





## Health Program Causes Clash

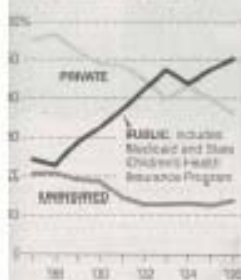
Mr. Dingell and Senator Hillary Rodham Clinton, Democrat of New York, recently introduced bills that would encourage states to cover children up to four times the poverty level — up to \$52,000 for a family of four.

While opposing any major expansion of the program, Mr. Bush has proposed a new tax deduction to help people buy private health insurance. In the past, he proposed tax credits.

Mr. Dingell scoffed at the idea. "To rely on a bunch of good-hearted insurance companies whose purpose is, quite frankly, to make money — to expect them to go into the charitable business of taking care of a lot of hungry and impoverished kids —

### Children's Health

Sources of insurance for children with family incomes from 100 percent to 200 percent of the poverty level. (Family of four is considered poor if its annual income is less than \$20,650.)



Source: Department of Health and Human Services

By The New York Times

## The Administration Opposes a Democratic Proposal for New Government Coverage

critics see as the height of folly," Mr. Dingell said.

Congress faces a deadline for action on the Children's Health Insurance Program. Legal authority for the program expires on Sept. 30, and it starts to run out of money after then.

The House and Senate have voted a provide about \$750 million to help five states get through the next six months. But the money is included in your spending bill that Mr. Bush has introduced to veto because it sets a timetable for gradually withdrawing tax American troops from Iraq. So he fears of the child health program is unclear.

Representative Jack Kingston, Republican of Georgia, said he was displeased to see Democrats pursuing that he called "a huge repetition of government-sponsored health care."

"The Children's Health Insurance Program has given Democrats a non-sports door for socialist medicine," Mr. Kingston said in an interview. But he added, "The door was left open by Republicans, who were the majority when we passed the original legislation in 1997."

Republican senators like Orrin G. Hatch of Utah and John W. Chafee of Rhode Island helped create the program. Some Republicans, like Senator Olympia J. Snowe of Maine and Jordan H. Smith of Oregon, are working with Democrats to expand the program, a goal supported by many governors of both parties.

## In New Web World, Codes May Talk to Your Cellphone

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arate from everyday activities like riding the train, watching television and driving. But the new technology may erode that distinction.

"You've picked up this product, and you don't want to go back to your PC," said Tim Kallberg, a senior researcher at the Bristol, England, lab of Hewlett-Packard. "Gryps" is outside this building, and you want more information. We call it the "physical hyperlink."

In much the same way that Web publishing took off because of the ability to link to other people's sites, cellphone technologies linking everyday objects with the Web would reveal the digitally needed attributes of tangible things on grocery shelves or newsstands.

"Everything in the physical world has information related to it somewhere electronically, including yourself and the desk you're sitting at," said Chas Fritz, chief executive of NeoMedia Technologies, a company developing these cellphone capabilities.

The most promising way to link cellphones with physical objects is a new generation of bar codes: square-shaped mosaics of black and white lines that can hold much more information than traditional bar codes. The cameras on cellphones scan the codes, and then the codes are translated into videos, music or text on the phone screens.

American universities and technology companies have been experimenting with the codes in their labs for several years. Now, as more cellphones come equipped with cameras and the ability to run small computer programs, the codes are beginning to appear on some state drivers' licenses and on some mailing labels, mostly for commercial use.

There are other technologies being developed for consumers to scan objects, including radio waves, computer chips or satellite location systems, but the bar code technology is the most developed — and simple and cheap enough even for individuals to publish them on printed materials or on Web sites.

But Hewlett-Packard and the Publicis Groupe are meeting for the second time with cellphone companies in May to advocate for the technology. Technology companies like Motorola and Microsoft have also been researching similar codes.

In Japan, the codes did not become mainstream until the largest cellphone companies started loading the code readers on all new phones a few years ago. Now, millions of people have the capability built into their phones, and newspapers, in turn, are using them all over — on billboards, street signs, published materials and even food packaging.

In the late 1990s, several dozen start-up companies tried to create devices that would scan printed content and ads and then relay that information to the reader. But consumers balked at using a special device only to interact with publications.

But now the time seems right for cellphones, ubiquitous and increasingly sold with cameras, to be pressed into service as the scanners.

"There are three things you need to carry — your keys, your wallet and your phone," said Richard Tobacowicz, chief executive of Demos, a unit of the Publicis Groupe that focuses on emerging and future technologies. "I can see something in advertising in one place, scan it with my phone and recall it later when I am sleeping. Or, imagine, I can buy it using my phone."

About a third of the 84 million households with cellphones in the United States have phones that have

Martin Fischer contributed reporting from Tokyo.



The pattern on a building in Tokyo is filled with information that can be read by a properly programmed cellphone. The technology has many other uses, like boarding an airplane without a paper ticket.

### Demonstrating the Cellphone Code Reader

In some Asian countries, bar code readers come installed on new cellphones. For now in the United States, consumers who want to try the technology have to download the reader software.

The capabilities are still rudimentary in America, but here is a basic demonstration.

The codes can be read using software from NeoMedia Technologies. The software will work on many phones — like new models of Motorola's Ritz and Ritz, some Nokia phones, most new Sony Ericsson phones, and Samsung models. It will not work on any Palm devices or phones offered by Verizon.

To see if your phone is capable of operating the code reader, visit <http://getcode.com> on your phone's Web browser. Alternatively, you can send the word "code" in a text message to 68582, and instructions will be sent to your phone.

Once the reader program is



installed, start the program on your camera phone at the code above and then take a photo. The code will then initiate a response on your phone's screen. You can view that response even if the code.com site says that your phone cannot use the code reader. On the site, click on Web Code Window and enter the keyword NYTCODE to see the response the code generates.

### Pointing a camera phone at a hamburger wrapper for nutrition information.

cameras on them, according to Parcenter Research, and that number is expected to grow as consumers replace their phones. But few people with those phones have downloaded the software to read the codes.

In Japan, some highway billboards have codes large enough for passing motorists to read them with their phones. Hospitals put them on prescriptions, allowing pharmacies to instantly scan the medical information rather than read it. Supermarkets stick them on meat and egg packaging to give expiration dates and even the names of the farmers who produced them.

One of the most popular uses in Japan has been paperless airline tickets. About 10 percent of the people who take domestic flights of All Nippon Airways now use the codes on their cellphones instead of printed

tickets.

Yasuko Nishigaki, 21, used her cellphone recently to buy a ticket from Tokyo to the Japanese capital of Osaka. To board her flight, she waved the code on her cellphone screen over a scanner.

"I didn't use a single piece of paper, just my phone," she said.

The codes are "a natural extension of print," said Nina Link, the president of the Magazine Publishers Association. "How many times have you engaged with a magazine and you've seen something and you've said, 'Boy, I'd really like to remember to get that advertisement.' And you have to remember to write down the URL."

The new technology would allow phones to read the codes from computer screens, too. Consumers looking out the door could scan Web sites on their computer screens with their phones to take the content with them. MySpace users could put a code on their personal pages, so that their friends can quickly transfer the profiles to their phones.

The technology would also allow advertisers to do something they could never effectively do before: monitor the impact of their ads in old media like magazines and billboards

by measuring how often their codes are clicked.

In the Philippines, the Daily Philippines newspaper has run ads with the codes. In Britain, Seven Group Newspapers, the division of the News Corporation that includes newspapers like The Sun, is testing the codes along with some of its sports articles. Readers can scan the code in the newspaper and then see videos relating to the article. Similarly, Economic Maitre, a magazine in France, is testing the codes.

In the United States as well, the Canadian interactive rock band Barenaked Ladies placed its codes on concert posters. The publisher Prentice Hall is including the codes in a new marketing textbook for undergraduates so that they can get updates on case studies using the codes.

Executives at Verizon, AT&T and Sprint declined to say whether they were in discussions with the companies that make the code reading technology. Bar code companies said the carriers stood to benefit from the codes because they might encourage consumers to add Internet service plans to their accounts and spend more time on their phones.

The wireless companies have other options to help cellphones interact with the physical world. They could, for instance, adopt image recognition software, which could allow phones to recognize anything — a Coca-Cola can, for example — and deliver related messages. Or, text messaging, currently the most common way that advertisers interact with consumers on their phones, has many alternative applications.

Advertisers have also experimented with Bluetooth wireless devices and radio frequency identification to beam messages from billboards to consumers' cellphones. But those technologies are more expensive than the codes.

Even if the wireless companies adopt the bar codes, they will have several formats to choose from. The ones widely used now are names like 1D Barcode, QR Code and Code.

Getting consumers to use new technologies like these codes takes a lot of marketing by the carriers, said David Oberholzer, associate director of content programming at Verizon Wireless. He said Verizon is just starting to profit from the work it did to create interest in text messaging.

"The consumer needs a reason to do it," said Jim Levine, chief executive of NeoMedia, a bar code company. "They don't just wake up and say, 'hey, let's go scan some bar codes.'"

## Building That Helped Win One

ize Place Where Code-Breakers Worked



What went on in Building 267? Nobody knew for a long, long time.

## In a New Web World, Bar Codes May Talk With Your Cellphone

By LOUISE STORY

It sounds like something straight out of a futuristic film: House hunters, driving past a for-sale sign, stop and point their cellphone at the sign. With a click, their cellphone screen displays the asking price, the number of bedrooms and baths and lots of other details about the house.

Media experts say that cellphones, the Swiss Army knives of technology, are quickly heading in this direction. New technology, already in use in parts of Asia but still in development in the United States, allows the phones to connect everyday objects with the Internet.

In their new incarnation, cellphones become a sort of digital remote control, as one CBS executive put it. With a wave, the phone can read encoded information on everyday objects and translate that into videos, pictures or text files on its screen.

"The cellphone is the natural tool to combine the physical world with the digital world," that executive, Cyriac Roeding, the head of mobile-phone applications for CBS, said the

other day.

In Japan, McDonald's customers can already point their cellphones at the wrapping on their hamburgers and get nutrition information on

their screens. Users there can also point their phones at magazine ads to receive insurance quotes, and board airplanes using their phones rather than paper tickets. And film promoters can send their movie trailers from billboards.

Advertisers say they are interested in offering similar capabilities in the United States, but cellphones in the


States do not come with the necessary software. For now, consumers have to download the technology themselves.

Still, big advertising and technology companies like Hewlett-Packard and the Publicis Groupe, an advertising conglomerate, are pushing to popularize the technology here.

Until now, in most parts of the world, Web surfing has been sep-



Directions on how to use this code with your cellphone. Page 20.

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"You've picked up this product, and you don't want to go back to your PC," said Tim Kindberg, a senior research at the Bristol, England, lab of Hewlett-Packard. "Or you're outside this building, and you want more information. We call it the 'physical hyperlink.'"

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Ko Sasai for The New York Times

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formation to the reader. But consumers balked at using a special device only to interact with publications.

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To see if your phone is capable of operating the code reader, visit <http://get.qode.com> on your phone's Web browser. Alternatively, you can send the word "qode" in a text message to 66268, and instructions will be sent to your phone.

Once the reader program is



NYTCODE

installed, start the program, aim your camera phone at the code above and then take a photo. The code will then initiate a response on your phone's screen.

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