. He has also drawn the attention of the private sector entrepreneurs to the importance of avoiding a mismatch between the disinvestment made by the Government and the investment made by the private sector to fill the breach. Actually, the IT sector seems to be conspicuous by its absence in the areas vacated by the public sector through disinvestment to the tune of about Rs. 10,000 crores so far. This could be because of the poor interest shown by the private sector in what the public at large regards as a highly inviting and promising field which would seem to have attracted only the smaller companies led by well-qualified and dedicated young professionals many of whom had thrown away jobs in which they should have been doing very well.

The inertia which has held back the captains of industry from making their presence felt in the IT sector could only strengthen the belief about their reluctance to blaze new trails and their preference to play safe by sticking to the beaten track. This will disillusion many who were hopeful that the shedding of state control through the policy of disinvestment initiated a decade ago would bring about a regeneration of the private sector which was seen to be groaning under a severely restrictive regime. If the explanation for the private sector not having emerged as a major player in IT is that it is waiting for the public sector to rig up the basic infrastructure before it arrives on the scene, it is a very poor

reflection of its qualities of entrepreneurship. This could be attributed to the expanding state ownership India had witnessed during the preceding decades and its sapping of the dynamism of the private sector. This is, however, not wholly true since the Indian private sector had not really done badly for *itself* during the years of state regulation of the economy as a junior partner in economic development with the huge public sector units in steel, heavy engineering, petroleum — to mention just a few — farming out major assignments to them costing several crores of rupees.

The disappointment expressed by Mr. Mahajan over the lack of response with the investments required from the private sector after the scrapping of the monopoly of the VSNL will be shared by many who might have been filled with great expectations. The bandwidths so far provided by the VSNL range over quite a wide spectrum from kilobytes and megabytes. The scope for their enlargement is quite large and to which the global IT industry has been keenly alive. If this itself makes a heavy demand on the Indian private sector which it has either not been able or has been unwilling to meet, the prospects of its being able to live up to the country's expectations about qualitatively changing the lives of the poor through IT do not look very bright. This should recall the despair expressed in the mid-1960s by a former Union Finance Minister over the reluctance of the Indian corporate sector to take up projects where the outlook for profit was limited to 10 or 15 per cent of the capital invested — which itself would have been hard to achieve in competitive markets — since they had long been used to its being as high as 40 per cent. This biting commentary on the Indian corporate philosophy would still seem to be very valid. IT makes this not only an unethical but also unwise business policy in the era of globalisation.

Protect the press

By K. K. Katyal

There are as many good reasons for not opening up the fourth estate to foreigners as in the case of the other three — executive, legislature and judiciary.

SHOULD FOREIGNERS be allowed to invest in the print media or start newspapers here? Now that the off-again on-again debate has been revived, the dangerous implications of such an entry in this sensitive field need to be brought out, lest our policy-makers are hustled into taking decisions on phoney arguments. Of these, there has been no dearth — regrettably from a section of the press itself.

The recent remarks by the new Minister of Information and Broadcasting, Mrs. Sushma Swaraj, brought the issue to the fore — somewhat ominously. True, she merely responded to a query at the Economic Editors' Conference and was non-committal — "the matter was under consideration. I have not said whether we are going to allow foreign equity in the print media or not" — but her not rejecting the proposition out of hand was disturbing, especially in the context of the comments of her predecessor, Mr. Arun Jaitley. The debate lacked the objectivity it deserved — marked as it was by extraneous considerations, thoughtless oversimplifications. The fact that some of the newspaper houses which had planned collaboration with foreigners were among the loudest protagonists of the open-door policy did not go unnoticed. To say this is not to deny the existence of genuine, honest differences of opinion.

Pathetic indeed is the mindset of those who put newspapers on a par with consumer items and plead for an exposure of the print media to the winds of change, now blowing in various sectors. Newspapers are different from soaps, textiles, electronic gadgets, cars and the growing list of fancy items catering for the material needs of the people. The present media is the vehicle of information, of interpretation and analysis, helping the people help themselves to understand issues, political, economic, social, national, regional and international — and to play their role as citizens. The newspaper industry, therefore, is not like other industries and the suggestions that it be opened up, liberalised and integrated with global forces are flawed. For this reason, it will not be proper to leave the decision to the preferences of "consumers".

Newspapers are part of the political and democratic system and, as such, are to be treated like its other segments. Would the

Imagine foreigners taking part in the country's politics — floating parties, contesting elections and finding representation in the legislature or a place in the executive!

Ridiculous, indeed, is the suggestion that the bar on foreign ownership of the print media would mean shutting off of information and ideas. Indian newspapers carry despatches, articles and comments from their correspondents or representatives stationed abroad as also from newspapers in other countries. Besides foreign newspapers are freely circulated in the country. The information revolution has brought within our reach incredibly vast resources. What is objected to is not the access to sources of information from abroad, but foreign ownership of newspapers here.

Foreign capital in the newspaper industry is necessary, we are told, for updating production technologies. Those making this point do not take into account the present-day reality. The latest technology is freely available in world markets — and, in fact, has been acquired by even medium-sized newspapers. They do not need foreign ownership to modernise production techniques. Also, we are the proud leaders in the world in matters information technology and our entrepreneurs and experts are in demand from Governments and private enterprises abroad. India is not the only country where foreign ownership of newspapers is barred. Important Western countries have such restrictions and no one questions their credentials as democracies. Control over ownership of the electronic media is tighter still.

The policy decision against foreign ownership was first taken in 1955, during the days of Jawaharlal Nehru. The decision, according to its critics, has become out of date, particularly because of the giant strides made by the electronic media, the availability of the Internet. What is forgotten is the abiding character of the values and norms, central to the working of the system. Not that there was no review

of the policy since 1955. Some 40 years later, during Mr. P. V. Narasimha Rao's tenure as Prime Minister, a Cabinet committee, set up for this purpose, was unable to produce a unanimous report. Obviously, it was not easy to reverse the earlier decision. The 1955 policy was not a flash-in-the-pan affair, not the result of a sudden spurt in nationalistic fervour. It was based on the recommendations of the first Press Commission which disfavoured "any attempt to bring out Indian editions of foreign periodicals dealing mainly with news and current affairs." Later in 1982, the second Press Commission suggested a legal provision against foreign ownership of newspapers: "there should be a specific legal provision under which no newspaper undertaking should have any foreign ownership either in the form of share or in the form of loans". The Press Council, too, was opposed to the entry of foreigners.

There is no uniform pattern on foreign content in press ownership. The U.K. and the U.S. have adopted a flexible line — often cited by the protagonists of openness. But the policies of these two countries are the product of specific historical factors and are to be viewed in that context. In the past, residents of the colonies of the vast British empire enjoyed access which was not barred after de-colonisation. As regards the U.S., the flexibility could be attributed to the assimilation of immigrants from different lands. The Anglo-U.S. approach is not shared by all in Europe. Even those practising openness in the print media do not extend it, in the same measure, to the electronic sector. Was it a coincidence that, in the U.K., the control of *The Times* by Mr. Murdoch was followed by safeguards against the control of the electronic media by foreigners? In the U.S., 80 per cent of the stocks of the broadcasting companies have to be with its citizens — a provision which perhaps weighed with Mr. Murdoch in taking American citizenship — to be able to acquire a stake in the broadcasting companies.

These major democracies have taken precautions to prevent control by foreigners of the electronic media — symbol of globalisation and openness — but we are lectured not to safeguard our interest in the print media. Double standards.

HT-10 Cyber signs 19/10

MAKING ELECTRONIC commerce less of a 21st century curio and more of an integral part of life for Indians will be the real fallout of the Information Technology Bill 2000. The bill's key provision is the legal authority it gives to electronic signatures and digital certification for companies. Surveys have repeatedly shown Indian customers pass on their credit card numbers to a restaurant waiter but balk at doing so to an intangible dotcom. They also show that sending credit information into cyberspace is the primary inhibition against making purchases on the Internet. A similar story exists for businesses. An inability to verify signatures and credit histories online forces companies to delay dispatching online wares until they can check with banks or other third parties. Much of the speed and surety that makes e-commerce so revolutionary has been non-existent in India. The effect has stunted e-commerce even in the financial and entertainment sectors. Unsurprisingly, online business touched a mere Rs 1.23 billion in India in 1998.

With the notification of this bill, India joins an exclusive club of only 11 countries with such cyber legislation. This is not just about keeping up with the Joneses. E-commerce is turning a large number of industries inside out. Those sectors whose wares can be digitalised — music and banking, for example — have pushed ahead of legislation.

Then there is the expansion of global business to business e-commerce. Indian companies who wish to tap the global market need to be in a position to do so online. For example, General Motors and Ford will put \$ 400 billion worth of contracts on the net in the next few years. Without digital certification, few Indian firms would be able to even offer a bid. E-commerce is fragmenting some industries, merging others. Others are being made obsolete or metamorphosing into something completely different. As customers and businessmen — even as law enforcers, Indians need to be immersed as deeply and quickly as possible in this new world if they are to thrive in the global economy.

Delhi's bully, always!

EVEN IF it is not entirely redolent of Orwellian doublespeak, most people who live in the nation's Capital might agree that the much-hyped PR slogan of the Delhi Police — *With you, For you, Always* — vastly overstates the case. And yet, the Police Commissioner berates his force at a large assembly of middle-rung officials. It is possible to suggest that this is one more publicity gimmick. After all, there has recently been a public outcry against the police following the death of innocent citizens at the hands of policemen, and what better way to shield oneself than to engage in a spot of self-laceration in a spirit of humility, especially if the matter is likely to come up in the Delhi Assembly or Parliament? But it would be unfair to the police chief to dismiss him out of hand.

Ajai Raj Sharma has said that the investigation skills of his force are 'bad', its record of pursuing cases 'pathetic', and the conviction rate 'poor'. He has also stressed the need for greater accountability. If Mr Sharma's suggestions are heeded, Delhi will certainly have a more efficient police force, one that solves more cases. That is a desirable objective in a metropolis where complexities of living have grown unimaginably, and big crimes are no longer as simple as they seem.

But it is noteworthy that Mr Sharma does not allude to that aspect of policing which brings the force face to face with citizens in everyday encounters. It is in these situations that the police either wins the confidence of the people or loses it all. In Delhi, sadly, the police have acquired the reputation of being a brutal, sloppy and bribe-extracting bully who, for a dubious consideration, would happily allow any wrong-doing to pass. The police are possibly overworked, underpaid and ill-equipped, especially the lower ranks, but this cannot be an alibi for savage behaviour. A modern force for a modern India has to be different from that of the Raj when a citizen's rights just did not count, and ordinary people could be treated with absolute insensitivity.

THE HINDUSTAN TIMES

19 OCT 2000

Govt mulls entry of ^{media} foreign print media

STATESMAN NEWS SERVICE

5/11 19/10. ✓

NEW DELHI, Oct 18. — The entry of foreign print media into India, disallowed so far, was "under consideration," the Union information and broadcasting minister, Mrs Sushma Swaraj, said today. Asked if this meant reversal of a Cabinet decision dating from the mid-1950s, when the Nehru government had banned entry of foreign media, Mrs Swaraj said times had changed, and the country would have to take a fresh look at the issue.

While she made no suggestion that foreign print media would be allowed into the country, the fact that she did not rule it out caused ripples at an otherwise uneventful press conference. Her statement was in response to a question regarding how the I&B ministry was falling behind other ministries, which were seeking direct foreign investment.

Mrs Swaraj said there was no "race", and openness would come in stages and at the right time. She also spoke at the economic editors' conference.

It was also pointed out during the press briefing that all foreign newspapers were available on the internet every morning, and in effect, were in India. Mrs Swaraj said she was aware of the situation, and the entry of foreign media had become an issue only because times had changed.

Mr Pramod Mahajan, then I&B minister, made a similar statement about two years ago. The matter was soon overtaken by other matters.

■ More reports on page 12

THE STATESMAN

19 OCT 2000

E-transactions to have legal basis as IT Act takes effect

Ex-executive director of C-DOT appointed national enforcement controller

The Times of India News Service

NEW DELHI: India has just become one of only a dozen countries in the world to have a legal framework for electronic transactions.

Kailash Nath Gupta, formerly executive director at the Centre for Development of Telematics (C-DOT), has been appointed the national controller for enforcement of the landmark Information Technology Act. On Tuesday morning, IT minister Pramod Mahajan approved the rules in the act, which will be formally notified in the official gazette and take effect on Wednesday.

The act was unanimously voted by parliament on May 15 and got the President's approval on June 9. The IT ministry then drafted the rules to give effect to the legislation and, in an unprecedented move, put them on the Internet on August 15, inviting comments and

suggestions before issuing a notification. The practice, hitherto, has been to keep the public in the dark during this key stage. Many people responded. The ministry examined the responses and then finalised the rules.

Given the speed with which new technology moves, some parts of the wording of the act were already obsolete, Mr Mahajan noted. For instance, the word 'computer' needed to be replaced with something along the lines of 'delivery system' since technological advances had, in the interim, sped forward and transferred a computer's abilities to other products and processes.

Mr Mahajan promised that Mr Gupta's new designation (as 'controller') would be changed at the first opportunity to 'promoter' when a journalist suggested that 'controller' was reminiscent of an old-world mindset. Substitute it with a word like regulator, he sug-

gested. Mr Mahajan said he agreed and added that even 'regulator' did not encompass the scope of the job.

The new IT controller will now have to select more certifying authorities for digital signatures and related methods of enabling a wired society. Mr Mahajan said that the process would be completed in another two months.

Mr Mahajan said his ministry, created just 11 months ago, had now completed the first building-block—putting in place a legal basis for electronic transactions and governance. Stage-II would now begin—getting the e-word into the core of governance nationwide. "When the Prime Minister resumes duty after his operation, I'm going to ask him formally to declare 2001 the year of e-governance," he said.

That covers a great deal, he explained, calling for "all-encompassing reforms" in education,

telecom and electricity, without which there would be no real IT revolution. He urged that states should move on creating programming in regional languages, and also make computers more accessible to the citizenry.

The government has already set in motion a project to connect all 484 block headquarters in the north-eastern states with computers and to get citizens to use them. Mr Mahajan's ministry is finalising a proposal for the Union cabinet on similar projects for Uttarakhand, Jharkhand, Chhattisgarh and the contiguous tribal belt of Orissa, besides Jammu & Kashmir and Himachal Pradesh. All these areas have basic problems of communication and reach. The proposal offers a novel way to leapfrog the traditional constraints and to help bridge the potentially growing 'digital divide' in the country.

THE TIMES OF INDIA

18 OCT 2000

MS in
H.D. B

Hacking of Microsoft exposes holes in global Net security

By Anand Parthasarathy

KOCHI, OCT. 28. The faceless hacker who "wormed" into the internal corporate network of the world's number one computer software company, Microsoft, last week has already set a dubious record. A day after the break-in became public knowledge, it is being called one of the most audacious examples of industrial espionage in recent decades — and the biggest case ever of hacking: unauthorised entry into computer systems.

The incident has set alarm bells ringing in the global e-commerce industry, even as the ordinary PC user is asking: "What is the use of all the anti-virus and Net Security products, I am asked to buy? If it can happen to Microsoft, why not to me?"

The intrusion at the Redmond, headquarters of the U.S. software giant seems to have gone on for several days before it was discovered on Friday that files full of sensitive Microsoft passwords were being directed to an unknown e-mail address in Russia. A reconstruction of the cyber crime being sketched by computer analysts today runs as follows:

An employee at Microsoft receives an innocuous e-mail that seems to be a message in the Windows "Notepad" format. It is, in fact, the "QAZ" virus that origi-

nated from China in July this year — named after the three left-most keys on the standard "QWERTY" keyboard. It is classified as a "Trojan Horse"-type virus, carrying a lethal program, in disguise, into the system under attack.



Steve Ballmer, Microsoft CEO

Once within Microsoft's "fire-wall", the QAZ programme or "worm", sends a "mission accomplished" message back to the sender. It is then remote-controlled to slither inside the internal network and pick up files of user names and passwords.

It sends an e-mail with this list to an address in Russia. The hacker (who may well be elsewhere, most probably in Asia) logs on, pretending to be a Microsoft employee and using the stolen password, gains access to confidential programs and files.

A Microsoft press statement today admits that the hacker was able to "view the source code under development for a future product.... but there was no modification or corruption." Experts, however, feel this is small comfort, since being able to "view" a file means one can copy it — which might compromise the parent company's intellectual property. Microsoft's "future products" include a new version of "Windows" — dubbed "Whistler" and an update of the "Office" suite of programs for the PC.

The question that is now being asked is: Microsoft is a known customer of three leading anti-virus products made by Symantec, Trend Micro and Computer Associates (all with a large user base in India). Then why did these products not protect Microsoft's systems? The virus-buster companies have said in effect: it is not our fault if some Microsoft user somewhere on its global networks failed to install our product or update it regularly. The incident will, nevertheless, raise doubts in the public's mind about the efficacy of such virus-fighting software.

More alarmingly, the incident is seen to expose the vulnerability of the just-burgeoning e-commerce business worldwide. On October 17, India became one of only 12

nations to promulgate its own "Information Technology Rules" to enable commercial transactions on the Net.

The use of "digital signatures" that will do away with the need to send written authorisations for money transfers has been specifically legalised. Yet these efficient means of doing business in the cyber era presume that the Net is immune to precisely the type of attack that Microsoft suffered: a single-target effort aimed at breaking into a commercial enterprise, rather than malicious but comparatively harmless viruses such as "Melissa" and the "Love Bug", which hit ordinary email users in recent months.

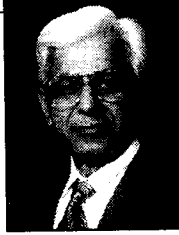
A survey published this week by the American "Information Security" magazine says, cybercrime is skyrocketing, outpacing spending on security measures.

It finds that e-commerce is the single most risky of Internet-based activities, with a 25 per cent higher risk of attacks from within the organisation, when compared with traditional business methods. As Microsoft sets its damage control operations into motion, the rest of the "wired world", including up-and-coming players like India, may have to take a long hard look at their own security — or lack of it.

THE HINDU

29 AUG 2000

India's Cyber Law



INDIA'S recently enacted Information Technology Act is at best a grudging recognition by the government that it had no choice but to extend its jurisdiction to cyberspace. Many provisions of the act show that the lawmakers' good intentions were driven as much by the fear and ignorance of cyberspace as by their motives to push India into global e-commerce.

The act, in spite of several amendments, does not aim to enhance free speech, culture and education, which provoked an editorial in *The Statesman* to condemn it as Orwellian and stupid (Cyber Law, 22 May). In the USA, some of the provisions of the act would have caused a veritable political storm. It wouldn't have passed the first reading stage in a congressional committee.

Americans want the least government interference with the Internet. Indian lawmakers, I am afraid, have not been properly educated about the problems and opportunities of cyberspace. There was hardly any debate in the Indian media. More deliberations were needed before the ratification of the IT bill into law.

Hastily enacted laws can boomerang and cause more harm than good. This is what happened to the Communications Decency Act of 1996 dealing with Internet pornography, which the US Supreme Court overthrew as unconstitutional. A good law is narrowly focused and leaves the enforcers with little discretionary power for abuse. An overly broad law creates uncertainty, gives too much power to state officials and creates temptations for bribery and corruption.

Prima facie the India cyber law simply extends the contractual power of the written word to the emerging digital space. You might say that it is all about signature, which legally seals a contract or an agreement between two or more parties. From paper-and-ink signatures certifying identity and consent to digital signatures certified by an authority, backed by the full power of the government of India, it is meant as a step to create a trusted system for doing commerce and trade on the Internet. The cyber law would also instigate changes in the Indian Penal Code, the Indian Evidence Act, the Bankers Evidence Act and the Reserve Bank of India Act — dinosaurs of the colonial age. New technology always disturbs the status quo and demands a re-examination of our cherished values.

Since the act brings electronic transactions at par with paper transactions, it would enable Indians to use e-mail as legal evidence, as it has been done in the USA against Microsoft, for example. E-mail is a cross between oral and written communication. The users are normally less careful about their e-mail and send it any way, regardless of the correctness of facts and grammar. Like Americans, Indians too would soon begin to realise that e-mail can never be deleted and could be a legal entrapment. You can shred a piece of paper, but it is extremely difficult to destroy digital information, especially when it resides in a networked system.

More important than e-mail is the recognition of digital signatures for contract enforcement, which should hasten the exchange of legal documents and speed up e-commerce, especially B2B, at the local and global levels. The American Bar Association defines digital signature as a system for "ensuring the identity of the holder of a private key, for making digital signatures as usable in commerce and in legal proceedings as a written signature on paper, and for ascribing appropriate responsibility to those engaged in electronic commerce should one of the parties involved deny liability under the transaction".

It is based on a public and private key cryptography to authenticate identification for legal purposes. (See guidelines at: <http://www.abanet.org/scitech/ec/isc/dsgfree.html>). A US congressional committee is struggling to hammer out an acceptable Digital Signatures Bill.

In India, unfortunately, the legal requirements of digital signatures would build a wall of bureaucracy because certifying authorities, private companies, would need a license issued only by the Controller of Certifying Authorities. But Indian political culture where government has so much control over people's lives, of course

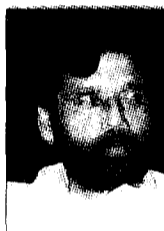
THE STATESMAN

5 JUN 2000

Private telecom operators ask Paswan for more concessions

By Vinay Pandey
The Times of India News Service

NEW DELHI: Private telecom operators, who have extracted several concessions from the government pleading unviability of their businesses, are now asking for more if the government wants them to deliver what they promised while signing the licences.



R.V. Paswan

Of the six licenses, only four—Tata (Andhra), Hughes Ispat (Maharashtra), Bharti (Madhya Pradesh) and Reliance (Gujarat)—have started services. The remaining two—Shyam (Rajasthan) and Essar (Punjab)—were issued a notice by the department of telecommunication (DoT) in April, asking them to start services within six months or face termination of the licences.

None of the four licensees who have launched services has been able to meet the committed targets for setting up telephone lines in general and village phones in particular. Bharti is the only one to have set up phones in villages. However, the achievement is only token as the company has provided 12 village

public telephones against a commitment of 10,500.

Despite repeated reminders from the government, the operators have not even given a definite time frame for achieving their committed targets. They have instead presented to the government a two-track plan, which is basically a fresh list of demands.

The issues were discussed on Saturday at a meeting between communications minister Ram Vilas Paswan and the operators. Paswan asked them to meet their commitments. The operators argued that they should be given money out of the Universal Service Obligation (USO) fund envisaged under the New Telecom Policy (NTP) of 1999.

DoT says neither the NTP nor the migration package extended to the operators last year provides for any dilution of performance obligations committed under the licence agreements; in fact, their promises regarding village telephones might have helped them win the licences.

The parliamentary standing committee and the Ministers' Group on Telecom Convergence have said there should be no dilution of these commitments. The operators have also demanded waiver of spectrum charges for village telephony.

THE TIMES OF INDIA

JUN 2 000

CT to provide internet services

STATESMAN NEWS SERVICE

CALCUTTA, June 7. — The Calcutta Telephones (CT) will compete with the Videsh Sanchar Nigam Limited (VSNL) in providing internet services in the city.

Installation for introducing the internet facilities here by the CT is under way and the service is expected to start from end July or latest by early August, Mr KR Ramanujam, chief general manager, CT, told **The Statesman** today.

All the chief general managers of telephones of the metro cities have been authorised by the department of telecommunications to charge its internet users at par with the VSNL rate, he said.

Recently, the VSNL slashed 50 per cent of its internet charges as part of its special monsoon package for those users registering between 1 June and 31 July.

It also announced that it would provide free internet facilities on Sundays and from 11 p.m. to 8 a.m. on working days.

Mr Ramanujam said that the CT was working

on some special benefits for its internet subscribers but he was reluctant to disclose the details at this stage. "We, however, cannot beat Caltiger", he added.

Incidentally, Caltiger is providing free internet access to its users in the city. The other ISPs operating here are Satyam Online, Only Smart, VSNL and the recently launched Mantra Online, telephone department officials said.

Regarding the Union minister of state for telecommunication, Mr Tapan Sikdar's announcement of making telephone calls free for internet users, CT officials said they have not received any instructions regarding this as yet. Mr Sikdar had said that the matter had been referred to the Telecom Regulatory Authority of India. At present the telephone department charges the users as per the local call rates depending on the time of usage.

About the problems of distributing the new directory, Mr Ramanujam said that the distribution is expected to resume within a fortnight after sufficient number of copies are obtained from the printers, Saraswati Press Limited.

THE STATESMAN

- 8 JUN 2000

Split up Microsoft: U.S. judge

By Sridhar Krishnaswami

WASHINGTON, JUNE 8. A U.S. Federal judge on Wednesday ordered that the Microsoft Corporation should be split into two, but a defiant Chairman of the company, Mr. Bill Gates, said he would keep fighting the issue in Federal Appeals Courts.

In his ruling, the judge, Mr. Thomas Penfield Jackson, said he ordered the split of the software giant because Microsoft had proved "untrustworthy in the past"; and the way it was now organised and led, it refused to believe that it broke the law.

For his part Mr. Gates said the ruling was "the beginning of a new chapter in this case" and that his company would use the appeals process to block Mr. Jackson's orders from taking effect.

The ruling, in Mr. Gates' view, showed that the "government can take away what you have created if it proves to be too popular".

The verdict delivered by Mr. Jackson, who gave Microsoft four months to divide itself into two, is being seen in many industry and legal quarters as one of the most sweeping and scathing judgments; and analysts are beginning to believe the case is now heading to the Supreme Court directly, bypassing the Appellate Courts of Appeal.

For a case to go to the highest court in the land directly, the judge would have to give his consent; and speaking to the media after his historic ruling, Mr. Jackson said he was inclined to move in that direction.

The Justice Department, which has been in the forefront of the "assault" on Microsoft, said it was in favour of taking the issue directly to the Supreme Court pointing out that a case with serious market implications should have an expedited review.

The Microsoft Corporation, however, said it would oppose such a move on the ground the place for a review was the Appeals Court in the District of Columbia.

Two months ago, the Federal judge determined that Microsoft had violated anti-trust laws so as to have a monopoly in the computer operating systems and was illegally trying to expand the market for internet browsers. According to



Mr. Bill Gates...
vows to fight on.



Mr. Jackson...
reluctant judge.

Wednesday's ruling, the software giant would be divided into two components — one managing the Windows operating system and the other focussing on the software.

In arriving at this rather wide-ranging decision, the judge maintained that he was rather reluctant to do so. "Given my personal preferences, I'd much prefer to have market forces accomplish as much of the remedy as could be done. I've always thought the best remedy was the one the parties could have negotiated between themselves," Mr. Jackson said in an interview.

In his final judgment, Mr. Jackson said Microsoft was still continuing with its predatory business policies.

"There is credible evidence in the record to suggest that Microsoft, convinced of its innocence, continues to do business as it has in the past, and may yet do to other markets what it already has done in the PC operating system and browser markets," he said.

The judge, among other things, ordered Microsoft to divulge technical information on how its operating systems interact with its software.

The company's shares on the Nasdaq index were up 87.5 cents to \$ 70.50.

No impact on India for now: Page 19

THE HINDU

6-9 JUN 2000

U.S. court comes down hard on Microsoft, slaps breakup order

Bill Gates says he is confident of winning appeal

WASHINGTON: A U.S. federal judge has slapped a far-reaching breakup order on Microsoft that government and software industry officials have hailed as a major step towards restoring competition in the U.S. high-tech market.

But an unrepentant Bill Gates, Microsoft's multi-billionaire chairman and founder, vowed to challenge the ruling, which came on Wednesday, and predicted victory over the justice department in a lengthy appeals process.

"This is the beginning of a new chapter in this case," Mr Gates declared. "We have a very strong case on appeal and we look forward to resolving these issues through the appeals process and putting this case behind us once and for all."

After 20 months of argument and counter-argument, U.S. district court judge Thomas Penfield Jackson came down resoundingly on the side of the government, adopting its recommendation that Microsoft be split in two as punishment for having abused its monopoly.

"Following a full trial, Microsoft has been found guilty of antitrust violations, notwithstanding its protests to this day that it has committed none," Judge Jackson wrote in a memorandum accompanying his final order.

The judge also imposed restrictions on Microsoft's business relations with computer makers designed to prevent it from punishing manufacturers who promote rival

software technology and rewarding those who market Microsoft software products. Judge Jackson said his order would take effect three months from Wednesday, barring a stay pending appeal, and would last ten years.

Microsoft now has four months to put forward its own reorganisation blueprint, after which the government will have 60 days to respond. Microsoft will then get a month to comment on the justice department's response.

Once a final plan is adopted by the court, the company will get a year to implement it.

But such a timetable could be up-

remedy for Microsoft's serious and repeated violations of the antitrust laws," said Joel Klein, head of the department's antitrust division.

Reacting to the order, U.S. attorney general Janet Reno said the ruling would promote competition in the software industry.

Ms Reno said, "I am pleased that the court has ordered a strong, effective remedy to address the serious antitrust violations that Microsoft has committed. Today's ruling will have a profound impact, not only by promoting competition in the software industry, but also by reaffirming the importance of antitrust law enforcement in the 21st century and the importance of competition."

Computer industry associations have welcomed the federal court order, foreseeing greater innovation and lower software prices as a result.

"The Microsoft case has been one of the most important cases in our nation's history—a fact that will be more evident as time passes," said Mike Petitt, president of Procomp, an alliance of High Tech Firms. According to Kenneth Wasch of the software and information industry of America, "Conduct remedies alone wouldn't restrain Microsoft and correct the violations the court found."

"Within a year, when this order becomes effective, you'll find more software applications at lower prices. It will unleash a range of creativity and new companies." (Agencies)

► See Edit: Discounted Bill, Page 14



Bill Gates

BATTLE LINES

- U.S. attorney-general says ruling will promote competition
- Microsoft has 60 days to file appeal
- Software industry hails order

set by a Microsoft appeal, which must be filed within 60 days.

Legal analysts predict the justice department will exercise an option available to it under antitrust law and ask that any Microsoft appeal be heard directly by the U.S. supreme court. Such a tactic would bypass the federal appellate court which, in an earlier case, had ruled in favour of Microsoft and against the government.

Justice department officials were jubilant on Wednesday, hailing Judge Jackson's ruling as a victory for competition and the consumer.

"The court's order is the right

THE TIMES OF INDIA

JUN 200

USA key player in cybersquatting

AP and REUTERS

GENEVA, June 10. — The US accounts for more than half the cases filed under a new global system to curb “cybersquatting”, that is attracting complainants in ever-increasing numbers, the UN said yesterday.

Famous people, as well as corporations and sports organisations are among the 569 complainants that have used the system to defend their rights since it was found last December, the UN World Intellectual Property Organisation added.

Hollywood’s highest-paid

actress, Julia Roberts, evicted a cybersquatter last week who had registered *juliaroberts.com* as an Internet domain, following a ruling by Wipo. In May, novelist Jeanette Winterson won the right to regain control of three sites with her name.

The growing use of the Wipo service also allows companies and individuals to avoid costly lawsuits.

Companies that have won back their names from alleged cybersquatters following rulings from Wipo, include Christian Dior, Nike, Deutsche Bank and Microsoft.

Among celebrities with cases pending are Tina Turner, Jethro Tull and the estate of the late Jimi Hendrix.

Of the complainants, 299 were based in the USA, which also was home to 332 of the respondents. So far, 179 cases have been resolved and 147 of them have ended with the disputed domain name being transferred to the complainant.

Ironically, Wipo may have its own cybersquatting battle to fight. Wipo.com has been registered by a company called Domain names that stakes out internet addresses.

THE STATESMAN

11 JUN 2000

Medi 49-12

JUDGMENT DAY

n/b

WITH A U.S. court ordering the break-up of the software giant, Microsoft, a third milestone has now passed in the two-year-long U.S. government case against the firm. The final ruling has few surprises since the "findings of fact" issued last November and the April ruling holding Microsoft guilty of anti-competitive practices both pointed to a strong action by the court. The continued insistence by Mr. Bill Gates, president of Microsoft, and senior officials that the firm had done no wrong and their unwillingness to seriously consider a negotiated settlement made it almost inevitable that the court would agree to the plaintiff's proposal to break up the company into two parts, one of which would deal with the Windows operating system and the second with all the applications that the company has developed over the past 20 years. This obstinacy also makes it unlikely that the latest offer of talks for a negotiated settlement will go very far.

If Microsoft is finally split into two companies, it will be only the third time in U.S. history that a firm has been broken up to prevent monopoly behaviour. However, there is a long way to go before that happens because first appeals to higher courts (ending in the U.S. Supreme Court) have to be exhausted and there is a Presidential election later this year. Indeed, Microsoft's strategy is to delay the legal process as much as possible because the Republican Presidential candidate earlier expressed his opposition to a break-up of the company. However, the monopolist has suffered deep wounds which will bleed more with further delay. Morale in its workforce is bound to suffer in light of the uncertainty over the company's future and there are reports of such a weakening of morale already taking place. The "conduct remedies" (which too Microsoft is sure to appeal) that are to come into force in three months and apply in the interim will place severe limits on the firm's operations. This is particularly true of the com-

pany's attempt to catch up with the Internet era with the development of an ambitious product with the awkward title of Windows Next Generation Services. Yet, the firm's ostrich-like approach before, during and now after the trial that it has broken no law appears to prevent it from seeing the writing on the wall and to pin all its hopes on a reversal during appeal.

There are two sets of views that question the court judgment, not with the argument that Microsoft is innocent of monopoly behaviour but on the ground that the order does not go far enough and that the case has lost its relevance in the Internet era. Even if the break-up goes through, Microsoft will retain its dominance — now in two fields, computer operating systems (where Windows remains by far the preferred product) and applications (again where the firm dominates the market). An alternative that was mooted but not taken up by the Government was to create a number of "Baby Microsofts", much like the Baby Bells created after the split-up of the telecom company AT&T in 1983. The second criticism is that the spread of mobile access to the Internet and the use of many appliances other than desktop computers to surf the Web no longer make Microsoft the behemoth that it once was. The court judgment is therefore seen as almost an anachronistic event in the Internet era where new developments take place every day. But the WNGS project is meant to make Microsoft a central player in the Internet and many critics fear that the firm hopes to do on the Internet what it did in the personal computer market — build up market dominance, this time by converting the open standards of the Internet into proprietary (i.e. Microsoft-owned) standards. Whether the break-up takes place in half measure or belatedly, Microsoft has been so consistent in its behaviour in the market that no other action is likely to make it change its anti-competitive behaviour.

THE FINCU

JUN 2 00

100 per cent liberal: government opens FDI gates to e-commerce

Media
FI-1
18/6

The Times of India News Service

NEW DELHI: Ushering in a more liberal foreign direct investment (FDI) regime, the Union government on Monday opened up the e-commerce and oil refining sectors for 100 per cent FDI through the 'automatic route'.

The government also abolished the cap of Rs 1,500 crore for FDI through this route in the power sector and did away with the rule that made it mandatory for companies in 22 specified sectors in the consumer goods segment to export obligations equivalent to the dividend repatriated by them to their shareholders abroad.

Announcing these decisions taken by the Union cabinet, parliamentary affairs minister Pramod Mahajan said the relaxed norms would boost FDI. As FDI creates employment and infrastructure

in the country, it is preferable to imports, he said, referring to the cabinet discussions on the matter.

Investors coming in through the automatic route do not have to go to the Foreign Investment Promotion Board (FIPB) for clearances. They just have to inform the Reserve Bank of India. In February, the government had allowed 100 per cent FDI in power generation, transmission and distribution through the automatic route. However, there was a ceiling of Rs 1,500 crore on such investments. On Monday, the cabinet decided there would be no such limit, Mr Mahajan said.

Although 100 per cent FDI has been allowed in the e-commerce segment, there are two conditions attached. It will have to be a B2B (business to business) activity and the company will be required

to divest 26 per cent of its equity in favour of the Indian public in five years if it is listed abroad, the minister said.

The 'dividend balancing' requirement was enforced when foreign exchange was scarce, Mr Mahajan said, adding that the government was now of the view that the foreign exchange outflow due to removal of this provision would "not be very significant". The new norm will be effective after the government issues a notification. The 22 sectors include white goods, entertainment electronics, cigarettes, tea, coffee, sugar, salt, oil, soft drinks, leather and footwear.

Under the earlier provision, companies were subjected to export obligations equal to the amount repatriated through dividend. The licensing condition, however, remains unchanged, the minister said.

THE TIMES OF INDIA

13 JUN 2000

The ICE Bill cometh

KA Badarinath and Siddharth Zarabi
New Delhi, June 12

THE COUNTRY is on the verge of integrating the information, communication and entertainment (ICE) sectors. This pathbreaking convergence would, among other things, make a vast variety of audio, video, voice and data services easily accessible at eminently affordable prices.

The Group of Ministers (GoM) vetting the draft of the Communications Bill 2000 on Sunday approved it in principle. The Bill seeks to bring about ICE convergence by establishing an independent Communications Commission of India (CCI) to regulate telecom, broadcasting and other forms of Internet technologies.

The CCI will become a one-stop clearing house for cellular, basic telephony, Internet, public payphone, radio communication, satellite hubs, bandwidth services, direct to home, local delivery, mobile satellite, Internet protocol based telephony and switched data services.

On the content application side, the CCI will accord licences and regulate terrestrial/satellite radio and television broadcasting and other ser-

Communications Bill : Highlights

- All pervasive new Communications Bill 2000 proposed
- Bill provides for setting up of Communication Commission of India (CCI)
- CCI to become one-stop clearing house for cellular mobile, basic telephony, internet, TV, radio, audio, satellite broadcasting and other services
- GoM gives "in-principle" clearance for CCI
- Licencing, regulation, tariffs, disputes adjudication and allocation of wireless spectrum to be done by CCI
- TRAI, Cable Television Networks and Telegraph Acts to be repealed
- New Bill sought to be introduced in monsoon session of Parliament
- Commission will ensure 50 pc of media programmes are of Indian origin
- CCI will police violence, sex and immoral content in media

vices as may emerge in the future.

Top government sources told *The Hindustan Times* today that following the "in principle" approval of the GoM, ratification by the Cabinet Committee on Economic Affairs

(CCEA) is expected to come "very soon". The government plans to introduce the Bill in the coming monsoon session of Parliament.

The CCI, which has been formulated on the lines of the US Federal Communications Commission, will function as a corporate body. It will have wide-ranging powers to grant licences for communication facilities and services, determine regulatory policies, enforce license conditions, allocate the wireless spectrum, notify tariffs, protect consumer interests, lay out a programme and advertising code and adjudicate on disputes between service providers. The Bill could face opposition from within and outside the Vajpayee government. Three heads of ministries - telecommunications, information and broadcasting and information technology - and a slew of bureaucrats could find the turf under their feet yanked out.

As per the new Bill, the commission will ensure fair competition and prevent the emergence of monopolies. It will ensure that at least 50 per cent of TV programmes are of Indian origin and determine their standards to protect national security, ensure accuracy and impartiality.

THE HINDUSTAN TIMES

13 JUN 2000

Indians on prowl against Pak hackers

Dinesh Joshi
Jabalpur, June 13

PAKISTANI HACKERS had created two websites -- www.bighackers.com and www.hackers.com -- to encourage Pakistani youths to deface Indian websites, but a Jabalpur engineer along with some others in Mumbai used the information from Pakistani websites and claimed to have defaced 450 Pakistani sites.

The idea of defacing Pakistani websites came as a retaliation to the Pakistani act of defacing 540 websites in February, 2000, which included three of the websites created by the engineer's company, Telematics Private Ltd.

Prashant Pole, a 36-year-old telecom and electronics engineer, was shocked when some

Pakistani hackers defaced his three websites -- www.uwbank.com, www.softlinkindia.com and www.nitingadkari.org. But soon after, he got a chance to settle scores with Pakistani web hackers when, while browsing the net, he came across www.pak.org -- the official Pakistani website.

This Pakistani website provided a direct link to two other Pakistani sites -- www.hackers.com and www.bighackers.com -- teaching the entire mechanism of web hacking.

"When I opened these two websites, I was greeted by a message from a Pakistani hacker, inviting his countrymen to hack websites," said Prashant. "And to glorify the act, the message adds that the first virus was created by two Pakistani brothers in the city of Lahore."

Talking about the modus operandi of defacing

the Pakistani sites, Prashant said four software engineers were hired in Mumbai to work for them on a part-time basis. "Simultaneously, we sent e-mails to some friends and some unknown people, appealing them to join them in the operation to deface Pakistani sites and to settle scores with them," said Prashant.

"As the first step, our team started browsing the Internet to identify Pakistani sites and, especially, the websites of the various militant organisations working across the border," said Prashant. "After identifying Pak sites, we reached to their servers through the Telnet facility, which are provided with some sophisticated computers. The actual method of hacking the websites was given in the Pakistani websites and even a kid could do the job."

THE HINDUSTAN TIMES

14 JUN 2000

No tax on e-commerce transactions, says FM

K.A. Badarinath
New Delhi, June 14

IN ORDER to further boost the infotech revolution in the country, the Union Government has decided not to tax e-commerce transactions. Though e-commerce is on the rise steadily, keeping these deals off the tax net is seen as the latest incentive to the sunrise infotech industry.

In an exclusive interview to *The Hindustan Times*, Finance Minister Yashwant Sinha said that the Centre would not hike foreign equity in public sector banks beyond the prevailing 20 per cent.

It is rather obvious that the Centre is not venturing to give the foreign investors a higher equity holding due to pressure kept up by the swadeshi lobby within the ruling NDA.

The Finance Minister had been under attack from the swadeshi lobby for allowing foreign equity up to 26 per cent in insurance joint ventures. The RSS-led forces had forced the Centre to withdraw the earlier move to allow another 14 per cent holding in insurance businesses by foreign institutional investors, NRIs and OCBs.

On the question of allowing 100 per cent foreign equity holding in content-based portals, which are not into Internet based commercial transactions, Yashwant Sinha said the Group of Ministers on IT

convergence would take a decision shortly as intellectual property related issues were involved. Yashwant Sinha is heading the GoM on IT convergence, which is expected to submit its report by this month end. The group will also decide on lifting the foreign investment cap of 49 per cent in the telecom sector.

The Finance Minister was also forthcoming on the dilution of the government equity in public sector banks. He said that a Bill would be piloted by him in monsoon the session of Parliament on amending the Banks (Regulation) Act to bring about dilution of government equity in PSU banks to 33 per cent on a case to case basis.

Answering a query, Sinha maintained that pressure on interest rates was mainly due to enhanced rates by the US and European central banks rather than the rising inflation. He is rather happy that a question on the rising inflation is being raised when it is hovering at 6-6.5 per cent. "This country has seen inflation rates up to 10 per cent in the past" reminds Yashwant Sinha who has been under attack on the Mauritius taxation issue.

His agenda in the next twelve months includes drastic reduction in non-performing assets of banks, revamping the functioning of Reserve Bank of India and also setting up a new authority to monitor Non-Banking Financial Companies (NBFCs).

Detailed interview on Page 15

THE HINDUSTAN TIMES

15 JUN 2000

Hackers beware, cyber cops on patrol

Gaurav Kala
New Delhi, June 16

IT WAS like a bolt from the blue. Scientists at the Bhabha Atomic Research Centre (BARC) got the shock of their lives two years ago, when they found rude anti-nuclear messages splashed across their computer screens. Someone had breached the centre's advanced security system and stolen sensitive mail. BARC had been hacked.

Such incidents in India and across the world have prompted Nasscom (National Association of Software and Service Companies) to set up the country's first anti-hacker organisation: the National Cyber Cop Committee. Cyber crime, or hacking, being a highly technical subject, the committee has enlisted the help of "young experts" who are adept at the art of hacking.

Apart from the experts, the committee includes Nasscom representatives, senior policemen and government officials. The Cyber Cop Committee has tasked itself with monitoring cyber crime within and outside the country and coming up with recommendations to

enable companies to protect themselves better against hack attacks.

Initially, hacking began as something of a cyber prank. It was considered witty among young software professionals to break into other people's computers and leave funny messages. But as Internet gained popularity and huge monetary transactions started taking place on-line, some hackers realised that there was money to be made.

Cyber criminals started breaking into computer systems at banks and siphoning-off money, while others stole credit card details and fraudulently used this information to make a quick buck.

Shocked law enforcers across the world could do little more than watch helplessly as young cyber criminals, out to make a political statement, hacked into sensitive data banks and destroyed them.

A hacker's greatest asset is that he can easily transcend all physical barriers. "The concept of countries has no meaning for a cyber criminal," says Nasscom chief Dewang Mehta. The hackers who broke into BARC were traced to

England and New Zealand.

Hackers are also helped by the fact that most countries are yet to come up with laws to counter cyber crime. "India is better off in this aspect since we recently passed the Information Technology (IT) Act which has given law enforcers in the country the legal framework to prosecute cyber criminals," says Mehta.

But the effectiveness of such a law is reduced by the fact that someone committing a crime in India may actually be based in a country that has no laws. "Even if you trace such a hacker, there is little you can do to him," the Nasscom chief points out.

Internet security also does not seem to be a priority with Indian Internet companies. A recent survey showed that, on an average, Indian companies spend less than one percent of their funds on security. This is considerably lower than the world wide average of about 5 per cent.

On the positive side, Indian sites are as well protected as most other sites. Plus the presence of anti-hacking laws will discourage hacker at least within the country.

THE HINDUSTAN TIMES

17 JUN 2000

Cyber crime may feature in new Act

VINAY JHA
STATESMAN NEWS SERVICE

NEW DELHI, June 18. — Cyber crimes may be included in the list of terrorist offences to be tackled by the proposed Act to replace Tada.

The government is studying the provisions of the US Anti-Terrorism and Effective Death Penalty Act, 1996, to see whether some of them can be incorporated into the Criminal Amendment Bill of 1995.

The US Act, which defines the "federal crimes of terrorism", seeks to deter terrorist activities aimed at damaging the "federal interest" of computers.

"Federal crimes of terrorism" are defined as offences calculated to influence the conduct of government by intimidation or coercion or to retaliate against government conduct.

The US Act says that these crimes also include acts of terrorism transcending national boundaries, the destruction of aircraft, hostage taking, violence against maritime navigation and the destruction of interstate gas or hazardous liquid pipeline facilities.

Other offences covered include violence at international airports, certain kinds of bombings, arson, conspiracy to injure property of a foreign government, protection of officers and employees of the US, murder of foreign officials, official guests or internationally protected persons, injury of government property or contracts and the destruction of communication lines, stations or systems.

It also extends to the damage of buildings or property within the special maritime and territorial jurisdiction of the US, destruction of an energy facility, destruction of national defence materials, premises or utilities and production of

defective national defence materials.

The Act also identifies the destruction of communication lines, systems and stations as terrorist crimes. It calls on the authorities to study all laws relating to electronic surveillance, the use of pen registers, trap and trace devices and recommends the use of electronic devices in tracing terrorist and other criminal organisations.

"It might be a good idea to plan ahead," said a Union home ministry official who felt that terrorists would soon resort to cyber crimes in a big way. The ministry and the CBI are trying to formulate a list of "federal crimes" and are studying laws in several countries, particularly the US.

The suggestion on cyber crimes came from the Law Commission, which has proposed changes in the 1995 Bill, in its recent report. The Bill seeks to incorporate special provisions for preventing terrorist and disruptive activities.

The commission thinks terrorists may try and disrupt trade and commerce. Referring to laws in some Western countries, the commission suggests that our laws should include offences relating to interference in inter-state and intra-state commerce.

Though biological warfare (listed in the US Act) is alien to India, experts say offences like attacks on vital installations, assassinations of well-known people and hostage-taking are relevant here.

Ministry officials are, however, divided on whether the provisions of the US Act should be studied only for the purpose of incorporation or whether they should be designated as "federal crimes" to enable faster investigation by Central agencies like CBI.

THE STATESMAN

19 JUN 2000

Telecom Ministry to be bifurcated, strike called off

By Neena Vyas

Media

NEW DELHI, JUNE 25. Telephone services, including STD and ISD facilities, which had been disrupted throughout the country since Friday began limping back to normality today after the work-to-rule agitation by the officers and employees of the Ministry of Communications was called off around noon. The Government has agreed to the bifurcation of the Ministry.

The main issue behind the agitation was the demand that the recently-appointed Secretary, Telecom Services, Mr. Vinod Vaish, be replaced by an officer from the ITS (Indian Telecommunication Services). It seems that the deal is to bifurcate the Ministry into the Department of Telecom Services, to be headed by Mr. Vaish, and the Department of Telecom Operations which will have as secretary an ITS officer. Mr. Vaish will remain as Secretary of the Department of Services. With this the demands of the employees have been met half-way.

However, the threat to strike work from June 28 given by the unions earlier, is expected to be lifted only tomorrow after a general body meeting of the workers.

The Minister for Communications, Mr. Ram Vilas Paswan, who has been caught up in these problems since his return from the United States and the United Kingdom a couple of days ago, today announced the decision to bifurcate his Ministry. He did not agree that the Government was doing this only to accommodate another Secretary from the ITS, but ad-

ed, that the Government had shown that it respected technocrats. The nitty gritty of the division would be worked out by the Cabinet Secretary, he said.

Happy that the agitation was over, Mr. Paswan said that the staff had promised to go back to work in a 'determined manner' to complete the task of giving a working public telephone to every village in the country.

On the June 28 strike call, the president of the Telecom Union, Mr. Ashok Kumar Sinha, assured that he would try to bring about a consensus on the issue of corporatisation of the entire telecom sector. He hoped the matter would be resolved amicably tomorrow at a general body meeting.

On Saturday, the Union Cabinet had decided that a Group of Ministers to be headed by Mr. Paswan — the members would include the Finance Minister, the Labour Minister, the Minister for Personnel, the Industry Minister and the Minister for Human Resource Development — would submit a report on how to go about implementing the decision of corporatisation of telecommunication services by October 1. Mr. Paswan said this report would be submitted to the Cabinet by August 15.

Another committee headed by Member, Finance, of the Telecom Commission would look into various grievances and problems of employees to be sorted out before privatisation. Mr. Paswan suggested that it was reasonable to expect that the employees would have some apprehensions. To remove these and facilitate a smooth transition this com-

mittee would submit a report to the Telecom Commission "within three weeks".

The Minister said that several rounds of talk were held with the officers of the department as well as with the class II, III and IV employees. He was confident that all issues would be sorted out smoothly.

The Minister for Information Technology, Mr. Pramod Mahajan, has called a meeting of various States on July 15 to work out a long-term information technology policy by September. The meeting is expected to be attended mostly by Chief Ministers who are themselves handling the subject. A draft policy paper will be circulated, suggestions will be taken, and the Government will seek a national consensus before formulating the policy.

STC staff threaten to step up stir

UNI reports:

Taking a cue from the successful agitation of the Telecom workers, the employees of the State Trading Corporation (STC) have threatened to intensify their agitation if the Government persists in its decision to disinvest its stakes. The union activists of the STC, trading arm of the Government, are to stage a demonstration tomorrow to protest against the Cabinet decision.

The Federation of STC Employees Unions general secretary, Mr. Ravinder Goyal, in a statement here said the decision went against the Government's declared policy and added that they would chalk out a joint strategy with workers of the other PSUs.

THE HINDU

26 JUN 2000

E-banking: fully secure, virtually transparent

Those banks still debating when to go electronic should start small but start early, or they will miss the bus

BANKS are not the only commercial organisations locked in a love-hate relationship with the internet. On the one hand, the internet offers a potentially attractive way to serve customers without the heavy costs associated with the traditional bricks and mortar business model. On the other hand, the internet is open and insecure. It is the very antithesis to what banks are used to.

Despite the dichotomy, the Net continues to gain importance in the commercial world. In most cases, the incentives are either the need to meet competitive challenges and customers' demand or the need to cut costs. As per an international report on internet banking, a banking transaction at a brick and mortar bank costs around \$1.07, \$0.27 via an ATM and just one cent on the internet.

The decision to use the Net is rarely a technical one. In looking at electronic bill presentment and payment (EBPP), considerable cost savings can occur. EBPP costs just about a sixth of that of a cheque. Technology brings advantages of quite a different character from those based on legacy systems, traditional clearing and settlement infrastructure, and heavily regulated manual processes. As a result new players are better positioned to reap the benefits of technology than incumbents.

The thread that binds the organisations together is their adoption of PKI (Public Key Infrastructure) security technology. PKI is the enabler that turns internet threat into internet advantage. To understand why PKI has become so central to the growth of the Net means going back to first principles. While it may be an acceptable risk to use a credit card to buy a CD, serious internet business on any scale is sim-

ply unthinkable. Internet banking has distinct security needs as well as a number of core operational requirements. In the bricks and mortar world, we do business supported by a trust model that has remained largely unchanged for thousands of years.

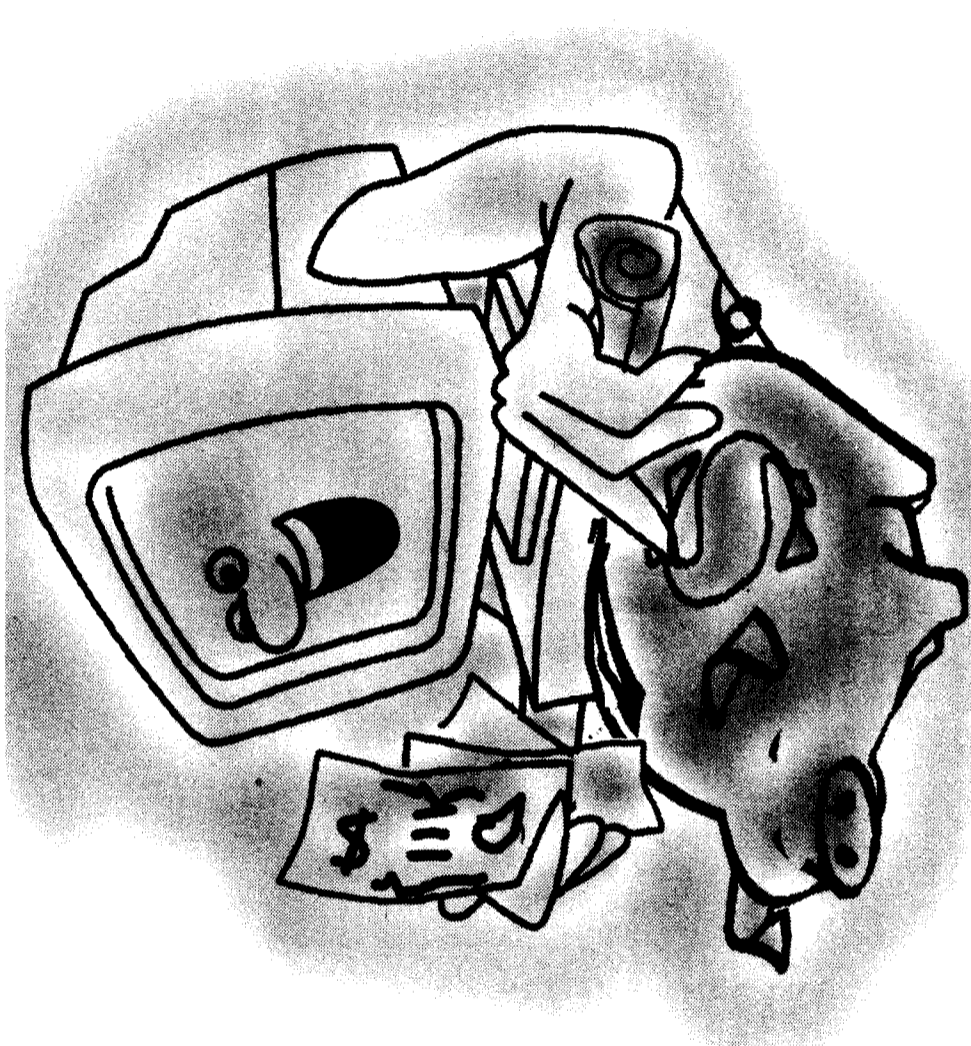
We use written references or prior knowledge to assure ourselves that we know who are doing business with us. We use controls to ensure that others are not party to a confidential deal can not see or tamper with paper based information that is stored and in transit. And we use pen on paper signatures as an irrevocable sign of our agreement.

Banks have long used encryption devices to scramble inter-branch links and communications with corporate customers. More recently firewalls and password tokens have been introduced to provide access control.

Implemented correctly, PKI allows a bank to maintain a highly secure and fully controlled system, yet one, which is virtually transparent for customers to use.

Once it is deployed, business managers are free to give their commercial instincts free rein. You own and control the entire security environment right to the customers' browser, so you can think creatively about what service you want to offer that customer rather than losing sleep over the security implications.

Innovative use is made of push technology to provide customers with a kind of financial alarm clock, and on screen they see a dazzling graphical array of current and historical account information. Existing customers start by filling out a form on the Web site and confirming their key banking details over the telephone. They then download client software from the site. An initialisation disk arrives by post, and is inserted by the customer into their computer.



Once the initial verification process is complete, the software starts the client's browser, organises the security settings and invokes the connection to the bank's website automatically. The central server issues a digital certificate to the user which then allows them to encrypt and sign within the system, and undertake the transactions of their choice.

There are five main reasons for going online. First, internet banking removes the need for physical presence in new territories -- a

website gives global presence without investing in a brick-and-mortar presence. Second, growth can be accommodated centrally, without building and operating new bank branches.

Third, the time to market for new products and services is dramatically reduced thanks to standardised technology. Fourth, there is the chance to preach to the converted. Marketing costs can be concentrated on creating an effective website that attracts potential clients.

Finally, the internet fits well with the characteristics of corporate banking: thousands of transactions can be conducted daily and multiple updates provided, individuals can work easily from different locations. The most profitable customer relationships are those that are long term and expand over time. The industry experience shows that the most important strategic objective for both customer relationship management and e-commerce investments is retaining existing cus-

tomers. Corporate banks need to look beyond substance of the services through which they provide them. It may take a giant leap of faith to believe that years of personal relationship-building with senior executives can be transferred to the apparently impersonal environment of the internet. Corporates have become used to, even dependent on, technological advances and they are increasingly used to doing business globally.

In addition to security, quality of services is another key area in providing successful e-banking. Any customer is only a click away from a competitor elsewhere, so it is imperative that the e-banking experience reflects an optimal encounter each and every time. Simple as this sounds, developing the network management capabilities to assess and respond to the end user experience is not a trivial matter.

The Web is only the beginning of e-banking as it is likely to evolve. The changing shape of e-banking in the future will be fascinating to watch.

As Web banking becomes more common, potential customers have increasing choice. The more informed among them are shopping for service not just on the basis of obvious criteria such as interest rates and functionality, but also on the quality of security. For those banks still debating the best internet approach, the advice is straightforward: start small but start as early as possible. The number of customers and services should be limited initially while the potential of the technology is learned and the security and services levels are assured.

♦ **Atul Pradhan**
Pradhan is director IT, KPMG Consulting

♦ **Sunil Kansal**
The author works with Bharat S Raut & Co.

FOURTH ESTATE

Manipur presses the panic button

THE Manipur government deserves condemnation for the manner in which it is trying to throttle the press. In October 1998 the chief secretary issued a list of dos and don'ts in response to a Union home ministry directive (of 10-7-98) asking it to take action against seditious publication (note the three-month gap). It prohibited, among others, publication of press releases by underground organisations like obituary references about their cadres and "boycott" calls for Independence Day or Republic Day. So far so good, but the chief secretary went beyond that and tried to pontificate on the fundamental objective of the fourth estate as well. It was an order that would have seriously jeopardised the freedom of expression. On 14 April an octogenarian social worker Th Iboyaima was arrested on charges of making a seditious speech at a function held to install the statues of four Meitei heroes killed during the Anglo-Manipuri War. According to a translation of the relevant part of the speech, he reportedly said "sovereign states which had been occupied by bigger countries, can even use arms to free themselves, has been clearly stated by the UN declaration. I believe even youths who have taken up national liberation movement here will succeed." There was no exhortation to take up arms against the establishment. It would seem he was merely expressing the thinking of many Meiteis. Whether this amounted to sedition is a matter for the courts. A carpenter by profession, Iboyaima was declared "Father of Social Workers" by a group of NGOs, and was said to have contested an election.

More extraordinary is the arrest of N Biren, editor of a local daily, *Naharolgi Thoudang*, for publishing the speech. The action is apparently motivated, as other dailies which also carried the report were ignored. Formerly of the BSF and a footballer, Biren started the paper as a weekly and has made no secret of his political ambitions. A telling example of how the government thinks is provided by the invocation of the archaic Prevention of Seditious Meetings Act 1911, covering the four valley districts of Manipur. It is a knee-jerk reaction prompted by panic. It would have been prudent for the administration to broker a ceasefire. The Nipamacha ministry is better placed than its predecessors as some ministers are said to have a sneaking sympathy for rebels with or without a cause.

THE STATESMAN

- 3 MAY 2000

BJP stands by Sankhya Vahini

By Our Special Correspondent

NEW DELHI, MAY 2. The Bharatiya Janata Party today came out in defence of the controversial Sankhya Vahini project which has created ripples in political circles including the Sangh Parivar.

A detailed note circulated by the party amongst its Members of Parliament with the intention of educating them about the project, however, wittingly or unwittingly, reiterates the criticism made by the Parliamentary Standing Committee that the Telecom Commission — the implementing authority — was kept in the dark as it passed through several crucial stages. For instance, the note admits that the Telecom Commission was informed about the MoU a month after it was signed between the Department of Telecom and the American collaborator, IUNet, a fully-owned company of the Carnegie Mellon University.

Though the Telecom Commis-

sion took note of the project while reviewing a whole gamut of "new (telecom) services" nine months after the MoU was signed and presumably approved it at that time, the note concedes that the detailed project estimates are yet to be put up to the Commission.

The note nearly makes a major howler by stating that "51 per cent of the equity of the JV will not be in Government's hands" but sources later clarified that it was a typographical error and that no hidden meaning should be read into the statement. They asserted that the majority equity stake would vest with various departments of the Central Government.

Reacting to the criticism that the telecom department would lease a huge quantity of optical fibres to the project even though there was no policy on the subject, the note admits that the DoT/DTS in general does not sell or lease dark fibres. An exception was made in this case because the

DTS was to be a shareholder in the project and the procedure for valuation of these fibres has been spelt out in the draft joint venture agreement, states the note.

It was unfair to criticise the Government for by-passing the global competitive route specially in view of the fact that IUNet had no track record of running high speed services while there were other international giants such as AT & T, MCI and Sprint, acclaimed masters in the field who could have given huge revenues to the Government in return for an equity stake, the note says.

Quoting Mr. N. Chandrababu Naidu who presided over the meeting of the National Task Force on Information Technology which approved the project, the note says other countries (only Israel has been mentioned) have implemented similar projects with Carnegie Mellon even though they signed the agreements after India had entered into an MoU with IUNet.

RECEIVED

3 MAY 2001

BJP against probe into Sankhya Vahini project

Media HD-1 4/5
By Our Special Correspondent

NEW DELHI, MAY 3. The Bharatiya Janata Party today echoed the Government's view when it objected to the demand for a probe into the Sankhya Vahini project. The matter is to be discussed in the Rajya Sabha through a calling attention motion tomorrow, and that should be enough, the party seemed to suggest.

Mr. M. Venkaiah Naidu, party spokesperson, made the expected points about the Vajpayee Government being "transparent", and the joint venture project between the Government and IUNet being above board. IUNet is the company floated by an American University, Carnegie Mellon. The project's defenders say that under the agreement latest technology would be transferred to India without the normal fat fee.

Following persistent and strong criticism not only from the Opposition but from within the Sangh Parivar and the BJP, the party launched a damage-limitation exercise yesterday by circulating a 30-page document in defence of the project. But certain points made by the critics have not yet been answered. Did the Government sign the MoU with IUNet before it was registered as a company? Why was the normal government practice of calling for tenders not followed?

The Swadeshi Jagran Manch, an RSS outfit, had several months ago issued a booklet questioning the project and alleged that if implemented it would pose a security risk as the communication

network would be open to a breach by foreign intelligence outfits. The party at first ignored the criticism, but then some BJP MPs threatened to take up the matter.

The Vajpayee Government found itself caught between the critics within the Parivar and the BJP and its supporting party, the Telugu Desam Party, whose chief, Mr. N. Chandrababu Naidu, was pressing hard for its speedy implementation.

4 MAY 2001

FRIDAY, MAY 5, 2000

SENSE AND NONSENSE ON SANKHYA VAHINI

LARGE PROJECTS IN which the Government is involved invariably attract controversy but few have been subject to as much disinformation, inter-Ministry squabbling and ill-informed criticism as Sankhya Vahini has been. While the expansion of the internet in the country is hampered by an inadequate telecom infrastructure, Sankhya Vahini will bypass this bottleneck with the novel idea of using a pair of fibres from the DoT's optical fibre network exclusively for data transmission. In the first stage, Sankhya Vahini will increase the maximum available bandwidth (capacity) from a meagre 35 million bits per second at present to 2.5 billion or giga bits per second (Gbps). Within five years the proposed 25,000 km national high-speed data network in the country will have a bandwidth of as much as 40 Gbps. This 100 to 1,000-fold explosion in capacity should then lead to a dramatic increase in the utilisation of internet technologies for software development, e-commerce as also scientific research, distance education and a variety of other development objectives. Yet, this Indian-majority joint sector project between IUNet, a company owned by the Carnegie Mellon University of the U.S. (which will provide the know-how), and the Department of Telecom (with the Ministry of Information Technology and some educational institutions also holding equity) which has been discussed by three Governments over three years and approved by the Union Cabinet early this year remains the subject of criticism within and outside the Government.

Of the many kinds of carping about the project, the more absurd ones are that 1,000 acres of land near Delhi are to be given free to Sankhya Vahini and that the joint venture will endanger security by facilitating eavesdropping over domestic phone and data traffic. First, Sankhya Vahini neither requires such a vast area of land nor has the Government made any such offer. Second, since the uniqueness of the proposed internet backbone is that it will be an exclusive

'data' network it will not be possible to tap phone calls. Third, as the project is designed to facilitate data traffic within the country there is no question of external agencies being able to collect Indian data. (The critics should be aware that an e-mail message sent from one New Delhi address to another in the capital is more likely to first pass through Washington, Beijing and Islamabad than Sankhya Vahini is likely to facilitate intelligence gathering.) A superficially more substantive criticism is that the Government would have been better-off tendering a pair of the DoT's optical fibres than forming a joint venture with IUNet. However, if the DoT's equipment had been auctioned off to an external agency, the Government would have had no say — as it will in Sankhya Vahini — over what use the high-speed backbone can be put to. A related alleged fault is that there are international telecom firms which could have done a better job and that IUNet itself has no prior experience. This reproach too holds no water since hitherto all global firms which have built internet backbones have laid the networks on top of an infrastructure designed originally for transmission of voice traffic. This is so even in the U.S., where only now the novel idea first proposed three years ago for Sankhya Vahini is being used to design networks exclusively for data traffic. Therefore, IUNet has no past experience because it is bringing with it new technology that should make the high-speed data transmission less expensive and more efficient than otherwise. At the same time since the U.S. partner in the project is owned by CMU, an acknowledged world leader in information technology research, there is little justification for questioning its capacity to deliver. The only criticism that has some validity is one of narrow legality. IUNet had the legal standing to sign an MoU with the DoT in October 1998, though it was fully incorporated as a company only two months later. But there is nothing in this criticism since CMU, the owner of IUNet, had been discussing the project with the Government for a whole year before the MoU was signed.

संख्यावाहिनी

THE HINDU

5 MAY 2000

Philippines 'Love Bug' is fastest virus ever

'ILOVEYOU' is expected to affect a few more million files as new variants are emerging all over the globe

AGENCIES
MANILA/WASHINGTON, MAY 5

PHILIPPINE Internet service providers admitted on Friday that they were the source of the dreaded "Love Bug" virus as the country's top crime buster launched a probe into the computer fiasco.

Internet providers said the virus was planted last month by a hacker who identified himself as "malme", "spyder" and "ispyder" and left a written message saying "I hate to go to school."

Some providers said they would eventually identify the hacker based on his or her records which could be traced. Among service providers which the hacker used to multiply the virus via e-mail were SkyInternet, Accessnet and Impactnet. "We were used here to spread this nasty virus," said Jose Carlota, chief operating officer of Accessnet which tracked the virus to several accounts in the company and to at least four other service providers.

National Bureau of Investigation Director Federico Opinion said investigations had begun, adding two units under the bureau had been entrusted with the task. The probe was launched following complaints by Benpres, an investment house that owns SkyInternet. SkyInternet said in a statement the hacker uploaded at least part of the virus into their servers as early as April 28 but

that it remained dormant until the second stage of the virus was released on May 4.

It said they were working with the US Federal Bureau of Investigation (FBI) and the National Bureau of Investigation. Edgar Gutierrez, technical services manager of ImpactNet said it was believed the hacker used its services to enter SkyInternet's servers. He said the hacker was not a regular Impactnet subscriber and had hacked into one of their subscriber accounts. Gutierrez said they had logs of the hacker's activities, adding "We expect we would be able to identify the person responsible."

Carlota said he believed the virus was part of a scheme to steal Internet passwords so the hacker could use other people's Internet accounts for free. Gutierrez said it was possible the hacker simply did it for fun. "He's trying to do something that clogs the system," he said. "Young kids like to do these things."

■ THE MANILA CONNECTION: Internet users in the Philippines said they watched their e-mail windows clog-up with "ILOVEYOU" messages when they checked their mail on Friday morning. Carlota said service providers were able to trace passwords which were stolen by the hacker. Embedded in messages from the hacker were the words "Manila, Philippines." The phrase "I hate to go to school" was also contained in the mes-



Aki Su, marketing manager of Ultimate PC & Mac Gallery in Hong Kong, shows the "ILOVEYOU" e-mail virus on Friday. Many internet cafes across South Asia temporarily shut down to assess the damage done by the virus and to repairs their systems. AFP photo

sage, raising suspicions the one responsible was a young student but computer specialists warned against jumping to conclusions.

Local television reports said a 22-year-old man living in a lower-middle class district of Manila was also a suspect but service providers could not confirm this. Earlier, Ramons Seneres, director-general of the National Computer Center, the agency which oversees the computerization of the government, said files in the virus showed signs of originating in the Philippines. "(But) that's not enough basis to say it really originated from here," Seneres said, adding that it could merely be a "throw-off"—an attempt to hide the true culprit.

■ US COULD BE THE WORST-HIT: By Friday, analysts were already trying to count the cost of "love". Peter Tippett, a scientist with ICSA.net, a firm in Reston, Virginia, which tracks the cost of damage done by viruses said "ICSA.net anticipates damages exceeding one billion dollars before this problem is over."

Analysts believe it caused the most damage in the United States, where more than 2.5 million computer files were affected by 0930 GMT according to Trend Micro, a leader in virus software provider. The FBI has launched a probe "to determine the origin of the virus", the agency's National Infrastructure Protection Center

It also infects video, picture and sound files as well as crucial operating system files in a snowballing effect, experts said.

However, it only slightly affected the European Commission because of quick detection, a spokesman announced on Friday. "The virus was detected very early and less than one percent of Commission computers were affected," he said.

An EC information technology expert said the virus scan installed on computers detected and cleaned the infected files preventing any further spreading. He said the new priority was to block variants of "ILOVEYOU," including one called "JOKE."

■ THE FASTEST EVER: The bug drew comparisons with last year's Melissa virus, which spread through computer systems in the United States. Melissa affected 300,000 computers in March 1999 but this new virus has spread twice as fast as Melissa in the first 10 hours since it was identified.

The computer networks at the US Congress and British and Danish parliaments and hundreds of American, German, French, Spanish and Swiss companies have fallen victim. It also hit banks, brokerages and financial institutions and some media outlets across Asia and Australia. Computer systems at the UN Food and Agriculture Organization (FAO) were also paralysed on Friday morning by the "Love Bug" virus, FAO sources said.

Computer Associates is offering free downloads of anti-virus software for personal use at <http://antivirus.ca.com>.

bug' virus", he told reporters, to laughter, at a regular briefing. "We have ... found absolutely no evidence that this has infected any classified computer networks," he added.

■ THE HAVOC IT HAS WREAKED: The virus was described as a worm which is sent to other people as an E-mail message with the cyber greeting, "ILOVEYOU". When the message is opened, the virus burrows through the user's computer files to find the username and password and then sends it back to the hacker's Philippine account. The virus also finds the e-mail address book and sends itself to each name on the list.

State Department and Congress were all hit by the e-mail attack, which can destroy or overwrite 15 different types of files.

White House spokesman Joe Lockhart said Thursday that "operations at the White House were not materially affected". He added that computer security people "responded quickly this morning".

The virus forced the Pentagon to shut down some of its computer systems. Ken Bacon, defense department spokesman, said the agency had been hit with an onslaught of the messages. Pentagon personnel had been urged "to avoid any contact, intimate or otherwise, with the 'love

Congress questions Govt stand on Sankhya Vahini

HT Correspondent
New Delhi, May 5

THE CONGRESS today let it be known that it was opposed to the manner in which the Sankhya Vahini project was sought to be implemented and not the "basic concept of expanding the information technology highway".

"How can the Congress oppose expansion of IT highway? The concept is good but the implementation suspect. The main issue is the manner in which this joint venture has been pushed through," senior Congress leader Kapil Sibal remarked at a regular AICC briefing here.

He said the execution of the project was symptomatic of the way the BJP-led NDA was running the Government -- like a private limited company.

The facts on the basis of which Mr Sibal questioned the execution of the project were as follows: the name of the company was reserved in the US on August 28, 1998; on

Govt Assurance

COMMUNICATIONS MINISTER Ram Vilas Paswan on Friday asserted in the Rajya Sabha that the Sankhya Vahini project had violated no Indian law and there was no threat to the country's security from it.

The Minister was replying to a calling attention motion debate during which several members demanded that a JPC be formed to study the project from all aspects.

HTC, New Delhi

September 5 the National Task Force (on IT) made a recommendation to identify the joint venture partner; and on October 16, 1998 the MoU between DTS and IUnet was executed in the US in the presence of the Indian envoy to Washington.

But curiously, the IUnet was formally incorporated only on January 8, 1999, claimed Mr Sibal. This, he

said, means that Dr Raja Reddy executed the MoU as IUnet chairman even before IUnet's incorporation.

"How can a Government organisation investing in a Rs 1400 crore project enter into this kind of transaction," the Congress leader asked. "They have failed to maintain all normal rules of transparency," he alleged.

Another point on which Mr Sibal based his suspicion about the project's implementation concerned the Government's assertion that the IUnet was a 100 per cent subsidiary of the GUnet which, in turn, was a 100 per cent subsidiary of Carnegie Mellon, an American university engaged in education and research with no involvement in trade or business.

The Government, said Mr Sibal, has maintained that Carnegie Mellon has 100 per cent control but 'majority' voting share in GUnet. "This means that there is also a minority shareholder in GUnet. Who is he? Is he an Indian or an NRI?" the Congress leader asked.

THE HINDUSTAN TIMES

MAY 200

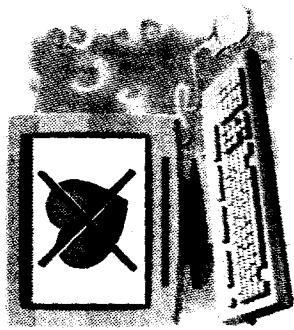
'Love bug' virus hits 1 lakh computers

Siddharth Zarabi
New Delhi, May 5

THE MALICIOUS e-mail-based virus "love bug", billed as the most widespread virus to ever strike computers across the globe, is now spreading through a series of variants which have names like "fwd:jokes", "veryfunny.vbs", "susitikitim" and a combination of Japanese alphabets.

While home-users and companies across the globe struggle to find a way to combat this virus, initial estimates in India suggest that the virus and its variants have already affected close to 1 lakh machines. While the virus is spreading like wildfire under different names, anti-virus software developers are struggling to catch up. India has close to 10 lakh Internet subscribers.

Sources said the virus had seriously affected the functioning of a number of large nationalised banks in Mumbai, besides many government departments, including those of the UP State Government. By late evening, as many as 73 enquiries from all over the country had been received at

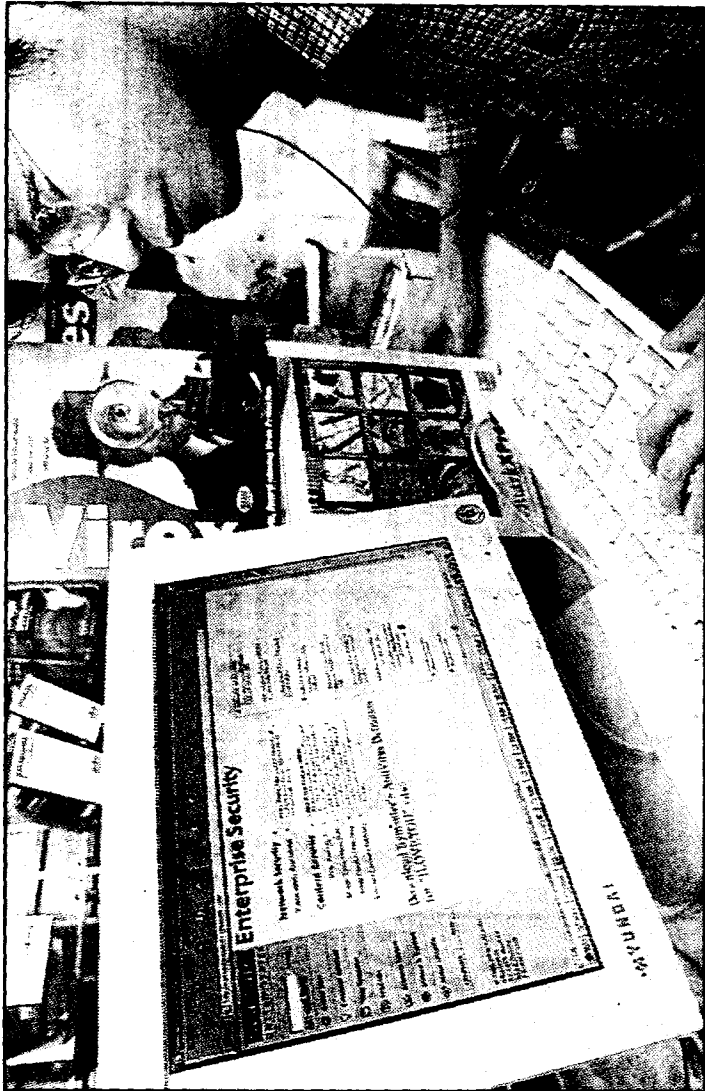


Fatal attraction

- Virus spreading under different names
- Don't open any E-mail from unknown senders
- In case system gets infected,

the Delhi headquarters of Nasscom. Experts said that at least 20,000 PCs had been seriously affected in India by Friday evening.

Surprisingly, large Internet service providers in the country have very little estimates of the damage that the virus has caused. Companies like the Mahanagar



LOVE HURTS: A Hong Kong cybercafe operator displaying the ILOVEYOU e-mail virus on Friday. Photo: AFP
Telephone Nigam Ltd (MTNL), (VSNL) and MantraOnline, till give estimates of the number of users already affected. These are Videsh Sanchar Nigam Ltd late on Friday evening, refused to

among the 60 companies that provide access to the Internet in India. In fact, repeated attempts to gather information from the MTNL and MantraOnline failed.

The country's largest Internet service provider, the VSNL, with 3.5 lakh Internet users, said, "We operate on UNIX-based systems and have not been affected."

Enquiries with Delhi-based Internet surfers revealed that no caution messages or recovery solutions had been received by them from their Internet service providers (ISPs).

Overseas companies and ISPs have come out in the open regarding the situation and have offered help to the affected users.

Nasscom president Dewang Mehta said, "There are indications that the damage in India has been less than that overseas." The reasons include awareness created by the media and the fact that virtually no Government offices in the country used e-mail extensively.

Mehta said that an emergency meeting of the National Cybercop Committee had been called on Monday to evolve a strategy to counter destructive bugs.

FANS WHO USE SONG-SWAP SOFTWARE COULD LOSE THEIR MUSIC

Love Bug can destroy albums, music files

Steve James

NEW YORK 6 MAY

UNLIKE OTHER computer viruses that have targeted businesses and governments, the "love bug" that struck millions of PCs around the world this week could also wipe out more personal items like family photo albums and online music collections, experts said.

Online chat rooms were crowded on Friday with users who download music from the internet. Many of them were worried their digital files will be wiped out by the virus that appeared in their systems as an e-mail with the line "ILOVEYOU." Most asked what they could do to prevent losing their music, but none immediately said they had lost everything because of the virus or its variations.

Sites like MP3.com (www.mp3.com) and Jimmy and Doug's Farmclub.com

(www.farmclub.com) said their anti-virus programmes had prevented their files from being destroyed, but experts warned that fans who use song-swap software systems like Napster or Gnutella could lose their music if they exchanged files with an infected computer.

Napster Inc, for its part, said it was not infected and a spokeswoman said the issue of people downloading "has nothing to do with it. People download (from elsewhere) then use Napster software to exchange with other people."

Even so, others said the virus could scare people away from using Napster. "Maybe this will make people think twice about swapping files with strangers and they will update their anti-virus programmes," said Bruce Haring, author of Beyond the Charts; The MP3 Revolution, a book about downloading music.

"But in a couple of weeks it will be in the rear-view mirror and people will have forgotten it. People are still going to have unprotected sex with strangers, even though we know there's AIDS out there," he said.

Mr Haring said the love bug virus scare could lead to a surge in traffic to "sites people can trust, where they are getting files from a single source. But the Napsters and Gnutellas of the world could find a drop in traffic."

Because the virus is written to target graphic and music data files, radio stations using digital MP3 music files and publishing houses, newspapers and magazines could be hard hit. MP3 is a form of downloadable digital music that has aroused concern in the music industry because it can be easily copied and distributed, making it a possible carrier of the virus.

But Andrew Lih of the Centre for New Media at Columbia University said: "The scary thing about this virus, compared to others, is the scale. Melissa (last year) was just an e-mail pest but this one can bleep out pictures and music files. There are so many digital cameras out there and websites. This can destroy your family photo album — delete wedding pictures or photos of your dog. There has never been something this devastating — this deletes personal files. You can always download MP3 files again but how can you recreate your photos of Hawaii?"

Glen Kaino is head of programming at Jimmy and Doug's Farmclub.com, an online site, owned by Seagram Co's Universal Music Group, that allows musicians to upload their own music to the web and fans to download it.

— Reuters

The Economic Times

1 MAY 2000

Sankhya Vahini comes under cloud, faces probe

By Satya Prakash Singh
The Times of India News Service

BANGALORE: The Rashtriya Swayamsevak Sangh, which has raised the bogey of non-transparency in the Sankhya Vahini project, appears to have found an unlikely ally in the Union ministry of information technology (MIT).

The ministry has raised some serious questions over the selection of the U.S.-based IUNet as a partner for the project and has said that the Indian embassy in Washington is conducting a detailed investigation into the firm.

According to documents made available to this newspaper, the MIT has observed that IUNet did not even legally exist on October 16, 1998 — the day the MoU for setting up a joint venture was signed between the Department of Telecommunication (DoT) and IUNet. The MIT has also pointed out that the articles of incorporation were only signed by incorporators only on January 6, 1999 and the byelaws were adopted on January 8, 1999.

As the exact status of IUNet was not clear, the Indian embassy at Washington was requested to provide a "business information report" on the company, the MIT said in a

recent communication to the DoT. The embassy, the communication said, reported to say that the IUNet, which was incorporated on January 8, 1998 and which started business next year, only had two employees named Paul P. Christiano and Jeffery W. Bolton. "Their antecedents remain undetermined," the MIT quoted the embassy as having reported. The MIT has observed that while Mr Christiano and Mr Bolton were the directors of IUNet, the names of those who actually signed the MoU "do not figure anywhere."

"It appears that the company has been formed only for the purpose of this joint venture," the MIT observed. "Since the IUNet Inc is not listed on the public database and the substantial information is not available, the embassy is conducting an investigation about the company and the report is awaited," the MIT said. The Sankhya Vahini project is expected to provide 10,000 km of connectivity in the first year and will cover the entire country in three years. The project is aimed at establishing and operating a nation-wide data network to provide high-speed data access to educational institutions, private and public corporations and service providers for learning, training and other multimedia activities.

THE TIMES OF INDIA

4 MAY 2000

Man held in 'Love Bug' case

MANILA, MAY 8. The Philippines authorities have detained a 27-year-old man after searching the home of the suspected creator of the "Love Bug" computer virus which has penetrated computers worldwide.

The man was led in handcuffs by the National Bureau of Investigation (NBI) officers from the back of a flat in a three-storey building in the Pandacan area of the capital Manila.

The NBI chief, Mr. Federico Opinon, said that agents had obtained a search warrant after three days of fruitless efforts to seize evidence that might point to the source of the virus which penetrated computers last week, including those of the Pentagon, the CIA and British Parliament.

Mr. Gil Alnas, chairman of the local residents' council, told reporters outside the raided home that criminal investigators had seized 17 items — but they did not include a computer. NBI officials said a search warrant was issued under the Access Device Act, which governs the use of codes, account numbers and passwords giving access to different types of devices. The law provides for a maximum punishment of 20 years in jail.



A Filipino, Reomel Ramones, 27, (left) who was arrested in connection with the 'Love Bug' case in Manila on Monday. — Reuters

An NBI official said the main suspect in the case was a 23-year old woman living in the Pandacan area. Neighbours said a man and a woman with no children lived in the home.

The "Love Bug" is the most virulent computer virus ever created. It was quickly traced back to the Philippines and the NBI began surveillance of the suspect, a young computer student from a middle class family, on Saturday. But authorities were unable to obtain a search warrant until Monday because under its laws hacking is not a crime.

Newspapers said it was the first time the NBI had investigated a case of computer crime and that a lack of experience may have hamstrung detectives.

Earlier, detectives said it was possible the suspect might not be responsible for the computer attack but that her computer had been used.

"The user here is invisible, it could be anybody. The difference is that the person we have identified is the registered owner of that computer."

The official also said that given the massive international publicity over the case the suspect could by now have erased evidence from the computer.

The *Washington Post* said the U.S. Federal Bureau of Investigation (FBI) had traced the virus to the Philippines through a fairly obvious electronic trail and was ready to seize computers used in the attack once it got permission.

In Sweden, a computer expert said on Saturday he believed an 18-year-old German exchange student in Australia was responsible. The Australian Federal Police said they had been given no firm evidence. — Reuters

THE HINDU
THE HINDU

4 MAY 2 1988

IT MAY HAVE BEEN A CASE OF MISTAKEN IDENTITY

Love Bug suspect set free on lack of evidence

Sharon Buan
MANILA 9 MAY

PHILIPPINE PROSECUTORS said on Tuesday that police did not have enough evidence to hold a man suspected of being a creator of the crippling Love Bug virus and ordered him to be set free. Reonel Ramones, a 27-year-old bank employee, was arrested by the Philippine National Bureau of Investigation (NBI) on Monday and preliminarily charged with violating the Access Devices Regulation Act, which primarily deals with passwords for credit cards.

The charge was based on a complaint by an internet services provider that the virus, which penetrated millions of computers worldwide last week, originated in the flat Ramones lived in with his girl friend Irene de Guzman.

Damage from the Love Bug and its variants has already reached about \$5 billion and could amount to \$10 billion, US firm Computer Economics said.

The original virus, tagged "ILOVEYOU," works by enticing e-mail recipients to open an attached letter, only to cripple their e-mail systems.

"The evidence is incomplete," senior prosecutor Severino Gana said after an inquest on the NBI's findings, the prelude to the launching of a criminal case. "There are still diskettes which they need to evaluate."

He added that Ramones had been ordered free pending the collection of more evidence by the NBI but would have to appear before authorities on May 19 to answer the preliminary charges.

Ramones told the inquest that he was a victim of "mistaken identity," but did not elaborate on the matter. NBI detectives searched his flat on Monday and arrested Ramones but his 23-year-old girl friend was not at home. She later told the NBI that she would turn herself in, but has not done so



NO LOVE LOST: Reonel Ramones (right) reads the charges brought against him. Reuters

till reports last came in.

"She doesn't have to do anything with it," Rolando Quimbo, Ramones' girl friend's attorney, said when he visited the NBI on Tuesday.

Chief state prosecutor Jovencito Zunio said the NBI is likely to initiate a separate investigation to determine de Guzman's involvement.

— Reuters

The Economic Times

10 MAY 2000

Unlovely cyber laws

The rapid spread of the 'love bug' computer virus on Thursday and Friday last week illustrates the increasingly interlinked nature of the world's computer networks. The devastation has been considerable — \$1 billion in North America and \$150 million in the UK — by one estimate. The virus originated from an unusual source; the Philippines, rather than more 'traditional' sources such as Europe or North America. All this illustrates the urgent necessity of enacting universal cyber laws that are applicable across the world. In the case of the Philippines based hacker, for instance, police seem unsure what to charge him with. India has fairly credible pretensions to being an infotech power. Yet it has no legislation governing cyber crimes. Prosecuting a hacker based in India, who, say, hacked into Yahoo's server could thus be difficult right now. The perpetrator could probably be tried under the current laws relating to damage to property. However, there would be questions of jurisdiction. While the creator of the virus could be located in India or the Philippines, the crime could affect a company based in the US. It is imperative, therefore, that all countries enact laws defining and proscribing punishments for cyber crimes. The punishments need to be stringent.

Under our proposed infotech Bill, the creator of a computer virus could be asked to pay compensation, but the compensation amount is limited to Rs 10 lakh, which seems ludicrously low given the kind of damage a virus can cause. Another offence, tampering with computer source documents, is punishable with three years imprisonment. Incidentally the offence of transmitting "obscene" material is punishable with two years in prison which means that the Indian government thinks this is an offence almost as serious as transmitting viruses! A deterrent effect, by way of heavy punishments, seems to be the only instrument to discourage creators of computer viruses. National authorities need to get their act together fast.

The Economic Times

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Virus released accidentally?

Manila

MANILA, MAY 11. A Filipino computer student today said he may have accidentally released the "love bug" virus which crippled computer e-mail systems worldwide. The student, Onel De Guzman, who had been missing for several days, appeared at a news conference in dark glasses.

He did not directly say whether he had written the "Iloveyou" virus, and claimed he was unsure whether he had released it into cyberspace.

"He is not really aware that the act imputed to him was done by him," his lawyer said.

Asked whether he might have accidentally released the virus, De Guzman replied, "it is possible." De Guzman is one of two students at the Philippines Ama Computer College who wrote computer programmes that have become a focus of the search for the origin of the virus.

The two are close friends, a school official said today. The other programmer, Michael Buen, graduated on May 5 from Ama in metropolitan Manila, and completed his studies with a thesis that acknowledged De Guzman.

De Guzman's thesis project, designed to steal passwords from other computer users, was rejected as a form of high-tech theft, so he did not graduate.

A copy of Buen's thesis was obtained today by the Associated Press from a school official.

The virus broke out one day before the college held its graduation ceremony, snarling e-mail traffic in major government and corporate computer systems in more than 20 countries.

Asked how he felt about the damage caused by the virus, De Guzman replied, "nothing." The students, both aged 23, are members of Grammersoft, an underground computer group that wrote and sold thesis projects to other students. The name



Onel De Guzman (24), who is suspected to have released the "love bug", arrives at his lawyer's office in Quezon city for a news briefing with his sister Irene on Thursday. — Reuters

Grammersoft reportedly appears in the computer code in the love bug virus.

As agents for the Philippine National Bureau of Investigation (NBI) and the U.S. FBI scoured seized computer files for clues about the virus, the Speaker of the Philippine House of Representatives called the case an example of misguided genius. — AP, Reuters

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MAY 2 1990

Harsh punishment for cyber crime mooted

By Sandeep Dikshit

12/5
ND S Mehta
NEW DELHI, MAY 13. The new Cyber Bill, approved by the Union Cabinet today, is not only forward looking, but has resisted the determined bid by the "copyright school" to get some of its suggestions included.

Though some 'associations', claiming to represent the industry, may kick up a row over some of the provisions being left unaltered, the overall impression is that the Bill has done well to acknowledge the dangers posed to the country's socio-cultural and economic ethos by the emerging world of information technology by proposing deterrent punishment to those who step out of line.

The changes proposed by the Parliamentary Standing Committee, in its report submitted on Friday and approved by the Union Cabinet, had taken note of the mushrooming of cyber-criminals and purveyors of pornography by making the laws much stiffer. The penalty for smut merchants has been doubled to 10 years imprisonment or fine up to Rs. 2 lakhs and the crime of hacking has been explicitly defined and a suitably deterrent penalty prescribed. A virus creator, if caught, can now be fined up to Rs. 1 crore, instead of the earlier maximum fine of Rs. 10 lakhs.

However, analysts believe that the Bill has some grey areas which may create trouble once the law is enacted by Parliament, as it does not recognise international borders. The Bill would be applicable not only in India but

also to any offence or contravention committed abroad. "The provisions relating to this have not been clearly drafted. It is not stated clearly about how the Bill shall be applicable to any offence or contravention outside India," notes well-known cyber law expert, Mr. Praveen Duggal.

While the 'copyright school' did attempt to influence clause 78, which absolves the network service provider (NSP) if it is proved that the infringement took place without his knowledge, the Standing Committee and the Cabinet overlooked the demand to maintain parity with the world trends. The plea by the music industry and the National Association of Software and Service Companies (Nasscom) for tightening the relevant provision — Clause 78 — were rejected probably because the policy makers might have been influenced by the trend world-over such as the recent judgment by a U.S. court which ruled that a service provider was not liable for content on his site.

Pointing out that the laws in this respect in other countries were under-developed, analysts point out that some time in the future, law makers would have to take into account the arguments advanced by the 'copyright school'. "The meat of the argument by Nasscom and the music industry to take action against service providers whose websites infringe copyright laws requires some consideration," notes Mr. Duggal.

The move to impose curbs on cyber cafes

has expectedly divided opinion. Some believe it is correct to ask websites hosted on India-based servers and cyber cafes to maintain records about the people who avail of their services is a correct step towards dissuading anonymous computer nerds from spreading mayhem like the "I-LOVE-YOU" virus which has caused losses worth over dollars 2 billions.

The creator took advantage of the anonymity offered by cyber cafes to spread the deadly virus which shut down the e-mail systems of even the high and mighty. But Nasscom's Dewang Mehta said it is unnecessary for the Government to make it mandatory for registration of every website in India as it amounts to duplication of efforts. "Moreover, to extend imprisonment to people who do not register is quite draconian," observes Mr. Mehta.

"We also feel that the suggestions that cyber cafes should be forced to maintain details about all persons and the internet sites accessed by them is not practical.

It is not economically viable nor would it help in curbing crime. This suggestion would close down all business of cyber cafes and deprive lakhs of people from using the internet," he adds.

Uncharacteristically, Mr. Mehta refrained from commenting on the Cabinet's decision not to amend clause 79, which allows a police officer to search without a warrant if a cyber-related crime has taken place on a computer in a premise.

14 MAY 2000

Amended IT Bill tabled in LS

By Our Special Correspondent

NEW DELHI, MAY 15. Overriding objections from the Opposition, the Government today introduced the Information Technology Bill in the Lok Sabha incorporating all but two amendments suggested by the Parliamentary Standing Committee. The two amendments that are not part of the new Bill are seen as a response to pressure from the industry. The suggestions overlooked by the Government pertain to compulsory registration of websites and portals hosted in India and mandatory maintenance of records by cyber cafe owners. Moving the Bill for introduction, the Information Technology Minister, Mr. Pramod Mahajan, maintained that the two suggestions were being left out in "larger public interest".

Earlier, Opposition members objected to the introduction on the ground that it was not proper to rush through a Bill that was fraught with serious implications. However, they re-

lented after the Prime Minister, Mr. A.B. Vajpayee, assured that adequate time would be allotted for a discussion. The inconclusive debate in which the Information & Broadcasting Minister, Mr. Arun Jaitley, defended all the provisions, will continue tomorrow.

Opening the discussion, Mr. Shivraj Patil of the Congress(I) cautioned against passing the Bill in a hurry. "The country's entry into the 21st century will not be affected if we wait for two months," he observed.

The former Lok Sabha Speaker also referred to several provisions which were either redundant or contravened established procedures. He also felt the Bill did not cover all areas, specially the legislature, and referring to clause 57 pointed out that it was not forward looking but complicating.

Support for the Bill came from the Telugu Desam Party's Mr. M.V.S. Murthy, who pointed out that adequate time was given to scruti-

nise the Bill. It was introduced in Parliament six months ago before being referred to the Standing Committee. Since the Constitution had been amended 90 times, Mr. Murthy saw no harm in amending the IT Act, if required, at a later stage.

Clarifying the concerns raised by Members, Mr. Jaitley said the country was already late in adopting a law governing cyber space. Replying to Mr. K.P. Singh Deo's (Congress-I) assertion that the Bill did not account for the convergence of computers, TV and telephony, the Minister said this was a completely different issue. Responding to a major objection raised by the MPs, Mr. Jaitley asserted that the power given to police to search a premises of a suspected cyber-criminal without a warrant was justified. Moreover, the Bill provided that no officer below the rank of Deputy Superintendent of Police could search the premises, he added.

THE HINDU

16 MAY 2000

Backdoor entry for cyber police

FROM OUR SPECIAL
CORRESPONDENT

New Delhi, May 15: The Centre today dropped from the infotech Bill a clause that would have allowed it to keep track of Internet surfers in cybercafes, but retained a more draconian one which critics said could be misused to enforce an "inspector raj".

The Bill proposes to give police and government officers power to enter as well as search a public place and arrest without warrant any person from there on suspicion that he had committed or was about to commit a cyber offence.

The clause, number 79, empowers police officers of the rank of deputy superintendent as well as "any other officer of the central or state government" to exercise the entry option. Any "public convenience, hotel, shop or other public place intended for use by or accessible to the public" will be brought under the law.

Opponents of the law said the definition of a "place accessible to the public" could be stretched to curtail privacy and used as a weapon by law enforcers to harass individuals. The clause has been made impregnable by a follow-up rule which says that the infotech Act will override any other law.

The Bill made a tumultuous entry in the Lok Sabha today with the Opposition concentrating its firepower on another clause (number 73) which sought to force cybercafes to record the name of

every customer and the sites he visits.

The amendments also proposed to make mandatory the registration of all websites hosted in the country. The provisions, suggested by a parliamentary panel, were cleared by the Cabinet on Saturday. However, they were abandoned today in the face of stiff resistance from industry and politicians.

An angry Opposition stalled the government from passing the Bill today, protesting not just this clause but the entire legislation, which it said was too complex and needed to be studied further. The Bill seeks to legally recognise and control e-commerce and monetary transactions on the Internet.

"We support the Bill but feel that there is need to study it further," said Congress' Priya Ranjan Das Munshi.

Stung by the protest and wary of the Congress upper hand in the Rajya Sabha, infotech minister Pramod Mahajan agreed to let the debate continue into the next day.

However, Mahajan managed to land the Opposition in a fix by pointing out that this would mean the debate on the controversial Sankhya Vahini data carrier project might have to be cut short or scrapped.

The Opposition is keenly awaiting the debate to expose the rift in the government over the project, which has been approved by the Prime Minister, but opposed by the RSS.

THE TELEGRAPH

MAY 2 1998

IT Bill moved despite stout opposition

The Times of India News Service

NEW DELHI: The government on Monday, appeared intent on getting the Information Technology Bill through the Lok Sabha despite strong protests from the opposition. The opposition felt that an important legislation with long-term ramifications should not be rushed.

The Bill was moved with 34 official amendments recommended by the parliamentary standing committee which had scrutinised the legislation in detail. The clause on mandatory registration of new portals and websites, however, was not accepted by the government and therefore dropped.

Similarly, the standing committee's view that owners of cyber-cafes maintain details of persons and websites visited by them was also dropped. But, the clause granting police far-reaching powers to enter and search any public place and "arrest without warrant" a person suspected to have committed or intending to commit a cyber crime was retained.

The government, sources said, retained this clause as it wanted powers to handle criminal cases involving the use of this technology. Under existing laws, a constable is empowered to search and arrest; in cases of "cyber crimes", only a DSP-level officer would have these powers. The effort was to guard against misuse of powers, a cabinet minister said, adding that given the wide scope of this technology, the government could not afford to take any chances.

Civil liberties groups had severely criticised these provisions, terming them "excessive"

and "draconian". NASSCOM also had opposed them on the grounds of their being impractical, would curtail usage and proliferation of the Internet, and lead to closure of cyber-cafes. Information technology minister Pramod Mahajan concurred, and said these clauses were not acceptable as it was felt they would create unnecessary problems and discourage the use of this technology.

He said the Bill will facilitate electronic data interchange, provide legal recognition to digital signatures and documents filed electronically. The Bill will help finalise contracts, and create rights and obligations through the electronic medium.

Mr Mahajan denied that the government was rushing through the Bill, stating that on its introduction in Parliament last December, it had been redrafted 150 times. Opposition members, however, wanted more time to study the Bill, since it had far-reaching implications and suggested it be deferred till the monsoon session.

Shivraj Patil of the Congress party maintained the Bill was not comprehensive enough and some of its provisions were "redundant and confusing. Defending the government, information and broadcasting minister Arun Jaitley said the passage of the Bill would bring under law, those who committed cyber crimes, adding there was no legislation at present to tackle the growing number of cyber crimes.

The amendments include penalty for damaging computer systems to the tune of Rs 1 crore and penalising hackers with up to three-year jail term and a Rs 2 lakh fine.

THE TIMES OF INDIA

16 MAY 2008

Commerce should stand for Ethics

⁵¹⁹ E-commerce may unleash unscrupulous operators wishing to get rich and quick returns. Hence it is all the more important that business leaders lead by example, for at the end of the day, ethics must come from within

¹⁸⁵ recent official pronouncements to the business community.

^{News} Malaysia's domestic trade and consumer affairs minister stressed on the value of religion in ensuring a healthy business culture and better business-consumer relationship. At a seminar on "Business Ethics" from an Islamic perspective, he said: All religions expect good business governance.

International trade and industry minister Rafidah Aziz called for drastic action against both the bribe-taker and the bribe-giver in any business deal.

The two ministers were addressing two different constituencies — ranging from the *pasar malam* trader to the globetrotting Malaysian businessman — but the message is the same: Business must not only be profitable, it must be ethical.

The message must be taken seriously now that we have yet another frontier to do business in — cyberspace. E-commerce may unleash unscrupulous operators wishing to get rich and quick returns. What can we do about it?

For a start, establishing a code of conduct is an important step for any company or industry. Self-regulation, if properly instituted, can negate the need for regulation to come from outside, especially the government. And business leaders must lead by example. For at the end of the day, ethics must come from within, moulded by experience and a strong moral foundation.

— The Star / Asia News Network

Like our conscience, it may occasionally give us a prick with the next mega-deal

E in e-co

BUSINESS ethics, to the cynic, may well be a contradiction in terms.

Can one engage in business and not indulge in any form of unethical behavior? Can one earn a decent income without any compromise here and there?

From the Stone Age to the Cyber Age, the issue of business ethics has at best only lingered in the background.

History is full of examples of eventually illegitimate businesses eventually evolving into legitimate concerns. And of unscrupulous individuals becoming model citizens once their business empires are secured.

When the good times roll, don't rock the boat. And don't ask questions like: Does my business damage the environment? Does my business destroy innocent lives? Does my business unleash destructive forces?

But the times are changing. Today, the business world has become smaller and more connected. The whole world is a trading place. There are questions to be asked, and people do ask them. Questions like "is the tuna dolphin-safe?", "is the wood from a sustainable source", "is the food genetically-modified?", and "is child labour involved?" are common place. There are many other issues for which ethics must weigh heavily in one's business plan. But then, one may well ask: "What's in it for business?" Why be ethical if there is nothing to profit from it?

The point is this: what goes around comes around. If we do things unethically, we have to be prepared for unethical things to be done to us. It is in this context that we should all take heed of

THE STATESMAN

MAY 2000

Cyber tribunal by Aug. 15

By Our Special Correspondent

NEW DELHI, MAY 16. The Government intends operationalising the Cyber Regulations Appellate Tribunal and the Controller of Certifying Authorities to regulate cyber space by August 15, said sources in the Ministry of Information Technology.

Work on setting up the two institutions began soon after the Lok Sabha passed the Information Technology Bill through voice vote today.

The Bill is expected to be introduced in the Upper House tomorrow, the last day of the current budget session. The chances of it entering the statute books brightened after the Congress(I) withdrew all amendments proposed by its members.

According to sources, the turnaround took place after the Minister for Information Technology, Mr. Pramod Mahajan, arranged for his Ministry's bureaucrats to brief representatives of some political parties late yesterday night.

Unless the Congress(I) goes back on its word, there are virtually no hurdles to clear the Bill in the Upper House.

Speaking at the end of the two-day discussion, Mr. Mahajan denied the Opposition charge that the Government wanted to push the Bill in a hurry without deliberating upon provisions which could have serious implications.

Without giving a convincing explanation for pushing the Bill in less than a week after it was vetted by the Parliamentary Standing Committee, Mr. Mahajan, however, struck a conciliatory tone and thanked all those who had helped achieve a modicum of unanimity in getting it passed.

Mr. Mahajan also said the proposed Act would be flexible in nature and amendments would be incorporated whenever it was felt that the legislation had been outpaced by technology.

He steered clear of explaining the rationale behind technical aspects of the Bill because this was done on Monday by the Information and Broadcasting Minister, Mr. Arun Jetlie.

The Minister instead dwelt on the Opposition's objections to some "draconian objections".

He said the Government would write to States to set up specialised task forces to deal with IT-related crimes and till then the provision of allowing police officers not below the rank of Deputy Superintendent of Police to raid and arrest suspected cyber criminals without a warrant was an adequate safeguard.

THE HINDU

17 MAY 2000

Cyber police force to man IT highway

LS passes IT Bill by voice vote

HT Correspondent
New Delhi, May 16

THE GOVERNMENT today pledged to set up special police task forces to deal with cyber crimes even as the Lok Sabha passed by a voice vote the much-awaited Information Technology (IT) Bill to legalise e-commerce and e-governance by amending a set of the existing laws.

Replying to a two-day debate on the amended Bill, Information Technology Minister Pramod Mahajan rejected the Opposition charge that it contained "draconian provisions".

He said the Standing Committee's recommendations to monitor cybercafes and register websites or portals were rejected by the Cabinet last Tuesday.

While apologising to the Opposition for the perceived haste in pressing for the Bill's passage, Mr Mahajan made it amply clear that the legislation was not the last word on the subject and that it could be rectified through amendments if and when such needs arose.

Taking into account the Opposition's reservation on clause 79 (empowering the police to conduct search without warrant), Mr Mahajan said he was not supportive of police action. He pointed out that this clause was part of the Criminal Procedure Code (CrPC) and even the Standing Committee had supported the inclusion of this

clause in the Bill.

On the provision allowing police officers not below the rank of DySP to conduct raids and arrest people without warrant for suspected cyber crimes, the Minister said if it was deleted the CrPC would apply to such offences, making the law more draconian. "If the House in its wisdom decides to delete clause 79 empowering DySP-rank police officers to deal with cyber crimes, CrPC would become applicable to such cases," he said. Such a situation would be more dangerous as constables would have the powers to deal with such cases, Mr Mahajan added.

The Minister also pledged to set up special police task forces to deal with cyber crimes. However, he said the entire police force would have to be made computer-savvy to detect cyber crimes. "Unless the police is able to retrieve data from a computer, they would not be able to deal with cyber crimes," he said.

Agreeing with the Opposition criticism that some police officers might misuse the rules, Mr Mahajan said the Government could not delay a Bill just because of that reasons.

Stating that the digital divide in India was one of the largest and biggest, the Minister said the Government's mission was to take information technology to the masses. "We want to take it from south to north, from English language to regional languages," he said.

THE HINDUSTAN TIMES

11 MAY 2008

G-8 discusses ways to combat cyber crime

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By Vaiju Naravane

PARIS, MAY 16. Recent cyber crimes such as the "I Love You" virus have given the cyber crime conference of the G-8 nations a certain edge. For three days over 300 representatives of Governments, law enforcement agents, producers of information technology (both hardware and software) and consumers from the world's leading industrialised nations are discussing ways and means of reducing or controlling Internet fraud and other criminal acts in cyberspace.

"IT engineers do not often have the opportunity to meet those involved in repressing fraud and vice versa," an official of the French Foreign Office told mediapersons. The title of the conference is telling: "Dialogue between the public and private sectors on security and confidence in cyberspace."

The challenges are enormous: how can one continue to attract consumers to e-commerce when a virus like "I Love You" can strike at millions of computers across the planet. With 15-year-olds (as in the case of "Mafiaboy") thumbing their noses at the big daddies of the net, the situation has become a thorn in the flesh of Governments and large corporations.

Until today, the hunt for cyber-pirates has been the responsibility of each individual state. The U.S., of course, stands head and shoulders above everyone else with the FBI

calling the shots. The U.S. postal services have trained 1,500 inspectors to fight Internet fraud. The Securities Exchange Commission has a special force of 240 persons and the Federal Trade Commission brings all these diverse bodies together in the fight against Internet fraud. As usual, Europe has been lagging considerably behind. But last month, there was an attempt to react with the publication of a draft convention on cyber-crime. Described as the "first international treaty" against such crime, it attempts to promote the concept of "tele-investigation" — whereby enquiries can be carried out online.

The security of information remains in the hands of several fragmented and scattered bodies within individual countries. This conference will attempt to create unified structures for fighting Internet crime. The French Interior Minister, Mr. Jean Pierre Chevènement, announced the creation of a new Central Office to fight crime linked to information and communication technologies. He also urged Interpol, the international crime fighting organisation, to set up a 24-hour network of highly qualified specialists who could intervene very rapidly once a crime had been committed.

The novelty of the Paris meeting is that it brings Government experts and technology leaders from the private sector together for talks on how they can cooperate.

THE HINDU

MAY 2008

IT Bill passed amid feeble protest

STATESMAN NEWS SERVICE *SM*

NEW DELHI, May 16. — The Lok Sabha today passed the Information Technology Bill, 1999, by a voice vote, incorporating 34 amendments moved by the government.

The Opposition gave up after feeble protests against certain provisions that some felt could be misused by law enforcers.

The government assured the House that the Bill was not the last word on cyber law. "Any lacunae or shortcomings, if found during the implementation of the law, would be rectified," IT Minister Mr Pramod

to 17/5
Mahajan said in reply to an uninspiring debate that betrayed unfamiliarity of the members with the Internet revolution.

The government announced the creation of a special task force of the police to deal with cyber offences. Mr Arun Jaitley intervened in the reply to clarify certain legal points pertaining to Clause 79 of Chapter XIII of the Bill. The clause empowers police or any other authorised agency to conduct search and arrest a person without warrant if found guilty.

The Copyrights Act will be applicable to the cyberworld. It will deal with offenders outside

media
India too. The Bill spares service providers from being held guilty of any offence committed without their knowledge.

For hackers, the Bill provides deterrent punishment of 1 to 10 years of jail and a maximum fine of Rs 2 lakh, or both. The highest punishment is reserved for hackers of "protected system." The government may, by notification in the official Gazette, declare any computer, computer system or network to be a protected system. "Any person who secures access or attempts to secure access to a protected system in contravention of the provisions of this

section shall be punished with imprisonment...".

For those who publish, transmit or cause to be published in the electronic form any obscene material shall be punished on first conviction with jail term that may extend to 2 years or with a fine which may extend to Rs 25,000 and for a second conviction, with imprisonment which may extend to 5 years.

Statehood Bills: Bills for creation of Jharkhand, Uttaranchal and Chhattisgarh may be introduced in the Lok Sabha tomorrow, adds PTI.

THE STATESMAN

MAY 2000

THURSDAY, MAY 18, 2000

M. 2/1
REGULATING THE INTERNET 119-12/1875

THE GOVERNMENT HAS unwisely chosen to have the Information Technology Bill of 1999 passed without modifying the contentious Clause 79 that empowers police searches of any public place without a warrant. This is in spite of the strong criticism of this draconian provision in Parliament and by concerned citizens. Even if five months have passed since the Bill was introduced in Parliament, India's opportunities in electronic commerce would not have been irreparably damaged if this controversial Bill had been put to vote after further debate in the next session of Parliament. What was supposed to be a piece of legislation to facilitate electronic commerce has turned out to be extremely controversial because of the natural inclination of authority to monitor and control the lives of its citizens.

The objective of the Bill was to amend laws that are more than a century old and are unsuitable for the Internet era because they recognise the legal validity of only ink and paper. The IT Bill makes provision for digital signatures, gives legal recognition for electronic contracts, authorises financial transactions conducted electronically and the like. All of this is required though predictions of a boom in electronic commerce following the enactment of the Bill are surely exaggerated since the hardware infrastructure for such commerce remains abysmally low and many financial transactions are already being conducted electronically in the country. The Bill in its latest version has proposed a ten-fold increase in the punishment for spreading computer viruses. Considering that most creators of viruses and Internet hackers are usually teenagers who are excited by the prospect of demonstrating their talent in writing software code, huge fines may not be as good a deterrent as education on the damage that computer viruses inflict on individuals and businesses. Much as the IT Bill, large parts of which have been based on a model U.N. Act as also legislation in other countries, is required in the era of

the internet, there is absolutely no ground whatsoever for Clause 79 that will empower a Deputy Superintendent of Police to search any public place without a search warrant on suspicion of a cyber crime. The argument that the high speed of the Internet demands rapid police action is zero justification for such a clause. Mr. Pramod Mahajan, Union Minister for Information Technology, has argued that the alternative would be harsher since the Code of Criminal Procedure, 1973, allows even a constable to search any place without a warrant. The CrPC does permit such searches, but Section 165 of the CrPC also places a number of constraining factors on such actions — none of which are present in Clause 79 of the IT Bill. Why the Government has been insistent on this particular provision is a mystery. The implications of Clause 79 are so serious that the Government can take no credit for not accepting the Parliamentary Committee's recommendations to include two intrusive clauses, one of which would have forced cybercafes to record for the Government's benefit the activities of their customers and another that would have required web sites in India to provide a mass of information.

In a sense it is not surprising that the Government has drafted such intrusive legislation. Legal experts and civil libertarians in the West have been pointing out that the demands of commerce are threatening to turn the earlier freedom, anarchy and privacy of the Internet into a more controlled mechanism. Recently, commercial enterprise was just about prevented in the U.S. from tracking the Internet surfing habits of individuals. Prof. Lawrence Lessig of the Harvard Law School who has advised the U.S. court in the ongoing case against Microsoft has warned that "the net is being remade to fit the demand of business". There is the danger that in its own way the IT Bill too is attempting much the same thing on the promise of making electronic commerce a reality in India.

THE HINDU

18 MAY 2000

Policing the Net

The Dangers of India's New IT Act

By SIDDHARTH VARADARAJAN

PASSED in the Lok Sabha on Tuesday with unseemly haste, the Information Technology Act attempts to achieve two contradictory objectives. The law is premised on the assumption that the new information technologies are a liberating tool for the economy and for governance; but some of its provisions are imbued with a police mentality which seeks to control and restrain the manner in which citizens use computers.

While India is one of the few countries to put in place legislation to facilitate e-commerce and protect computer networks from cybercrime, the careless manner in which some of the prescribed offences have been defined — and the sweeping powers granted to the police — make it almost certain the law will be misused.

Defining Obscenity

As it is, the Indian Penal Code's definition of the crime of obscenity (Section 292) is archaic and in urgent need of revision. Though the Supreme Court has narrowed the focus of obscenity through liberal interpretation of existing statutes, law enforcement officials and lower courts frequently entertain the flimsiest of "obscenity" petitions.

When the same IPC definition of obscenity is made applicable to the "publishing" or "transmitting" of material in electronic form, chances are that a wide range of Internet-related material could come within the ambit of the law.

The IT Act defines as obscene "any material which is lascivious or appeals to the prurient interest or if its effect is such as to tend to deprave and corrupt persons...who are likely to read, see or hear the matter contained or embodied in it". The penalty for a first offence is five years imprisonment; subsequent convictions will result in 10 years imprisonment.

Leaving aside for the moment the subjective and arbitrary nature of the definition, neither the bureaucrats and 'experts' who drafted the IT law, nor the parliamentary standing committee which vetted its provisions, have applied their mind to the problem of defining what exactly "publishing" and "transmitting" entail in the context of the Internet.

Let us imagine that an "obscene" website existing out in cyberspace is accessed by a customer of a cyber cafe. He may have explicitly sought the site or clicked on it in error out of a long list of sites thrown up by a search engine. If you don't believe that can happen, try searching for 'White House' on any

engine and see what you get.

Once the "lascivious" site appears, could the cyber cafe owner be hauled up for allowing it to come up on one of his computers? Could the customer be accused of attempting to "deprave and corrupt" a police officer who happens to glance at the screen? And what happens if the URL of the site is stored in the browsing software's history or in the computer's cache? Would that amount to publishing and transmitting? Finally, what about sites that provide a search engine or chat rooms? Could they too be targeted?

What makes the IPC Act especially dangerous is that the nebulousness of the prescribed offence is matched by the sweeping nature of the powers granted to the police. Police officers and even ordinary government officials are allowed to search public places like cyber cafes and arrest persons suspected of committing a crime under the new law.

Clause 79 of the IT Act reads: "Notwithstanding anything contained in the Code of Criminal Procedure (CrPC), any police officer, not below the rank of a Deputy Superintendent of Police, or any other officer of the Central government or a State Government authorised by the Central Government in this behalf may enter any public place and search and arrest without warrant any person found therein who is reasonably suspected of having committed or of committing or of being about to commit any offence under this Act".

Police Abuse

Curiously, Information Technology minister Pramod Mahajan told Parliament that this clause was actually a "safeguard" since the CrPC grants similar search and arrest powers to any policeman and not just to a senior officer. But this explanation is faulty on three accounts.

• First, it ignores the fact that the relevant provisions of the CrPC — Sections 151 and 157 in particular — are routinely abused by the police. Section 151, in fact, says any person so arrested can only be held in prison for 24 hours. Though this is rarely followed, persons arrested without a warrant under the IT Act have not even been given the benefit of such a safeguard.

• Second, the CrPC does not grant the police such powers for non-cognisable offences. Certain offences under the IPC such as Sections 172, 173, 175 (omission to produce document to public servant by persons

legally bound to produce it) and 204 (destruction of document to prevent its production as evidence) are non-cognisable and hence the police cannot simply arrest a person without a warrant. Under the IT Act, the electronic versions of these crimes have, by default, become cognisable since the police have been granted the power to act on their own without a magistrate's authorisation.

• The IT Act empowers not just police officers but any class of government official as decided by the government.

While the ostensible reason for granting the police such sweeping powers is to prevent crimes like hacking, the fact is that it is virtually impossible for hackers to operate from public terminals in cyber cafes. Nevertheless, the IT Act seems to be especially targeted at "public places" (i.e. cyber cafes), where more than 75 per cent of Indian net users access the web. Hacking and pornography may be one concern but the police will also keep an eye on those who access "anti-national" or "subversive" sites.

New Law, Old Notion

According to Ravi Sundaram, fellow at the Centre for the Study of Developing Societies and one of India's leading 'net sociologists', the IT Act is built on the premise of 19th century definitions of territoriality. "Crime needs a physical location and this territory must be policed. The new law is shot through with this notion". During the Standing Committee's review of the draft, in fact, MPs were quickly convinced by the arguments of Delhi's police commissioner of the need to watch cyber cafes. They inserted an amendment making it mandatory, on pain of imprisonment, for cyber cafe owners to maintain a record of the identity of their customers and a list of web sites visited by them. Fortunately, better sense prevailed and at the last moment the Vajpayee government agreed to drop this amendment.

However, the clauses on obscenity and police powers were not dropped or modified. When these begin to be invoked by petty officials or those with a political or 'culturalist' agenda, one can only hope that the courts will step in to protect the citizen's right to information and unfettered communication. In the mean time, the government should give serious thought to amending the Act to eliminate the scope for abuse.



This Love Bug variant's bite could be even deadlier

NEW YORK: A new computer virus, using the same mechanism as the infamous Love Bug, has begun to spread and is much more destructive than its predecessor, experts said on Thursday.

Computers at several large companies were infected late on Thursday, said Dave Perry, spokesman at the anti-virus software company, Trend Micro Inc, in Cupertino, Calif. One company had all of its 5,000 computers infected, said Mr Perry, who would not identify the companies. Initial reports indicated that the virus was a variant of the Love Bug, but Anita Chen, a Trend Micro spokeswoman, said the latest bug, while using the same method, had a different source code.

It also has a different 'payload', Ms Chen said, meaning that it does something different once it infects a computer.

Like the Love Bug scourge that spread to millions of computers two weeks ago, the new virus arrives in an attachment to an e-mail. However, it isn't given away by an 'ILOVEYOU' subject line. Instead, the subject line changes to a random word or phrase every time a computer is infected.

"Each time the virus spreads, it mutates itself to evade detection," Symantec Corp., another anti-virus software maker, said in a statement

from its Cupertino offices.

The subject line of an infected e-mail starts with 'FW:' and includes the name of a randomly chosen attachment from a previous e-mail on an infected computer. The e-mail will have an attachment with the same name, but ending in '.vbs'.

Clicking on the attachment will activate the virus. Like Love Bug, it will send itself to everybody in the user's address book. It will then destroy most of the files on the hard drive, rendering the computer useless until the operating system is reinstalled. As with the Love Bug, only recipients running Microsoft's Outlook e-mail programme for Windows are vulnerable and there's no danger if the attachment is not opened, virus experts said.

The larger size of this virus's attachments are more likely to crash e-mail servers, experts said. The Love Bug had a small attachment, but crashed e-mail servers all over the world when it sent millions of copies of itself through the systems at once. Mr Perry said he hoped that increased awareness among e-mail users would hold back the spread of the new virus. "Any time a virus hits a week after another virus, its potency is diminished," he said. "People tend to be a little more cautious." (AP)

THE TIMES OF INDIA

7 MAY 2000

6 MAY 2000

Media

CYBER LAW

Streams

e-commerce for babus, not business

THANK Parliament for small mercies. The two Orwellian clauses in the IT Bill — compulsory registration of all Indian websites and portals and a visitors and sites visited list to be maintained by cybercafes — were dropped before the Bill was passed. It is still alarming that the clauses were proposed in the first place. The second clause especially does not require any understanding of electronic transactions — an area MPs seem delightfully ignorant about — but an appreciation of constitutionally-mandated fundamental rights and freedom of expression. To require citizens to enter their name and address, as well as their cyber preferences, everytime they use a cybercafe, which, are mostly private enterprises, is to deny the right to privacy. That such a fundamental violation could be contemplated says much about the instincts of our politicians. They are also, not to put too fine a point on it, stupid. Even if cybercafes became state-monitored in the worst sense of the term, what guarantee is there that government agencies could actually track down those they consider “subversive”? Would ISI agents leave their real names and addresses, and e-mail details for our cops to pick up? Or would the government have required every cyber cafe visitor to produce his passport or ration card before being allowed to surf? Even China, infamous for trying to police the Net, haven’t thought that one up.

But even without these monstrosities, the IT Act is far from being model. Elaborate procedures, the kind officials love, have been put in place to apply existing contractual laws to the Net. Authentication of digital signatures will be done by licensed agents, who will be monitored by a controlling authority who will be scrutinised by an appellate authority. Impressive but ineffective. There is no recognition in the Act that the defining nature of Net business is speed. If transactions take seconds and grievance redressal months, the whole purpose of legalising Internet deals will be defeated. This will particularly affect B2B (business to business) transactions: widely accepted as the most promising segment of e-commerce. If businesses do not have the assurance of quick disposal of Net frauds, they will not conduct big volume transactions. Worse, some big volume transactions have been banned outright: buying and selling of real estate, issuing cheques, writing wills and giving powers of attorney. The bans make no sense unless one assumes that government have decided they are not capable of checking fraud. That is an extraordinary admission, and it says much about the future of Indian e-commerce. For the real test of the government’s intention though, there’s nothing more revealing than Clause 59 of the IT Act. This gives GoI the right to *refuse* maintaining, accepting or honouring electronic records/transactions. In plain language that means forget about passport renewal over the Net, or of Web-based applications. Look deeper, what Clause 59 ensures is that that government employees continue to play the fool, technological progress notwithstanding. So, what’s new.

THE STATESMAN

22 MAY 2008

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CYBERBILL-I

Traffic Rules For Information Superway

ON 12 May 2000, the parliamentary standing committee on science and technology, environment and forests submitted its seventy-ninth report on the Information Technology Bill, 1999 to Parliament. The IT minister, Pramod Mahajan, has announced that the first cyberlaw in India is expected to come into force by June 2000.

The standing committee has proposed stringent measures to strengthen legal infrastructure provisions in the Bill. The standing committee report has been greeted enthusiastically by the Internet industry. In its final form the IT Bill is expected to establish the legal infrastructure which will enable the growth of e-commerce in India.

The object of the Information Technology Bill 1999 is: "... to provide legal recognition for transactions carried out by means of electronic data interchange and other means of electronic communication, commonly referred to as 'electronic commerce', which involve the use of alternatives to paper-based methods of communication and storage of information, to facilitate electronic filing of documents with the government agencies and further to amend the Indian Penal Code, the Indian Evidence Act, 1872, the Banker's Book Evidence Act, 1891 and the Reserve Bank of India Act, 1934 ..."

ADJUDICATORS

The Bill aims at providing legal sanctity to all electronic records and other activities carried out by electronic means. It provides, unless otherwise agreed, for the acceptance of contracts by electronic means of communication which will have legal validity and enforceability. It purports to facilitate electronic intercourse in trade and commerce, eliminate barriers and obstacles to e-commerce resulting from uncertainties about signature requirements over the Internet. The Bill also aims at developing the legal and business infrastructure necessary to implement e-commerce.

Chapter II of the Bill specifically stipulates that any subscriber may authenticate an electronic record with a digital signature. It further validates the verification of electronic records with a subscriber's public key.

Chapter III of the Bill contains provisions for electronic governance — *inter alia*, where any law provides that information or any other matter shall be in writing or in the type-written or printed form, then, notwithstanding anything contained in such law, such requirement shall be deemed to have been satisfied if such information or matter is made available in electronic form and is available for subsequent ref-

The author is President, Cyberlaws.net and Member, Membership Advisory Committee, Internet Corporation for Assigning Names and Numbers.

By PAVAN DUGGAL

Chapter III also provides for the legal recognition of digital signatures. It also makes stipulations on the use of electronic records and digital signatures by government agencies. The Bill also provides for the publication of rules and regulations in an electronic gazette.

Chapter IV presents a scheme for regulating certifying authorities. It envisages a controller of certifying authorities who will specify standards and



conditions governing the certifying authorities in a supervisory role. The controller will also define the form and content of digital signature certificates. The Bill recognises the need for endorsing foreign certifying authorities and details provisions for licensing powers to issue digital signature certificates. It also specifies the duties of subscribers.

Chapter IX of the Bill is about penalties and adjudication for offences. The penalties for damage to computers, computer systems, etc. have been fixed as damages by way of compensation not exceeding Rs. 10,000,00. The Bill provides for the appointment of officers not below the rank of a director to the Government of India or an equivalent state government officer as adjudicating officer who shall decide whether someone has contravened any of the provisions of the Act or rules framed under it. The adjudicating officer has been given the powers of a civil court.

NATURAL JUSTICE

Chapter X provides for the establishment of a cyber regulations appellate tribunal, which shall hear appeals against orders passed by adjudicating officers. The tribunal shall not be bound by the principles of the Code of Civil Procedure but shall follow the principles of natural justice and shall have the powers of a civil court. Appeals against orders of the tribunals will be heard by high courts.

Chapter XI provides for the investigation of offences by an officer not below the rank of deputy superintendent of police. The relevant offences include tampering with computer source documents, publication of obscene information in electronic form, breach of confidentiality and privacy, misrepresentation, publishing

digital signature certificates which are false in some particulars and publication for fraudulent purposes.

The Bill also provides for the constitution of a cyber regulations advisory committee which shall advise the government on rules or other matters pertaining to the Act.

The most positive aspect of the standing committee report is that it has recommended the insertion of a new clause in the IT Bill which for the first time defines "hacking" in legal terms. Hacking has been

defined in the proposed clause 65-A as follows:

"Whoever with intent to cause or knowing that he is likely to cause wrongful loss or damage to the public or any person destroys or deletes or alters any information residing in a computer resource or diminishes its value or utility or affects it injuriously by any means, commits hacking." Further for the first time, punishment for hacking as a cyber crime has been proposed in the form of imprisonment upto 3 years or fine extending to Rs 2,00,000 or both. This is a welcome measure, since hacking is a serious problem. Earlier, government Websites have been hacked into but no legal provision within existing legislation could be invoked to punish "hacking" as a cyber crime.

POSITIVE FEATURE

However, given the high incidence of hacking the punishment proposed is not sufficiently deterrent. Heavier penalties would have been more desirable. Another positive feature of the standing committee report is that it has recognised the importance of experience in the field of information technology for adjudicating officers. As per the proposed recommendation of the standing committee, a person must possess experience in IT, apart from legal or judicial experience, before being appointed as an adjudicating officer under the IT Bill.

Another welcome feature of the report is that it has proposed higher penalties for damage to computer and computer systems. The proposed penalty is a quantum jump from the existing "not exceeding Rs 10,00,000" to "not exceeding Rs 1,00,00,000". This will meet present-day requirements. The recent "I LOVE YOU" virus episode has shown that a devious mind can cause havoc in computer systems and cause damages to the tune of billions of dollars.

From an overall perspective, the Information Technology Bill 1999 is a laudable attempt to create the necessary legal infrastructure for promoting e-commerce. The judiciary is, as of now, reluctant to accept electronic records and communications as evidence. Even e-mail has not been defined in existing statutes and is thus not a legally acceptable form of communication, as far as evidence in a court of law is concerned. In many ways, thus, the IT Bill 1999 is a step forward.

(To be concluded)

23 MAY 2000

Media

CYBERBILL-II

51-6
29/5

Despite Loopholes A Historic Bill

By PAVAN DUGGAL

THE IT Bill, however welcome, has come a bit late. With the phenomenal growth of the Internet, doubling approximately every 100 days, the Bill should have been passed a long time back. It also has some grey areas which are likely to create problems once it is enacted.

The Bill purports to be applicable not only in India, but outside India as well. The provisions in section 1(2) are not happy. It is not clear as to how it will apply to offences or contraventions committed outside India. The enforcement aspect of the IT Bill is an area of grave concern. Numerous difficulties are likely to arise because the Internet has shrunk the world. Soon national boundaries shall cease to have much meaning in cyberspace.

It is also strange that section 1(4) of the Bill excludes a number of things from its purview. The act does not apply to a negotiable instrument as defined in section 13 of the Negotiable Instruments Act, 1981; a power of attorney as defined in section 1 A of the Powers-of-Attorney Act, 1982; a trust as defined in section 3 of the Indian Trusts Act, 1882; a will as defined in clause (h) of section 2 of the Indian Succession Act, 1925 including any other testamentary disposition; a contract for the sale or conveyance of immovable property or any interest in such property.

BAD DRAFTING

It is designed to promote e-commerce but begins by illogically excluding immovable property from the ambit of e-commerce.

The IT Bill talks about the use of electronic records and digital signatures in government agencies. Paradoxically, it says, in section 9, that this does not confer the right to insist that documents should be accepted in electronic form. The control of the government is apparent as the controller of certifying authorities has to discharge his functions subject to the general control and direction of the central government. The Internet and e-commerce can grow only if minimum hurdles are put in their way. The Bill seeks to bureaucratise the entire process of controlling e-commerce. This is likely to cause delays.

As cyberlaw grows, so does cybercrime. The offences defined in the IT Bill are by no means exhaustive. However, the drafting of the relevant provisions of the IT Bill makes it appear as if the offences it details are the only cyber offences possible. The drafting of provisions on adjudicating officers leaves much to be desired. First, who shall be an adjudicating officer has not been exhaustively defined. The Bill merely stipulates that the officer must possess such legal

or judicial experience as may be prescribed by the central government. What that legal or judicial experience should be, has not been specified, leaving the government with vast discretionary powers. No technical qualifications for adjudicating officers have been defined or envisaged. If the adjudicating officer has to determine whether someone has contravened the Act, he must be able to tackle technical issues, which would require technical



expertise which a person with legal or judicial experience may not possess.

Further, how adjudicating officers will determine whether the Act has been contravened has not been well defined. The question of determining contravention of the Act and the adjudicating officer's jurisdiction over cyber offenders outside India have also remained unspecified. No definitive procedure for adjudication by adjudicating officers has been spelt out. Their territorial jurisdiction and that of the cyber regulations appellate tribunal has also not been defined.

NO IMMUNITY

Section 55 of the IT Bill says that the central government's appointments to the post of presiding officer of the appellate tribunal shall not be called into question, nor will an act or proceeding before the tribunal on the ground that the constitution of the tribunal is defective. These provisions are violative of fundamental rights as enshrined in Chapter III of the Constitution and are likely to be struck down by the courts.

The central government cannot claim immunity in appointments to the tribunal, since such immunity is contrary to the spirit of the Constitution. Further, if there is a defect in the constitution of the tribunal which goes to the root of the matter, it renders all proceedings and acts of the tribunal null and void *ab initio*.

The IT Bill empowers any agency of the government to intercept information transmitted through any computer resource if it is necessary in the interests of the sovereignty or integrity of India, the security of the state, friendly relations with foreign states or public order or for preventing incite-

ment to the commission of a cognisable offence. This provision is likely to be misused by future governments to suit their political motives as also for the purpose of victimisation. No standards or provisions have been laid down by to determine whether an act of interception satisfies these conditions. Champions of the individual's right to privacy and freedom see these provisions as a gross violation of individual freedom. They will also unreasonably restrict the rapid growth of the Internet. The Bill

is also likely to cause a conflict of jurisdiction.

Another objectionable feature is that the draconian powers given to the police (not below the rank of DSP) under clause 79 of the Bill have been left untouched. Nowhere in the world have such unrestricted powers been given to investigate or prevent cyber crimes. The powers given by the IT Bill include the power to "enter any public place and search and arrest

without warrant any person found therein who is reasonably suspected or having committed or of committing or of being about to commit any offence under this Act". The power has been given without any restrictions whatsoever. It is open to widespread abuse, and is a matter of great concern for the government, the industry and the people at large.

HISTORIC BILL

To restrict the intervention of the government the cyber regulations advisory committee should be given more power and responsibility to formulate policy and update laws to be in tune with changing technology.

The IT Bill 1999 is, however, expected to put the necessary legal infrastructure in place so that e-commerce in India can flourish. The importance of the various provisions of the IT Bill 1999 can hardly be overemphasised, all the more so when we are already behind the clock. The IT Bill 1999 should have been in place long ago. However, because of political and other national exigencies, the Bill could not make it to the floor of Parliament. It is expected that it will not encounter much opposition in Parliament, since all political parties have realised the importance of information technology as a crucial motor of progress. New technologies, new ventures and businesses are waiting in the wings for the IT Bill 1999 to be passed. The promulgation of the IT Bill 1999 will also boost the prospects of the Internet industry.

The IT Bill is the first step towards promoting e-commerce. Despite all its failings, it is a historic piece of legislation. And for its passage the attention of the nation is focussed on Parliament.

(Concluded)

MAY 20

Broadcast Bill

to bolster DD, AIR

SRINJOY CHOWDHURY
STATESMAN NEWS SERVICE

NEW DELHI, April 24. — The Broadcast Regulatory Authority Bill, 2000, now with the law ministry for “restructuring” and awaiting inputs from the telecom and IT ministries on the recommendations of the group of ministers, is also an effort to strengthen Prasar Bharati, comprising DD and AIR.

The Bill, if passed in this form, will prevent any satellite or DTH channel from carrying a “live broadcast of any sporting or other event of national or international interest, held in India... unless simultaneously, the public service broadcasters have also been offered the right for carrying the same on reasonable terms”.

This means a private sports channel, for example, cannot have exclusive rights on a crucial and much-awaited test or one-day cricket match, without sharing it with DD.

This places DD at an advantage as it has enormous reach — virtually the entire country. If people can see something on DD, they may not be interested in getting a cable connection and this could hurt the satellite channels.

Also, Chapter IV (21) of the Bill makes it clear that if there is a dispute on what “reasonable terms” means for the public broadcaster, it will be settled by the authority.

What is noticeable is that very little mention is made of foreign equity levels and cross-media restrictions. The previous Bill readied when Mr S Jaipal Reddy was I&B minister

spoke of 49 per cent foreign equity for channels, for example.

There is no reference which has led to speculation about whether 100 per cent equity for foreign channels will be allowed in this Bill or whether the broadcasting authority will make restrictions.

The Reddy Bill spoke of 20 per cent for cross-media issues. This meant a firm that owned a newspaper could only own 20 per cent of a TV channel or DTH facility. The Bill says the Centre may “prescribe such eligibility conditions and restrictions in regard to accumulation of interest in both newspapers and licensed services as may be considered necessary from time to time to ensure diversity of news and views and prevent monopolies”.

The Bill makes an effort towards diversity of option, but leaves power in the hands of the Centre. The Broadcast Regulatory Authority of India is expected to consist of a whole-time chairman, four whole-time members and 3 to 7 part-time members.

All of them will be appointed by a committee consisting of the Prime Minister, the leader of the Opposition in the Lok Sabha and the union I&B minister. Besides, the authority will have two ex-officio members, the I&B and telecom secretaries. The government will also have the power to supersede the Broadcast Authority. The authority will appoint as secretary-general or chief executive officer an officer of the rank of additional secretary to the Centre.

THE STATESMAN

25 MAY 2000

U.S. justice department calls for break-up of Microsoft

WASHINGTON: The U.S. justice department has asked a federal court here to split software giant Microsoft into two independent companies, one to develop operating systems and the other to focus on computer applications.

Backed by a coalition of state attorneys general, the department submitted the request to U.S. district court judge Thomas Penfield Jackson on Friday, who on April 3 ruled that Microsoft was in violation of U.S. anti-trust law. "This is the right remedy at the right time," said attorney general Janet Reno.

"Our proposal will stimulate competition, promote innovation and give consumers new and better choices in the marketplace."

Microsoft chairman Bill Gates blasted the proposal, warning that it would have a "chilling effect" on the future of the information industry.

"These proposals would have a chilling effect on innovation in the high-technology industry," said

Mr Gates in a videotaped message aired minutes after justice department lawyers filed their break-up recommendation.

Mr Gates said the company he had co-founded

"could never have developed windows under these rules." "Looking forward, this kind of regulation would make it impossible for Microsoft to develop the next generation of great software."

Microsoft will now have to file its preliminary response to the department's proposals by May 10, after which judge Jackson will hold hearings — expected to begin on May 24 — on the remedies to be applied.

Judge Jackson in his conclusions of law ruled that Microsoft had maintained its monopoly position in the market for personal computer operating systems "by anti-competitive means and (had) attempted to monopolise the web browser market." (AFP)



Bill Gates

THE TIMES OF INDIA

30 MAY 2000

Judge rules Microsoft broke U.S. anti-trust laws

By Ramesh Chandran
The Times of India News Service

WASHINGTON: A U.S. federal judge ruled on Monday that Microsoft Corporation, the world's largest software manufacturing company built by the world's richest man, had violated the United States' anti-trust laws through "anti-competitive and predatory behaviour".

District court judge Thomas Penfield Jackson, ruling in favour of the U.S. government, stated that the sprawling corporation, chaired by Bill Gates, had kept "an oppressive thumb on the scale of competitive fortune". The verdict may prise open the door for the U.S. government to seek a break-up of one of history's most phenomenally successful companies. However, Microsoft chairman Bill Gates vowed this would not happen as he intended to go in appeal and promised a "long legal battle".

Given Microsoft's aura and influence on the Nasdaq stock exchange, it was inevitable

that Judge Jackson's ruling would drag it down 349.13 points—the largest point drop in recent memory, which jolted the roaring economy of Seattle, Microsoft's hometown.

The crux of the suit filed by the U.S. justice department and 19 states was that the software giant had hurt consumers by stifling competition in the software marketplace by employing an array of tactics to destroy innovation that even remotely posed a threat to the dominance of its product 'Windows', and that it had sought to monopolise the web browser market, especially at the expense of 'Netscape'.

Those who heard Judge Jackson's ruling here were struck by his remarkably blunt description of Microsoft's predatory tactics whose victims included such stars of the multi-billion dollar computer industry as Intel Corp, Apple Computer Inc, International Business Machines Corp and Real Networks Inc. The judge stressed that "Microsoft mounted a deliberate assault upon entrepreneurial efforts that, left to rise or fall on their

own merits, could well have enabled the introduction of competition into the market for Intel-compatible PC operating systems."

Even as Microsoft shares fell 14.5 per cent on the Nasdaq (to \$90.88—shaving \$80 billion off the company's market value), U.S. attorney-general Janet Reno proclaimed the verdict as a landmark victory for consumers, competition and innovation. Joe Klein, head of the justice department's anti-trust division, maintained that the path-breaking verdict would also set "the ground rules for enforcement in the information age."

As investors pondered over their dilemma on buying, selling or holding, and analysts evaluated the future for both Microsoft as well as other members of the computer industry, Mr Bill Gates sounded unfazed by the storm. Disagreeing with the verdict, Mr Gates remarked, "This ruling turns on its head the reality that consumers know—that our software has helped make PCs affordable to millions." Microsoft's chief executive

officer Steve Ballmer, in an attempt to shore up investor confidence, declared, "Until the appeal is over, nothing is settled." However, financial analysts scrutinising Nasdaq's plummeting when it endured one of its worst-ever days, said it was the corporation's worst daily performance since the summer of 1998.

However, Microsoft, which is just one of the 4,827 stocks in the Nasdaq composite but makes up 8.5 per cent of the Index's value, was responsible for only about a sixth of the 349.15-point decline. Eighty-six of the 100 stocks in the Nasdaq 100 fell in value. The Nasdaq has been one of the principal sources of the new wealth created in America in the 1990s, and an engine for its booming economy.

Despite the legal thrashing their company received, both Mr Gates and Mr Ballmer continued to reassure investors and supporters of Microsoft, insisting that U.S. government prosecutors had "misunderstood the company," and that at the end of the legal battle, Microsoft would stand vindicated.

'Microsoft violated anti-trust laws'

Court's ruling sends Nasdaq, Sensex into tailspin

Agencies & HTC
Washington/Mumbai, April 4

A FEDERAL judge in the United States has ruled in a landmark decision that Microsoft Corp seriously violated anti-trust laws, exposing the software giant to harsh penalties that could even result in its break-up.

District judge Thomas Jackson yesterday found that the Washington-based firm broke the law by abusing its monopoly power in personal computer operating systems, doing "violence to the competitive process."

Judge Jackson's most serious conclusion was that Microsoft used its might against other companies, especially Netscape Communications, its rival in the 1990s for control of the Internet browser market.

Netscape's market share withered under Microsoft's attack and

it sold out to America Online during the early part of the trial.

The ruling had a dramatic impact on the Nasdaq on Monday. But by early Tuesday, the Nasdaq composite bounced back from its worst single-day point loss with a gain of 54.20 points (1.28 percent) in the opening minutes of trade to stand at 4,277.88.

The tech-heavy index, anticipating the ruling in the Microsoft antitrust case, had plummeted 349.15 points on Monday, or 7.63 percent, to close at 4,223.68.

The Dow Jones industrials, which benefited from a shift out of technology on Monday, was up 27.22 points (0.24 percent) early on Tuesday at 11,249.15. The blue-chip index surged Monday by 300.01 points, or 2.75 percent, to close at 11,221.93.

In Mumbai, share prices came crashing down here today with the BSE Sensex losing a staggering 361

points as panic gripped the bourses largely on account of a 350 point drop in the Nasdaq and on reports that income tax authorities have raised demands against certain Foreign Institutional Investors who have routed investments through Mauritius.

The BSE Sensex opened the day at 4907.41 points and went on to touch a low of 4666.95 points before finally closing the day at 4691.46 points.

In line with the Bombay Stock Exchange (BSE) Sensex the S&P CNX Nifty too lost ground.

In fact today was the last day of trading on the National Stock Exchange (NSE) for the current settlement.

Virtually every share from the Sensex barring a few like Bajaj Auto crashed to the lower end of the 8 per cent price band on sustained selling pressure.

Detailed report on Page 13

THE HINDUSTAN TIMES

5 APR 2000

Eyes of the veiled temptress

Your surfing habit is profitable business for many.

Anirudhha Bose on the latest legal imbroglio of data privacy on the net

If you are a credit-card holder, chances are that you have been flooded by product-offers through the post, termed as junk-mail on the Internet. This junk-mail is likely to increase manifold. Someone, somewhere (mostly your credit card company or the Internet server) is keeping a watch on your consumption habit, sorting it and passing the information on to direct marketing companies for a price.

The thought that someone is keeping a tab on your spending habits and even making profits selling such information is disturbing. Harriet Judnick, a resident of Marin County, California found herself inundated with e-mails offering her insurance service, loans and other financial services after she had looked up on certain medical information on-line. In January this year, she sued Double-Click Inc., an Internet advertising company whom Judnick held responsible for invasion into her privacy. This company's business was to advertise on the Internet.

It is possible now through a text file called "cookies" to identify the sites a particular netizen watches, and on the basis of that develop a profile of individuals to be targeted for specialised ads. A frequent visitor to travel and tourism sites could be sent e-mail for resorts. One whose preference is websites on health would always be a target for a new diet-supplement ad.

The fact that one's privacy could be invaded on the basis of his or hers spending habit was a far-fetched notion even 20 years back. To develop a similar profile then, one would have had to study a large number of files and documents stored at different locations, involving a huge expense. But now, a large volume of information of individuals are already available on-line. For instance, a Compact Disc is available in the UK costing about £50 that contains the names and addresses of all the electors of the

mental intervention on private affairs like tapping telephone conversation. In a judgment delivered in 1994, however, the Supreme Court (in the case of *R. Rajagopal vs State of Tamil Nadu*) created a wall against intrusion into individuals' private lives by non-governmental bodies also. As per this judgment, in certain defined areas of private life, concerning family, marriage, procreation, motherhood, child-bearing and education among other matters, a person has a right to be left alone. This judgment, however, needed an effective legislative action for its proper implementation, but there has been little progress on this count.

Privacy advocates in the US are also pushing hard for legislations on this subject, and there are pending enactments in Hawaii and New York. Federal legislators are also shaping a bill that would give consumers a chance to stall gathering of information about them and the right to gain access to the information that has already been gathered to verify how his profile is stored in the database. There is also a move in the US Congress for introduction of bills that would compel web-servers to speak clearly about their privacy policy as regards their arrangement with the netizens. Presently, the web companies are too hazy in their privacy policy, and rarely inform the surfers that they could be trading information through their surfing habits.

The law which could serve as a model now is the Data Protection Act, 1998 of the UK. This Act entitles data subjects (i.e. persons whose data is being gathered and stored) to be informed about the collection and storage of personal data on them, and covers even collection of such data manually. An unlikely victim of this kind of restrictive covenant was Amnesty International, under the earlier statute on this subject enacted in 1984. A complaint was made by a subscriber to Amnesty International when a member of another charitable organisation sent her mails, obtaining details about the subscriber from the human rights group. This disclosure was not permitted under the law.

Data subjects have also been given right of access to the data controller's (implying the person who collects such data) information base to ascertain what kind of recording has been made about his personal details. A person is empowered under this law to have his personal details removed from a data base, and claim damages if he suffers on account of faulty recording of information.



CAUGHT IN A WEB: There is an urgent need to legally regulate collection of information on individuals through the computer

country. Similarly, for a paltry sum of about two pounds, you could obtain on-line in the UK the name of the owner of any property there, the date of purchase, and other related details like the name of the mortgage bank etc. Then there are a whole lot of data processing companies who collect information mostly from the electronic communication system. Law enforcement agencies have their own data bases. And most of this data accumulation is done without the consent of the individual concerned, who is defined as a "data-subject" under a British legislation covering this field.

Sending junk-mails, in fact, is one of the lesser offences that arise from such data collection system. Very often, credit-rating agencies assess credit-worthiness of individuals on the basis of data stored by various private agencies. One can also not be sure of correctness of such data. In UK, a man lost his job and had his car impounded because of certain mis-recording of information about him in the police computer. In his case, the information of a previous conviction of a man sharing his name was wrongly recorded against his own name.

The problem with developing a legal-framework against accumulation and utilisation of private information is lack of sanction for privacy right in traditional legal system. Though every individual would like to regulate collection of information about him by unauthorised persons, there is no protection in common law against such collection of information. Unless of course, such collection of information causes additional damage to a person. In a case decided in the late '70s (*Berrisford vs Skyways Ltd*) the English court refused to grant injunction to Lord Berrisford who brought action against aerial photography of his house. The court found that a flight

far above the ground level did not interfere with his right to enjoy property exclusively. In the same case, however, the court had observed that if the surveillance by air was constant, that would give rise to the tort of nuisance, inviting action under the English law.

The European Convention of Human Rights, however, created a bulwark for privacy right protection, and mandated (in Article 8) that everyone has the right to respect his private and family life. It was on this basis, the first data protection law was introduced in the statute book in the Orwellian year of 1984, which sought to regulate information gathering and dissemination of data on individuals.

In India also, the concept of privacy right was not acknowledged by the law till the late '80s/'90s, when the Supreme Court started re-interpreting Article 21 to develop the concept of Right to Privacy. Initially, the protection of privacy was being given against govern-

After cellphone, wireless Internet

FROM MICHAEL WHITE

Los Angeles, April 12 (AP): In 1973 Martin Cooper made one of the most significant telephone calls since Alexander Graham Bell spilled acid on his clothes and cried into a transmitter: "Mr. Watson, come here!"

Ninety-seven years after Bell became the first person to speak over a telephone line, Cooper hefted a clumsy, 1.125 kg box of wires, circuits and batteries to his ear and made the first private call from a handheld cellular phone.

Generally acknowledged as the father of the now-ubiquitous cellular handset, the 71-year-old Cooper wants to do for the Internet what he helped do for telephones.

As chairman of the San Jose-based ArrayComm Inc., Cooper is promoting cellular technology that promises to deliver wireless Internet access to small devices as simple and portable as cell phones, and at speeds equal to

DSL or cable connections.

"The real issue is whether the Internet is going to be wired or wireless," Cooper said during an interview at the Internet World 2000 conference here last week. "People don't want to communicate with machines. They want to communicate with other people and they want to do that with devices they can carry."

Cooper is not alone in his vision of a wireless world. In flashy presentations at the Internet World conference, executives from America Online Inc., Intel Corp. and other companies predicted a bright future for wireless devices such as notebook-sized Internet pads, palm-sized computers and cell phones that will offer fast, simple access to music, games, video and other content from the Web.

Cooper was a vice-president at Motorola Corp. during the early 1970s, when the company was competing with AT-and-T's Bell Labs to develop bulky, 13.5-kg cel-

lular telephones that would be mounted in automobiles. Cooper convinced Motorola to shrink the phone to a size that people could carry.

Motorola debuted its handheld cellular phone in 1973. Motorola had tested the telephone in the laboratory, but no one ever had made a private, personal call with it.

On his way to the first public demonstration, Cooper decided to test the device one more time.

Standing on a New York City street corner, he called an acquaintance at Bell Labs. "I don't remember my precise words. I do remember a kind of embarrassed silence at the other end," Cooper said. Under Cooper's guidance, Motorola developed five generations of cellular handsets before putting one on the market in 1983. The project took 15 years and cost \$90 million.

"If you can imagine what it takes, just fighting off the bean counters and doom sayers. Fortu-

nately there was a strong cadre of management that were supporters," Cooper said.

For his effort, Cooper is generally acknowledged as the inventor of the hand-held cellular telephone. Last February, the Cellular Telecommunications Industry Association and the Industrial Telecommunications Association inducted him into the Wireless Hall of Fame.

The privately held ArrayComm, which has about \$25 million in annual revenue, is trying to solve such problems by using "smart" antennas and proprietary technology that allows cellular providers to beam signals more directly to the user.

Traditional cell phone signals are broadcast in all directions, an inefficient system that jams broadcast spectrums with too many signals, Cooper said. By zeroing in on the user's location, ArrayComm's system eliminates much of the crowding, in effect creating more capacity, he said.

THE TELEGRAPH

13 APR 2000

RSS mounts pressure on govt to abandon Sankhya Vahini

Bharti Jain

NEW DELHI 21 APRIL

ARMED WITH the critical report of the parliamentary standing committee on communications on the Rs 1,300-crore Sankhya Vahini project, the RSS has begun mounting fresh pressure on the government to abandon the 'sweetheart' deal.

RSS leader Dattopant Thengadi — author of the Swadeshi Jagaran publication on the negative implications of the project which envisages to set up a national high-speed inter-university data network — is said to have viewed the questioning by the parliamentary panel as a vindication of the Sangh's stand against the "lack of transparency" in the controversial joint venture deal between the DTS and IUNet, a subsidiary of the US-based Carnegie Mellon University.

The main reservations of the standing committee are nothing but an echo of the questions put by Mr Thengadi to the government on how the MoU was signed with the IUNet without any knowledge about its assets, technical capabilities and shareholding pattern. The panel, in its



Naidu

report, has asked for a full disclosure on the technology, the foreign participant and the reasons for keeping the DTS out of the process of evaluation for the venture based on the following observations:

- The project would put national security at risk as important state secrets would be exposed to espionage and interception;
- The memorandum was signed even before the IUNet was constituted;
- The government cleared the project without undertaking any study about the technology available with the company and its competitors; and
- That IUNet would become a 49 per cent shareholder without investing any cash as the sale price of its products to be purchased by the proposed joint venture would represent its equity.

Added to this the demand for a discussion on the deal by DTS secretary P.S. Saran — who perceives the joint venture with

the IUNet as heavily loaded against the DTS — during the Telecom Commission meeting on Wednesday and the subsequent assurance by the IT ministry's representative for a debate once additional information is in, the RSS has become even more optimistic that the government might be rethinking on the project.

However, Prime Minister A.B. Vajpayee continues to face pressure from allies like the TDP on the other hand not to delay the project any further. TDP president and Andhra Pradesh chief minister N. Chandrababu Naidu has constantly been taking up the matter with both communications minister Ram Vilas Paswan and the Prime Minister.

While Mr Naidu wrote to Mr Paswan suggesting that the Sankhya Vahini project "may be implemented at the earliest," covering Hyderabad in phase zero (Mumbai-Pune-Bangalore-Hyderabad-Chennai), he recently despatched a letter to the Prime Minister seeking his intervention to expedite the signing of the JV agreement between the DTS and IUNet. — PTI

The Economic Times

22 APR 2001

Iran hardline gag on Press

Teheran, April 24 (AP): Iranian hardliners closed down 12 pro-democracy papers, leaving only five in print today in a media crackdown that appears part of a bigger plan to weaken reformist President Mohammad Khatami.

The crackdown was a blatant display of the immense power the hardliners still hold, despite their crushing defeat in recent legislative elections. The hardliners control key institutions like the judiciary, which handed down the publication ban late last night.

"The power struggle in Iran is entering dire straits," said Saeed Leylaz, an analyst and writer for several reformist newspapers. "The press has been the main instrument for Khatami to speak to the people, and if that is taken away from him, he is in serious trouble."

Khatami made no mention of the closures or the future of his liberal reforms during a speech today marking armed forces day.

Eight major daily newspapers and four weekly or biweekly magazines were closed for "printing material against the lofty Islamic principles and commands," said a

judiciary statement quoted by the official Islamic Republic News Agency.

Only four reformist newspapers—*Akhbar-e-Eqtesad*, *Sobh-e-Emrooz*, *Mosharekat* and *Bayan*—escaped the ban. It was not clear why they were not included. *Azad*, which was banned, also was on sale today, because the daily already had gone to print before the ban. It is unlikely to appear tomorrow.

Newspaper vendors said they had to order extra copies of the popular *Sobh-e-Emrouz* daily because readers were snapping it up. The mood among Iranians heading to work was normal. There was no added security in the streets of the capital, Teheran.

Hardliners had ordered religious schools around the country to close today to protest a recent conference in Berlin that was attended by reformist journalists.

Hardliners were outraged after selected footage from the conference was aired last week on television, showing exiles criticising Iran's religious government and a woman dancing in a skimpy outfit.

THE TELEGRAPH

THE TELEGRAPH

25 APR 200

Top priority for cyber law: Mahajan ^{media}

By Our Staff Reporter ¹¹⁰

HYDERABAD, APRIL 14. If everything goes according to plan, the Cyber Law (Information Technology Bill) should become a reality by the first week of June, Mr. Pramod Mahajan, Union Minister for Information Technology, told presspersons here tonight.

The Bill was now with the Standing Committee, and even if this panel submits its report by the last week of April, he would give top priority and get the measure passed in Parliament before May 17 (when the budget session concludes).

With the speed with which Information Technology was growing, "it is essential that we have a proper legal framework in place as early as possible," he said. He did not foresee any problem in getting the Bill passed as there was no conflict or political opposition to it. The Bill was being scrutinised by the Standing Committee.

Mr. Mahajan said he had recently written to the apex court suggesting that at least one Bench of the Supreme Court and one each of the High Courts take up "Technology Court", for speeding up the judicial process.

During his visit to Singapore, he had seen electronic courts where "video presence" and video of witness deposition were accepted. But in India, "we still have the system of getting undertrials to court".

There were 20 million telephone homes and 30 million cable homes in the country. The benefit of 'Convergence of technology', could be passed on to the cable homes by using set top boxes. This would facilitate the use of TV as a computer and phone using the existing cable

network as connectivity, he pointed out.

¹⁵¹⁴
In reply to a question on the talk of merger of Ministries of Information Technology, Telecom and Broadcasting, he said that ideally-speaking these should go together as voice and video had to go on the same fibre network. However, going by the size of Ministries, "I do not think practically justice can be done if they are combined and looked after by one person".

Responding to another question on the opposition by the RSS to the Sankhya Vahini project to link up educational institutions, he said "To the best of my knowledge, nobody told me that the project is being reviewed. I do not see any security problem. I have not asked for any enquiry. Moreover, it is not my department".

15 APR 2000

Copyright scan for Water script

BY A STAFF REPORTER

Deepa Mehta's *Water* is back in the midst of a controversy with the state government deciding to refer her script to Ananda Publishers to verify a charge of infringement of the Copyright Act by the film director.

Mehta, who has scripted *Water*, has been accused of presenting some dialogues, sequences and characters as penned by noted Bengali writer Sunil Gangopadhyay in *Sei Samay*, one of his bestsellers.

Mehta, who made a sudden visit on Saturday to Gangopadhyay's south Calcutta residence to "clear misconceptions," wondered if she would ultimately be able to make the film at all. The state government, which has permitted Mehta to shoot the film at sites of her choice, is expected to hand over her script to Ananda Publishers on Tuesday.

Badal Basu of Ananda Publishers said: "Our lawyers will first examine the script. We will take appropriate action if there is any infringement of the Copyright Act."

Mehta, in a *saltar karta*, arrived at the Gangopadhyay residence without police escort. She admitted to having been inspired by the English version of *Sei Samay*. However, she denied any similarity between sequences, dialogues and characters in her script and those in Gangopadhyay's novel. "It is true that I read the English version of *Sei Samay* four times. It is also true that both the stories are about widows.



Deepa Mehta calls on Sunil Gangopadhyay at his residence on Saturday. Picture by Alok Mitra

But the concept and characters of my film have nothing to do with those in Sunil's book," Mehta asserted after meeting Gangopadhyay.

She fumed: "People are trying to discern a similarity in the characters of my Janaki and Sunil's Bindubasini. But believe me, the characters are different. Some day, others may say a character in my film resembles *Charulata's* Amal." Mehta said some people were trying to scuttle her project because the film would be a "slap on their faces."

Gangopadhyay later told *The Telegraph* that he had not read Mehta's script. "But Aruna Chakraborty, who translated *Sei Samay* into English, has found some similarities between my book and Mehta's script on *Water*. My publisher will go through the script and take steps deemed fit," he said.

Mehta, however, has not given up hope about the making her film. "I am anxiously awaiting the state government's response to the controversy. I hope to start shooting once things settle down," she said.

Murdoch, Jaitley discuss DTH future

BY OUR CORRESPONDENT

Murdoch discusses DTH

New Delhi, March 15: The controversial direct-to-home service and other issues relating to broadcasting came up for discussion at a meeting between Union information and broadcasting minister Arun Jaitley and media baron Rupert Murdoch on Wednesday.

After the meeting, Mr Arun Jaitley told reporters they had a "general discussion on the media and broadcasting situation in India and the world." Regarding DTH services, the minister said he told Mr Murdoch, who is keen that India should open up to DTH, that this issue was now with a group of ministers. The meeting was supposed to take place on Wednesday but did not as one of the ministers, Mr Ram Vilas Paswan, was not in town.

Mr Murdoch is also considering tying up with some Indian universities to promote distance education and health training through the Internet though he did not specify when the tieup would take place, sources said.

Regarding the restructuring of Star TV initiated six months ago, Mr Murdoch said, "The process

■ Turn to Page 2

■ Continued from Page 1

is on but there is no timeframe for its completion." Mr Murdoch denied he was buying a stake in a newspaper with multiple-editions but added that he was picking up a small share in a Bangalore-based information technology company. However, he refused to name the company or specify the share percentage he was planning to pick up. Mr Murdoch is said to have expressed surprise over the fact that India has grown by leaps and bounds in the information technology department since his last visit four years ago. Mr Rathikant Basu, chairman and CEO of Broadcasting Worldwide, a sister company of Star TV, had met Mr Jaitley to prepare the ground for Mr Murdoch's meeting on Wednesday.

THE ASIAN AGE

16 MAR 2000

Crime and punishment

GENERAL PINOCHET'S return to Chile has not answered the question whether a dictator held responsible for a large number of deaths during his rule should be let off simply because he is old and ill. The concept of crime against humanity is now fairly well established in international law. The UN has set up a permanent International Criminal Court. The war crimes tribunals for Yugoslavia and Rwanda are already functioning in The Hague and Arusha in Tanzania. But much of all this is still a paper exercise. Not many are convinced that the genuine criminals are tracked down and punished. For instance, there is still some doubt whether the Bosnian Serb leader Radovan Karadzic and his military commander Ratko Mladic will finally be brought to justice. *9 Jan*

And Pinochet's escape may embolden other leaders of a coup against an elected government to believe that their crimes, too, will be overlooked if they can hold on to power for an adequate length of time and receive support from well-established right-wing leaders. It has to be remembered that uncertainty about what constitutes crime and who should be punished has its roots in the Cold War days when the terms freedom fighter and terrorist became interchangeable. What was a crime to one superpower was an act worthy of high praise to its opponent. From this standpoint, Pinochet was a saviour of his country. There are other complications as well. Recently, a group of anti-war activists petitioned the war crimes tribunal at The Hague against the NATO for its actions against Yugoslavia last year.

The Chilean dictator, of course, is in a special category as he had his own immunity written into his country's Constitution. That made him feel safe enough to travel to Britain. But his recent problems there will now probably persuade him never to leave Chile again. To deal with such cases, it is perhaps the UN which has to be activated even if the organisation is no longer regarded with as much respect as before since it has been seen to become somewhat subservient to the world's only superpower. But it still remains the only organisation which can provide a semblance of impartiality to a judicial process.

THE HINDUSTAN TIMES

22 MAR 2000

Fire on the Ganga ^{Mehta}

Having become something of a stock protester, the urbane liberal will doubtless condemn the premature pack-up ordered for Deepa Mehta's film, *Water*, following Sunday morning's disruption by members of the BJP, VHP, Shiv Sena and the RSS. Nevertheless, there is another group that is bound to watch the developments with equal concern — those who live by the Ganga in that holiest of holy towns, Varanasi. Much has been written about the defiling of the Ganga, and indeed, another film, *Ram teri Ganga maili*, had as its theme the pollution of the river. For years now, Ganga has borne the worst insults; accepting without a murmur mounds of sewerage, domestic and industrial waste and what remains of the dead. But rarely have we seen the waters of the Ganga muddied by sectarian violence. Temple town Varanasi might be, but it has always given of itself in abundance — to whoever cares to set foot on its soil, from the western visitor looking for Indian exotica to devout locals in quest of salvation. It is this beautiful image of Varanasi that has been disrupted by those who will not allow Ms Mehta's film to be shot. Apparently the miscreants objected to the script of the film for showing a relationship between a brahmin widow and a low caste Dom. Ms Mehta has denied this. But even assuming the film contained such a scene, surely that is the prerogative of the director? The widows of Varanasi are a wretched lot, most of them without any means of self-support, having been abandoned by their families. If only the self-appointed custodians of Hindu culture were really affected by their plight, they might have found better ways to help them than to disrupt a fictional 'distortion' of their condition.

The violence was, in fact, not about cultural distortions. Had the protesters taken umbrage at any such perceived insensitivity, it would have been understandable because there is a subjective element to the way culture is viewed. It was open for the group to organise rallies, hold meetings — in short, protest in a manner so as not to cause offence to the law. Instead, they went on the rampage. After remaining mute spectator to their vandalism, the government has now conveniently withdrawn permission to Ms Mehta to shoot in Varanasi. The sequence of developments is curious in itself. There are specific guidelines on how a law and order problem is to be treated and a copybook district magistrate would simply go by these. Yet, in this case, the DM rushed to the home secretary who, in consultation with the Uttar Pradesh government and the I&B ministry, swiftly clamped down on the shooting. Significantly, Ms Mehta was armed with prior clearance from the same ministry. The ruling BJP at the Centre must quickly apply its mind to what is happening in UP, else people will start spotting similarities between UP and Gujarat, where the RSS is seen as having a free run. Union Home Minister L K Advani, who is known for his 'toughness', hasn't had anything to say about the hooliganism unleashed on Varanasi. This is dismaying, and all the more because members of the BJP, including Mr Advani, have recently been photographed taking the RSS oath in public. They must ask themselves if they can carry conviction when they speak of a BJP minus its divisive agenda.

THE TIMES OF INDIA

- 1 FEB 2000

'Water' shooting only after clearance

ALLAHABAD, JAN. 31. The Varanasi District Magistrate, Mr. Alok Kumar, today said that the shooting of Ms. Deepa Mehta's controversial film, "Water", could not begin until the State Government gave further instructions.

Asked when the film's unit would be allowed to commence shooting, he said he could not take any decision on his own. The district administration had taken all measures to maintain law and order in Varanasi and to protect the film unit and equipment, he added. The police registered an FIR. However, no arrests had been made so far.

Mr. Kumar's remarks came a day after protesters damaged the sets put up on the banks of the Ganga in Varanasi forcing the authorities to cancel the shooting.

Ms. Mehta alleged that the incident was the "handiwork of the cultural wing of the Rashtriya Swayamsewak Sangh as it objected to the film script. But I had not expected so much violence".

Ms. Mehta said if the shooting was not allowed, it would mean "a major financial loss to us as our unit has been camping in Varanasi for the past month".

Ms. Nandita Das, one of the lead characters, said, "I am very sad about the demonstrations by the local people against the shooting of the film." She is to play a young widow resisting attempts to physically abuse her in a "widow ashram" in Varanasi of the Thirties.

Pointing out that all legal formalities about the script of "Water", last part of Ms. Mehta's trilogy on the elements after "Fire" and "1947-Earth", had been completed before the shooting, she said the agitation was "unwarranted".

Alleging that the demonstrations were the "handiwork of some vested interests" she said the people should allow the director to begin shooting and see the movie themselves before arriving at any conclusion about its motive.

The Vishwa Hindu Parishad, the Shiv Sena, the BJP and several socio-cultural groups in Varanasi have decided to foil the shooting alleging that the film denigrated the country's image and culture.

Ms. Das said Ms. Deepa Mehta did make efforts through the press to convince the local people

that the script did not contain any remarks disparaging Indian culture. But it was not possible to satisfy every individual.

Meanwhile, in a statement issued in New Delhi, the All-India Democratic Women's Association general secretary, Ms. Brinda Karat, strongly condemned the "BJP-led assault" on the film crew and demanded the arrest of those involved.

The ruling party, she said,

sought to impose its "narrow homogenised Hindutva outlook on all sections of society including artists and intellectuals".

The BJP, she alleged, was least concerned at the terrible plight of poor Hindu widows and said that the AIDWA would organise protests in Varanasi and Lucknow.

In Lucknow, the Jan Sanskriti Manch condemned the State Government for Sunday's violence on the sets. The Manch

vice-president, Mr. Ajay Singh, in a statement alleged that the attack was launched at the "behest of the RSS, the BJP and the Bajrang Dal." The incidents of violence and arson in Varanasi were part of the RSS' fascist agenda, he said and demanded immediate arrest of those involved in the incidents and lifting of the ban on the shooting. — PTI, UNI

Centre, U.P. talk in two voices: Page 13

Deepa Mehta to seek Centre's intervention

By Anita Joshua

NEW DELHI, JAN. 31. The last of her much talked about trilogy, *Water*, having run into rough weather, with the Sangh Parivar destroying the sets in Varanasi on Sunday morning, film-maker Deepa Mehta is here in the Capital to mobilise support for the film.

Talking to *The Hindu* over telephone soon after reaching here, Ms. Mehta said she would try to seek the Central Government's intervention to save the film that has Shabana Azmi and Nandita Das in the lead roles. Apparently, the Uttar Pradesh Government has made it imperative that the Union Minister for Information and Broadcasting, Mr. Arun Jaitley, speak to the Chief Minister before production of the film starts afresh.

Already, the production of the film has been stopped following Sunday's rampage. "It took the production team six weeks to set up the sets, and we were to begin shooting on Sunday," said Ms. Mehta, whose film *Fire* had run into trouble because of its lesbian theme and Hindu identities given to the protagonists.

According to Ms. Mehta, the script for *Water* had been shown to the Union Information and Broadcasting Ministry as per the law. "It was passed by the Ministry without a single cut. The Ministry had even appointed a liaison officer to



Ms. Deepa Mehta, film director, flanked by Ms. Shabana Azmi (left) and Ms. Nandita Das, seen after the 'mahurat' of the film 'Water' in Varanasi on Saturday. — PTI

monitor the shooting and ensure that the film does not deviate from the script."

Further, Ms. Mehta said, she had addressed the local media three days ago to assuage any fears the locals might have had about the film. "I was told that I should open the script to public scrutiny." Of the view that this reflected distrust in the decision of the Central Government, she questioned aloud: "Since when has every citizen of India become the Censor Board?"

Some of the charges levelled against this film are that it denigrates Hinduism and the Ganga; is about an illicit

relationship between a Brahmin woman and an untouchable man; that it is made with Christian funding and is part of a Christian conspiracy to undermine Hinduism....

Rejecting each of these arguments, Ms. Mehta says: "Even if it were all these, what is the problem? Doesn't a law-abiding citizen have the right to freedom of expression or is it the exclusive right of those who blatantly violate the law? I'm a film-maker, not a politician. Had such a situation prevailed back then, probably India would never have seen films of the order of *Sujata* and *Achhut Kanya*."

WATER DISPUTE

IT IS A familiar screenplay — the same type of villains, the same irrational passions, the same tired arguments. The ransacking of the sets in Varanasi of Ms. Deepa Mehta's *Water* bears a painful resemblance to the attacks on Mumbai and Delhi cinema halls that had screened her last film, *Fire*. The only material difference, perhaps, is that while the violence perpetrated a little over a year ago was directed at preventing the screening of a film, the present frenzy in Varanasi is aimed at thwarting the making of one. Like the heat over *Fire*, the flood of protest over *Water* — conducted by a clutch of organisations which owe allegiance to the sangh parivar — seeks to derive its dubious justification from a set of dreary and jaded catch-phrases. Among the things the film has been decried for is that it is "vulgar", "against Hindu culture" and "opposed the traditions of this country" — expressions that have been employed by the majoritarian right every time it wants to enforce its own shabby ways on the nation. Over the past few years, there have been worrying signals of the growing confidence of this fundamentalist fringe, which clearly regards itself as the final arbiter of what is vulgar and what is aesthetic, what is permitted and what is prohibited.

Set in Varanasi in 1930, Ms. Mehta's *Water* dwells on the plight of widows who are forced into prostitution to eke out a living — a bold, but hardly profane or blasphemous, theme. To suggest that such a film would hurt the sentiments people have for a holy city is not only to miss the point about the film but also to stoke a dispute along religious lines. Given that the Union Ministry of Information and Broadcasting found there was nothing amiss with the script, it is remarkable that a controversy of this dimension has been raked up about it. With the Uttar Pradesh Government stopping the shooting of *Water*, the organisations which launched

the protests against it may have registered a cynical victory. But a couple of things need to be noted about the manner in which the protests took place. The fact that a few senior members of Mr. Ram Prakash Gupta's Ministry had openly identified themselves with the protestors, reflects very poorly on the Uttar Pradesh Government. The primary responsibility of the Government was to ensure that the shooting of *Water* took place peacefully and unhindered and not to give the impression that it was sympathetic to those who ultimately took the law into their own hands and ransacked the sets of *Water*. The quick imposition of the ban on further shooting also raises questions not only about the Government's resolve but its very intentions in this matter. Whether the Government buckled under pressure or folded only too willingly before it, the fact is that succumbing to such threats only serves to whet the fundamentalist appetite and not sate it.

Our recent experience of such controversies reveals that they are almost always politically motivated; the professed sentiments of hurt and the talk of injured feelings being merely cynical and manipulative devices for parties and politically affiliated organisations to extend their popularity or reach. So much so, this country has intermittently witnessed a number of noisy but essentially trivial and stage-managed disputes — for example, the 'ban' slapped on Pakistani sportsmen, the protests against 'bold' magazine covers or advertisements and the forcible extraction of an apology from artist M.F. Husain. Those who take the law into their own hands by whipping up such pseudo-controversies need to be dealt with by a firm hand. The Uttar Pradesh Government must ensure that the tide of protest over *Water* is stemmed and that the shooting is allowed to take place as quickly as possible.

THE HINDU
- 1 FEB 2000

Govt. under fire from VHP on 'Water' issue

The Times of India News Service

NEW DELHI: The government



Deepa Mehta

on Wednesday came under intense pressure from sections of the Sangh Parivar to disallow the shooting of *Water* even as information and broadcasting minister Arun Jaitley met producer Deepa Mehta. The BJP, to which Mr Jaitley belongs, took on its own government at the Centre by demanding to know the "need" to probe how the ministry cleared the script of the film.

However, the film's script has finally been cleared by the information and broadcasting ministry after effecting certain changes.

Ms Mehta said on Wednesday evening that she had received a letter of approval from the ministry in this connection. She said she was committed to meaningful filmmaking and "it has never been my intention to hurt the sentiments of any city or people living therein."

While Vishwa Hindu Parishad's senior vice-president Acharya Giriraj Kishore stopped short of demanding a ban on the film, stating that it was for the government to decide, the VHP's working president Ashok Singhal said, "The government might fall if it did not withdraw permission for the film's shooting."

An influential member of the Sangh Parivar that has been involved in many agitations in the recent years from Ram Janmabhoomi/ Babri Masjid controversy to the protests against Pope John Paul II, called it "a deep-rooted conspiracy against

Hindu religion." However, it stopped short of demanding a ban, saying it was for the government to decide. BJP spokesman M. Venkiah Naidu suggested the film should not be allowed if it hurt the sentiments of people and asserted that the party was against any act of vandalism and violence against its shooting.

Asked how the BJP-led government at the Centre had permitted the shooting whereas the government in U.P. had disallowed it, Mr Naidu said, "The information and broadcasting ministry does not whet each and every script and has therefore given permission."

"However, the people in Varanasi had taken exception to it (the film's shooting) which had led the state government to stop it."

Mr Giriraj Kishore said, "There is a deep-rooted conspiracy ... A deliberate attempt to defame Hindu religion and institutions. The VHP is opposed to the film's shooting tooth and nail." The involvement of VHP activists has been widely reported in the media.

Mr Kishore, however, said the VHP was in no way associated with the ongoing agitation against the film "which projected Hindu religion in a poor light."

However, Mr Singhal justified the movement by Kashi Sanskriti Raksha Sangharsh Samiti and other social and women organisations against the film's shooting. The parishad was opposed to any move by the Centre on lifting the restriction imposed by the U.P. government on the film.

"It is the right time for the union government to correct its earlier mistake keeping in view the sentiment and resentment of the people." Mr Singhal said.

THE TIMES OF INDIA

3 FEB 2000

'Water' may yet hang fire

By J. P. Shukla HD-1

LUCKNOW, FEB. 3. The shooting of Ms. Deepa Mehta's film, *Water*, continues to be bogged down by uncertainty, with the Uttar Pradesh Government adopting an ambiguous attitude despite the Union Information and Broadcasting (I&B) Ministry's fresh permission to the producer to shoot the film.

It seems the hardliners in the Sangh Parivar are still not prepared to withdraw their opposition to the film which, according to them, is an attempt to denigrate the Hindu ethos and the city of Varanasi. While the bureaucracy has been awaiting further developments, political leaders who had belligerently opposed the film have been finding it difficult to change their stance despite the Prime Minister, Mr. A. B. Vajpayee's clearance after certain changes in the script.

The Chief Minister, Mr. Ram Prakash Gupta, talking to newsmen here this evening, said it was his hope that an amicable settlement would be found. Denying that the Government had taken a decision to stop the shooting of the film, he said the District Magistrate of Varanasi had informed the authorities in Lucknow that a



Ms. Deepa Mehta, director of the film, "Water", addressing a press conference in Varanasi on Thursday.
Photo: Akhilesh Kumar

law and order problem had been created with the local population taking exception to the film's script.

Any further development would depend on the attitude of the citizens of Varanasi. "It will have to be seen how the people of Kashi react to it." However, he felt that with the changes made in the script there should be no opposition to the shooting.

Sections of the BJP and the Sangh Parivar, however, continue to be adamant in their

opposition despite the fresh clearance given to Ms. Mehta by the I&B Ministry. The Parivar may not come out into the open to confront the Union Government but allow some newly-floated organisations to take the lead in public protests from Varanasi against the shooting. The name of Kashi Vidwat Parishad, an organisation of scholars from Varanasi, has already come into focus with demands being made that Ms. Mehta give them the script for examination. The shooting could be allowed only if nothing objectionable were found in the script.

The State's Principal Home Secretary, Mr. V. K. Mittal, said today that the District Magistrate of Varanasi had been asked to hold an exercise to bring the two parties to the negotiating table to resolve the issue.

With certain objectionable portions having been deleted from the script, the cause for protest might have been addressed. However, the State Home Department would not advise the District Magistrate to create a law and order problem by allowing the shooting of the film, should resentment among the local people persist, Mr. Mittal said.

Pre-censorship?: Page 13

THE HINDU

- 4 FEB 2000

Delhi lifts gates, UP dams

Water

FROM OUR SPECIAL
CORRESPONDENT

Lucknow, Feb. 3: Citing procedural delays and making ambiguous suggestions, the Uttar Pradesh government ensured that the shooting of Deepa Mehta's *Water* did not take off today despite the Centre's clearance.

Delhi had given the green signal yesterday after Mehta deleted five "objectionable" sentences from the script. But the state government dragged its feet today.

V.K. Mittal, principal secretary, home, spent the first half of the day saying he was "yet to receive instructions" from the Centre. When the "instructions" reached him at 3 pm, he said the government was "going through" the letter. The letter asks the state government to allow shooting.

In the evening, Mittal said Uttar Pradesh had never denied permission to shoot as the state government was "not required" to give clearance.

"The district magistrate referred the issue to us and gave us an account of the law and order situation. We sent it to the Centre. Now they have sent us a letter giving clearance. So we have asked the district magistrate to assess the ground situation and get back to us. We will inform the Centre accordingly," he said.

Chief minister R.P. Gupta added to the confusion. "The Centre has cleared it. But it will be good if they talk to the people of Kashi. After all, Kashi is a land of the gods," he said.

The state government wants the *Water* unit to take its problems to "intellectuals and luminaries" in Varanasi. The government did not say who they should talk to.

But the Kashi Sanskriti Suraksha Samiti, which is spearheading the protests against the film, did not have any doubts. "Who is the government? It is the intellectuals of Kashi who will decide. Mehta talks of five sentences. We object to much more. Even entire scenes may have to be deleted. Let her talk to us first," said parishad spokesman Shivji Upadhyaya.

The Varanasi district magistrate, Alok Kumar, remained inaccessible to the *Water* unit after promising to meet them. "Should we call in the army to give security to the unit?" he asked.

Mehta, who returned from Delhi this afternoon, told a press conference: "We have to wait for the atmosphere to be friendly. We are ready to start shooting but the confirmation at the local end is awaited."

Deleted sentence

The film-maker said "objectionable sentences, such as "there is no difference between a widow and a prostitute", had been removed in the modified script, adds PTI.

Mehta said she suspected the role of a rebuffed film distributor from Uttar Pradesh in the campaign against the film.

THE TELEGRAPH

4 FEB 2000

Deepa Mehta meets religious leaders

VARANASI, FEB. 4. The filmmaker, Ms. Deepa Mehta, tonight met senior religious leaders and prominent citizens, in an apparent attempt to pacify the Sangh Parivar outfits opposing the shooting of her controversial film *Water*.

Mehta, along with the film's screenwriter, Mr. Anurag Kashyap of *Satya* and *Shool* fame, met Mahant Vir Bhadra Mishra of the famous Sankat Mochan temple, a highly-respected religious leader of the pilgrim city, at the initiative of the District Magistrate, Mr. Alok Kumar, administrative sources told PTI.

The meeting at the Mahant's residence was attended, among others, by Shivji Upadhyaya, spokesperson for the Kashi Vidwat Parishad, an apex body of religious scholars, and the Senior Superintendent of Police, Mr. G. L. Meena, the sources said.

However, no representative of the Kashi Sanskriti Raksha Sangharsh Samiti, which had once again spearheaded the communal agitation, was present during the meeting.

Stalemate continues

The Sangh Parivar outfits vowed to oppose the making of the film at "any cost" even as the district administration tried to thrash out a compromise between the film unit and the agitators. Ruling out any compromise, Mr. Jitendra, organising secretary of Sanskar Bharti, the cultural wing of the RSS, said



Congress (I) activists staging a demonstration against the organisations opposing the shooting of the film, 'Water', in Varanasi on Friday. — Photo: Akhilesh Kumar.

Ms. Mehta would have to pack up and would not be allowed to shoot.

The Kashi Sanskriti Raksha Samiti, one of the bodies opposing the film, refused to attend the meeting called by the District Magistrate, Mr. Alok Kumar, on the instructions of the Central and the State Governments.

Earlier, the Vishwa Hindu Par-

ishad president, Mr. Ashok Singhal, said in Allahabad that Ms. Mehta would not be allowed to shoot her film in any part of the country as its script outraged the "ancient Indian culture and traditions". The script "smacks of a conspiracy by the votaries of Western culture to tarnish the image of widowhood in India," he alleged.

"The widows have been projected as prostitutes," he thundered, and said "even if the Government allowed the filmmaker to start the shooting, the people of Varanasi would resist".

Regarding the Information and Broadcasting Minister, Mr. Arun Jaitley's nod to the script after a few cuts, Mr. Singhal said the Government may take any decision "but the people of Varanasi would not permit the shooting at any cost". — PTI, UNI

Probe ordered into bus burning

By Our Special Correspondent

CHENNAI, FEB. 4. A CB CID inquiry has been ordered into the Dharmapuri bus burning incident in which three women undergraduates of the Tamil Nadu Agricultural University were charred to death on Wednesday.

The Government will meet the expenses on education or provide employment to a brother or sister of the three women students, the Chief Minister, Mr. M. Karunanidhi, announced today. He had earlier announced a solatium of Rs. 2 lakhs each to the families of the three victims.

THE HINDU

5 FEB 2000

Shooting of 'Water' begins

VARANASI, FEB. 5. Filmmaker, Ms. Deepa Mehta, today began shooting indoors her film, *Water*, even as the Vishwa Hindu Parishad president, Mr. Ashok Singhal, threatened to disrupt its filming even at the cost of his life.

Ms. Mehta took close-up shots of eight-year-old Urvi, who plays the lead role of a child widow, at the Clarks Towers hotel, where the film unit is lodged, the director's brother, Mr. Dilip Mehta, told PTI.



Ms. Deepa Mehta and Ms. Nandita Das, on the sets of 'Water' whose shooting began in Varanasi on Saturday. — Photo: Akhilesh Kumar

'Ideas have survived bigotry'

By Our Staff Reporter

NEW DELHI, FEB. 5. "Neither burning nor banning has been able to suppress the human mind," the Prime Minister, Mr. Atal Behari Vajpayee, said while inaugurating the 14th World Book Fair at Pragati Maidan here today.

His words assume significance in the context of the agitation against the film *Water*. Mr. Vajpayee said "the power of knowledge, of ideas, of imagination has always scared those whose strength derives from bigotry and fundamentalism... We have seen books being banned and authors persecuted... but ideas have survived, new ideas are being born, and the quest for knowledge continues".

The shooting commenced after Ms. Mehta and the script writer, Mr. Anurag Kashyap, held talks with religious leaders of the city, including Mahant Veerbadra Mis-

ra of the famous Sankat Mochan temple and Mr. Shivji Upadhyay of the Kashi Vidwat Parishad.

The State Home Secretary, Mr. V. K. Mittal, told reporters in Lucknow that the shooting began after Ms. Mehta showed the script of the film to the Mahant.

Mr. Singhal remained adamant saying the shooting would proceed only over his "dead body" and that if the people of Kashi "decide not to allow the shooting it will not be allowed anywhere in the country".

As Ms. Mehta began filming two days after the Information and Broadcasting Ministry approved her revised script, several Bajrang Dal activists staged a demonstration outside the hotel and burnt her effigy. They later courted arrest.

Mr. Singhal, who arrived here today, threatened "more violent protests" against the film. Stating that his fight was not against the Government, he alleged that the

film was part of a conspiracy by a U.S.-based Church group.

'RSS not behind protests'

In another development, Ms. Deepa Mehta, in the "Janata Ki Adalat" programme on Star TV, has said that the Rashtriya Swayamsevak Sangh was not behind the protests and that the agitators were "misguided and misinformed people".

She said the RSS leader, Mr. K. S. Sudershan, had assured her that his organisation was not behind the agitation in Varanasi, according to a release from the network.

Defending her film, she said, "I know with total and complete honesty that there is nothing in my film that denigrates Kashi. It is absolute misinterpretation."

"The film is progressive about women taking responsibility for themselves and saying you cannot do this to me anymore."

THE HINDU

- 6 FEB 2000

'Water' shooting stopped again,

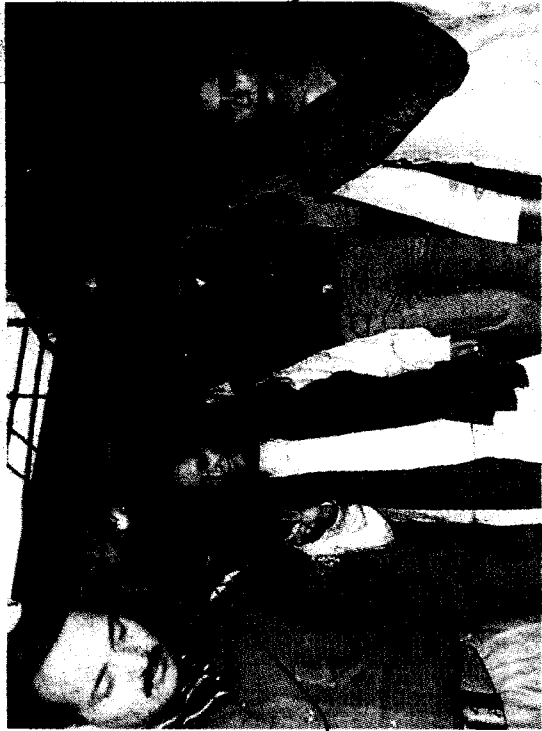
By J.P. Shukla

LUCKNOW, FEB. 6. The district administration at Varanasi today hurriedly ordered the stopping of the shooting of Ms. Deepa Mehta's film, *Water*, following a suicide bid by a Shiv Sena activist which created large-scale tension in the city.

Unofficial reports reaching here from Varanasi said that Ms. Mehta has been asked to leave the city as soon as possible since the administration feared more trouble.

Earlier, the shooting of the film had started under heavy police protection. Some activists of the newly-formed Kashi Sanskriti Rakshan Sangharsh Samiti (KSRSS) were sitting on a dharna near the Assi Ghat crossing but the administration had ignored their protests.

A Shiv Sainik, Mr. Arun Pathak, had reportedly intimidated the police about his intention to end his life if the shooting were not stopped. The administration, which



The director of 'Water', Ms. Deepa Mehta, and the actress, Ms. Nandita Das, leave the shooting site in Varanasi on Sunday following the withdrawal of permission by the district authorities. Photo: Akhilesh Kumar.

seems to have taken the threat of the river in a boat and took a lightly, was taken by surprise jump. Mr. Pathak was rescued when he proceeded to the middle and rushed to a hospital and his

condition is stated to be critical.

(According to a PTI report from Varanasi quoting the Superintendent of Police, Mr. Ashok Jain, the Shiv Sainik tied a heavy stone round his waist, consumed some poisonous substance and jumped into the river. Soon after, KSRSS activists pelted stones damaging vehicles and shops at the Assi locality close to the shooting locale.)

The administration then ordered the immediate stopping of shooting at 5.30 p.m. and escorted the film unit to its hotel.

At Lucknow, a team of the Kashi Vidwat Parishad met the Chief Minister, Mr. Ram Prakash Gupta, urging him not to permit the shooting of the film as it had many "insulting references" to Hinduism. An official spokesman told newsmen later that the District Magistrate of Varanasi, Mr. Alok Kumar, had been asked to make an assessment of the law and order situation and take an appropriate decision, including a ban on the shooting, at his discretion.

RSS attacks Jaitley

In an interesting development,

Mehta 'asked to leave Varanasi'

The Sangh Parivar today directed its ire against the Union Minister for Information and Broadcasting, Mr. Arun Jaitley, for permitting Ms. Mehta to shoot the film. The charge against Mr. Jaitley, according to RSS critics, is that he was Ms. Mehta's lawyer during the legal battle over her earlier film, *Fire*, and this led to his being sympathetic to the filmmaker and bypassing statutory norms. PTI reports:

Shabana firm

Ms. Shabana Azmi, playing a widow in the film, asserted that the shooting would continue till the State Government gives a written order directing the filmmaker to stop it.

"The film unit is determined to carry on and try to shoot the film till such time as the State Government gives us in writing that the Central Government's writ is not binding on the State and that it is a law unto itself and that the I&B Ministry clearance, given not once but twice, is useless and that is why it has been cancelled by the State Government," she told newsmen in Varanasi.

She described the suicide bid

Varanasi'

by a Shiv Sainik as "extremely unfortunate" and described the protests as an "attention-drawing device".

Meanwhile, the KSRSS has given a call for a Varanasi bandh on Tuesday protesting the shooting of the film. At Allahabad, the Union Heavy Industries Minister and senior Sena leader, Mr. Manohar Joshi, told reporters that the film was an attempt to "run down the image of widows."

Justifying the demonstrations against the film, Mr. Joshi said, "Ms. Mehta, who had earlier produced controversial films like *Fire* and *1947- Earth* should not be allowed to further denigrate Indian culture and widowhood."

Asked why the NDA Government had permitted the shooting, Mr. Joshi declined comment, but said his party was opposed to the film "in principle".

At Calcutta, the BJP general secretary, Mr. Govindacharya, said Ms. Mehta is marketing social evils. "Self-flagellation and negativism are not the ways to social reform. Marketing of social evils will not solve the problem," he told newsmen here.

Editorial on Page 12

Water shooting stopped after youth's suicide bid

STATESMAN NEWS SERVICE

LUCKNOW, Feb. 6. — The shooting of Deepa Mehta's film, *Water*, was stopped abruptly today in Varanasi after a college student jumped into the Ganga in protest and demonstrators threw stones at the crew.

(PTI quoted Mehta and Shabana Azmi as saying that the unit will resume shooting tomorrow, defying the order till the state government gave a written order directing the filmmaker to stop shooting.)

Mr Arun Kumar Pathak has been admitted to the Benaras Hindu University Hospital for treatment. Protesters said the boy had wanted a *jal samadhi*.

Mehta called the act "politically motivated". About 60 crew members, sat on a dharna at the district magistrate's residence, wanting to know the

reasons for stopping shooting.

The district administration had to stop shooting because the city's law and order situation worsened after the mob, which had gathered at the site, started shouting anti-film slogans and throwing stones, an official spokesman said.

Unit members were escorted to the hotel under a tight security cover. It is not clear when shooting will resume.

Shooting had started early in the morning in a house, to be shown as the Widows' Home in the film, on the bank of Ganga. A heavy security cordon had been thrown over the area.

The Sanskar Bharti, an organisation associated to the RSS, has submitted a memorandum to the UP chief minister asking for a probe into the financial deal between two companies through which Ms Mehta approached the Centre

and the state government for help to start shooting.

Mr DP Sinha, national chief of Sanskar Bharati's dramatics cell, in his letter to Mr Ram Prakash Gupta has said that the I&B Ministry granted permission to a Canadian company, Flagship International, whereas a New Delhi-based company, Vast Galaxies Investment, had approached the state government for help.

"It is clear that there is a covert benami financial deal between the two companies aimed at flouting the import-export and Fera rules. There is a clear lack of transparency in the activities of Deepa Mehta," Mr Sinha alleged.

Besides asking the Centre for a probe, he wants the UP government to call for a clarification from Mehta. Till the probe is complete, shooting should be suspended, he demanded.

THE STATESMAN

- 7 FEB 2000

'Water' shooting banned for two weeks

By J. P. Shukla

LUCKNOW, FEB. 7. The shooting of the film "Water" by the celebrity film maker, Ms. Deepa Mehta, was today banned for two weeks by the District Magistrate, Varanasi, under Section 144 Cr.P.C. on apprehension of breach of peace. This was disclosed here by the Principal Home Secretary, Uttar Pradesh, Mr. V. K. Mittal.

The shooting was suspended on Sunday when a youth made a suicide bid by jumping into the Ganga after consuming poison. His condition is said to be critical.

Even as the District Magistrate advised Ms. Mehta to suspend shooting, she insisted that a written order be issued to her. The Magistrate later obliged her.

Ms. Mehta initially protested against the order but later decided to pack up and leave Varanasi,

reports reaching here said.

In a related incident, a group of 15 Shiv Sena activists were arrested in Varanasi while demonstrating against Ms. Mehta near the hotel where she has been staying.

Earlier, the Chief Minister, Mr. Ram Prakash Gupta, told the press here that the State Government would not permit shooting. Asked what necessitated a ban on shooting of the film which had been cleared by the Ministry of Information and Broadcasting, Mr. Gupta said the Ministry might have its own parameters but public opinion was totally against the film. Had the shooting been banned earlier, Monday's suicide bid by the Varanasi youth could have been avoided.

The Chief Minister said it would be in Ms. Mehta's interest to leave Varanasi. "What would happen, if some saint took a drastic step to end his life in protest against the shooting of the film?", he asked. A delegation of scholars from Varanasi

had also complained to him saying the image of Kashi had been tarnished by the film script.

Asked whether the State Government's decision would not bring it a bad name, Mr. Gupta said that instead it would improve its image as it had eliminated the chances of the holy city being thrown into a riot situation.

PTI, UNI report:

In Varanasi, Dr. K. K. Mishra, spokesman for the Kashi Sanskriti Raksha Sangharsh Samiti, which is spearheading the agitation, said the film unit would be "thrown out" of the holy city if it did not leave by 5 p.m. on Tuesday.

The samiti, an amalgamation of several Sangh Parivar outfits, has also called for a Varanasi bandh tomorrow.

Asked about the samiti's threat, the Assistant Superintendent of Police, Dr. G. K. Goswami, said: "Nobody can dare to harm the film crew. Their security is our prime concern." Scores of Naga sadhus have also reportedly reac-

hed the city to take part in the protest against the film.

Meanwhile, one more organisation, the Akhil Bharatiya Akhara Parishad (ABAP), threw its weight behind the protesters. "We will not allow the shooting, not only in Varanasi but anywhere in the country," said Mahant Shankara Bharti, president of the ABAP, an organisation of all the 13 Akharas (schools of saints) of the country.

"We can go to any extent, even sacrifice our lives and take others' lives too," he declared. A meeting of different Akharas is to be held at Hardwar on February 15 and 16 to chalk out the future course of action.

PTI reports from Mumbai:

The executive producer of *Water*, Mr. Ajay K. Virmani, said over telephone from Canada that he had instructed Ms. Mehta and the unit to pack up from Varanasi.

Gupta yields to pressure: Page 12

Deepa's attitude, not script, the main problem, says BJP

HT Correspondent
New Delhi, February 8

THE BJP today said the opposition to Deepa Mehta's *Water* was largely on account of the attitude and approach of the film maker. The Central Government's approval of the script did not mean anybody could ride roughshod over the people's sensitivity, it said.

"The script is not the issue," BJP spokesperson K N Govindacharya said in what is seen as the first indication that the Government, the party and the RSS outfits are not seeing eye-to-eye on the controversy.

"It is the projection of the subject and the irresponsible and arrogant attitude of the film maker and her team that has provoked strong protest," he said.

Mr Govindacharya's remarks are significant since the developments at Varanasi have become a major embarrassment for the Vajpayee Government after the UP Government ordered filming to put off for two weeks despite the Centre's approval of the script.

Refuting the charge that the BJP and the RSS were trying to curb freedom of expression, he said the Government's approval for the script would have been obtained by changing some words.

"But that does restrain the film maker from projecting the subject in the way she has planned," he said. "The script is not a final document. It can keep changing."

He said, "there is growing opposition to the making of the film because Deepa Mehta is trying to dismiss the apprehension over

depiction of certain aspects of Varanasi as a creation of the RSS whereas it is genuine opposition from the local people."

Asked whether the RSS should be the final arbitrator of artistic taste and freedom, he said in a democracy like India, no body could claim absolute rights, disregarding what a majority section of the people had to say.

"If anyone thinks that the opposition to *Water* is opposition to artistic freedom, we must ask why did not films like *Rudali* or *Pather Panchali* provoke similar protests. These films too depicted the plight of widows," he said.

Just for the sake of capitalising on social evils, no film maker can claim artistic rights to hurt the sentiments of the people, he said.

Nandita's Delhi home burgled — P 3

THE HINDUSTAN TIMES

- 9 FEB 2000

Deepa down but not out

By Anita Joshua ^{media}

NEW DELHI, FEB. 8. Battle-weary but the fire still raging in them — this is the impression the three women seeking to keep *Water* afloat sought to give after reaching here after a week-and-a-half-long test of nerves with the powers that be in Uttar Pradesh.

Returning to Delhi a day after the Uttar Pradesh Government imposed a fortnight-long ban on the shooting in Varanasi, the director, Ms. Deepa Mehta, shied away from scribes at the airport. Leading her lead players out of the airport lounge, a tired Ms. Mehta said she was "heart-broken" at the turn of events but vowed to continue the project.

Ms. Mehta said the team had few options left after "the State Government made it clear that there was no way we could shoot in Varanasi". Asked whether she would shoot the film outside Varanasi, Ms. Mehta walked away, saying she would have an answer by Wednesday, when a press conference is scheduled. However, her spokesman later said, "Varanasi is history" and indicated the possibility of the film being shot elsewhere.

Once Ms. Mehta left the airport with Ms. Nandita Das in tow, the spotlight shifted to Ms. Shabana Azmi, who until then had remained a silent spectator to the goings-on. And true to form, she began with a scathing attack on the Uttar Pradesh Government, accusing it of conspiring to stall the shooting at Varanasi.

"The State Government on the one hand pretended to help us, but on the other had instructed the district administration not to



Ms. Deepa Mehta, director of 'Water', flanked by actresses, Ms. Shabana Azmi and Ms. Nandita Das, on their arrival at the Delhi airport on Tuesday. — Photo: Anu Pushkarna

allow the shooting," Ms. Azmi said about what happened in Varanasi.

The Rajya Sabha member said the State Government was indulging in duplicity and did not agree that the locals were against the film and that the shooting had created a law and order problem. "We got full support from the people of the town. At most times there were no more than a dozen people protesting against the film. And even when they managed to mobilise support, their numbers never crossed 100."

Asserting that security arrangements were sufficient to keep the protesters at bay, Ms. Azmi said that instead of arresting those who were breaking the law, "the Government asked us to pack up".

PTI reports:

The Madhya Pradesh Chief

Minister, Mr. Digvijay Singh, today said his Government was prepared to provide full protection to Ms. Mehta for shooting her film anywhere in his State.

Mr. Singh told a private TV channel that Ms. Mehta could select the site for shooting anywhere along the banks of the Narmada and the State Government would provide protection.

Nandita's house burgled

UNI reports:

Burglars broke into the residence of Ms. Das while she was away shooting in Varanasi and decamped with some electronic goods and jewellery.

Ms. Das, who lives in an annexe at Green Park in south Delhi, confirmed that thieves had broken into her apartment.

IX-13 The Water saga

IN A sense, it is just as well that the saga of Deepa Mehta's *Water* versus the Sangh parivar has been divided into two episodes. The first episode centred on the script of the film. Various important questions were raised. Was the script submitted to the Information and Broadcasting Ministry very different from the actual shooting script? Was there anything in the script that would cause such gratuitous offence to Hindus that the government should take the extreme step of preventing Ms Mehta from shooting the movie? And so on. Some liberals may take the extreme position that freedom of speech is guaranteed to all film-makers no matter who they offend but we, in India, tend to take more limited view, making allowances for possible offence to public sentiments.

Thus, it was important that these questions were satisfactorily answered. The first episode had a happy ending. Ms Mehta came to Delhi, she met the Information and Broadcasting Minister Arun Jaitley, and agreed to make certain alterations to the script. Sections of the media scoffed at Ms Mehta and sneered that for all her talk of free speech, she had actually climbed down on matters of substance. Others reckoned that it was just as well that she had shown a willingness to compromise. Now that the ministry had cleared the film, they said, the Sangh parivar would be satisfied and life could go on as usual.

The significance of the second episode of this saga is that it totally overturns the happy ending of the first. And even the stars of the first episode — chiefly Ms Mehta and Mr Jaitley — have been reduced to bit players in this instalment. In their place is a vast amorphous mob comprising frontal organisations of the Sangh parivar and the Shiv Sena who are determined to do whatever it takes to stop the filming. Two lessons followed from the progress of this episode. The first is that as far as the parivar is concerned, New Delhi counts for less and less. The Central government may clear a film but this neither stops the agitation nor does it influence the UP Chief Minister who has supported the decision to stop the filming of *Water*. And two: no matter how reasonable a film-maker is, no matter how many changes she makes to appease her critics, the Sangh parivar will continue to protest. The *Water* saga — and in particular, its second episode — seems to confirm what has long been suspected: The tacit contract between the government and the parivar is now breaking down and Delhi has no authority over the larger RSS family.

THE HINDUSTAN TIMES

- 9 FEB 2000

Cyber-pirates sabre leading Websites into a tizzy

By Dick Satran

SAN FRANCISCO: Hackers pulled off a series of brazen attacks on major Websites on Tuesday, leading to shutdowns at Buy.com Inc. and eBay Inc. after a similar assault hit Yahoo! Inc. the day before.

The attacks followed the same pattern, with a massive flow of automated Internet messages landing on the sites and swamping them with millions of messages, effectively blocking them to routine traffic. Other sites, too, appeared to be operating slowly, suggesting even more might have been targeted.

Late on Tuesday, online retailing giant Amazon.com Inc. also appeared to have fallen victim to an attack, according to the Internet monitoring firm Keynote Systems Inc.

Hackers also did serious damage to CNN Interactive, which administers the Website of Cable News Network, cnn.com, slowing content flow to a trickle for nearly two hours, a CNN official said.

Keynote, which tracks Websites' speed and reliability, said it noted a sharp drop in Amazon's ability to let customers into its store and minutes later was able to enter only about 1.5 percent of the times it tried.

"Its inaccessibility looks very similar to what we saw with Yahoo and eBay and Buy.com," a Keynote spokeswoman said, adding that the exact cause of the failure was unclear. Amazon's site appeared to be back up and running normally about an hour later. Amazon officials were not available for comment. CNN Interactive spokeswoman Edna Johnson said hackers attacked the site from 7 p.m. EST (0000 GMT) until about 8:45 p.m. (0145 GMT Wednesday).

"We were seriously affected. We were serving content but it was very inconsistent and very little," Ms. Johnson said in a statement. It was the first attack on the site since it was launched in August 1995.

By 8:45 p.m. (0145 GMT Wednesday), the company's upstream providers had put blocks in place to shield the site from further attacks.

The Federal Bureau of Investigation in San Francisco met on Tuesday with Yahoo, the first to be hit. The government has bolstered its efforts to track down electronic crime on the Internet since e-commerce has become a serious driver of the economy over the past two years. (AP)

THE TIMES OF INDIA

10 FEB 2000

Ban on 'Water' can be legally challenged, opine experts

By Rakesh Bhatnagar
The Times of India News Service

NEW DELHI: The abrupt disruption in the shooting of Non-Resident Indian director Deepa Mehta's controversial film *Water* has been viewed as violation of the citizens' right to information. Legal and constitutional experts are unanimous that the banning of the film by the U.P. government can be challenged in court.

Former Delhi high court chief justice Rajinder Sachar said the state government's order, as a matter of fact, indicated a "complete breakdown of the law and order machinery in the state. Although I am personally against imposition of President's rule under Article 356, in such a situation where law and order has failed the state can be brought under this provision."

Mr Sachar said the shooting was a legal act and the state government was under constitutional and legal obligation to ensure that all protection was given for the fulfilment of a legal action by a foreigner. He said the police had to "provide the protection for the entire troupe of the film."

The former chief justice said Ms Mehta could move the high court against the violation of her

fundamental rights to life and equality, which had culminated into an infringement on her rights to freedom and expression.

On the other hand, another constitutional expert said on the condition of anonymity, "Being a foreigner, Deepa herself is not entitled to Article 19," though

the days to come.

Another senior supreme court lawyer, R.K. Jain, said, "Deepa Mehta can challenge the order if it is mala fide and arbitrary. She can also move the high court and supreme court for the restoration of her rights for equality and life."

Yet another constitutional expert, C.S. Vaidyanathan, said the state government's order prohibiting shooting of the film violated citizens' right to information, and thus was liable to judicial scrutiny.

He said certain satellite channels in India have 74 per cent of foreign equity and they enjoyed the fundamental right under Article 19 (freedom of speech and expression) and telecast news bulletins and current affairs programmes. In a recent judgment, the Delhi high court upheld foreigners' right to freedom of speech and expression while in India, which could apply in the case of Ms Mehta.

In any case, a foreigner could always move court. "Deepa Mehta can surely move the court against the state government's order as also for the restoration of her fundamental rights under Articles 19, 14 and 21," said SC lawyer Kamini Jaiswal.

Deepa Mehta to shoot 'Water' along Narmada

BHOPAL: Noted film director Deepa Mehta, chased away by the activists of the pro-Hindu organisations from Varanasi will shoot her controversial film *Water* at the religious site of Maheshwar on the bank of holy Narmada.

Ms Mehta had a telephonic talk with CM Digvijay Singh and planned to set-up the locale of the film in the state, official sources said here on Wednesday. (UNI)

the sacred right was available to other members of the troupe participating in the shooting. Therefore, the state government order could be challenged in a court of law either by the producer, actors or actresses and the viewers, who may be anxious to watch the controversial film in

THE TIMES OF INDIA

10 FEB 2000

'Water' shooting: Digvijay warns protesters

By Our Staff Correspondent

BHOPAL, FEB. 10. The Madhya Pradesh Chief Minister, Mr. Digvijay Singh, today reiterated that he would not allow anyone to take law into his or her hands and disrupt the shooting of Ms. Deepa Mehta's film 'Water' if it was shot in his State.

He was speaking to presspersons here along with Ms. Mehta this afternoon. Earlier, the two had met and discussed the prospects of making the film in Madhya Pradesh. The shooting was disrupted after protesters went on the rampage, smashing the sets in Varanasi last week.

He asked whether artistes and creative people had the freedom to express themselves in this country and added that this right would be fully protected in Madhya Pradesh.

On the Vishwa Hindu Parishad leader, Mr. Giriraj Kishore's threat that the shooting would not be allowed anywhere in the country, he quipped: "What does he think of himself — is he the Shankaracharya of the Hindus?"

Asked whether he had seen the script of film, the Chief Minister said there was no need since the Centre had already approved it.

Mr. Digvijay Singh refuted the allegation that he was "using Ms. Deepa Mehta as a pawn in his battle against the BJP", saying he had always waged a war against the BJP and other fascist forces.

Ms. Mehta told presspersons



Film director, Ms. Deepa Mehta, with the Madhya Pradesh Chief Minister, Mr. Digvijay Singh, in Bhopal on Thursday.

— Photo: A.M. Faruqui

that she was ready to give her script to the State Government but was not prepared to compromise on its contents. She denied allegations that the controversy was a "publicity stunt", saying it could not be as the film had not even been made.

UNI, PTI report:

Acknowledging that the film would not be shot at Varanasi, Ms. Mehta said acting like a 'responsible' director, she had given due respect to the law.

Asked whether she was geared

to shoot her film in Madhya Pradesh she said "it is not such an easy task".

Laloo's offer

In Patna, the RJD president, Mr. Laloo Prasad Yadav, addressing a press conference with the CPI(M) leader, Mr. Harkishen Singh Surjeet, offered Ms. Mehta permission to shoot her movie in Bihar even as the Union Minister for Industries and Shiv Sena leader, Mr. Manohar Joshi, threatened that Shiv Sainiks would not allow its filming anywhere in the country.

Protests over saffron bar on Water

BY A STAFF REPORTER

Artists, academicians and administrators from the city joined hands on Friday to condemn the way in which the saffron brigade and the Uttar Pradesh government sank filmmaker Deepa Mehta's efforts to shoot *Water* in Varanasi.

Over 50 prominent personalities, including sitar maestro Pandit Ravi Shankar, economists Amartya Sen and Amlan Datta, filmmakers Mrinal Sen, Goutam Ghosh, Aparna Sen, Rituparno Ghosh and Tapan Sinha, painters Paritosh Sen and Bikash Bhattacharya, actor Soumitra Chatterjee, theatre personalities Badal Sarkar, Ratan Thyam and Usha Ganguly, singers Manna Dey and Ajoy Chakraborty, authors Sunil Gangopadhyay and Bani Basu and footballer Chuni Goswami, have issued a joint statement condemning the "vandalism".

The student and youth wings of the CPM, the SFI and the DYFI, held a protest rally at Esplanade in which speakers lambasted the "fundamentalist and fascist" forces of the Sangh parivar.

The vice-chairman of Higher Education Council, Pabitra Sarkar, said the BJP-led government in Uttar Pradesh had done nothing to check the exploitation of widows in Varanasi and Vrindavan. "It is the Women's Commission in West Bengal which went to the state to protest against atrocities on widows," he said.

Vice-chancellor of Rabindra Bharati University Subhankar Chakraborty, former mayor Kamal Basu and environment minister Manab Mukherjee compared the Sangh parivar's policies to those of Hitler and Mussolini.

■ **Road mishaps:** Eight persons were injured when their vehicle turned turtle on Andul Road, Howrah. They have been admitted to Howrah General Hospital. In another incident, an unidentified man was run over by a bus in front of St George's Gate in the port area on Friday night.

THE TELEGRAPH

12 FEB 2000

News
1-10

JACK THE HACKER

12

Some two months ago a United States judge freed Mr Kevin Mitnick, the great criminal hacker of the Eighties, from jail. This week, the fringe element of cyber society reminded the world of its existence by laying siege to famous online corporations. Mr Mitnick would turn up his nose at this week's zombie attacks, where millions of automated messages targeted famous dotcoms like Yahoo!, Amazon and eBay. This is like perpetually ringing a telephone number so it cannot receive other calls. Mr Mitnick is the type who "hack" into computer systems and take control from inside. His ilk temporarily took Hotmail.com away from Microsoft last year. Zombie attacks are crude, the digital equivalent of human wave attacks. But they can impress: Yahoo! was flooded with a billion bits of information a second. The brains of these so called packet monkeys comes into play when they hide their electronic trail in the internet.

The Federal Bureau of Investigation agents who are after these hackers do not have an easy task. Such denial of service attacks are common. Over a fifth of US Fortune 500 companies are battered by such digital assaults each year. However, almost no one has been brought to book. The sheer scale of the present attack and the targeting of dotcoms has made it frontpage news.

The war against dotcoms was predictable. Hacking into government systems is so common the news elicits yawns. But there seems to be a shift in attacks from one kind of authority figure to another. Studies of hackers tend to show their interest is less protest than a desire to express individual autonomy. That is why hackers rarely do much damage, often just posting a few insults deep in a computer.

Hackers were once the computer revolution's trailblazers. They burnt the midnight oil and gave the world operating systems, graphic interfaces and the internet. But as cyberspace has become a moneyspinner, it has increasingly become the

domain of businesses. One reason Mr Bill Gates is so reviled by hackers is that he taught business to see the digital light. The merger of America Online and Time Warner was probably seen by hackers as a further movement away from internet freedom towards cybercapitalism. Hacker visions of society tend to be closer to Woodstock than Wall Street.

Countries like India that plan to become players in information technology and services should consider themselves forewarned. Server computers and websites in India are poorly protected. Most government systems run on open relay servers, geriatric and vulnerable. A good 15 years after the computer revolution began, only a handful of Indian police have been trained in electronic crime. Hacking is not even illegal under the penal code. Other buffers against online vandalism like insurance coverage and encryption technology are non-existent.

There are other implications. As a US task force on information warfare recently concluded, hacker mercenaries fighting on behalf of governments are around the corner. Pakistani hackers like Harkat ul mOs and Pakistani hackerz club regularly savage Indian government and corporate websites. China has regular cyberwars with Taiwan. Two Taiwanese computer viruses wrecked 360,000 Chinese computers in 1998. Last year, China launched 72,000 online attacks on Taiwanese systems in the single month of August. The US government has been pouring billions into safeguarding its computer systems since a Rand Corporation study on cyberwar five years ago. Part of Washington's strategy is to pay hackers to test its systems by lobbing logic bombs. No one doubts the benefits of information technology. But it is merely an instrument, a value neutral body of knowhow that can be used in whatever manner its wielder wishes. As the world merges with the web, expect many dirty aspects of the computer era to come to the fore — anonymously, through a wire and at the speed of light.

As a potential information technology power, India should take warning from hacker attacks. Cyber attacks are increasing in number and sophistication every year

Computer used by hackers traced

WASHINGTON, FEB. 12. U.S. experts investigating attacks against major commercial web sites this week confirmed that a computer and a Internet device used by vandals as weapons have been traced to two California universities.

The vandals used a desktop computer at the University of California in Santa Barbara and an Internet router — a device that can amplify data traffic — from Stanford University, officials at both schools acknowledged yesterday. There was no indication that any-

one at either university was directly involved, only that their equipment was used.

Experts believe dozens of computers nationwide were hacked and had electronic attack software secretly installed. "They've attacked us in a way that hurts what we do as a university, and hurts all universities," said Mr. Robert Sugar, IT board chairman in Santa Barbara. The school's computer was believed to have been used in an attack against CNN's web site on Tuesday.

Stanford said one of its routers located at a remote wild life preserve was used to transmit some of the data aimed against E-bay's web site for about 30 minutes before engineers blocked hackers from using it. "It's really out in the middle of nowhere," said Mr. Dave Brumley, assistant computer security officer at the school.

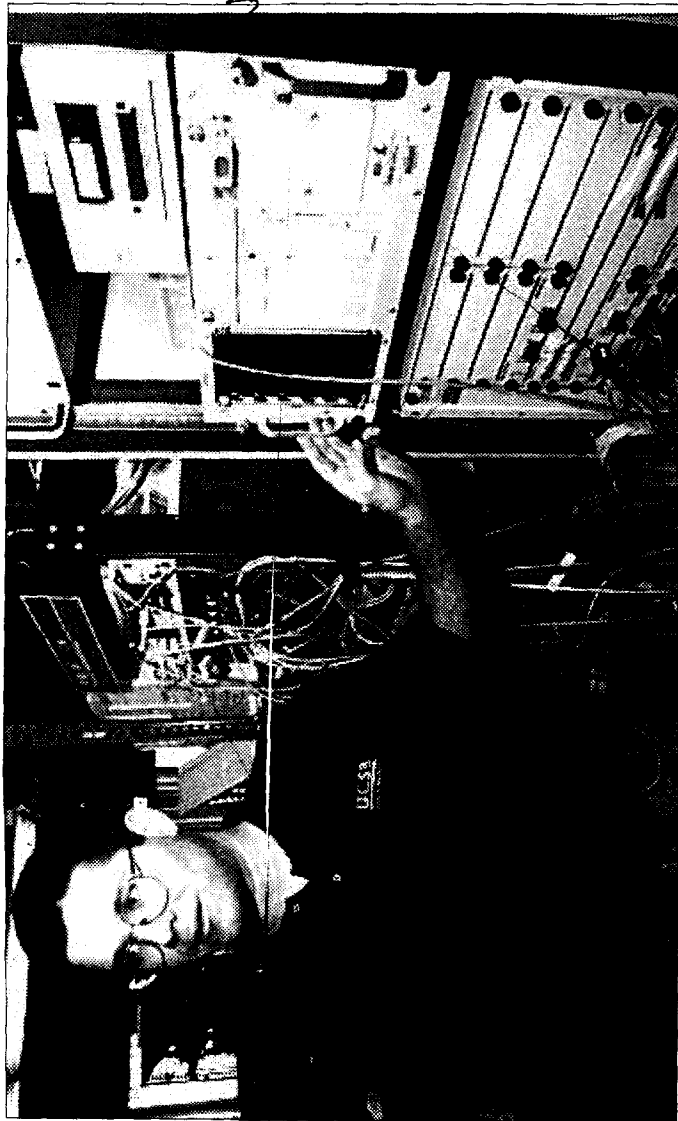
Meanwhile, experts investigating the case suggested that the vandals in Monday's attack against the Yahoo! web site may have been far more sophisticated than origi-

nally believed. But E-mail from Yahoo! engineers describing the attack in unprecedented detail said the vandals apparently "knew about our topology and planned this large-scale attack in advance," and that other companies hit this week also were targeted "where it hurts the most." This E-mail, sent as a warning to some Internet providers and obtained by AP, also described the Yahoo! attackers as "smart and above your average script-kiddie," a derisive term for an unskilled hacker. — AP

THE HINDU
13 FEB 2000

CYBER SABOTAGE: SLEUTHS TRY TO ZERO IN AS E-STEALERS MAKE STEALTHY COMEBACK

Hackers traced to California university



A campus programmer with the zombie computer at the University of California on Friday. AP

San Francisco
12 FEBRUARY

HACKERS USED the computer system of the University of California at Santa Barbara to aim an attack at a leading website brought down during this week's wave of internet sabotage, a spokesman said on Friday.

In the attack, a flood of hacker messages was sent through the UC-Santa Barbara computers to Time Warner Inc's CNN.com news site, which was shut down in the attack on Tuesday night, spokesman Bill Schlotter said.

Schlotter said the university is cooperating with the FBI in its probe of a string of hacker attacks that crippled some of the world's biggest websites for several hours earlier this week.

The "denial of service" attacks involved hijacking of third-party computers to flood targets with more data than they could handle. The result was that would-be users got a form of "cyber busy" signal that ~~did not allow them to access the sites.~~

The focus of the FBI investigation has shifted from the sites that were attacked to secondary "zombie" sites from which the intruders staged their sabotage. Schlotter said the FBI had not yet visited the campus to inspect records but had been in contact with its computer systems staff, mostly over the internet. — Reuters

Evidence points to Germany

Berlin
12 FEBRUARY

INVESTIGATORS TRACKING hackers who shut down a number of leading websites this week are following a lead in Germany, the *Die Welt* newspaper reported on Saturday.

The FBI-led National Infrastructure Protection Center (NIPC) believes that a hacker who goes by the alias "Mixer" and who breaks into networks with a programme called "Stacheldraht" ("Barbed Wire"), may be based in Germany. — Reuters

Andrea Orr

PALO ALTO (California) 12 FEBRUARY

A SMALL California internet company said on Friday hackers attacked its site this week, and unlike some of the recent attacks on larger sites, appear to have gained access to consumer credit card numbers.

RealNames, a San Carlos, California business, said the extent of the damage was hard to assess because the attack had come through mainland China, and the connection that hackers made appears to have shut down while they were in the process of downloading data. The company, which sells a simplified internet address service to some 50,000 customers, said it has about 15,000 credit card numbers in its system.

"They probably did get some, but they probably did not get most (of the credit card numbers)," said RealNames chief executive Keith Teare. He added that he could say with certainty that none of its customers' credit cards have been used illegally since the site was hacked on Wednesday.

"Our best guess is that this was done by a traditional hacker, whose goal is not to steal but to prove that he has the ability to steal," said Teare.

News of the incident swept through Silicon Valley on Friday as yet another indication of the damage lone hackers can inflict on sophisticated internet systems carrying sensitive data.

Although an earlier series of attacks on sites like Yahoo Inc, Amazon.com Inc and eBay Inc, gained more notice for the way they managed to shut down some of the most popular websites for hours, those attacks did not actually intrude into proprietary systems.

The type of attack against RealNames is potentially more damaging for the way it gained access to personal customer data.

In addition to stealing data, the hackers upset business at RealNames. The company sells simplified web addresses such as "ford explorer," that can be used as shortcuts to web pages that have long, hard-to-remember addresses full of dots and slashes.

RealNames first discovered it had been hacked after some 60,000 of those addresses were rerouted to a Chinese website.

The company was able to correct that problem within 10 minutes, but shortly thereafter discovered the intrusion. RealNames said it notified the FBI as well as all the credit card companies that may have been affected.

Basu welcomes Shabana's ^{media} Water proposal

STATESMAN NEWS SERVICE

CALCUTTA, Feb. 14. — Mr Jyoti Basu today welcomed Shabana Azmi's proposal to shoot Deepa Mehta's *Water* in West Bengal and assured help.

The chief minister told *The Statesman* that Shabana had spoken to him over the telephone the day before yesterday and today seeking his help in filming of *Water*.

"I have asked her to send a representative to discuss the matter with Mr Buddhadev Bhattacharya, the Deputy Chief Minister who also holds the information and culture portfolio, and let us know what we can do for them" Mr Basu said.

The Chief Minister said Shabana's representative would be coming tomorrow or day after to hold talks with Mr Bhattacharya. The Deputy Chief Minister is out of Calcutta and is scheduled to return tomorrow, Mr Basu added.

He said the Madhya Pradesh government too had permitted the shooting of the film in that state. "May be some problems have cropped up there," the Chief Minister added.

"Even a reactionary government at the Centre has permitted the filming of the picture", Mr Basu remarked.

THE STATESMAN
15 FEB 2000

THURSDAY, FEBRUARY 17, 2000

HD-12 ✓
TOWARDS CULTURAL FASCISM Mehta
17/2

THE INTIMIDATORY PROTEST spearheaded by the Akhil Bharatiya Vidyarthi Parishad activists against the Valentine's Day festivities in Kanpur has to be seen in the context of the Hindutva forces' unabashed and calculated attempt at cultural policing and building up an atmosphere of intolerance and hatred. In its tone, tenor and motivation, the Kanpur episode is of a piece with the protest drummed up against Ms. Deepa Mehta's film, *Water*, making it impossible for her to shoot the film in Varanasi and driving her to seek 'safe' locations in other States, such as West Bengal. Witness for instance the statement of the Vishwa Hindu Parishad's general secretary, Acharya Giriraj Kishore, running down what he called the "Valentine mania" and calling upon Hindus to stand up against such "attempts to smuggle the Western culture in various forms". And now, true to style, the Shiv Sena supremo, Mr. Bal Thackeray, has reportedly "vowed" to get a ban clamped on Valentine's Day celebrations!

There is no denying that the Day was little known in the country till a few years ago or that it has caught the fancy of the younger segment especially of the urban population only in recent times, thanks to aggressive media campaign by commercial interests which found in the event a potent vehicle for targeting the youth market. Opinions may differ on the social or economic impact of such western cultural influences, with one section holding that the "aping" of alien culture, as Mr. Thackeray would say, was undesirable or unhealthy. But the basic question is whether in a society like India's, known for its liberalism and catholicity of outlook, there could be any regimentation or thought or culture policing by a community or by the state. This is precisely what the Sangh Parivar, wedded as it is to the ideology of 'one nation, one culture and one people', seems hell-bent on doing.

Nominally and for official purposes, the BJP heading the National Democratic Alliance re-

gime at the Centre might have put aside its contentious agenda, such as the Ram temple at Ayodhya, Uniform Civil Code and Article 370 and might be overly keen to give the impression of sticking to the coalition's National Agenda for Governance. At the State level, however, its Governments in Gujarat and Uttar Pradesh have been vigorously pushing the party's anti-secular and exclusivist agenda without any inhibition whatsoever and, in the process, seriously offending such Constitutional guarantees as the rule of law and freedoms of expression and faith. The Hindutva brigades have assumed for themselves the role of custodians and protectors of culture, while the Governments concerned have divested themselves of their responsibility to honour Constitutional guarantees. Consider also the spate of attacks on Christians and their places of worship, the campaign for a ban on the so-called 'forced' or 'induced' conversions and the antipathy sought to be whipped up against the Pope's visit last year. If these were contained ultimately, it was because of the groundswell of public outcry and the BJP's own existential pressures of coalition politics at the Centre.

A more recent example of course is the move to permit Government servants to join the RSS and participate in its activities on the ground that it was just a "socio-cultural organisation" — a claim that sounds almost preposterous. What evidently forced the Centre to hold its hand — after the Prime Minister, Mr. A. B. Vajpayee, had defended Gujarat's decision to lift the ban in this regard and the Home Minister, Mr. L. K. Advani, had hinted at the possibility of the Centre also following suit — was the serious reservation voiced by some key constituents of the NDA. What stands out however is that, despite the Chennai declaration, the BJP has little compunction in pursuing its perilously divisive and sectarian agenda through subtle and not-so-subtle means and that its ultimate control continues to rest with the RSS.

THE HINDU
17 FEB 2000

Clinton calls for tighter internet security

WASHINGTON: President Bill Clinton has met computer executives to plot strategy to prevent web site hacking, saying last week's attacks had raised the alarm for tighter internet security but were not a "Pearl harbour."



Bill Clinton

Mr Clinton made the remark on Tuesday as he gathered high-tech executives — including a long-haired hacker named "Mudge" — with privacy experts and government officials at the White House to discuss ways to ward off a new wave of the attacks that took down popular web sites like Yahoo, Ebay and Buy.com last week. "I think it was an alarm. I don't think it was Pearl harbour," Mr Clinton said of the "denial of service" attacks in which hackers bombarded web sites with so many requests for information that legitimate users were effectively shut out.

"We lost our Pacific fleet at Pearl harbour," he added, referring to the Dec. 7, 1941, Japanese attack on the U.S. Navy in Hawaii that killed nearly 2,300 Americans. "I don't think the analogous loss was that great." The White House said its meeting aimed to ensure that the private sector was doing all it could to protect itself against attacks, which last week cost web

sites millions of dollars in lost revenues and raised fears about internet security. Mr Clinton said he wanted to make sure the internet remained "open and free" and high-tech executives suggested that the government's efforts should be limited and that it was mostly up to the private sector to ensure its own security.

Mr Clinton, who asked Congress for \$2 billion this year to protect the government's computer infrastructure, made it clear that he did not want the government to do anything that would undermine the high-tech industry, which he said accounted for 8 per cent of U.S. jobs and 30 per cent of its expected growth. "The trick is going to be how to do what needs to be done on security and privacy and still keep it flourishing and growing," Mr Clinton told reporters at the start of the meeting, which included some of the internet's pioneers. The more than two dozen people crowded into the White House cabinet room included MCI Worldcom's Vinton Cerf, acknowledged as a founder of the internet, and Sun Microsystems' Whitfield Diffie, a white-bearded cryptography expert.

A few seats to Mr Clinton's left was a man known as Mudge, an executive at internet security company Zstake who was named by the White House as Peiter Zatkow. Mudge is a self-described "gray hat" hacker, a term that describes people who publicise security weak-

nesses as a way of strengthening the internet. A poll among U.S. computer users released on Tuesday by PC Data online of Reston, Virginia, found that 90 per cent of home internet users were "concerned" over last week's hacker attacks on major web sites, but are unsure who should police the web.

Twenty-eight per cent of home internet respondents said the government should police the web, while 21 per cent said the individual sites themselves should bear the responsibility.

Mr Clinton said he had asked Congress for \$9 million for an institute to set standards on internet security and a separate programme to pay for students to study computer security if they agree to work for the government for a set period of time. FBI said closing in on suspects *The Washington Post* reported on Tuesday that federal agents were closing in on several suspects in last week's attacks, including a U.S.-based person with the web alias "coolio", and a Canadian teen who goes by the online name "mafia-boy".

The Post said a third suspect is a male who allegedly "confessed" to a staff member of the popular security site, Attraction.Org. The newspaper said the person suspected of mounting the first attacks was named in a three-page e-mail sent by two computer experts to FBI agents late last Wednesday. (Reuters)

Deepa Mehta firm on filming 'Water'

NEW DELHI, FEB.17. The filmmaker, Ms. Deepa Mehta, has said that the shooting of her controversial film, 'Water,' will begin very soon in India and not outside the country.

"It is tough to re-assemble the unit and go for it, but if anything, my resolve has not changed at all. I definitely will make 'Water.' One day, very soon 'Water' will be made," she said in an interview with Mr. Karan Thapar for BBC's 'Hardtalk' programme.

Asked if she would consider shooting abroad, Ms. Mehta said, "the film has to be made in India for more than one reason.

But whether it is Madhya Pradesh or West Bengal, it is more a creative decision, now that I have got a political sort of okay from them."

Ms. Mehta accused the U.P Government of 'concocting' a law and order problem to scuttle the filming though the Centre did "whatever it could" to facilitate its shooting.

As for the film's title 'Water,' Ms. Mehta said it had nothing to do with Ganges river. "Water is a metaphor for life in my film."

ABVP threat

In Jamshedpur, the Akhil Bhartiya Vidyarthi Parishad (ABVP), today threatened to intensify its oppo-

sition to Ms. Deepa Mehta's film if it was allowed to shoot anywhere in the country.

The Parishad president, Mr. Dineshanand Goswami alleged that Ms. Mehta's earlier film 'Fire' as well as her upcoming film 'Water' only portrayed negative image of "our culture which can not be acceptable." — PTI

THE HINDU

18 FEB 2000

Saffron brigade attacks Jaitley for spilling *Water*

STATESMAN NEWS SERVICE

NEW DELHI, Feb. 21. — Deepa Mehta's *Water* is not only an insult to Varanasi but also part of a Christian conspiracy to ensure more conversions, Right-wing hardliners told Mr LK Advani today.

They've sought the home minister's intervention because the information and broadcasting minister had been *laparwah* (careless) in dealing with the issue.

Speaking to journalists, a Sanskar Bharati, Kashi Vidwat Parishad and Kashi Sanskriti Raksha Sangharsh Samiti spokesman said Mr Arun Jaitley should have read the script after the protests. The minister, he said, should have realised that changing five or six words wouldn't have changed the script.

The spokesman felt Mr Jaitley shouldn't have passed the script a second time, but didn't have an answer when asked if he had read it before being passed or whether his officials had misled and kept him in the dark.

"The entire script is dirty. We won't allow it to be made anywhere in India," Mr Kaushal Kishore Mishra of the KSRSS said. "It denigrates our religion and culture."

Hinting at an international Christian hand, the hardliners said Deepa was a Canadian national and had been paid \$70,000 to make a film that denigrated Hinduism.

Other efforts in the "international conspiracy", they said, included people from Richard Attenborough's *Gandhi* unit, who ate non-vegetarian food and consumed alcohol at Gandhi's Sabarmati ashram, and Roland Joffe, for he presented a distorted view of Calcutta in his *City of Joy*.

Though officials said the home ministry had no plans to intervene, the hardliners were happy with meeting Mr Advani. "We made him read the text. He gave us 45 minutes. We told him he has a responsibility to save our culture," Mr Mishra said. The hardliners were all praise for the him minister.

But any reference to the information and broadcasting minister was greeted with a *laparwah* (careless).

Mr Advani and Mr Jaitley, however, are reportedly angry with the hardliners for creating trouble.

Sanskar Bharati members claimed that conditions in Varanasi in the Thirties, when the film is set, were not bad at all. There were no child marriages and widows weren't forced to shave their heads, they said.

With the focus having shifted from Varanasi, the hardliners have moved to the capital apparently in search of the press. An uproar before Parliament session, they believe, will win them ground. An official said he was distributing copies of the script among MPs.

That Deepa had to meet senior RSS leader, K Sudarshan, and change the script, for many BJP leaders, is a victory in itself. Hence, there's little need to resort to violence, they feel.

That's why BJP leaders insist the film could only be shot in *pavitra* Kashi where the ghats are different from anywhere else.

THE STATESMAN

22 FEB 2000

Protests against 'derogatory'
dialogues on Gandhi

Cong stages Water rerun on Hey Ram

BY A STAFF REPORTER

Barely a week after chief minister Jyoti Basu and his deputy, Buddhadev Bhattacharya, welcomed Deepa Mehta and invited her crew to shoot *Water* in Calcutta, a handful of Chhatra Parishad supporters tore posters of the newly-released *Hey Ram* and disrupted its screening at Mitra cinema on Monday.

The protesters stormed into the hall, snatched and tore posters of the film and warned the hall's owner, Dipen Mitra, of "dire consequences" if the authorities did not withdraw the film in 48 hours.

Set against the backdrop of the VHP's stir against *Water* in Varanasi and the Left Front's subsequent decision to invite Deepa Mehta to Calcutta, Monday's incident sullies the image of a tolerant Bengal that the government was hoping to project. What is more, it also puts a question mark on the administration's ability to control such demonstrations.

The Chhatra Parishad workers alleged that there are dialogues in the film that portray Gandhi in poor light. "It is very derogatory and we will not allow the film to be screened in Bengal," a Chhatra Parishad functionary was shouting outside the hall.

The film is directed by Kamal Hassan and stars Shah Rukh Khan and Rani Mukherjee, besides himself.

It was released last Friday and

is running to packed houses at Jyoti and Priya cinemas, apart from Mitra.

According to the manager of Mitra cinema, slogan-shouting Chhatra Parishad supporters came to the hall around 11:45 in the morning. They sat on Bidhan Sarani in front of the auditorium.

Before Mitra's staff could react, the protesters entered the hall and tore up posters. They threatened to damage the auditorium but the hall's securitymen surrounded them and forced them to leave. The students defaced the auditorium's walls, blackened and tore posters. A large contingent of police reached the spot and threw a security cordon around the hall.

The Chhatra Parishad activists spoke to Dipen Mitra and demanded that he withdraw the film or "face the consequences."

Mitra said he invited the protesters to watch the film and judge it for themselves. There were shows of the film even after the demonstration. The manager said he would not withdraw the film.

A police picket has been posted at Mitra. The managements of Jyoti and Priya, shaken by the incident, have also sought security. They said there had not been a murmur of protest so far.

"The film opened on Friday and has run to almost full houses. There was no objection from those who have seen it. It is the politicians with their vested interests who are creating trouble," said an employee of Jyoti cinema.

THE TIMES OF INDIA

22 FEB 2000

Prasar Bharati panel given extension

NEW DELHI, FEB. 23. The high-level committee set up by the Government to carry out a review of the Prasar Bharati has been given two more months to complete the work after its three-month term ended on Tuesday. *MD*

Official sources today said the panel had requested more time since it could not complete its review in the given period. *110-13*

The three-member panel comprising Infotech expert Mr. N. R. Narayana Murthy, CEO, Infosys as its chairman besides head of discovery channel in India Mr. Kiran Karnik and marketing expert Mr. Shunu Sen as members, was formed on November 22 for a "comprehensive review" of Prasar Bharati, which controls Doordarshan and All India Radio.

Mr. R. C. Mishra, joint secretary, Ministry of Information and Broadcasting, was member secretary while chief executive officer of Prasar Bharati Mr. Rajeeva Ratna Shah was a special invitee.

The committee was set up to study the working of Prasar Bharati and make appropriate recommendations regarding organisational structure, legal framework, system and other relevant areas.— PTI

THE HINDU
24 FEB 2000

Hey Ram: CP ignores Cong stand

STATESMAN NEWS SERVICE

CALCUTTA, Feb. 23. — After the Congress dissociated itself from anti-*Hey Ram* protests and the party's state unit derided the vandalism, Chhatra Parishad members disrupted the screening of Kamal Hassan's film at Ellora in south Calcutta.

Alleging that the film denigrates Mahatma Gandhi, the protesters broke window panes, set fire to a poster and locked the hall's gate.

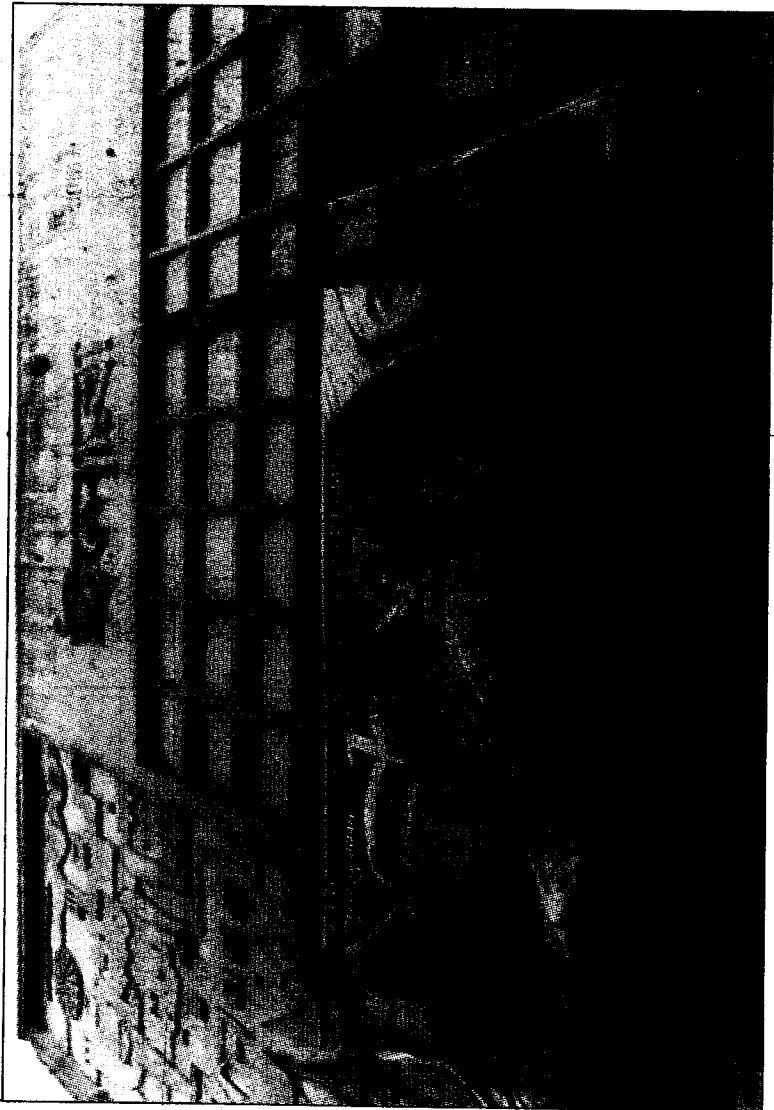
CP leaders said Congress's central leadership hadn't told them to stop their protests. Even if they do, "we won't withdraw the agitation".

Incidentally, the Pradesh Congress Committee had asked the CP to stop the demonstrations.

The day's show was suspended, police said. Fearing trouble, the hall owner had informed police but no security had been provided.

The AICC has taken exception to the violence which, it said, was an infringement on the freedom of expression.

The PCC vice-president, Mr Saugata Roy, said today that the state unit had already informed the AICC leadership



A poster of *Hey Ram* after it was set on fire by Chhatra Parishad activists on Wednesday. — The Statesman

that the demonstrations did not have their approval and were organised by the CP's local units.

"We have gathered from our

students' wing that the violent protests were an emotional and spontaneous reaction to what the students believed was an attempt to denigrate Gandhi,"

he said.

Mr Roy said PCC leaders had not seen the film, but were told that certain remarks were made by some characters criti-

cising Gandhi. "But that is not unusual and the tenor of the film is not to blacken Gandhi," he said.

"Mr Buddhadev Bhattacharya spoke to me yesterday referring to the violent demonstrations. He told me the film did not seek to denounce Gandhi," Mr Roy said.

The PCC clarified that the demonstrators respected the freedom of expression, but were emotionally guided after wrongly interpreting remarks made by some characters of the film.

The Deputy Chief Minister had earlier warned that the administration would not brook any vandalism in cinemas.

The Left Front government is zealously defending the freedom of expression by rallying behind Deepa Mehta who could not shoot the film, *Water*, in Varanasi following violent protests by Sangh Parivar activists.

The CP protests have embarrassed both the PCC and AICC leaderships who have condemned the vandalism against Deepa Mehta's film unit. The PCC has also welcomed the state government's decision to allow Mehta to shoot her film in West Bengal, if she wants to.

WB BJP promises not to disrupt *Water* shooting

STATESMAN NEWS SERVICE

CALCUTTA, Feb. 23. — The state BJP has assured that it will not disrupt the shooting of *Water*, if Deepa Mehta decides to shoot in the state. But police is taking no chances and will form a security ring around Writers' Buildings tomorrow when the filmmaker meets Mr Jyoti Basu.

However, the BJP has not totally given up its anti-*Water* campaign, and its women's wing will burn copies of the script at Esplanade tomorrow as a protest.

Mr Rahul Sinha, state BJP general secretary, said his party would send copies of the script to intellectuals in the city seeking their views. Partymen will also try to mobilise public opinion against the film, quoting parts of the script that have "derogatory comments against Gandhiji", Mr Sinha said. The BJP may also approach the court of law, he added.

Mr Buddhadev Bhattacharya, too, will be present during tomorrow's talks with the filmmaker. Deepa had approached the state gov-

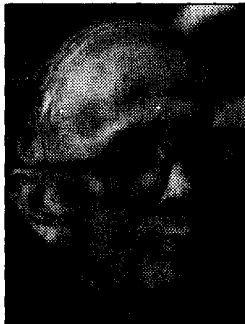
ernment for help after her unit was virtually forced to leave Varanasi.

The deputy commissioner (reserve force), Mr KL Tamta, met state government officials today to discuss security arrangements after the state BJP's had threatened not to allow Deepa to shoot her controversial film in West Bengal.

"I don't think she faces any threat in the city or the state", the deputy chief minister said when asked whether police would be deployed to protect Deepa during her stay in the city.

Hey Ram disruption: Chhatra Parishad activists disrupted the screening of Kamal Haasan's controversial *Hey Ram* for the third

consecutive day today, despite assurances from the Congress and the state government. Mr Buddhadev Bhattacharya said he had been assured by the PCC leader, Mr Saugato Roy, that there will not be any more protests over *Hey Ram*. "Apparently the agitators had not even seen the film", said Mr Bhattacharya. The Congress had yesterday dissociated itself from the protesters.



Jyoti Basu



Deepa Mehta

THE STATESMAN
24 FEB 2000

Deepa submits script, just in case

OUR BUREAU

Deepa Mehta, the embattled filmmaker, on Thursday gave a copy of the script of her proposed film *Water*, now at the centre of a nationwide controversy, to the Jyoti Basu government with the request to make observations, if any, before acceding her permission to shoot it in Bengal.

"I must be honest, neither Jyoti Babu nor Buddhadev Bhattacharya asked for the script, but I offered it to them on my own," Mehta told **The Telegraph**.

She said she had made it clear to the Basu government that she could not be expected to "compro-

mise" her freedom and values in exchange for assistance in making the troubled *Water* in Bengal.

"It is frightening if films are to be censored by every individual or groups in town after an authority clears it."

Minutes after her meeting with the Basu government on the various aspects of the proposed filming of *Water* in Bengal, Mehta said she would insist on a reading of the script because she had nothing to crop up and wanted no trouble to crop up and once again stymie her multi-crore project.

"I want this government to see for itself that there is nothing in the film that hurts any caste or religion... I have nothing to hide and

this must be made clear to the people here. I do not deserve any unnecessary harassment," she added.

Mehta and her husband, both members of the *Water* crew arrived at Writers' Buildings at 12.30 pm amid tight security for the 30-minute, top-billed meeting with Basu and Bhattacharya.

"I do not know whether it is my bad luck or what, but I have to face controversy and hurdles whenever I plan a film. After the trouble in Varanasi, I had given up hope on *Water*; but then, your generous offer came along to revive it all. We are grateful to you for restoring our faith in people," Mehta

gushed after meeting Basu.

Well before Mehta arrived, the police threw cordons around Writers' and connected areas like Bentinck Street, Brabourne Road and Netaji Subhash Road, in view of the state BJP's and RSS' threat to block filming of *Water*.

A measure of the state government's interest in keeping Mehta's *Water* alive was available from Bhattacharya's extraordinary gesture. As soon as word reached him about Mehta's arrival, setting aside formalities, Bhattacharya, widely regarded as culture czar, came out of his chamber to escort her.

During the discussion, Basu and Bhattacharya emphasised

that the ruling communists believed in the freedom of artists, are committed to safeguarding it and wondered why a filmmaker would be required to have a script vetted by a central agency or obtain permission for shooting.

"If a filmmaker demonstrates the willingness to conform to the existing guidelines, then what is the need for policing? The censor board is there to check whether or not a film is objectionable," Bhattacharya is quoted as having said at the meeting.

Later, Bhattacharya indicated that Mehta had expressed interest in certain sites along the Hooghly at Panihati and Barrackpore where the ghats were broad and

free from crowds.

However, Mehta declined to draw parallels between the RSS assault on her *Water* and another filmmaker, Roland Joffe's experience of the Bengal communists who had successfully blocked the filming of *City of Joy* in locations in Calcutta and had its script examined by left-leaning intellectuals.

"There are no parallels between *Water* and *City of Joy*. They (RSS and related organisations) did not allow me to shoot either in sets or locations in Varanasi, whereas nobody stopped Joffe in finishing his work in sets in Calcutta," Mehta said.

Acknowledging the ruling Left

Front's assurance of cooperation and security Mehta, however, said she would decide with her cinematographers who are currently away in the UK, on whether to shoot *Water* in Madhya Pradesh or Bengal.

"The Bengal government us assured us of full protection during the shooting. It will take me about 10 days to decide this," she said. "I have a budget to work within and the trouble in Varanasi has cost the financier about Rs 2.5 crores."

Mehta and her cinematographers will shortly begin to visit the possible shooting locations in Calcutta, rural Bengal and also Madhya Pradesh.

Handwritten: India **'Cyber war
against India'** *Handwritten: V/A*

WASHINGTON, FEB. 27. Kashmiri militant groups have launched a "cyber war" against India, the Central Intelligence Agency (CIA) has said. The separatists have hacked official Government web pages and posted anti-Government propaganda and pictures, Mr. John Serabian, Information Operations Issue Manager, CIA, told the Joint Economic Committee of the U.S. Congress this week. However, he did not give details.

Asked where the threat could come from, Mr. Serabian said: "Given the availability of sophisticated technology and the seemingly limited investment required, potential attackers can include national intelligence and military organisations, terrorists, criminals, industrial competitors, hackers and disgruntled or disloyal insiders. Each of these potential adversaries is motivated by unique objectives, and has various degrees of technical expertise and target access." — PTI

THE HINDU

28 FEB 2000

Y2K bugs, doesn't bite ✓

REUTERS

Media
sf-1

NEW YORK, Jan. 1. — The much-feared Y2K computer bug appeared to have only a minor impact as the new millennium rolled across the globe. Russian and US nuclear missiles stayed in their silos, and global aviation passed a key test with flying colours.

But the USA warned it was still early to celebrate. "So far, it's been a good Y2K day for the world ... but it's far too early to declare victory," said a top official. "By sometime on Tuesday, we'll have a pretty good idea of where we are."

This is just what the US official timekeeper didn't seem to

INDIA OK

NEW DELHI, Jan. 1. — Nine of 11 critical sectors, including telecom, space and nuclear, witnessed a smooth Y2K rollover, the IT secretary, Mr PV Jayakrishna, said. The picture in the other two sectors, banking and insurance, would clear on Monday. — UNI

■ Details on page 13

know during the earliest hours of the new year when it reported the date as "19100" on its Internet site, adds AP.

The US Naval Observatory, whose master clock in Washi-

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ngton serves as the official source of time in the USA, published a web page to track the time — down to the second — exactly as the century ended. But a bug in the programming of the web site informed visitors that the date for US time zones that had passed midnight was 1 January 19100.

But others seemed to have a clearer idea. As year 2000 arrived in Tonga, and moved on to New Zealand, Australia, Asia, Africa, Europe and the Americas, 89 of 170 countries reporting to the International Y2K Cooperation Centre said 11 sectors, including power and telecommunications, were operating normally.

THE STATESMAN
- 2 JAN 2000

Critical sectors safe

By Alok Mukherjee

NEW DELHI, JAN. 1. It was officially announced today that the country has transited into the new millennium without any Y2K hitch in any of the 11 critical sectors. "We have come to the conclusion that there will be no long-term Y2K compliance problems in the 11 critical sectors of Power, Telecommunications, Civil Aviation, Railways, Petroleum and Natural Gas, Ports, Space, Atomic Energy, Defence, Banking and Insurance," the Information Technology Secretary, Mr P. V. Jayakrishnan, said here today.

Mr Jayakrishnan, along with the Director-General of the National Informatics Centre (NIC), Dr N. Seshagiri, and a host of experts manned the national control room on Y2K from the evening of December 31, 1999 and continued the vigil throughout the night to sort out any possible Y2K related problems in the critical infrastructure sector. The first report to the nation was made by Mr Jayakrishnan and Dr Seshagiri at half past midnight when the initial reports from all the sectors had come in. None of the sectors reported any problems, including crucial areas such as nuclear plants, satellites, defence equipment, power plants, railways and even civil aviation.

In fact, just around the roll-over time of 0000 hours on the midnight of December 31, Air-India had three planes in the air and some 12 over-flights were in the Indian airspace. Indian Airlines, in any case, does not have post-midnight flights in the normal course.

The Information Technology Secretary said today that the roll-over was so smooth that the various contingency plans drawn up for the various sectors were not required to be operationalised. The banking sector also undertook mock transactions after the midnight hour and most of them reported "Y2K OK" to Reserve Bank of India which was monitoring the situation in the

early hours of the new century. Reserve Bank also reported that all cheque clearing systems at Delhi, Mumbai, Chennai and Calcutta were functioning normally. However, problems with individual banks, if any, would be known on January 3 when they open for public transaction. Similarly, reports from the insurance sector would also be available once public transactions start on Monday.

Telecommunication facilities also worked normally during the roll-over period and after, with all communication systems fully operational, including satellite transmission which brought the millennium celebrations round the world live to most homes through satellite TV channels.

Indian Railways, which has the largest network in the world (it used to be the second after the Soviet Union earlier) also reported normal functioning all over, including passenger reservation, traction and signalling. In fact, a senior Railway official declared last night itself that reservations were open for March 1, 2000 just after midnight.

Dr Seshagiri said that there were apprehensions about oil supplies from the Gulf region but these too turned out to be normal. However, Pakistan gave some anxious moments to the NIC control room as there was no information on its official website about Y2K compliance. But it later turned out that there were no major glitches in that country too. Apprehensions were expressed about possible problems in Japan's nuclear plants, but the Japanese Government handled the problem with a short time span.

On the cost of the whole exercise to make the Indian infrastructure sectors Y2K compliant, it was said that the estimates were between Rs 1,500 crores to Rs 2,000 crores. But here too, some of the outdated equipment were upgraded, which would have been necessary in any case, even without the Y2K bug.

THE HINDU
- 2 JAN 2000

US-Russian missile centre was a success

BY BORIS CAMBRELENG

Colorado Springs, Colorado: The joint US-Russian centre set up here to ensure that the nuclear arsenals of each nation coped well with the Millennium computer Bug was a "great success," a top United States military official said on Saturday.

The Year 2000 Strategic Stability Centre is designed to allow Russian and United States military officials to prevent misunderstandings in case of an unauthorised missile launch caused by a computer glitch.

Military experts from both countries will continue to work at the centre until January 15, studying data received from the North American aerospace defence command.

"It was a great success," said chief of the United States space command major-general Thomas Goslin, assessing the work of the centre.

Goslin however, cautioned that it was "a little bit early at this point to start talk about lessons," since

the centre has been open for just two days.

Chief Russian delegate Colonel Sergei Kaplin, who heads a Russian defence ministry department charged with dealing with Y2K, praised the role of the centre in strengthening cooperation between the US and Russian militaries. "I'm sure it will be a very good basis for our future cooperation," he said.

At the centre, military experts pore over a map of the world and computer screens that will register a missile launch if it occurs. The heads of the Russian and American teams work side by side separated only by an interpreter.

"A launch that exceeds 500 km will be showed to the operators on their screens," according to Lieutenant Colonel John Wicklund, a spokesman for the centre.

Everything below that limit will not be considered a strategic missile launch, explained Wicklund. United States military officials said on Friday, they had detected three missile launches but said none were related to Y2K, and in each case, the missiles travelled less than 500 km and posed no danger.

The Pentagon later identified the missiles as Russian Scuds launched against the breakaway republic of Chechnya and not related to the date-change.

The inauguration of the centre on Thursday was marked by misunderstandings that highlighted an information gap separating the two countries and their militaries.

A US official was corrected when he said he thought that Russian missile systems were operating like American on Greenwich Mean Time. It turned out the Russian missile clock was set to Moscow time.

However, small misunderstandings did not keep both sides from praising the centre and their new phase of cooperation. (AFP)

Gates: Bug problem not over

New York: Microsoft CEO Bill Gates on Saturday predicted that international computer systems will experience "snafus" in the next several weeks, despite the absence of Millennium Bug problems on the first day of 2000. "In the months ahead, you are going to hear about failing systems. It's not going to be catastrophic, but there will be a lot of snafus," he said on CNN's *Larry King Live* talk show.

Gates, the world's richest man and inventor of the Windows operating system, said he was not surprised by the relative absence of problems early in the new year, pointing out that technicians had months to prepare for the arrival of 2000. "In terms of infrastructure like elevators, planes, missiles, I thought people would be able to do a great job," he said. "If people had ignored the thing, then you'd have seen more impact," Gates said. (AFP)

THE ASIAN AGE

- 3 JAN 2000

The Dating Game: Asia has little time for Y2K

BY MICHAEL RICHARDSON
International Herald Tribune

Singapore: Many of the world's 3.2 billion Asians, especially the majority who live in rural areas, are bemused at the fuss about the arrival of the new millennium in the West and among Western-influenced Asians.

Some, like Hermawan Cahyono, who lost his job at a rubber factory in Jakarta during the Asian financial crisis and has not managed to find full-time employment since, were too poor to join any lavish parties to ring out the old year and welcome the new.

But the millennium gap is not just about money; it reflects cultural differences as well.

January 1 of the year 2000 is also the 17th month of Markali in the Thiruvalluvar year 2030, in the calendar observed by ethnic Tamils in southern India, Sri Lanka, and parts of Southeast Asia.

In their view, those using the Christian Gregorian calendar — widely adopted in Asia for civil and official purposes as a result of European colonisation and the spread of international trade — are 30 years late in celebrating the start of another 1,000-year cycle in human history.

On the Indonesian island of Bali, many locals say that they have more than 77 years to prepare for the next millennium. Their Saka calendar shows January 1, 2000, as the sixth lunar month in the year 1922.

Muslims in Asia have even longer to wait — 579 years to be precise. According to the Islamic calendar, New Year's Day is the 24th of the fasting month of Ramadan in the year 1420.

The Chinese have a calendar said to date back to the mythical Yellow Emperor, who is thought to have created his complex method for recording time 2,629 years before the birth of Christ, the starting point of the Grego-

rian calendar. *New*
The Asian Civilisation Museum in Singapore recently opened an exhibition on different ways of measuring time. "This is an anti-millennium millennium project," the museum's curator, Tan Huiism, said of the exhibit, "The Dating Game — Calendars and Time in Asia."

The Gregorian calendar, widely used around the world as the main instrument for measuring time, takes its name from Pope Gregory XIII, who made its use mandatory in the Roman Catholic Church in 1582. Its adoption by Protestant countries in Europe became widespread only in the 18th century.

Just as the Gregorian calendar has become the standard international calendar, the Christian-era dating system is also the most widely used in history books, the media, academic and international publications.

But in the more remote parts of Asia,

life still moves to older rhythms and time is measured in traditional ways, at least for religious and festive purposes.

"In much of Asia, the Gregorian calendar regulates time for civil purposes," said Lee Chor Lin, senior curator at the museum. "The Gregorian calendar is probably the most accurate, but that doesn't mean everybody has to use it for all purposes," she said. "In remote parts of Asia, where there may be no radio or television, people still rely on village priests and local calendrical practices."

For example, the 50,000 Kodi people on Sumba Island in eastern Indonesia do not have a written calendar. Instead, they have an official calendar keeper, known as Rato Nale, or the Sea Worm Priest.

At about this time of year, Rato Nale goes into contemplative seclusion. Guided by the monsoon weather season, growth stages of the rice crop and the different phases of the moon, he

must predict the exact day on which a particular type of sea worm, *Leodis viridis*, will come swarming along two coasts of Sumba in a mating frenzy. This will be the beginning of the new year, and hopefully a good omen for the harvest.

The majority of Asians use calendars for religious and festive purposes that are based on Hinduism, Buddhism and Islam.

The Balinese use their Pawukon calendar as the basic reference for temple ritual days, personal anniversaries, market days and selecting auspicious days.

The Hindu calendar in India is said to emanate from Brahma, the God of Creation. It is based on a cyclical concept of life and rebirth. But it takes millions of human years to complete one day of Brahma — a cosmic arrangement intended to show the creator as invincible, and human life as utterly insignificant.

Y2K blinds US eye in space

DESIKAN THIRUNARAYANAPURAM
STATESMAN NEWS SERVICE

WASHINGTON, Jan. 2. — The USA rolled over into the year 2000 with no major disruption caused by the Y2K computer glitch, but the country's spy satellites were "blinded" for several hours due to the bug, it was reported today.

A New Year's Eve computer failure at the National Reconnaissance Office nearly blinded the agency's global satellite spying operations for several hours until a backup was activated, *The Washington Times* reported, quoting a Pentagon official.

The deputy defence secretary, Mr John Hamre, said the problem with "a satellite-based Intelligence system" was "significant" and had reduced the ability of the spy agency to monitor world events. The problem is expected to last several days, he added.

"For a period of several hours we were not able to process information that the satellites were sending," Mr Hamre said,

AGEING BACKWARDS

SEOUL, Jan. 2. — A new-born in South Korea was registered as 100-year-old, thanks to a millennium bug-confused computer.

The computer was not prepared for the arrival of the year 2000 and decided instead that the baby must have been born in 1900.

A German salesman became a millionaire on paper when a malfunctioning bank computer inflated his bank account to more than \$6.2 million, a report adds from Berlin.

Whether the mistake was caused by the Y2K bug or was an unrelated problem was not immediately clear. — AFP

(Photograph on page 11)

declining to provide specific details.

Another official told the newspaper that the data cutoff was serious but not all satellites were unable to transmit data.

The disruption of the spy satellite has been the only major year-2000 computer problem in the US government reported so far. It occurred despite an earlier readiness test, the Times noted.

The NRO operates a number of small satellites capable of photographing images on the ground and transmitting them back to Earth. According to intelligence officials, the satel-

lites can identify objects on the ground as small as 24 inches, the newspaper said.

The most advanced imaging satellites are manoeuvrable and can transmit live video with no delay. Some have the capability to see through clouds and most contain separate electronic eavesdropping systems.

The satellites, which cost as much as \$1 billion each, operate primarily in orbit about 300 miles high.

The computer disruption is reported to have occurred at 7 p.m. Washington time, which incidentally was midnight by Greenwich Mean Time, gener-

ally followed by airlines.

Mr Hamre refused to say where the problem occurred. The satellites are operated by computers and communications systems at the reconnaissance office's headquarters in Chantilly, Virginia, near Washington, as well as various ground stations around the world.

The NRO provides photographs and other spy imagery for the CIA and the National Imagery and Mapping Agency. It was these satellites that missed India's preparations for the nuclear tests in May 1998, and supplied the outdated map of Belgrade, Yugoslavia that was blamed for the mistaken bombing of the Chinese Embassy there.

Other Y2K-related computer problems in the Pentagon included a cash register failure at a military base in Okinawa, Japan, and a power failure at a base in Diego Garcia in the Indian Ocean.

A Nebraska airport experienced a short blackout of the arrivals monitor that was believed to be linked to the bug.

Now get ready for 29/02/00

London, Jan. 3 (Reuters): You can't say that the millennium computer bug industry lacks imagination.

If we breathed a collective sigh of relief to have handled January 1, 2000, we are now told to batten down the hatches in this leap year and watch out for February 29, 2000 and then October 10, 2000.

And this after a string of false alarms in 1999.

Bug Cassandra's managed to induce hysteria about the possibility of chaos on January 1 to such an extent that industry and governments shelled out up to \$6.00 billion to prevent it.

In the event, as midnight came and went and the world ushered in the new millennium, lights stayed on, bank machines still spewed out cash, taps still provided running water and planes stayed in the air.

Money well spent, said the computer software industry. Others wondered whether panic spending induced by hyperbole might be the explanation.

Now we are asked to believe that another date which is rushing towards us — 29th February, 2000 — might cause computers to crash. We still can't relax if that passes without incident.

February 29, 2000 has credibility as a possible problem because it is a one-day-in-400-year event. Because the phases of the moon do not exactly mirror the calendar, every four years an

extra day in February brings it into step again. But 1800 and 1900 were not leap years. The ruling by scientists is that all years divisible by four are leap years, except those divisible by 100. The exception to this is that years divisible by 400 are leap years.

Given the opacity of the reasoning, it is not surprising that some computer calendars do not include February 29. Nick Fitzhugh, year 2000 teamleader at management consultants Ernst Young, believes companies would be wise to pay attention to the possibility of problems from the leap year date, not least because the millennium computer bug might be quietly undermining data bases.

The October 10, 2000, is the first eight digit number of the new millennium and might somehow unhinge our computers. A succession of other warnings last year turned out to be duds. April 9, 1999 — the 99th day of the year — was supposed to upset computer systems. So was September 9, 1999, which could be represented as 9-9-99.

In theory this string of nines was a threat to computers because nines were often used by programmers to instruct a computer to shut down, or prepare for maintenance. January 1, 1999, was a danger as many contracts, insurance policies and loans would reach ahead one year and trigger the Y2K bug.

THE TELEGRAPH

- 4 JAN 2000

E-commerce warns traditional market leaders

India is moving towards a shopping experience of a different kind, write Atul Pradhan and Darshan Bijur

There is a lot of semantics doing the rounds today that business to consumer e-commerce on the Net will not pose serious competition to those in the physical world. The argument is supposed to be particularly relevant to the Indian environment as Indians are said to go marketing for the overall experience of it as opposed to just getting the job done. We believe that this is a slightly flawed suggestion based on the US experience in this regard as well as the peculiarities of the Indian marketplace.

The shopping experience in India is, in most cases, not a pleasurable one. The harrowing parking problems in most shopping areas, no pavements to walk on, customers fighting with each other to get a salesman's attention, not getting the size or colour that one wants and often being asked to pay two per cent extra for the acceptance of a credit card are major contributors.

What is very likely to happen is that branded products with a reputation in the offline physical market will be increasingly bought off the Net. The trek into the bazaar will be reserved only for custom fits or eats or then purely for the experience of shopping, ie, window shopping and people watching, without a major shopping agenda.

Thus as more and more people especially in the metropolitan cities get on to the Net a greater part of their shopping is likely to move into the cyber world. The retailers that are most likely to prosper are those who have an online-offline presence and in the

cutting out the intermediaries, funds are automatically transferred to bank accounts and goods are shipped by a vendor directly to the consumer through the infrastructure of a logistics supplier. When this works well, the virtual business is able to apply all their focus on marketing and customer management, thereby making them even more nimble and innovative.

Another challenge for companies looking to set up e-commerce sites is that not everyone in the supply chain may be ready to conduct business electronically. The front-end Web site may have an outstanding way of selling products and tracking customers, but a slowdown will occur when the order is processed.

Overcoming challenges
Electronic transactions provide a Website company with valuable information about customer buying patterns - information that can be used to help sell additional merchandise or give manufacturers ideas for future products. With access to consumer demographics and psycho-graphics, businesses can target the products that best match their consumers' preferences.

Such intelligent online marketing and selling is more responsive than traditional ways of selling. In addition online access to this information give them a real-time look at how products are selling. Such information can help companies optimise production as well as plan for product redesign or discontinuation.

Another important aspect is the tremendous speed to market and exposure to customers. Imagine how long it would take to attract one million customers in a traditional outlet. A company would have to make a significant investment to set up shops, hire personnel, and advertise its products and services. Such an effort could take years and cost crores of rupees. With the tremendous reach of the Internet, however, companies are pulling in customers at an exponential rate.

While the evolution of the virtual company is still very much in its infancy, there are hundreds of initiatives on the drawing board. New competition may not be your current base of competitors; it could come from anywhere most likely from start-up virtual companies and in affinity industries.

For example, airlines in addition to air tickets are positioned to sell travel books, travel gear as well as related non-airline travel services such as hotel rooms and car rentals. Specialty retailers can branch out into broader product lines, unencumbered by limited retail space in stores.

Garment e-tailers could branch out into shoes and cosmetics, etc. Small, niche players in premium segments which were relatively inconsequential in the offline world will move towards bundling together with other niche players to offer an entire suite of products in the category through portal sites.

For instance, players in the area of high class designer clothing and furnishing could get together with makers of jewellery and premium watches, art studios and ship cruise sellers amongst others and create a portal exclusively for the yuppie netizen. This will knock the wind out of the sails of traditional market leaders who rely on the margins from their premium produce to drive their businesses.

During the next two or three years, we expect to see a fundamental shift in corporate strategies to use online sales as an equally valid strategy to start and grow businesses. The issue is not whether all this will happen but when! A wait-and-watch strategy until then is ill-advised. The first movers in this space are most likely to see sustainable success.

♦ Mr Pradhan is director, IT consulting, Mr Bijur is head of business development, KPMG

U.S. launches war against cyber-terrorism

WASHINGTON, JAN. 8. The United States President, Mr. Bill Clinton has unveiled a bold and comprehensive \$91 million national cyber-security plan to protect the country from the threat of cyber-terrorism that could potentially destroy the country's critical infrastructure.

"The most vital sectors of our economy — power generation, telecommunications, banking and finance, transportation and emergency services — are potentially susceptible to disruptions from hackers, terrorists, criminals or nation-states," he said today in a statement.

The national plan for information systems protection nicknamed "version 1.0" is the first attempt by any nation to develop a plan to defend its cyberspace.

However, Republicans in Congress were quick to dismiss the plan and said it was inadequately equipped to protect the federal computer systems. "Under this plan, they would be left vulnerable to hackers," Republican representative, Mr. Tom Billey was quoted as saying.

Mr. Robert Bennett, chairman of the Senate special committee on the Y2K problem, said the plan might cause overlaps between security responsibilities of the Pentagon, the FBI and the other agencies that could act as a disincentive for the private sector to share information.

Mr. Clinton has increased the outlay for critical infrastructure substantially over the past three years, with a hefty 16 per cent rise in the 2001 budget proposal — to \$2.03 billion.

Declaring the immediate need for such a comprehensive cyber-security system, Mr. Clinton said, "The United States has benefited from the most advanced Information Technology infrastructure in the world. This same infrastructure, however, makes us particularly vulnerable to cyber attack."

Yesterday, the National Security Adviser, Mr. Sandy Berger, speaking at the National Press Club, included cyber-terrorism virtually at the top of a list of threats facing the U.S. in the 21st century. Every day in the U.S., thousands of unauthorised attempts are

made to invade the computer systems that control key government and industry networks: defence facilities, power grids, banks, government agencies, computer and telephone networks and transport systems.

While many attempts fail, some succeed. Others gain "Systems administrator status", and download passwords or leave behind "sniffers" to copy transactions and even implant trap doors to permit an easy return.

The first phase of the plan will be implemented by December 2000 and be fully operational by May 2003.

Mr. Clinton also announced two other initiatives, the creation of an institute for information infrastructure protection at an initial cost of \$50 million to identify and fund research and technology development in cyberspace, and a 25 million-dollar federal cyber services training and education initiative to create a cadre of trained manpower to meet the cyber-security needs. — UNI

CIVIL Digital Dilemma

The World Wrestling Foundation won a case last week that referred to the abuse of trademarks on the Internet. This is the first case of its kind to be resolved. It was aimed at evolving a new global system to track down and penalise cyber thieves. The cyber world has spawned its own breed of dishonour, with cybergoons straddling a whole new world of bits and bytes. The arena is as yet virgin territory, with most countries still finding their feet in dealing with cyber crimes. The US president has recently initiated debate and discussion on how best to regulate cyber violations. The news that it was a 'muscular' body like the WWF that had to deal with a cyber-squatter brings home the truth that whatever may be its reach and power, this 'virtual' world can never be intimidated by muscle power. It will have no use for the proverbial *goondas* who rule the 'netherworld' on terra firma. If, as Stephen Hawking points out, the size of the human brain is necessarily limited by the size of the birth canal, we have a strangely similar problem that precludes muscle-flexing in the virtual world. However, extraneous fertilisation techniques and test-tube baby technology could soon make possible the production of a full-sized human baby outside the body. So there is every possibility that the audacity of virtual criminals can only be short-lived. Ways could be devised soon to track them down, sometimes even physically. Franklin Roosevelt observed much before computers came of age, that "a man who has never gone to school may steal from a freight car, but if he has a university education, he may steal the whole railroad." Elaborating this a little further, one can quip "...and if he happens to be cyber-savvy, he might even steal the whole world". Figuratively speaking, power flexers at a later stage in the new millennium could well be individual cyber whizz kids, who would have forayed so far into cyber space as to become virtual power centres. That will be the time when the true import of Wordsworth's famous line, "The Child is Father of the Man" will become clear. A child's instinct is pure and unsullied by the survival strategies that reek of adult machinations and intrigue, deception and greed. Hence, if the precocious child of the new millennium is going to rule our lives, so be it. The dilemma that is essentially computer-generated, which in turn is the creative brainchild of an adult, is one which revolves around the coming to age of the Child as the Father of man.

THE TIMES OF INDIA
17 JAN 2000

TRAI to be reconstituted

New dispute tribunal to be set up for arbitration

HT Correspondent
New Delhi, January 19

THE GOVERNMENT has decided to clear the confusion prevailing in the telecom sector by setting up a Telecom Dispute Settlement & Appellate Tribunal which will carry out adjudication of disputes and protect the interests of consumers as well as service providers. The role of Telecom Regulatory Authority of India (TRAI) will be restricted to that of a recommendatory body, leaving out judicial functions like adjudication to the new Tribunal.

The Authority will also be constituted with its size being reduced to two permanent members and two part-time members apart from the chairman. An ordinance to this effect was cleared by the Union Cabinet at a meeting here today.

Once the TRAI (Amendment) Ordinance of 2000 is promulgated the present members shall vacate their offices, IT Minister Pramod Mahajan said after the Cabinet meeting. While the role of the

Authority is being clearly demarcated, more powers are being conferred on it, he said at a media briefing.

The new Tribunal would take care of dispute settlement relating to the Government, service providers and consumers. Licensing issues will also be adjudicated by the Tribunal which will function totally independent of TRAI. Decisions of the Tribunal

can be challenged only at the Supreme Courts, Mr Mahajan said.

The decision to set up the Tribunal is aimed at the repeated controversy over TRAI wearing the twin hat of law-maker as well as judge. This would boost investor confidence as the Tribunal would function as a neutral body, he argued.

While setting up the new body,

TRAI is being given more teeth by making its recommendations binding on the Government in the case of new licences. The Authority will also be empowered to fix terms and conditions for inter-connectivity between service providers. This would prevent recurrence of the disputes similar to the recent Delhi High Court case on the CPP (calling party pays) regime.

TRAI can also recommend further technological improvements, lay down quality standards and recommend the need as well as timing for entry of new service providers. Such recommendations could be suo moto or on the basis of requests from the Government.

The Authority has also been exempted from audit by the CAG on decisions relating to impact on revenue collection.

Sodhi surprised: Justice SS Sodhi, chairman of TRAI, was caught unawares by the government's decision to disband the panel and appoint a new regulator. Sodhi told PTI that he would comment on the issue tomorrow.

Cabinet decisions

- Telecom Regulatory Authority of India (TRAI)'s role to be confined to making recommendations. New Telecom Dispute Settlement and Appellate Tribunal to be set up.

- Issue of converting seven domestic airports to international airports to be referred to the Infrastructure Task Force headed by Planning Commission deputy chairman K.C. Pant. The airports to be upgraded are Bangalore, Hyderabad, Guwahati, Goa, Ahmedabad, Amritsar and Kochi (Nedumbassery).

- Aviation Turbine Fuel (ATF) for smaller turbo-prop aircraft to be provided at international prices, reducing its price by almost half and sales tax for ATF to be capped at four per cent. This will enable the airlines operating such aircraft in North-eastern states, Jammu and Kashmir and Andaman and Nicobar and Lakshadweep islands become economically viable.

vv

Tribunal to hear disputes now

New Trai will get more teeth

medi

STATESMAN NEWS SERVICE

NEW DELHI, Jan. 19. — The Cabinet today cleared a proposal to set up a new Telecom Regulatory Authority, whose recommendations will be binding on the government as far as new licences are concerned.

It also okayed, through an Ordinance, a new Telecom Dispute Settlement and Appellate Tribunal to adjudicate and protect interests of service providers.

Under the Trai (Amendment) Ordinance 2000, all disputes between the "licensee and licensor" will be referred to the tribunal, and not to High Courts, the information technology minister said. And appeals against the tribunal's decision can only be referred to the Supreme Court, Mr Pramod Mahajan said.

The government has enlarged Trai's ambit too. It can now recommend terms and conditions of interconnectivity between service providers since many private providers will start functioning.

It can suggest further technological improvements and lay down service quality standards. It can recommend, either suo motu or on the licensor's specific requests, the need and timing of a new service provider and the terms and

conditions of the licence of service providers.

The Cabinet decided that the authority's quasi-judicial decisions, which have bearing on the government's commercial revenue, will not come within the Comptroller and Auditor General's scope.

The tribunal will comprise a chairman and two members, who will have a three-year term, Mr Mahajan said. The tribunal's chairman will either be a retired Supreme Court judge or a High Court chief justice.

The chairman's appointment, however, will be decided in consultation with the Supreme Court Chief Justice.

After the Ordinance comes into force, members of the earlier Trai will vacate their offices.

They can claim compensation not exceeding three months' salary for premature retirement, the minister said. The government has, however, made an exception by allowing the present members to be eligible for reappointment in the new authority.

Joint IT venture: The government has approved a joint venture between the department of telecom service, IU Net of the USA, the information technology ministry and educational institutions to establish and operate a nationwide bandwidth data network.

THE STATESMAN

20 JAN 2000

CIVV

Cyber Monotone

News junkies around the world will soon have an option that does away with the vagaries, individual peculiarities and very human foibles of television and radio news presenters. They will soon be able to log on to the Internet to hear the world's first cyber-newsreader relay up-to-the-minute information from around the world. The cyber-newsreader will have a name, Ananova, a face — pleasant — and a personality — green hair, non-conformist but strictly automated. She will speak slowly in idiomatic English and her presentation style will remind one of nothing so much as the disembodied voice one heard on board the spacecraft that zoomed off into the unknown in the television serial *Star Trek*. Ananova's creators say that cyber-news is the hot story of the future and it is best presented by someone who is alien to human emotions, errors and excitability. Ananova's virtual imperturbability is thought to be her great advantage over her flesh-and-blood colleagues who often stumble over names and phrases, stop to clear their throats and reveal their emotions simply by the intensity of the way they speak. But the birth of this fully-formed, immaculately-schooled, 28-year-old Ananova is not without its pathos. The creation of a McPerson, a homogenised entity, to set the new news agenda for a new millennium says a great deal about the constant push towards a uniform world order, complete with chainstores, burger bars and tetrapaks. British novelist L P Hartley once condemned the no-changers, those who oppose uniformity in any shape and form, because, "if the quality is good, it satisfies". He may have a point but the erosion of cultural differences in news delivery and news judgement can only bode ill for our endearingly topsy-turvy world, where one word can mean very different things across different continents and in different countries. Of course, the cyber-newsreader will really be only an audible version of the wares on offer at the global electronic newsstand. It was well said that one machine can do the work of 50 men, but no machine can do the work of one extraordinary man. It is a disquieting trend, this attempt to build a computerised identikit of the 21st century man machine. "The great intangible machine of commercial tyranny" is not done with us yet and it will not have done till we scurry like several million Joseph KS down a Kafkaesque labyrinth that leads into nothingness.

THE TIMES OF INDIA

21 JAN 2000

PT-13 The right move ^{under}

AFTER A prolonged period of uncertainty and legal hassles, the Union Cabinet's decision to separate the regulatory functions of the Telecom Regulatory Authority of India (TRAI) from its judicial role with adjudicatory powers deserves a cautious welcome. The realisation by the government of the futility of running with the hare and hunting with the hounds has thus come not a day too soon. Repeated criticism of the regulator by state monopolies had unnerved both the domestic and foreign investors. The proposed TRAI ordinance will make it mandatory for the government and all new licensees to seek the regulator's recommendations on matters relating to new licences, interconnectivity, service quality standards and technology improvement. But the government has done well to take away its dispute settlement role, which was a major source of irritation and entrust it to a new appellate tribunal headed by a person with the rank of a Supreme Court judge or chief justice of a high court. To ensure speedy justice, all appeals against the ruling of the tribunal will go to the Supreme Court.

In other countries, the regulator is also responsible for resolving disputes. By creating a new body, an attempt has been made to set up another layer of authority. Only the future will show the efficacy of the step. Significantly, what has been proposed by the government virtually goes beyond even what the TRAI in its original form had asked for. The credit for this innovation needs to be given to both Mr Arun Jaitley and the Prime Minister. Presumably, neither the Department of Telecommunications nor the MTNL will be happy with the turn of the events considering that DoT had been consistently resisting any move to allow an outside agency to have jurisdiction over licensor-licensee disputes. But the latest step is expected to be beneficial to the consumers. While the government may be keen to follow a new course, the experience of the members of the erstwhile TRAI also needs to be fully utilised to keep pace with fast changing technology.

THE HINDUSTAN TIMES

21 JAN 2000

Mahajan clarifies stand on TRAI

By Our Special Correspondent

NEW DELHI, JAN. 20. The Government today clarified that implementation of the Telecom Regulatory Authority of India's recommendations was not mandatory. "I made a mistake while announcing the details of the proposed TRAI ordinance and I wish to issue a clarification," Mr. Mahajan said at a public function this morning. While it was mandatory to seek the TRAI's recommendations, it would not be binding on the Government to implement the recommendations.

While announcing the Cabinet's decision to newsmen on Wednesday, Mr. Mahajan had said the Government was bound to seek and implement the TRAI's recommendations on a wide array of issues.

The Minister was not the only

one to recant previously-held positions. The commerce chambers abandoned their earlier stand that the TRAI be vested with judicial as well as regulatory functions. Over the past two years, they have been demanding sweeping powers for the TRAI to avert a loss of investor confidence. Today they gave an unconditional welcome to the Cabinet decision to divest the TRAI of its judicial functions.

The CII, which in the past was a passionate votary of an all-powerful TRAI, said today that "it believed that specifically clarifying TRAI's role with regard to the recommendations for licensing and other issues and also empowering the TRAI to fix terms and conditions of inter-connection would help resolve many issues currently under dispute".

The FICCI said the Government

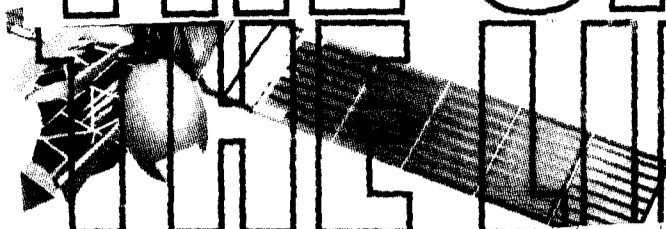
moves were positive, would provide comfort to the domestic players and, at the same time, send signals to the foreign investors who have been demanding a strong regulatory mechanism.

The ASSOCHAM demanded weightage to industry representatives in the reconstituted TRAI. The separation of judicial and regulatory functions would help concentrate on issues such as new licences, interconnectivity and service quality standards.

The sole opposition came from the CPI(M) which said the proposal for an Ordinance was "another mindless act in the series of such measures that constitute telecom reforms". It also objected to virtually dissolving the TRAI set up by an Act of Parliament and reconstituting it by an executive fiat.

Bid to retain Sodhi: Page 15

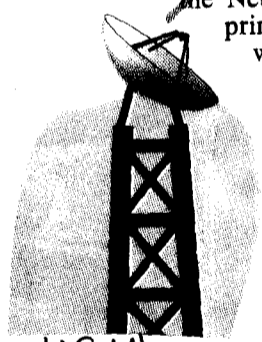
THE SKY'S THE LIMIT



ANITA KANUNGO
EXPLAINS THE IMPACT
OF TWO BIG EVENTS:
THE AOL-TIME WARNER
MERGER, AND INDIA'S
NEW SATELLITE POLICY

BIG IS back in business — and it can't get bigger than last fortnight's merger of America Online and Time Warner. With a market capitalisation of about \$ 350 billion, the combined media giant is only \$ 10 billion short of India's GNP. More significantly, the merger epitomises the future look of the media — Internet, TV, print, movies and cable, all provided by a single conglomerate.

Says Kiran Karnik, CEO, Discovery Channel: "Not only is the technology converging, but there is also greater synergy between the contents of different media. For example, a single news gathering operation can serve the Net, TV and print. This will lead to mega corporate mergers and new monopolies... But it's also scary."



Regardless of the number of channels you might have access to, their content will be determined by a handful of players."

The trend is visible in India too. Says a Zee Network spokesman, "The trend of click businesses (Internet) aligning with brick-and-mortar businesses will become increasingly important. In India, we don't yet have an Internet company big enough to buy out a traditional media house, but conversely, almost all major television and newspaper organisations have started their own Internet companies."

Analysing the trend in the context of the AOL-Time Warner merger, *The Economist* says traditional media companies realise the potential of Internet companies to generate profits. Since they possess the creative talent as well as the marketing and distribution network that Internet companies need, a merger or consolidation suits both. (Very often, the traditional media house also possesses greater brand recognition.)

The convergence of technology is also an important driver. For instance, the cable network is considered the best possible route to give subscribers Internet access — precisely why AOL and Time Warner merged. In future, a single cable could deliver TV, Internet and telecom services to households.

In India, though, the expansion of Internet has been limited because of the paucity of transponders. It was this that goaded the government into announcing a new satellite policy last week. Its main features are:

- ◆ Private Indian companies with foreign equity up to 74 per cent can build and operate satellite systems.
- ◆ Indian television companies and Internet service providers can use these foreign satellites till such time Indian satellites develop the requisite capacity. (This blanket clearance replaces the case by case approval the government would grant to Indian companies wishing to lease foreign transponders.)
- ◆ INSAT capacity will be available to non-government users.

THIS POLICY will provide for cheaper Internet gateways, more long distance operators, and synergy in the broadcasting industry. More available bandwidth and transponders mean more players can operate. All this could help India emerge as a communication power.

Says Karnik, "The critical thing is that the use of private satellites has been allowed. This enables easy access to transponders. The worldwide convergence taking place between telecom, broadcasting and the Internet is because all are satellite-based. No wonder, the government's policy focuses on easy access and private investment in satellites."

Indeed, with the worldwide market for satellite-based services projected to be around \$120 billion by 2010, India has acted just in time. It is among the few countries with the expertise to build and launch satellites, and yet figures nowhere in the global satellite business. Antriksh Corporation, started in September 1992 to commercially market our satellite expertise, has come a cropper.

Says Karnik, "India certainly has the potential to emerge as a satellite power, just as we are uniquely positioned in computers. We have high skill, but the satellite industry faces a resource crunch. A priority should be to forge commercial links between bodies like the Indian Space Research Orga-

nisation (ISRO) and private players."

Agrees a senior ISRO official, "ISRO has the expertise and facilities. Private investments will see many fruitful collaborations between the industry and us. We are already marketing our remote sensing data, and eyeing the Asia-Pacific market. The policy will indeed allow the commercial satellite industry to take off."

Zee is upbeat about the new policy, and has tied up with Lockheed to build its own satellite. Other domestic players like MTNL and Reliance have also got active plans.

Former UGC chairman Prof. Yashpal, however, cautions, "The policy is good, but the critical element is our ability to exploit the potential. For instance, we were one of the first to build ground stations to track satellites. This facility could have been offered to other countries, including big players who launched satellites but didn't have the ground station expertise."

In contrast, the 14-country European Space Agency has developed strong linkages with industry. This has helped groom powerful European players like Aerospatiale, Matra and Marconi. Boeing, through its takeover of Rockwell and McDonnell Douglas, has also become a major player in the space business — and it now has purchased the space business of Hughes, the world's largest commercial manufacturer of satellites. Microsoft-owned Teledesic is planning to launch around 260 satellites.

Says Yashpal, "All this shows how space, telecom and information technology are converging. Today, companies are merging or buying out others to consolidate their position. Let's hope we haven't missed the bus."

19/12/21

COMPROMISE SOLUTION

THE LEARNING PROCESS with the working of independent regulatory bodies will continue even after the proposed Ordinance amending the Telecom Regulatory Authority of India Act of 1997 is enacted into law. With its decision to remove dispute settlement powers from the TRAI, the Government has pruned the power of the regulatory body. At the same time, the Government has decided to amend the provisions of the 1997 Act to give the TRAI certain powers that the courts have so far denied it.

Since the country had no prior experience with independent regulatory bodies it was inevitable that there would be problems initially with the functioning of the TRAI. However, in addition to a constant battle over jurisdiction with the Department of Telecom and the Mahanagar Telephone Nigam Ltd., Parliament has been exercised over the working of the TRAI and the courts have interpreted the law in a manner that has restricted its powers. Although it has gone about its work, carrying out a number of public consultation processes, the TRAI has perhaps unfairly acquired the reputation of unduly favouring the private providers of telecom services and taking decisions that hurt the middle class consumers. The Government appointed the Group on Telecom to clarify the role of the TRAI, strengthen its independence and make it more effective. Yet, what we now have is a compromise solution to the problems that have beset the TRAI. The TRAI will now be stripped of its powers to adjudicate disputes. This role will be given to an appellate tribunal headed by a former judge of the Supreme Court or Chief Justice of a High Court. This is contrary to international practice where regulatory bodies combine setting of rules and regulations with dispute settlement. The message may well be that the Government feels that the experience of the past couple of years suggests that the country is not yet ready for a powerful and independent regulatory body. The solution may, however, create a different kind of prob-

lem in that it may encourage a perception that the Government (under whose control the Department of Telecom Services will continue till at least 2001) is not in favour of a truly independent TRAI.

The Government has simultaneously decided to strengthen the powers of the TRAI in at least two areas. First, the Government (i.e., the Department of Telecom) will have to seek the recommendations of the TRAI before issuing licences. Though the DoT is not bound to accept the recommendations, the courts earlier denied that even a recommendation from the TRAI was mandatory. Second, the TRAI will have the power to fix and regulate inter-connection charges. This will effectively overturn a recent judgment involving inter-connection charges between cellular phone subscribers and fixed phone-users. While these changes and clarifications that the TRAI will continue to have the power to set tariffs and quality standards will together strengthen the power of the TRAI, two other proposed amendments have the potential to cause harm. Henceforth the TRAI is to have three full-time members and two part-time members. This reduction in the maximum size of the TRAI from seven full-time members may make the regulatory body a more compact one but it will also reduce the diversity of views, something that is essential in a sector with rapidly changing developments. The bigger danger is in the proposal to remove the qualifications for the chairperson of the TRAI, who according to the 1997 Act has to be a Chief Justice of the High Court or judge of the Supreme Court. In the absence of any qualifications for the post of chairperson, there is always the risk that pressures will arise to appoint a person favoured by the ruling dispensation. With the telecom sector having a history of innumerable allegations of widespread corruption in the award of contracts and licences, this is one shadow of suspicion — even if only a shadow — that the TRAI can do without.

Mob torches set for *Water*, UP government stops shooting

Sangh demolition rerun on Deepa film

FROM SUJAY GUPTA

Lucknow, Jan. 30: A mob led by BJP leaders and vigilantes linked to the Sangh parivar vandalised the set of Deepa Mehta's latest venture *Water*, being shot in Varanasi.

The Uttar Pradesh government has ordered the shooting to be stopped following the rampage.

Around 9 am today, a procession of about 2,000 people broke into a house at the Tulsī ghat where a set had been built, threw out the props on the streets and set fire to them.

The procession was taken out by the Kashi Sanskriti Raksha Sangh, an umbrella organisation of various Sangh parivar outfits. BJP leaders Jyotsna Srivastava, wife of Uttar Pradesh finance minister, Ashok Dhawan, treasurer of the state party unit, and Shandeve Roychowduri, an MLA, were heading the procession.

The first scene of the film was about to be shot when the protesters descended. During the scene, Shabana Azmi, who plays the in-charge of a widows' home and Nandita Das, a widow — both actresses have shaved off their heads — would take a bath in the Ganga.

The mob dismantled the sets and threw its parts into the river. A

thatched house, also part of the set, was broken and burnt. The set at the adjoining Assī ghat was also smashed.

Later the protesters jammed the streets leading to the ghats and held a two-hour long meeting, burning Mehta's effigies.

Varanasi is growing tense over the incidents. Principal secretary, home, V. K. Mittal said the case had been referred to the ministry of information and broadcasting in view of the disturbed law and order situation. The shooting was stopped on the basis of the report sent by the district magistrate of Varanasi, he said.

Earlier, the Kashi Sanskriti Raksha Sangh pasted posters all over the city against the film. The posters state that the film depicts Varanasi as a "*bhog nagri*" (pleasure city) and not a "*moksh nagri*" (a city of salvation).

A furious Mehta, whose *Fire* had seen angry protests over the depiction of a lesbian relationship, refused to meet anyone.

The director remained at closed-door meetings all day with production manager Deepa Motwani and officials of the Canadian film company, Flagship International, under whose banner the film is being made.

Saffron mob ransacks sets

▶ FROM PAGE 1

Water, the next in Mehta's "element" series after *Fire* and *Earth*, centres around the relationship of a young widow, Das, and a young Gandhian idealist Akshay Kumar. The film also features Kuldhusan Kharbanda.

The protesters feel Water depicts Indian widows in a bad light. The Kashi Vidwat Parishad, an organisation of city intellectuals, condemned the film for implying "the widows of Kashi are all prostitutes and lead immoral lives."

Following the initial protests, the Union information and broadcasting ministry had appointed Krishna Murari, an employee of the local All India Radio station, to monitor the shooting, leaving Mehta's crew aghast.

Murari has requested permission to study the script of the film, both in Hindi and English, over 14 days. "This is ridiculous. An All India Radio employee with no film background is supposed to be our chastity uncle," fumed a unit member.

But the real bone of contention was the granting of permission to shoot. State ministers came up with strong reservations. State finance minister Harish Srivastava, whose wife was steering the protests, had warned: "The director will have to get the script cleared with us. If she does not, we will not allow shooting, come what may."

Mehta, however, had said she did not need the state government's permission as the Union information and broadcasting ministry had already given a clearance. "The ministry has already given clearance to the film. I don't need to discuss the script with anyone after that," she had said.

But district magistrate of Varanasi Alok Kumar had contested Mehta's claim that she had got a clean chit. Principal secretary to the chief minister Naresh Dayal also suggested that the government was in no mood to relent.

He added that neither Mehta nor the production manager had sought any official clearance from the state government for shooting the film.

the TALKING INTERNET

The Net is beginning to be used for a dizzying array of voice communications -and you don't even need a computer

SPOKANE is 250 miles east of Seattle, far enough to avoid the traffic jams but close enough to be caught in the orbit of the nearby technology center. So it shouldn't surprise anyone that this small city has started a revolution of its own. School officials ripped out the district's old phone network and, last fall, started using radically new Internet technology for all its communications. The Net system is saving the school district about \$100,000 a year in telephone and Internet access fees. More important, it's doing wonders for the education process. One example: Students scattered throughout the district can listen in real time to a teacher giving a lesson over the Net—and ask questions through their computers if they have them.

"The payoff has been unbelievable," says information technology manager Dennis Schweikhardt. "But the real value is that it has changed the way teachers teach." Welcome to the dawn of the talking Internet. What has been mostly a medium for text, colorful graphics, and the occasional music clip, the Internet is beginning to be used for a dizzying array of voice communications. Web sites like Yahoo! Inc. and Excite@Home are letting Web surfers talk verbally with each other about everything from a stock's prospects in the turbulent tech market to the New York Knicks' prospects in the NBA playoffs. America Online Inc. (AOL) just introduced a Web browser that lets people click on a button so that they can talk to friends over the Net. And you don't even need a computer: Companies like Net2Phone Inc. (NTP) will route a call from your home phone over the Internet to another telephone, cutting your phone bill by as much as 90%.

Voice-on-the-Net is serious business, too. Companies around the globe are beginning to use new systems based on Net technology in place of their old phone networks - not only because they're cheaper but also because they can do so much more. In its New Jersey offices, brokerage giant Merrill Lynch & Co. (MER) is installing 6,500 Internet phones that will let employees have free conference calls over the Net and trade instant text messages at the same time. That's just the first step in the company's plan to convert its entire global network to let all 67,200 employees do the same. Compaq Computer Corp. (CPQ) is expected to launch a massive initiative within the next month that will let visitors to its Web site click on an icon to speak live to a company representative. And American Express Co. (AXP) is using voice technology to combat fraud.

When it suspects that someone is trying to use a stolen credit card online, an AmEx employee can zip a text message to the person and then start up a voice conversation over the Net. If the person can't answer certain questions, such as the cardholder's mother's maiden name, the transaction won't be processed. "We can actually use this technology to ask additional questions and go through a verification process," says Jeff Fleischman, vice-president at American Express.

All this adds up to the biggest change to hit telecommunications since the invention of the telephone 124 years ago. Today's phone technology is basically a souped-up version of the 19th Century system. It converts sound into electrical waves and shoots it across copper wires and optical

cables. Internet technology is completely different. It turns sound, like the human voice, into digital form and breaks it into chunks of data for transmission. That allows many calls to share the same phone line. Voice-on-the-Net is cheaper, and it opens up the communications field to a flowering of innovation. While the old phone system was tightly controlled by a handful of companies, the new technology is being developed by a host of fast-moving companies in Silicon Valley and the rest of techdom.

on-the-Net services. They were illegal in Japan until last year, and Telefonos de Mexico has been trying to shut down Net-based services offered by AT&T and British Telecommunications PLC (BTY).

RELIABILITY: The transition to Net technology won't be easy for corporations and other customers either. Spokane had to redo part of its \$19 million project last summer because of technical glitches like strange pauses in conversations and scratchy music when callers were put on hold. Another

problem they faced. "We're a small firm, but we can update our technology faster than larger firms," says Ohmudt. "That helps us compete." The Web also is doing wonders for communications within companies. Managers at the engineering firm Parsons Brinckerhoff used to gather once a year for an annual training session at company headquarters in New York. The trip has been replaced with 12 monthly conference calls on the Web. "The total cost is about \$200, and that includes the cookies," says Stephanie Parson, the company's chief information officer. "But more important, we are communicating more often." And more effectively. During the conference calls, participants can send Parson instant text messages, which she can answer privately.

If they could speak live to a company representative, that completion rate would likely shoot up. "The fact that you can click on the button of a Web page and instantly talk to someone over the Internet will make people feel more comfortable about buying things online," says AmEx's Fleischman. Market researchers agree.

"Companies that voice-enable their Web sites will achieve an immediate improvement in the number of sales that are completed—in the realm of 50%," says Charu Gupta, an analyst with Renaissance Strategy in San Francisco.

It's hard to believe that voice-on-the-Net didn't exist until five years ago. It began with a pioneering Israeli company called VocalTec Communications Ltd., which developed early commercial versions of the hardware and software for making calls on the Net. Users downloaded the software from the Web for a fee. Once installed on a PC with a speaker and a microphone, free calls could be placed to other similarly equipped computers around the world. But there were drawbacks: Both users had to be logged on to the Internet at the same time and the callers had to take turns pushing a button to talk, just as if they were using walkietalkies. To make matters worse, the sound quality was terrible.

The big break occurred a few years later when VocalTec developed a device called a gateway that allowed people to make Internet calls with regular phones. The gateway serves as a bridge between the Internet and local phone networks around the world. It essentially allows callers to bypass the long-distance networks. That means you can call around the world for the price of a local call. Because the service was so much easier to use and the quality had improved substantially, upstart phone companies like Net2Phone began buying VocalTec's gateways and marketing the service aggressively. In some markets, such as South Korea, voice-on-the-Net accounts for 20% of international calls.

Internet telephony is becoming an extremely contentious issue among major phone companies. AT&T and British Telecom, through their Concert joint venture, have created a clearinghouse that finds the cheapest international route for other phone companies.

Although voice-on-the-Net technology was developed for discount phone service, it's now evolving in myriad ways. Here's an example. Back in February, Justin Ohmudt, a project manager at the architecture firm Grund & Riestener in Chicago, faced the task of inspecting all 30 buildings in Walpole Point, a condo development on the Windy City's North Side. A real estate firm called Prairie Management & Development Inc. had hired Ohmudt's firm because it needed to know if it had budgeted enough money to fix up the property. No problem: Ohmudt used his digital video camera to shoot a snapshot and record a brief voice clip about any problems. He then sent the digital photos and audio descriptions over the Net to a group of people at Prairie Management and his own firm. The job was done in one week instead of the usual three—and the clients could use the Net to see more accurately than ever before

what problems they faced. "We're a small firm, but we can update our technology faster than larger firms," says Ohmudt. "That helps us compete." The Web also is doing wonders for communications within companies. Managers at the engineering firm Parsons Brinckerhoff used to gather once a year for an annual training session at company headquarters in New York. The trip has been replaced with 12 monthly conference calls on the Web. "The total cost is about \$200, and that includes the cookies," says Stephanie Parson, the company's chief information officer. "But more important, we are communicating more often." And more effectively. During the conference calls, participants can send Parson instant text messages, which she can answer privately.

CLICK FOR HELP: Voice-on-the-Net is likely to be the biggest development in customer service since the invention of the 800 number. While Compaq Computer won't comment, people familiar with the company's plans say it will roll out the technology on its site within the next month. That will allow customers who press "click-talk!" icons on Compaq Web pages to speak live with customer service agents. American Express is about to begin a 90-day trial of similar voice technology, from Lipstream Networks Inc., on its Web site. If the trial works, AmEx plans to integrate voice throughout its Internet operations. There are a few big challenges for voice-on-the-Net before other companies follow suit. One major issue is that the medium is split by a series of currently incompatible technology standards. That means that someone using Yahoo! for voice chat can't talk to another Web surfer who is using AOL's technology.

The issue may get ironed out over the next year. AT&T's investment in Net2Phone, which also counts AOL and Yahoo! among its investors, is designed to make Net2Phone the industry standard for both voice and text instant messaging. Once a standard is clear, businesses can use voice-on-the-Net to communicate with many more people than previously possible. That's hardly the only challenge for the talking Internet.

Instant messaging's "presence" function, which announces whether that person is online, isn't that useful yet because many people are online all day, especially in office environments, even when they aren't sitting at their desk. Newer versions of instant messaging software are expected to correct this problem by the end of the year. What's more, security is poor, so that in some cases outsiders may be able to listen to private conversations. "It is vulnerable to security hacks," says Jeff Pulver, CEO of pulver.com, which publishes voice-on-the-Net releases. Future generations of the software should become more secure.

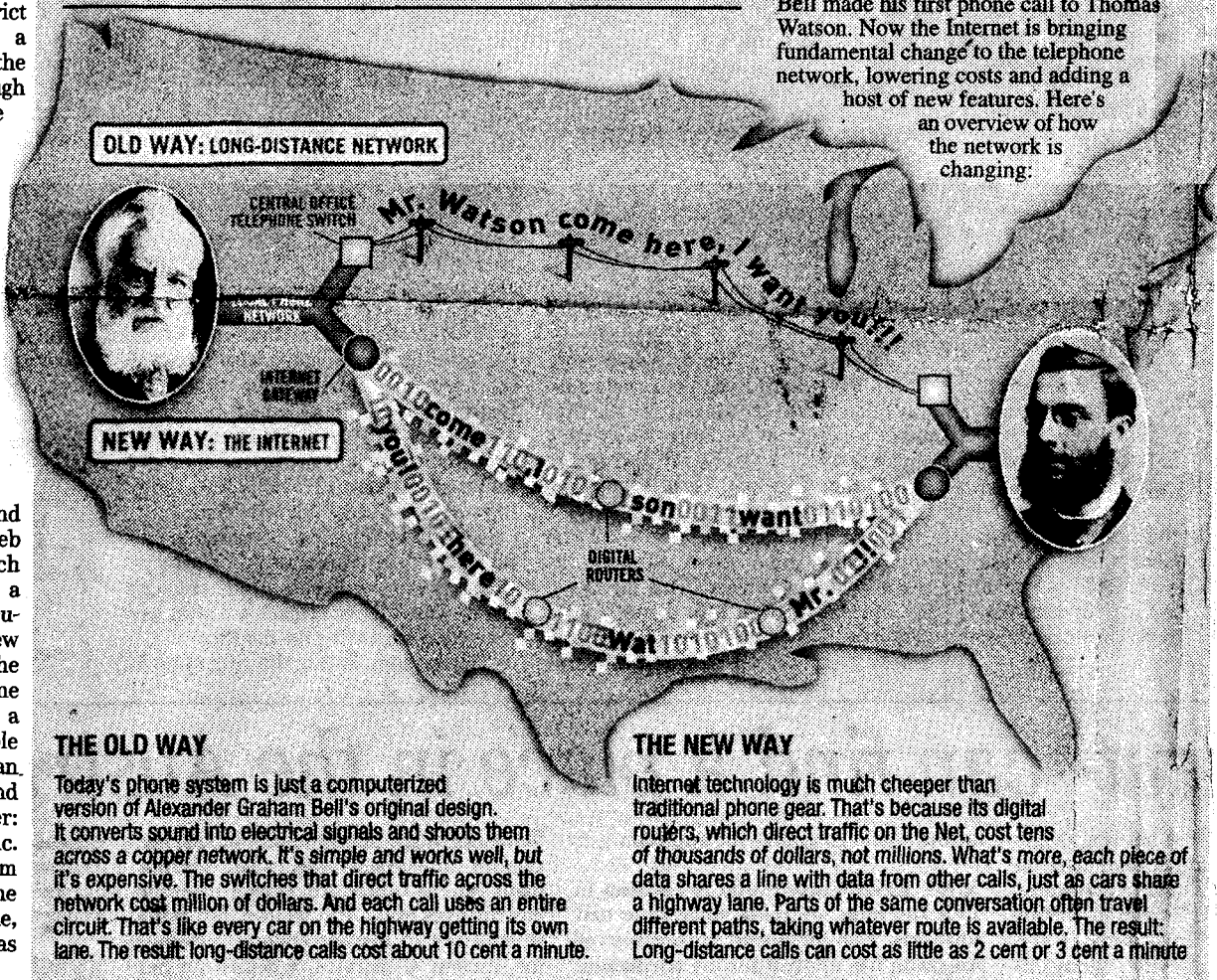
Perhaps the biggest problem for voice-on-the-Net is that sound quality can be dreadful. In some cases, people can't even understand each other because of delays and interference. Carriers have been boosting quality in recent

months by integrating their Internet telephony equipment with a high-quality data transmission standard called asynchronous transfer mode. In addition, some Net voice players, including Lipstream, are installing their own servers so their can improve the quality of their service.

During the next few years, these new voice technologies will find as many applications as there are users. Back in Spokane, the new

network has allowed the school district to create a special class for hearing-impaired students, who use videoconferencing gear to work with teachers many miles away. "Yes, the network is faster, but that is not the point," Schweikhardt says. "It is allowing us to do things we could never do before." Alexander Graham Bell, who began his career tutoring deaf students, would have been pleased. —BusinessWeek

BIRTH OF A NEW COMMUNICATIONS NETWORK



THE OLD WAY

Today's phone system is just a computerized version of Alexander Graham Bell's original design. It converts sound into electrical signals and shoots them across a copper network. It's simple and works well, but it's expensive. The switches that direct traffic across the network cost millions of dollars. And each call uses an entire circuit. That's like every car on the highway getting its own lane. The result: long-distance calls cost about 10 cent a minute.

THE NEW WAY

Internet technology is much cheaper than traditional phone gear. That's because its digital routers, which direct traffic on the Net, cost tens of thousands of dollars, not millions. What's more, each piece of data shares a line with data from other calls, just as cars share a highway lane. Parts of the same conversation often travel different paths, taking whatever route is available. The result: Long-distance calls can cost as little as 2 cent or 3 cent a minute

The outlook: Voice-on-the-Net, which accounted for less than 1% of global telecom traffic in 1999, is expected to surge to 17% by 2003 and more than 30% by 2005, according to US Bancorp Piper Jaffray. "I think voice over (the Net) is an inevitable outcome of technology," says C. Michael Armstrong, the chairman and CEO of AT&T (T), which is investing billions in Internet telephony.

The move of voice traffic to the Internet will force wrenching change on established telecom players like AT&T. While they used to keep the same equipment for up to 30 years, they now have to replace some gear every 24 months or so in order to keep up with competitors that are buying the latest technology from the computer industry. To make matters worse, prices for their core telephone services are plunging as lower-cost alternatives emerge. To stay on top of the changes, AT&T agreed on Mar. 31 to lead a coalition that is investing \$1.4 billion in Net2Phone, a leading provider of phone services over the Net. AT&T also is preparing to offer voice-on-the-Net service over its cable networks.

Even more vulnerable are overseas phone companies that have been living off international phone rates that are sky-high. For example, people in Afghanistan who use Net2Phone to call the US pay \$1.13 per minute compared with more than \$5.50 per minute without the service. Not surprisingly, many phone companies have fought off voice-

big hurdle is reliability. Calls over the traditional system are completed on the first attempt 99.999% of the time, and even if the power goes out, the network continues to work.

The Internet, or people's connections to the Net, fail all the time—and if the power goes out, so does a phone link to the Net. Carriers are rushing to fix these problems. AT&T originally installed batteries in people's homes to make sure that its local telephone service would continue to work even when the power went out. However since AT&T would lose some control with that approach, it later decided to put power supplies for each neighborhood in its own facilities. Qwest Communications International Inc. (Q) and other carriers are investing in their own Internet equipment so they don't have to depend on the sometimes unreliable public Net.

Still, the sheer economic benefits

one-third, people familiar with the project say.

UP FROM WALKIE-TALKIES:

Cost savings will pale in comparison to the innovation that lies ahead. Voice-on-the-Net will lead to profound changes in how we communicate. A company called Voyant Technologies Inc. in Westminster, Colo., plans to make its click-chat technology available for handheld Palms and other devices in about three months. That means you could make a Net phone call with your electronic organizer and wouldn't need to carry around a cell phone. Tellme Networks in Mountain View, Calif., and other companies are developing voice-recognition technology that will allow people to navigate the Net from a phone by asking verbally for things like stock quotes or movie locations. And Evoke Inc. in Louisville, Colo., is working on software that will let people make cheap video calls over the Net. "I believe that our services will be as popular and pervasive as e-mail and the telephone," says Evoke CEO Paul A. Berberian. "We believe these tools will be used every single day in the corporate environment." If that happens, the new voice services could have a powerful effect on electronic commerce. Right now, 80% of people who begin a transaction on the Web cancel it before it's completed. While market research on the topic is thin, that could be because those folks get confused, or they're worried about secu-



PARSON: Likes conference calls on the Web



RALSTON: At the intersection of old and new communication

Yahoo! Look who's yakking away

AT THE end of last year, John Garrett discovered that he could use Yahoo's Web site to reach out and talk to someone. Garrett is one of 70 employees at eFrenzy.com, a San Francisco startup that created an online marketplace for services such as housecleaning and tax preparation. Now when eFrenzy employees who are traveling want to chat verbally with their cohorts, they simply click on a button on Yahoo's instant messaging service and gab away. "It's definitely handy," says Garrett, a senior manager of business development. "We generally talk about different deals or get updates on day-to-day activities."

Leave it to Yahoo to lead the way to the talking Net. The giant portal was one of the first sites to add live voices—in addition to typed communications—when it launched the latest version of its instant messaging service last May. Then in October, Yahoo introduced voice in its chat rooms. "There's this convergence of the old style of communication with the new communication, and we want to play a major role at that intersection," says Geoff Ralston, Yahoo's vice-

walkie-talkie style by pressing a talk button on their computer as they did in the past. What's more, the new Messenger has been woven into Yahoo's news section so that people reading a story about, say, the Cuban boy Eito Gonzalez can click on a conversation link and rant away to others visiting that section. "We want to have the broadest set of communication services out there," says Yahoo senior producer Brian Park, who heads the Messenger group. "And voice is just the next step." Cutting-edge corporate users like eFrenzy.com's Garrett are finding plenty of new uses for the services. Garrett thinks voice chat is helping his co-workers become more productive because they can quickly jump from text chat to voice chat to iron out a sticky issue. His company is thinking of letting the buyers and sellers who come to its site for services use Yahoo! Messenger's voice chat to haggle over price or other terms. Garrett figures talking would probably make negotiations move faster and could foster trust between buyers and sellers.

Yet there is still a lot of work to do done before mainstream Web surfers embrace the audible Web. Park says voice services tend to be popular with Generation Y teens, geeks, gadgeteers, and New Economy road warriors like Garrett. But most consumers are business as usual. They're partly because voice conversations on the Web are hampered by poor security and a snarl of technology issues. The biggest problem is poor audio quality. At a recent demonstration of Yahoo's voice technology, having a conversation proved irksome because the voices were choppy and hard to hear—much like dialogue over a CB radio. "I don't think the phone carriers have much to worry about," says analyst John Dalton of Forrester Research. "If anyone thinks this is a reliable communications channel they're smoking crack."

For the time being, Yahoo's voice services are more about creating community than creating commerce. But if Net voice technology continues to improve, voice services could become a critical part of online communications for consumers and businesses. —By Spencer E. Ante in Silicon Valley