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Digital Divide 11/1999 [binder] [5]

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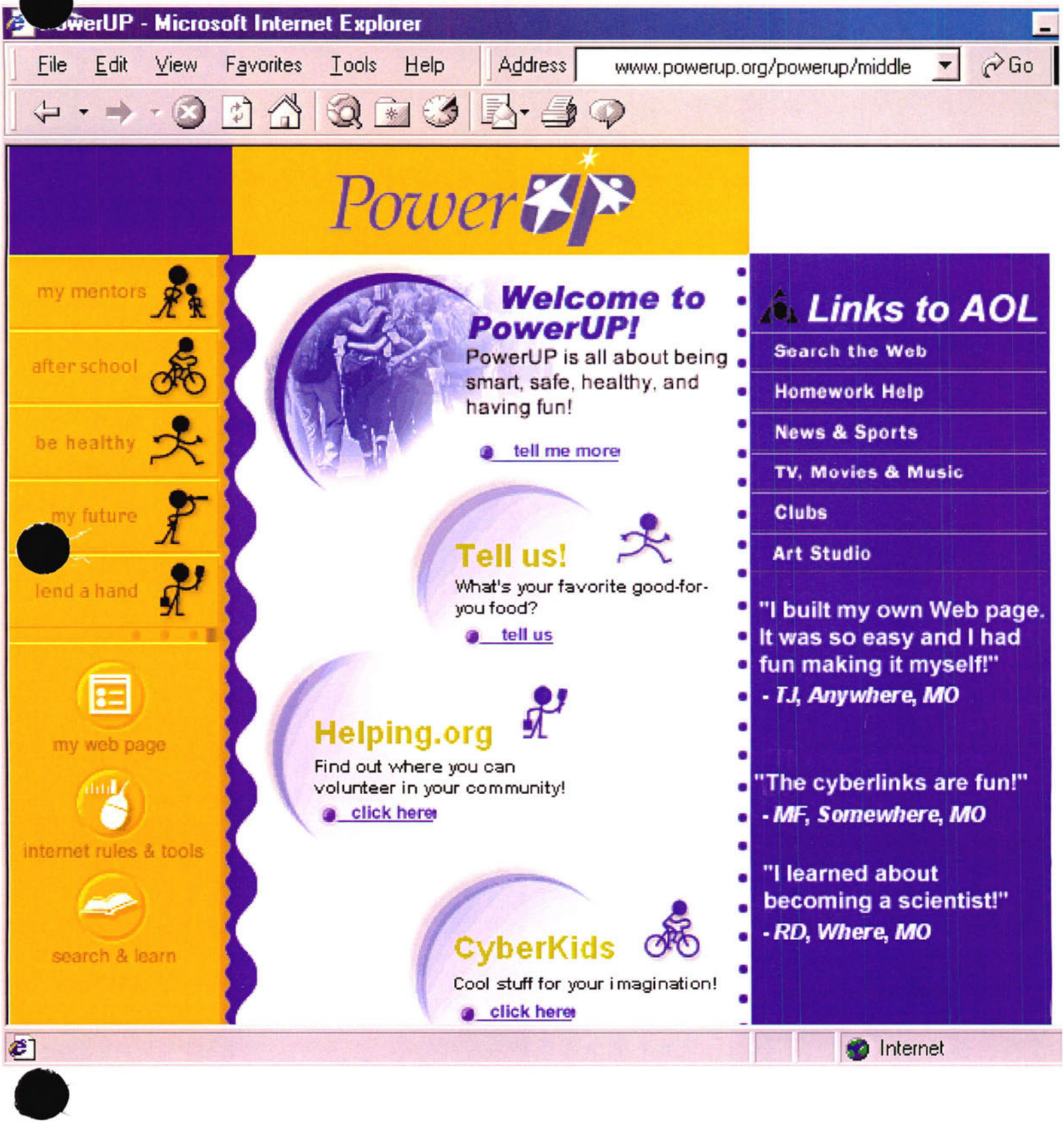
S	16	4	3	1

PowerUP Online



Employer Provided Education Programs in Workplace Literacy and Basic Computer Skills

Current law

- Under a section 127 plan, educational expenses other than for graduate education are excluded from an employee's gross income for income and employment tax purposes, up to $5,250 per year.
- This is not true, however, if the education relates to minimal educational requirements or enables an employee to begin working in a new trade or business.

Proposal

- Employers would be allowed to take a 20 percent tax credit on up to $5,250 in educational expenses for eligible education for eligible employees.
- Eligible education includes workplace literacy, basic education, English literacy, and basic computer training programs.
- Eligible employees are generally those with less than a high school education.
- Courses would be given by the employer and approved by the State Adult Education Authority or given by local education agencies.

Key facts on Digital Divide

Classrooms and Schools:

- Classrooms connected to Internet increased from 3 percent in 1994 to 51 percent in 1998, schools connected increased from 35 percent in 1994 to 89 percent in 1998. (NCES Issue Brief, February 1999)

- In the poorest schools - 39 percent of classrooms are connected - compared to 62 percent in the wealthiest schools. (NCES Issues Brief, February 1999)

- See also attached full NCES February 1999 Issues brief for more statistics.

Home Access:

A July 1999 report from the Department of Commerce, based on December 1998 Census Department data, revealed that:

- **Better educated Americans more likely to be connected.** Between 1997 and 1998, the technology divide between those at the highest and lowest education levels increased 25%. In 1998, those with a college degree are more than *eight times* likely to have a computer at home and nearly *sixteen times* as likely to have home Internet access as those with an elementary school education.

- **The gap between high- and low-income Americans is increasing.** In the last year, the divide between those at the highest and lowest income levels grew 29%. Households with incomes of $75,000 or higher are more than *twenty times* more likely to have access to the Internet than those at the lowest income levels, and more than *nine times* as likely to have a computer at home.

- **Whites more likely to be connected than African-Americans or Hispanics.** The digital divide is also persistent and growing along racial and ethnic lines. Whites are more likely to have access to the Internet from home than African-Americans or Hispanics have from *any* location. African-American and Hispanic households are roughly *two-fifths* as likely to have home Internet access as white households. The gaps between white and Hispanic households, and between white and African-American households, are now more than six percentage points larger than they were in 1994. However, for incomes of $75,000 and higher, the divide between whites and African-Americans has narrowed considerably in the last year.

- **Rural areas less likely to be connected than urban users.** Regardless of income level, those living in rural areas are lagging behind in computer ownership and Internet access. At some income levels, those in urban areas are 50% more likely to have Internet access than those earning the same income in rural areas. Low income households in rural areas are the least connected, with connectivity rates in the singles digits for both computers and Internet access.

Sperling talking points for Digital Divide press briefing
Draft February 2, 2000

- Today - President Clinton announced his digital divide initiative -- and talked about his vision for ensuring that we make the most of these new Information Age tools to help create opportunity for more Americans. This is also an issue that Vice President Gore has played a real leadership role in over the years.

- The President made the case that our goal should be to make access to computers and the Internet as ubiquitous as access to the telephone is today.

- Access to the Internet is becoming increasingly important for full participation in America's economic, social and political life. People are using the Internet to find lower prices for goods and services, work from home or start their own business, acquire new skills using distance learning, and make better informed decisions about their healthcare needs. And technology has the potential to really revolutionize the way teachers teach and students learn.

- Unfortunately, unequal access to technology and high-tech skills by income, educational level, race, and geography could deepen and reinforce the divisions that exist within American society.

- Currently, for example, households with incomes of $75,000 or higher are more than *twenty times* more likely to have access to the Internet than those at the lowest income levels, and more than *nine times* as likely to have a computer at home.

- One point that I would like to stress about the President's initiative is that providing access to computers and the Internet and wiring the schools is only the first step. We also need to give people the **skills** they need to master these new Information Age tools, ensure that **teachers** are as comfortable with a computer as they are with a chalkboard, and focus on the **applications and the content** that will make a real difference in the classroom and in the lives of people in under-served communities. Technology is a powerful tool -- not an end in itself.

- Examples:

- Students exploring the universe with a same telescope used by professional astronomers, exchanging e-mail with scientists, developing a multimedia portfolio of their student projects that they take with from grade to grade

- An adult able to upgrade their skills and compete for higher-wage jobs by learning at a time, place, and pace that is convenient for them

- Second, President Clinton has announced New Markets tour that will focus on digital divide in April - serve as a catalyst for other private sector activities -- this is not a problem gov't can solve on our own. We need to create partnerships between private sector, non-profit organizations, and government.

Specific initiatives

1. **$2 billion (over 10 years) in tax incentives to encourage private sector donation of computers, support for community technology centers, and technology training for workers**

2. **$150 million to help train all new teachers entering the workforce to use technology effectively**

Up from $75 million in FY99 and FY2000. Need 2 million new teachers over next 10 years

3. **$100 million to create 1,000 Community Technology Centers in low-income urban and rural neighborhoods**

Up from $10 million in FY99 and $32.5 million in FY2000. Mention Maxine's role

4. **$50 million for a public-private partnership to expand home access to computers and the Internet for low-income families**

Going to explore best way to do this -- idea actually came from the private sector

5. **$45 million to promote innovative applications of information and communications technology for under-served communities**

Up from $15 million in FY2000. Example: tele-mentoring for at risk youth. Public health information systems that increase childhood immunization rates in inner-city Detroit

6. **$25 million to accelerate private sector deployment of broadband networks in under-served urban and rural communities**

7. **$10 million to prepare Native Americans for careers in IT and other technical fields**

Jobs in the IT sector pay almost 80 percent more than the average private sector wage

Total: $380 million +$2 billion in tax incentives

Q. LA Times reports that there is no digital divide -- and that minorities are getting connected in increasing numbers? What's your response to that?

- First of all, we've never defined the digital divide as being solely a divide along ethnic or racial lines -- it's also a gap by income, education level, and geography.

- Second -- it's not only access to hardware -- we need to train teachers to use technology effectively in the classroom, encourage more women and minorities to pursue high-tech careers, and encourage the development of applications of information technology -- such as compelling educational software that can get children excited about learning.

- Finally - the 1998 Census data that we have suggests that the differences between blacks and whites have narrowed at the upper income levels (above $75,000) - but not at lower income levels. For example, 33 percent of white households with incomes of $15,000 - $35,0000 have computers -- compared to 19 percent of black households.

Q. Isn't this going to happen anyway - given rapidly falling prices of hardware and Internet access?

- We'd like it to happen faster. There was nothing inevitable about getting schools connected to the Internet - we catalyzed that with activities like NetDay and worked to ensure that poor schools are not left behind with the e-rate.

- Again, it's not just access to hardware -- we need to train teachers to use technology effectively in the classroom, encourage more women and minorities to pursue high-tech careers, and encourage the development of applications of information technology -- such as compelling educational software that can get children excited about learning.

Joshua S. Gottheimer
02/02/2000 08:46:41 AM

Record Type: Record

To: Melissa G. Green/OPD/EOP@EOP

cc:
Subject: final

Draft 2/1/00 11:00pm
Lowell Weiss

PRESIDENT WILLIAM J. CLINTON
REMARKS ON "DIGITAL DIVIDE"
BALLOU HIGH SCHOOL
February 2, 2000

Acknowledge: introducer Darnell Curley; Co-principals Dr. Durham and Dr. Bridges; AOL Chairman and CEO Steve Case; Epic Learning Pres. David Sterling; Sen. Bennett; Reps. John Lewis, Eleanor Holmes-Norton, Xavier Becerra, Eddie Bernice Johnson, Stephanie Tubbs Jones, William Jefferson, Zoe Lofgren, Adam Smith, Ellen Tauscher, David Wu; Mayor Williams; Superintendent Ackerman; Harris *Wofford* [*whose AmeriCorps*VISTA members have made helping to bridge the digital divide a core mission*]; Gene Sperling; VP *Gore [who has been leading our nation's efforts for many years*]; Sec. Daley [*who is speaking on this issue in Harlem today*]; Special guest: Karen Siegrist [*who wrote you that very nice email on State of the Union night*.]

I just had a wonderful tour and got a chance to learn how technology is enhancing the educational mission of this school. I learned that every freshman is taking a computer literacy class. I learned that students are going online to get help on their homework, chat in foreign languages with students around the world, and work on projects with scientists from the Naval Research Lab.

I was particularly pleased to learn about Epic Learning's long-term commitment to helping students earn certificates toward high-tech careers and about the ways 3M, AT&T, and Cisco are combining forces with the AFL-CIO to provide you with additional hardware, software, and teacher training. [*From the students' point of view, there is one downside to all this new technology: I can already imagine the day when a big snow storm won't mean a day off but rather a day of teleconferencing from home*.]

The reason I am here today is to announce new ways we can team up to bring the benefits of new technologies into our schools, our homes, small businesses, and every other part of community life. Because I believe that computers and the Internet can be the greatest

equalizing force our society has ever known – breaking down mighty barriers of race and geography, disability and age. I've seen the beginnings of this here at Ballou. We're seeing remarkable examples all over the country.

Victor Shen is a high school junior in Whittier, Alaska, who dreams of becoming a professional mathematician. Unfortunately, his school does not offer college-level calculus and his town is so remote that it is cut off from the rest of the world for several months each winter. But Victor will soon have the chance to take the classes he needs – just by getting online. Two years ago, Clinton Johnson lost his little bakery on 125th Street in Harlem and had no savings to support his wife and two kids. But he found a community technology center near his home, learned HTML code, and landed himself a good job as a web developer.

Dale O'Reilley, a grandmother of two from Medford, NJ, was diagnosed with Lou Gehrig's Disease nine years ago. Although she cannot move or speak, a special laptop computer allows her to voice her thoughts and to continue writing articles for the Philadelphia Inquirer. This past Christmas, I bought several gifts on a web site that features the work of artists from the Pine Ridge Indian Reservation. The Internet is giving Native Americans an opportunity to sell their crafts all over the world.

These small miracles are just the beginning. Just imagine when every child in America will be able to stretch a hand across the keyboard and reach every book ever written, every painting ever created, every symphony ever composed ... when high-speed wireless networks bring distance learning and telemedicine to every rural community in America ... when even the smallest businesses can compete in worldwide markets once reserved for the most powerful corporations. This is the future we are trying to build.

In 1994 – back when only 3% of all classrooms were wired – the Vice President and I set a goal of connecting every classroom and library to the Internet. The public and private sectors have risen to the challenge – through generous grants, through Net Days, and especially through the steep discount on access charges known as the E-rate, for which we owe the Vice President enormous thanks. As a result, more than half of our classrooms are now wired – and in our schools and libraries, the digital divide has already narrowed greatly.

But make no mistake: The digital divide is still a yawning gap in many parts of America. Recent studies confirm what you might expect: low-income families are far less likely to have access to the Internet and computers at home than middle-class families; low-income African-Americans and Hispanics are falling even further behind than low-income whites. People living in rural areas are lagging far behind in computer ownership and Internet use, as well – nowhere more so than in Indian Country.

Eventually, this digital divide will deprive businesses of the technology-savvy workers they desperately need – slowing productivity and economic growth. It could also widen fissures of inequality between people and open a chasm that separates us from our nation's highest ideals.

We cannot allow this age of opportunity to be an age of missed opportunity. We must make computers and Internet connections as common in every community as telephones are today. And, of course, we must go way beyond wires and hardware. We need teachers with the skills to open students' eyes and minds to the possibilities of this new world of technology. We need compelling software to help our children think creatively, push their potential, and explore beyond the four walls of the classroom.

And of course, we need your help. Because these challenges are too big for government alone. Closing the digital divide is a job for all of us – businesses and governments, foundations and community organizations, institutions of learning and houses of worship.

To highlight the need for all of us to work together on this great cause, in April I will lead a New Markets tour focused specifically on the digital divide. In the coming days, I will be reaching out to top CEOs as well as various nonprofit leaders to join me on this tour. My great hope is that, together, we can spread the old-fashioned barn-raising spirit to communities across 21st century America.

I am also pleased to announce that the budget I will submit to Congress on Monday represents the greatest effort our nation has ever launched to close the digital divide and open new digital opportunities for all our citizens.

First, if we are serious about making Internet connections as common as telephones are today, we must start by making sure that there is a community technology center in every low-income urban and rural area. We began investing in these centers two years ago, when Rep. Waters, then head of the Congressional Black Caucus, brought this new idea to our attention. These centers work so well that we tripled our investment last year. And this year, we're tripling it again, to add as many as 1,000 new centers all over America.

Second, I want to take another step toward universal access with a new public-private partnership geared toward bringing computers and Internet access into more low-income homes. Public-spirited members of the high-tech industry have already pledged to work with us on this vital goal.

Third, I want to give private companies $2 billion in new tax incentives, for building and supporting community technology centers, for donating quality used computers, and for providing computer training to their workers.

Fourth, I am proposing to give technology training to all new teachers in America, to help them become as proficient with computers as they are with textbooks. All the computers and connections in the world will go to waste if our teachers lack the knowledge to help our students make the best use of these powerful tools.

Fifth, we are offering new incentives to encourage private-sector firms to bring high-speed networks to under-served communities. In the digital economy, business leaders

are looking for high-speed Internet access when they consider new sites for their facilities. Rural areas without such links face a real competitive disadvantage.

Finally, I want to triple our investment in Sec. Daley's highly successful Technology Opportunities Program, to help create innovative applications of technology for low-income communities. The idea is to support innovations like health information systems that raise childhood immunization rates in inner cities or tele-mentoring for at-risk youth.

The paradox of this age of possibility is that the same tools that are breaking down mighty barriers can also heighten economic inequalities and sharpen social divisions. That is what happened with the mechanization of agriculture and again during the Industrial Revolution. In the Information Age, we have it within our power to avoid these mistakes. We must not let the digital divide exacerbate the human divide. On the contrary, we must use this new technology to help close the gaps between people, communities, and nations.

To those of you who are already doing so much, I am deeply grateful. And to those of you who have not yet gotten involved, we're ready to show you the way. It's time for every company in America to use its power to empower others. At this sunlit moment of prosperity and promise, there is no reason why any American has to be left in the dark.

# # #

From Saturday's LA Times....
Big Bandage for a Narrowing Internet Gap

By JUBE SHIVER JR., Times Staff Writer

WASHINGTON--President Clinton's pledge to help bring Internet access to all Americans--and close what he calls a digital divide--faces one immediate problem: strong evidence that government intervention is not needed and is a waste of money in an age of low cost computers and online access.

In his speech, the president argued that those without entry to the Information Age will be left out of the economic boom.

"We must close the digital divide between those who've got the tools and those who don't," he said. "This is a national crusade. We have got to do this and do it quickly."

But critics claim that the president's plan to upgrade schools for Internet access--part of an ongoing $4-billion federal effort to bring the Internet to nearly everyone--ignores the reality that the digital divide, which existed in the mid-1990s, is all but gone.

"When the Internet was only a few years old . . . and personal computers cost thousands of dollars," a much smaller percentage of blacks were online than whites, said Adam Clayton Powell III, vice president of technology and programs at the Freedom Forum, a Virginia-based media research group. "But today, with dirt-cheap Internet access and computers approaching the costs of television sets, assertions of a 'digital divide' . . . are as correct as pinning last week's Dow at 1,000."

Last year, Forrester Research, a Cambridge, Mass., consulting firm, reported that the Internet access gap had all but closed. The study found that Latinos, blacks and Asians were signing up for Internet access faster than whites. And it predicted that the share of Latino, black and white households online would converge around 40% to 44%. The share of Asian households online will remain higher, at 68%, the study said.

"There is no digital divide in terms of race," said Ekaterina O. Walsh, author of the Forrester study.

Her work is backed up by a study released last year by the Tomas Rivera Policy Institute, based in Claremont, Calif., that showed Latinos purchasing computers at twice the rate of whites.

Answering these critics, administration officials said that the digital divide does exist and that there is a continuing need to connect more Americans to the Internet.

African Americans, who had lagged behind all other ethnic groups in going online, now have become such a force in cyberspace that Larry Irving, a former administration official who promoted the idea of a digital divide, quit his job this fall to team with former basketball star Magic Johnson and launch a Web site targeted at blacks.

And whatever gaps do exist, Walsh said, stem less from race than income, education and age. And she added that new technology, such as wireless Internet devices and lower computer prices, may render those factors irrelevant.

To be sure, gaps in Internet use still exist, especially in rural areas. But experts say that they are closing fast and will all but disappear within the next 12 to 36 months--as

did the huge gap that once existed between the number of men and women using online services.

"To be quite frank, a lot of people are simply elitist and believe getting people online takes a lot of money. That's just not true," said Jerry Cronin, who helped 500 residents in Watts get Internet access in less than a year while serving as technology coordinator for the Los Angeles Unified School District.

Cronin said that he cajoled area businesses into donating used computers and teamed with a local entrepreneur to furnish access for $10 a month. His effort is being duplicated by others, including the Oakland Technology Exchange, in Oakland, Calif., which has furnished more than 3,000 computers.

"With all of these companies throwing out perfectly good computers, I thought I could get people online through volunteerism," said Cronin, a former Peace Corps volunteer.

Perception Linked to July Study

The notion of a digital divide gained credence last July when Irving's Commerce Department unit, the National Telecommunications and Information Administration, issued a study titled 'Falling Through the Net: Defining the Digital Divide." The study looked at 1998 census data and concluded that the gap between minority and white households using the Internet had widened--from a difference of 13 percentage points in 1997 to a 20-point gap one year later.

"Minorities will continue to face a greater digital divide as we move into the next century," the study concluded.

But even as the telecommunications agency study put the issue on the map, its findings raised eyebrows. It was widely noted that some minority groups, particularly Asians, were online in greater percentages than whites. And studies both before and after federal findings were released found Latinos and African Americans going online at much higher rates than whites.

A study published in the April, 1998, issue of Science magazine, for instance, said that nearly twice as many African Americans as whites planned to purchase home computers in the six months after the survey was conducted.

More recent studies suggest that is exactly what happened.

Despite such evidence, Washington politics, a booming economy and an unskeptical press have combined to raise the notion of a digital divide from a contentious statistical claim to a cause celebre.

U.S. Secretary of Commerce William M. Daley convened a Digital Divide Summit last month. Public television stations on Friday began airing a series on the subject this week. And the government has even launched a Web site devoted to the issue: http://www.digitaldivide.gov.

Some veteran Internet observers, however, do find the government's case persuasive.

"If you are part of the working poor or are on government assistance [and subscribe to a web service], you are talking about a substantial amount of your income going to Internet access," said Russell de Pina, an online commentator who heads DesignGroup Technology, a consulting firm in Long Beach.

Yet the cost of getting on line has dropped so precipitously that some schools are finding it hard to spend government subsidies solely on securing Internet access.

Some school officials have sought to use federal wiring funds to pay for new carpeting or paint. And although the president did not put a price tag on his new proposals Thursday, he wants additional spending earmarked for computer-related school construction, particularly upgrading older buildings, 1,000 new high-tech centers and teachers' computer training.

NEXTDAY PARTNERSHIP AT BALLOU HIGH SCHOOL

I. BACKGROUND

- A number of private companies and labor unions have committed significant resources to Ballou High School to help bridge the digital divide and to ensure that students from Ballou have an opportunity to thrive in the Information Age.

- The Ballou partnership is part of NextDay, an effort to bring technology to our poorest schools that grew out of NetDay, which President Clinton and Vice President Gore helped launch in March 1996. Many of these companies have also made national commitments to help bridge the digital divide.

- The partnership includes: Epic Learning, 3M Corporation, Cisco Corporation, AT&T, the AFL-CIO, Communications Workers of America and International Brotherhood of Electrical Workers.

II. ELEMENTS OF THE PARTNERSHIP

- This semester, Epic Learning will launch a technical training and certification program (programming, Web development) that will allow Ballou students to compete for jobs with starting salaries of $32,000 - $37,000.

- 3M Corporation will supply fiber and electronics equipment.

- Cisco Corporation has committed to supply networking equipment for the school.

- AT&T is committed to help train teachers to use technology effectively.

- AFL-CIO, Communication Workers of America and the International Brotherhood of Electrical Workers are committed to help wire the schools.

THE AOL FOUNDATION's POWERUP EFFORT

Note that Ballou High School is now scheduled to become a PowerUP site

Overview of AOL Foundation's Digital Divide Focus

The AOL Foundation recognizes the promise of the online medium to bridge the Digital Divide by empowering underserved communities to use technology to increase their economic, political and social leverage. The Foundation believes that access to computers alone is not enough to bridge the Digital Divide. There are four critical factors necessary to achieve the meaningful access to information technology:

- *Structural*: put in place hardware, wiring, connection to Internet, including necessary software
- *Training/skills*: develop means for achieving technological literacy as well as appropriate analytical skills
- *Content*: ensure that the fundamental needs and desires are met in a compelling and trustworthy way by online content
- *Community education*: ensure that communities value and prioritize getting online as critical for economic development, political empowerment and the success of children.

The Foundation has developed a portfolio of Digital Divide initiatives that combines these elements in an effort to maximize the benefits of this medium for all communities. Power UP is one of a number of these.

PowerUP

- PowerUP has been established as a commitment to America's Promise – The Alliance for Youth. PowerUP will be able to scale quickly and reach thousands of young people because it will leverage partnerships with numerous public and private organizations, and build on thousands of existing community centers, schools and other locations nationwide.

- PowerUP partners provide technology, funding, trained personnel, in-kind support and other resources to help close the divide between young people who have access to computer-based information and technology-related skills and those who don't.

- PowerUP's national partners include the Case Foundation, the Waitt Family Foundation, AOL Inc./The AOL Foundation, the Corporation for National Service/AmeriCorps*VISTA, and YMCA of the USA as well as Boys & Girls Clubs of America, Communities in Schools, Family Education Network, Gateway, National Urban League, PowerBar, Inc., Save the Children, Sun Microsystems, and the U.S. Department of Education.

OTHER COMPONENTS OF THE AOL FOUNDATION'S DIGITAL DIVIDE FOUNDATION

Note that these do not apply to Ballou High School, but provide further background on general AOL Digital Divide Efforts

Digital Divide Network –An initiative launched by the AOL Foundation and the Benton Foundation, the Digital Divide Network has developed into an unprecedented collaborative with broad industry partnership, including AT&T, Microsoft, Bell Atlantic, EDS, BellSouth, SBC and USWest. It is a comprehensive clearinghouse for planning and information sharing among all industry, nonprofit and government organizations working to bridge the Digital Divide.

Digital Opportunity Partnership - This initiative, in partnership with the Leadership Conference on Civil Rights, is a broadbased education campaign that focuses on bringing the issue of access to the Internet to the top of the social and political agenda across the civil rights community. It will include the creation of a portal, *Civilrights.org*, and the development of ongoing training and education programs for the hundreds of member organizations of LCCR.

Digital Divide Grants – In an effort to learn more about the landscape of nonprofit activity in the Digital Divide area and to help support programs that are taking an innovative approach to addressing this issue, the AOL Foundation has solicited concept letters from nonprofit organizations across the country. More than 900 letters were submitted in response to our RFP. With this grant program, the Foundation hopes to support a few ventures with grants ranging from $25,000 to $100,000. With the review process currently underway, the grants will be awarded early in April, 2000.

Community Education Initiative - In anticipation of the Digital Divide becoming a core issue during the 2000 election, the AOL Foundation, in cooperation with the Children's Partnership, is developing educational materials for various audiences that will explain basic concepts surrounding the Digital Divide. Materials are being developed for community leaders; nonprofit advocacy organizations; local, state and national candidates; and concerned citizens.

AOL Rural Telecommunications Awards Program - Among all income groups, rural areas have the lowest online participation rate, as reported recently by the National Telecommunications and Information Administration (NTIA). The AOL Rural Telecommunications Leadership Awards seek to reduce the digital divide by recognizing and promoting telecommunications innovations that strengthen rural communities. This program was administered by the National Center for Small Communities and was such a success that plans are in place to repeat the program again next year.

Resources for Nonprofits Area of Helping.Org - Created as an area for nonprofits by nonprofits, this part of Helping.org includes information on best practices and resources that are available for nonprofits seeking to develop greater technical capacity. It is

programmed by the leading 25 national organizations focused on technological assistance for nonprofits.

Contributions to Washington DC Schools

AOL Achievers

This pilot program in partnership with DC's Calvin Coolidge High School was launched in February 1999. It seeks to build students' skills and raise their aspirations for post-secondary education, create a sense of community, and foster student and teacher online communications. The program challenges students to set their sights high by pledging $500 scholarships and AOL employee mentors to those who meet a grade point average of 3.5 or higher in any given semester.

- The number of students meeting the GPA criteria nearly doubled after the partnership was launched, and today over 90 students are 'qualified' Achievers.
- AOL has recruited an equal number of employees to serve as mentors to these students and nearly all have received training from Big Brother Big Sisters of the National Capitol Area.
- 22 scholarships have been awarded to students who have entered college.

New program elements include a free 10-week SAT preparation course for seniors, and the administering of a benchmarking survey for students and teachers by the McKenzie Company.

Interactive Education Initiative

The AOL Foundation's Interactive Education Initiative (IEI) provides seed money to teams of educators and others with innovative ideas for using interactive technology to improve student learning. In just two years, 110 grants have been awarded to schools and community organizations in 35 states.

A number of IEI grants have been awarded to DC schools and community organizations. Some amazing programs have been launched through this effort, ranging from an electronic network that enables 100s of deaf students to share information on math and science projects to student groups of volunteers that are tackling the technology needs of their schools.

DC-based IEI grantees include:

- Children's Studio School
- Gallaudet University's Model Secondary School for the Deaf
- Martin Luther King Jr. Elementary School
- Tech Corps – DC
- Martha's Table

Computer Donations
Since 1997, America Online has donated nearly 150 computers to Washington DC schools. 100 of those computers were donated as part of NetDay activities and the AOL Achievers programs. Recipients include:

1997
Woodson High School - 15
Spingarn High School - 15
Bancroft Elementary - 15
Roosevelt High School - 15
Lab School of Washington - 5

1998 (10 total)
Van Ness Elementary
Draper Elementary
MC Terrell Elementary
Stanton Elementary
JC Nalle Elementary
Birney Elementary

1999
Calvin Coolidge High School – 30
Gonzaga - 6
HD Woodson - 6
Dunbar - 6
St. John - 6
Lab School of Washington – 5

Civic Involvement Initiative
The AOL Foundation's Civic Involvement Initiative (CII) supports the volunteer efforts of AOL employees by providing needed funding to the schools and non-profit organizations where employees devote their time. Special emphasis is placed on employee efforts that strengthen communities and improve the quality of life for children and families.

In just two years, the Foundation has awarded nearly 50 grants to schools and non-profit organizations through the volunteer activities of roughly 150 employees. A number of grants have been awarded to DC organizations:

- **Hands on DC** fosters tutoring and mentoring in DC schools and raises scholarship money for low income students.

- **Operation Understanding DC** improves race relations by working with African-American and Jewish high school students to build a future generation of concerned citizens who help stamp out racism, anti-semitism and all forms of discrimination.
- Examples of other DC grant recipients include Bright Beginnings, Greater DC Cares, Whitman Walker Clinic, and the Washington Ear.

THE BROOKINGS INSTITUTION

CENTER ON URBAN AND METROPOLITAN POLICY
1775 Massachusetts Avenue, NW Washington, DC 20036-2188
Tel: 202-797-6139 Fax: 202-797-2965
www.brookings.edu/urban

January, 2000

Dear Friend,

Enclosed please find, "Divided We Sprawl," an article which was published in the December, 1999 issue of the Atlantic Monthly magazine.

This article, which articulates the promise and the challenge of a metropolitan policy agenda, represents a synthesis of much of the recent work of the Center on Urban and Metropolitan Policy. In fact, you may recognize many of the figures and statistics from other publications we have sent you, or papers you have downloaded from our website. In writing the article, my co-author and I sought to explain the principles of metropolitanism in a concise, relevant way, and outline the connections between widely acknowledged "urban" problems and larger regional growth patterns.

I hope you find this article interesting and useful.

Sincerely,

Bruce Katz
Director and Senior Fellow

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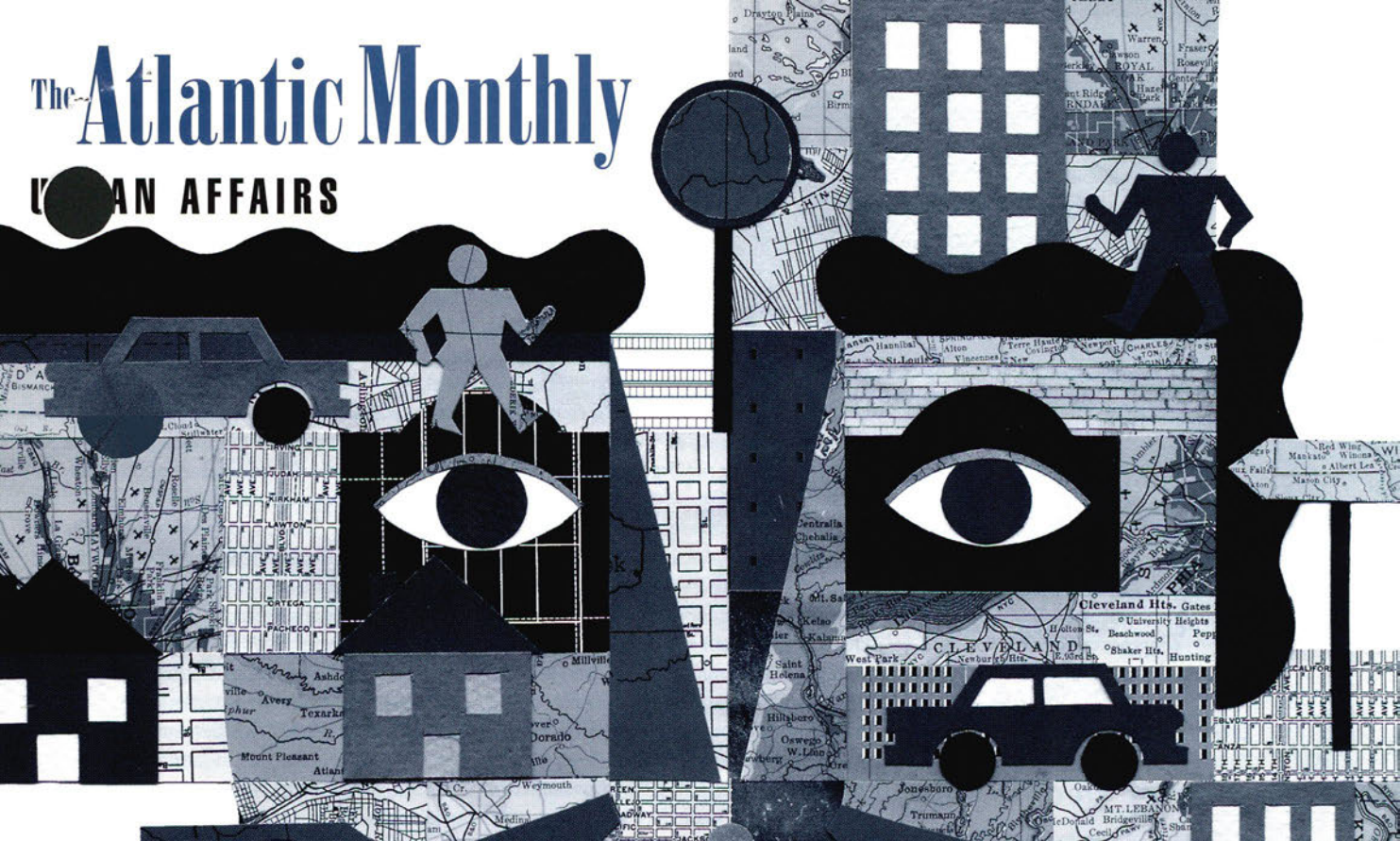

Divided We Sprawl

A call for a reinvention of the American city and suburb that would exploit the infrastructure of the one and mitigate the "frantic privacy" of the other

by Bruce Katz and Jennifer Bradley

By many accounts Baltimore is a comeback city. It has a beautiful piece of calculated nostalgia in the Camden Yards baseball stadium, which draws tens of thousands of visitors throughout the spring and summer. as a lively waterfront ict, the Inner Harbor, with charming ops and hot snacks for sale every hundred yards or so. But although it may function well as a kind of urban theme park (and there are plenty of cities that would love to achieve that distinction), as a city it is struggling. For twenty years Baltimore has hemorrhaged residents: more than 140,000 have left since 1980. Meanwhile, the surrounding suburbs have steadily grown. The population of Howard County, a thirty-minute drive from the city, has doubled since 1980, from 118,600 to 236,000. The people who have stayed in Baltimore are some of the neediest in the area. The city has 13 percent of Maryland's population but 56 percent of its welfare caseload. Only about a quarter of the students who enroll in a public high school in the city graduate in four years.

And Baltimore is not unique. The image of America's cities has improved greatly over the past few years, thanks to shiny new downtowns dotted with vast convention centers, luxury hotels, and impressive office towers, but these acres of concrete and faux marble hide a reality that is in many cases grim. St. Louis, Cleveland, Philadelphia, and Washington, D.C., lost population throughout the 1990s. These cities are also losing their status as the most powerful economies in their regions. Washington started the 1990s with a respectable 33 percent of the area's jobs. Seven years later it had only 24 percent. The rate of population

Illustration by David McLimans

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Draft - Tom Kalil - January 20, 2000

Digital Divide -- possible private sector commitments

Categories

I. Access

- Access in schools, libraries, community technology centers
- Access at home
- Access for people with disabilities
- Availability of broadband services

II. Awareness, Education, and Training

Think of a "pyramid" of increasingly sophisticated skills:

- Awareness of importance of information technology - motivation to "get connected"
- Basic computer literacy (ability to use the basic features of an operating system, use word processing software to create a text document, use e-mail to communicate with others, log-on to Internet)
- Information literacy. According to the American Library Association, an information literate person is "able to recognize when information is needed and have the ability to locate, evaluate, and use it effectively."
- Training sufficient for IT or IT-related occupations
- Training sufficient to be a creator or designer of IT-based products or services, Internet entrepreneur

III. Content, Applications

- Availability of content that gets all Americans interested in getting connected (e.g. web sites targeted to interests of minorities)
- Content and applications that could help empower low-income households and communities:

Examples

Software and digital information has an important economic characteristic that should be explored in the development of applications – namely, that the marginal cost of disseminating it to more people is almost zero. This could create a new economics for the delivery of social services. Traditionally, the cost increases proportionally to the number of people being served. This is not the case with software and digital information.

a. *Micro-enterprises*: Create courseware that will give someone the skills they need to start their own business. Create an online toolkit that would walk someone through the steps needed to start their own micro-enterprise and obtain financing.

b. *Adult literacy*: Develop courseware for adult literacy, GED equivalence, or English as a Second Language.

c. *Local information*: Provide local information on public transportation, job opportunities, and child-care.

d. *Job training*: Provide courses that allow low-income households to compete for higher-paying jobs.

Specific Example: SFWorks (a San Francisco non-profit) and e-learning company DigitalThink are working together on a program called "WELFARE-TO-WEB." The program gives former welfare recipents who have entry-level jobs acquire skills such as the use of office software, programming, and networking using DigitalThinks's courseware. They are starting out with a pilot program, but hope to be able to scale to 3,000 participants within 2 years.

e. *Public health*: Communities around the country are beginning to experiment with information technology to improve public health.

Example:

- One county is using geographical information systems to reduce childhood lead poisoning. Using a variety of data sets they can identify neighborhoods with concentrations of (a) older houses; (b) low-income households; and (c) children under 6.

- The Department of Commerce has given a grant to the Michigan Public Health Institute to develop an electronic childhood immunization network for the greater Detroit area. Currently, Michigan has the lowest rate of pre-school immunization. This network is allowing health care providers to have access to the immunization history of the child, generating automatic reminders for parents and doctors, and improving the ability of schools to track a child's immunization status.

f. *Strengthening parental involvement in education*

Example: Hillcrest Elementary School is an inner-city K-5 school in Orlando, Florida. 80 percent of the students received free or reduced-price lunches. Many of the students speak Vietnamese, Spanish and French and have limited english proficiency. The school purchased WebTV's that children could take home with them to improve their language skills. This also resulted in an increase in parental involvement, which had been low because of language barriers. Parents were encouraged to sign on with their children to help with lessons and to use the school's Web site, which features a weekly newsletter, the school calendar, the daily lunch menu, teachers' email addresses and parenting resources.

g. *Telementoring*

Specific examples of corporate commitments

1. Work with us to double the number of Community Technology Centers and increase their effectiveness.

2. Companies who hire low-income workers (e.g. participants in Welfare-to-Work) would provide PC plus Internet access as a "fringe benefit" -- participate in home access pilot program.

3. Companies would work with us and non-profit organizations to raise the level of awareness on importance of getting connected:

- PSAs

- Celebrity activities

- Outreach with specific groups such as civil rights organizations and black churches

- Market research on attitudinal/cultural barriers, targeted marketing (This is more of a commercial activity than a philanthropic commitment)

4. Internet kiosks in fast-food restaurants

5. Private sector assistance on teacher training

- Work with us and teacher colleges to meet "every new teacher" goal - leverage the work of the CEO Forum and the Star Chart

6. Increasing minority participation in the IT industry

- Example: ITAA working to develop a program to increase the number of minorities in the IT industry through internships

7. Tele-mentoring - companies could commit to 50,000 - 100,000 telementors

   - HP has successful program

8. Reverse telecommuting - bring jobs to inner cities or Indian reservations that can be outsourced (entry-level programming, call center). For welfare-to-work - this solves two of the biggest barriers (transportation, child-care)

9. Private sector and/or foundation involvement in one or more "killer aps" - available to everyone for free

10. Disabilities-specific component:

- Private sector commitments to make Web sites, software and tools accessible to people with disabilities

11. Digital Library for Education

"It is a time to build, to build the America within reach ... an America where every child can stretch a hand across a keyboard and reach every book ever written, every painting ever painted, every symphony ever composed."

- President Bill Clinton

- Example: Library of Congress was able to raise $45 million in private sector and foundation money for "American Memory" project - digitization of material related to American history. These kind of projects help bridge the digital divide by providing everyone with "access to the same universe of knowledge."

Draft January 10, 2000
Tom Kalil

From Digital Divide to Digital Opportunity

During the Clinton-Gore Administration, access to computers and the Internet has exploded. In 1993, few people outside of our nation's universities had even heard of the Internet – today, over 100 million Americans have access to the Internet. Computer penetration has also risen from 24 percent of U.S. households in 1994 to 42 percent in 1998 as the cost of computers has declined.

Access to computers and the Internet and the ability to effectively use this technology are becoming increasingly important for full participation in America's economic, political and social life. People are using the Internet to:

- Find lower prices for goods and services;
- Work from home or start their own business;
- Acquire new skills using distance learning so that they can compete for higher-paying jobs;
- Make better informed decisions about their healthcare needs;
- Plan for a financially secure retirement;
- Track the voting record of their elected officials on the issues they care about; and
- Get more involved in the education of their children by communicating more frequently with teachers, and comparing the performance of their school with other schools in the region.

Unfortunately, there is strong evidence of a "digital divide" -- a gap between those individuals and communities that have access to these Information Age tools and those who don't. In some instances, this divide is actually widening. A July 1999 report from the Department of Commerce, based on December 1998 Census Department data, revealed that:

- Households with incomes of $75,000 and higher are more than *twenty times* more likely to have access to the Internet than those at the lowest income levels, and more than *nine times* as likely to have a computer at home.
- Households with a bachelors' degree or more are more than eight times likely to have a computer than those households at the lowest education level.
- From 1994 to 1998, the percentage of white households with computers increased from 27.1 percent to 46.6 percent – while the percentage of black households with

computers increased from 10.3 percent to 23.2 percent. For households with incomes above $75,000, however, the difference between white and black adoption of computers has virtually disappeared.

There are other aspects of the digital divide as well.

- Low-income households may not be as prepared to take advantage of the opportunities created by these new technologies, because of lower levels of functional and technological literacy.

- Certain minorities (Blacks, Hispanics, Native Americans) are under-represented in the IT industry. This is important because jobs in the IT sector pay almost 80 percent more than the private sector average.

- Telecommunications companies are less likely to offer advanced services (such as high-speed Internet access) to residents and businesses in rural areas or economically disadvantaged regions of the country. Advanced services may be more expensive or not available in rural America because of the lower concentration of customers (teledensity). There is at least anecdotal evidence to suggest that this is becoming an important factor in where businesses locate, particularly given the growing importance of e-commerce and e-business.

- Computers and content on the Web may be inaccessible to people with disabilities, unless they have been designed to be accessible.

Market forces, competition and technological progress will clearly help bridge the digital divide. The semiconductor industry is able to double computing power every 12 to 18 months – which has significantly reduced their cost. Companies are also developing low cost "information appliances" such as the WebTV – which is available for $100. Competition between telecommunications companies and Internet Service Providers is driving down the cost of connectivity.

But clearly, a national campaign to help bridge the digital divide would help accelerate the rate at which we can create digital opportunity for all Americans. We should take advantage of these new technologies to bring America together – not to further divide us along the lines of race and class. A public-private partnership, with an important role for the government as catalyst and convenor – would help create "one America."

1. Universal, affordable access to computers and Internet access at home

The President should set a goal of ensuring that every American that wants it should have affordable access to a computer and the Internet at home, by directly supporting the cost of Internet-connected computers for low-income households.

FY2000 $0
FY2001 $50 million

[Details of program still being worked out.]

2. **Increase support for Community Technology Centers**

The Administration's budget will include $100 million for an expanded initiative to establish another 1,000 community technology centers in low-income neighborhoods across America. The goal of the initiative is to help close the "digital divide" by providing computers and Information Age tools to children and adults that are not able to afford them at home.

These community technology centers will help empower hundreds of thousands of low-income children and adults in a variety of ways:

- Children will be able to improve their performance in school by having access to high-quality educational software after school and prepare for the high-tech workplace of the 21st century by getting certified with an information technology skill.

- Adults will be able to use computers and the Internet to take a self-paced adult literacy course; get access to America's Job Bank to see what jobs are available; learn to type up a resume and cover letter using word processing software; learn to start up their own "micro-enterprise" or Web-based business, or acquire new training.

A survey of users of Community Technology Centers sponsored by the National Science Foundation concluded that they are effective mechanisms for bridging the digital divide, and giving low-income Americans the tolls tools they need to succeed in the Information Age. Of the users surveyed:

- Two-thirds of the users were minorities;

- 62 percent had incomes of less than $15,000;

- 65 percent took computer classes to improve their job skills, and 30 percent used the Internet to look for a job;

- 41 percent got homework help or tutoring at the center; and

- 87 percent said the center had made a difference in their life -- general improvement in their confidence, their outlook on life, and their future prospects; work-related benefits such as improved job skills, improved computer skills, and educational benefits; improved perceptions of

technology; social and community benefits; and appreciation for access to hardware, software.

3. **Broadband Communities**

The Administration will propose a $25 million increase in programs that are designed to promote economic development such as EDA and the Department of Agriculture's Rural Utility Service – targeted to greater use of telecommunications for economic development. The types of projects that would be supported include:

- Aggregation of demand from companies and public institutions to encourage telecommunications companies to build out their networks to rural areas. The cost of high-speed Internet access can be 10 times higher ($2,000 vs. $200) in rural areas than in urban areas because of the cost of sending traffic to a far-away network "point of presence."

- Better use of rights-of-way to speed deployment and encourage competition between multiple telecommunications companies

- Deployment of high-speed networks to inner-cities to provide employment that can be "out-sourced" – such as data entry, call centers, and entry-level programming. This also solves some of the biggest obstacles associated with welfare-to-work – lack of affordable child care and public transportation.

- Lower-cost connectivity to industrial parks and business incubators.

- Trials of wireless and other technologies to find more affordable broadband alternatives for rural communities.

4. Telecommunications Opportunity Program

The Administration's budget includes a $30 million increase in the Commerce Department's Telecommunications Opportunity Program (TOP), which is currently funded at $15 million. This increase in funding would support partnerships between non-profits, foundations, companies, and state and local governments to:

- Develop applications of information technology that will help empower low-income Americans and communities;

- Demonstrate these applications on a pilot basis and evaluating the results;

- Develop strategies for replicating the results in other communities.

This is a highly successful and competitive program. Currently, the Commerce Department program can currently only fund 1 in 15 grants. A recent evaluation of the program found that every federal dollar generated an additional $4 in matching funds,

project expansions, and new spin-off activities, and that 90 percent of the projects funded during the first 2 years kept going even after federal funding had stoppped.

5. Tax incentives

[Still under development.]

- Expanded tax credit for computer donations.
- Include computer literacy in basic education tax credit.

	FY2000	FY2001
Universal Home Access	$0	$50
Community Tech. Centers	$32.5	$100
Broadband Communities	$0	$25
Telecom Opp. Program	$15	$45
Tax Incentives		?
Total:	$47.5	$210

DRAFT FOR DISCUSSION ONLY

January 5, 2000

Creation of a New Program for Increasing Home Access to the Internet

Introduction

The extraordinary growth of the Internet is rapidly changing the way Americans live, work, and communicate. These networks are swiftly making the dream of having "information at your fingertips" a reality. Those Americans with access to the Internet have an advantage in today's information-based economy than those without. The Internet is rich with educational content, with health information, and with news, government and community information. In addition, many Americans now take advantage of the many transactional services now available on the Net, including online shopping and banking, travel reservations, and license renewals. The growth of the Internet has proven to be the engines of the 21st century economy.

While the Internet is bringing benefits to an increasing number of Americans, research shows that many are being left behind. NTIA's series of *Falling Through the Net* reports have documented a significant and persisting gap in access to the Internet along the lines of income, education level, and geography. The most recent report in this series, *Falling Through the Net: Defining the Digital Divide*, published in July, 1999, showed that:

* households with incomes of $75,000 and higher are more than twenty times more likely to have access to the Internet than those at the lowest income levels, and more than nine times as likely to have a computer at home;

* Whites are more likely to have access to the Internet from home than Blacks or Hispanics have from any location. Black and Hispanic households are approximately one-third as likely to have home Internet access as households of Asian/Pacific Islander descent, and roughly two-fifths as likely as White households; and

* regardless of income level, Americans living in rural areas are lagging behind in Internet access. Indeed, at the lowest income levels, those in urban areas are more than twice as likely to have Internet access than those earning the same income in rural areas.

The report also showed that for many groups, the digital divide has widened as the information " haves" outpace the "have nots" in gaining access to electronic resources. The following gaps with regard to home Internet access are representative:

* the gaps between White and Hispanic households, and between White and Black households, are now more than six percentage points larger than they were in

1994; and

* the digital divides based on education and income level have also increased in the last year alone. Between 1997 and 1998, the divide between those at the highest and lowest education levels increased 25 percent, and the divide between those at the highest and lowest income levels grew 29 percent.

Kids and Media at the New Millennium, a recent report by the Kaiser Family Foundation, showed that for children, the digital divide is not in the schools, but in homes. Their study revealed that:

* while the percentage of schoolchildren that had access to computers at school was comparable for children from both low-, middle-, and high-income families, schoolchildren from high-income families were twice as likely as children from low-income families to have access to computers in their homes; and

* white children were roughly twice as likely to live in homes with Internet access than were Black or Hispanic children.

The goal of the Home Access to the Internet program would be to help close the digital divide by providing targeted investments to bring these at-risk populations online. NTIA would build on its experience in supporting information infrastructure in low-income communities (through the Technology Opportunities Program, formerly known as the Telecommunications and Information Infrastructure Assistance Program) and in documenting and analyzing the digital divide (through the *Falling Through the Net* series).

Funding Vehicle

There are two approaches to implement this program. The first approach is to set up a not-for-profit corporation supported by private sector and other stakeholders. NTIA could oversee this corporation, which would be responsible for defining minimum technical standards for participation in the program, recruiting corporate sponsors and content partners, raising awareness, collecting and disseminating "best practices" that emerge, and sponsoring research.

A concern with this approach is the legality of creating a new corporation. The FCC's creation of the Schools and Libraries Corporation and the Rural Health Care Corporation raised this legal

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[1] "FCC Lacked Authority to Create Corporations to Administer Universal Service Programs,"

issue. The General Accounting Office (GAO) testified before Congress that the FCC did not have the statutory authority to create the corporations.[1] The GAO cited the Government Corporation Control Act, which requires that agencies have specific legislative authority in order to "establish or acquire" a corporation to act as a government agency. Unless specifically authorized legislatively by Congress, NTIA would not have the authority to create a new corporation. The creation of a not-for-profit corporation to administer the E-rate program also encountered political difficulties, as the program was attacked by members of Congress for a variety of reasons, including the salaries of the corporations' top officers and alleged inefficiencies. Seeking the authority from Congress to create a new corporation for home access may prove problematic and may open to the door to legislative attempts to attack the schools and libraries program.

A second approach is to create a matching grant program within NTIA that would fund locally-driven solutions. NTIA currently operates two competitive grant programs, the Public Telecommunications Facilities Program (PTFP) and the Technology Opportunities Program (TOP, formerly the Telecommunications and Information Infrastructure Assistance Program, or TIIAP). PTFP is authorized by Section 392 of the Communications Act. TIIAP was created in fiscal year 1994 by Congressional appropriation based upon the authority in Section 392. In fact, each annual appropriation for TOP cites Section 392 as the authorization for TOP. The grant making authority given NTIA by Section 392 is sufficiently broad that it could be used to authorize new grants to increase home access to the Internet. This approach would obviate the need for Congressional authority beyond the requirement for appropriated funds and attendant appropriations language and thus offer greater potential for starting the program in fiscal year 2001.

In addition to the legal authority to create a new grant program, NTIA has the infrastructure and the institutional knowledge to start up a program designed to create increased home access to the Internet. As manager of two competitive grant programs, NTIA currently awards and monitors hundreds of millions of dollars in federal investments. Moreover, NTIA's TOP program has significant experience with the very topic that would be the subject of the new program. In 1994, for example, TOP (then TIIAP) funded the Making Healthy MUSIC project in Newark, New Jersey. This project created a community network with access points in a public school and in the homes of 30 community "captains." The project demonstrated the value of home access and led to a number of positive outcomes, including increased school attendance. The project also demonstrated the importance of intensive training and local content in encouraging and

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testimony of Robert P. Murphy, General Counsel of the General Accounting Office, before the Subcommittee on Telecommunications, Trade and Consumer Protection, Committee on Commerce, U.S. House of Representatives, March 31, 1998.

sustaining the use of computers in the home.[2] TOP also funded a project in School District 196 in Rosemount, Minnesota, which provided low-income 4th graders with laptops. Like the Making Healthy MUSIC project, this project emphasized training and community connections. Preliminary evaluations of this project showed that students reported increased self-esteem and motivation and improved academic performance.[3] TOP continues to explore the issues surrounding home access for underserved populations with new grants announced in October, 1999:

* The City of Oakland, California, in partnership with IBM, will install thin client terminals in the homes of public housing residents, who will work to meet educational challenges and learn specific computer skills to improve their employability;

* Community Preservation and Development Corporation, in Washington, D.C., in partnership with Microsoft Corp., will be providing a low-income community housing project with networked computers to deliver broadband Internet connectivity and affect employability and educational performance; and

* The Shepherd Center, in Atlanta, Georgia, in partnership with Mindspring Enterprises, will be using a high-speed Internet testbed to provide rehabilitation services to patients and support for their family members and caregivers in their homes.

On one level, TOP's experience has provided valuable lessons — what works — in how to implement these projects in local communities. On another level, TOP has learned about the many grant making issues (such as equipment ownership and privacy, security, and acceptable use policies) associated with support for individual homes.

For the reasons above, we recommend that the program be designed as a grants program that would be managed directly by NTIA. The rest of this paper will outline the details of the program.

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[2] For more information on the Making Healthy MUSIC project, see *Networks for People: TIIAP at Work,* National Telecommunications and Information Administration, 1997.

[3] For more information on Independent School District 196's project, see *How Access Benefits Children: Connecting Our Kids to a World of Information*, National Telecommunications and Information Administration, 1999.

DRAFT FOR DISCUSSION ONLY

January 5, 2000

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January 5, 2000

Overall Approach

The new program would build on the lessons of NTIA's highly successful Technology Opportunities Program (TOP). Through six years of supporting and evaluating projects that demonstrate innovative information technology applications in low-income communities, TOP has built an extensive base of knowledge on issues, challenges, and effective solutions. In particular, the Home Access to the Internet program would be designed around two of the hallmarks of the TOP program: 1) locally-driven solutions; and 2) public-private partnerships. NTIA's experience has shown that the most creative, innovative, and effective solutions come not from the federal government, but from local communities. Therefore, NTIA would not dictate acceptable solutions for providing Home Access to the Internet. Instead, NTIA would challenge low-income communities to devise solutions that best reflect their circumstances and best meet their needs. NTIA's experience has also shown that strong partnerships and broad community support are key ingredients in sustaining information technology projects. The Home Access to the Internet program would encourage community-based partnerships and partnerships among local organizations, academia, and private industry. In order to demonstrate the local and private sector commitments, applicants would be required to provide matching funds.

NTIA's experience in managing TOP and in analyzing digital divide data has show that bridging the digital divide requires solutions for providing Internet access, for giving people the skills to use the Internet, and by providing meaningful, relevant applications for people to use. The Home Access to the Internet program would provide three types of grants.

1) Planning grants, which would give targeted communities the opportunity to explore different options for bringing low-cost Internet access to low-income individuals and families.

2) Access grants, which support communities' efforts to provide both low-cost Internet access and training on computer, Internet, and information literacy skills to low-income individuals and families.

3) Sustainable Applications grants, which would give communities the resources to deploy proven models of valuable web-based applications. These applications would provide low-income individuals and families access in their homes to Web-based services such as education, job training and job placement, telehealth, community networking and government services.

NTIA would use the data from the *Falling Through the Net* survey to target the program's resources and as an ongoing performance measurement tool. First, survey data would identify the communities and populations most in need of assistance, initially and on an ongoing basis.

Second, NTIA would monitor annual survey data to gauge the effectiveness of the program in improving home access in targeted communities and populations.

Program Eligibility

The program would provide grants to eligible organizations that would be serving eligible individuals, families, and communities. Eligible organizations would include state, local, and tribal governments, colleges and universities, and nonprofit organizations. NTIA's experience has shown that the roles of these organizations varies from community to community. For example, in some communities, local governments are most effective in meeting technology needs, whereas in others, local community colleges play leadership roles. Opening eligibility to this range of organizations would give communities the necessary flexibility to devise the solutions that best suit them.

For planning and sustainable applications grants, the unit of eligibility would have to be determined by the geographic area served. In some rural areas, a project may span several counties, whereas in a city, a project may focus on a single neighborhood. One approach would be to have the program define eligibility in terms of overall community demographics in terms of poverty (e.g. percentage of households with incomes below the poverty level), geography (e.g. population per square mile), education level (e.g. percentage of adults that have completed high school), and race (e.g. percentage of residents who are Black, Hispanic, or Native American[4]).

For access grants, the unit of eligibility would be the household. NTIA would use standard government indicators of poverty, which may vary depending on the availability of funds. One approach would be to set the mark based on income level in terms of percentage of the poverty level and the percentage would slide up or down based on the total amount of funds available to award. This percentage could also be varied according to the population, since *Falling Through the Net* has shown that income alone does not account for the disparities in access. For example, the percentage could be set higher for rural populations or minority populations, although such variations would not be without controversy. Practical considerations may also necessitate a simpler approach, such as tying household eligibility for this program to eligibility for certain federal entitlement programs.

One of the trade-offs in allowing for significant local flexibility is the concern that some local solutions may involve unacceptable elements. Therefore, NTIA would have to impose some requirements related to acceptable use of the Internet. Award conditions could require that grantees develop and enforce acceptable use agreements with all individuals receiving support

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[4] The 1999 *Falling Through the Net* report showed that Blacks and Hispanics have less Internet access than Whites, even when controlling for income. Although the study did address Native American access, it is widely understood that Native Americans have significantly less access to the Internet than Whites.

under the program. The use agreements would be developed locally (although NTIA could provide sample agreements) and would address issues such as access to inappropriate materials, inappropriate conduct, and continued use of any equipment or services.[5] In addition to acceptable use, NTIA would also have to develop policies that would place limits on the types of advertising that could be used to reflect corporate sponsorship (e.g. limiting ads that promoted alcohol or tobacco use). As is the case with TOP grants, Home Access grantees would also have to develop policies that safeguard the privacy of the individuals involved in the program.

In the initial year of the program, NTIA could develop these policies and issue them through a notice in the Federal Register. After the first year, these policies could be vetted through a formal rulemaking process that would result in formal program regulations.[6]

Criteria for Support

NTIA would base its awards on the eligibility of the organization, the eligibility of the targeted individuals, families, and communities, the availability of funds, and published criteria. The primary criteria for award could include:

* *Need*. In addition to the question of eligibility, the limit on funds available would dictate the need to set priorities based on need. These priorities would be dictated by relative levels of poverty, minority representation, and education level of the targeted populations.

* *Community Involvement*. NTIA would require partnerships of community-based organizations. In addition, this criterion would examine the degree to which a grant applicant has involved community stakeholders (including potential end users) in a needs assessment and planning process.

* *Private Sector Involvement*. NTIA would require involvement and support of private sector corporations. In particular, NTIA would require hard commitments of matching funds or in-kind contributions such as equipment, training, or communications services. NTIA could also explore ways to hold private sector companies accountable to their commitments.

* *Feasibility*. NTIA would examine the soundness of the technical plans and the likely

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[5] NTIA currently requires all TOP grant recipients to provide acceptable use plans.

[6] NTIA's TOP program does not have formal regulations. Its rules are issued annually through a Notice of Availability of Funds.

effectiveness of the approach. Of particular importance would be the comprehensiveness of the approach — whether the applicant has provided the access, training, end user support, and other services necessary to make Internet use a meaningful experience to the targeted end users.

Performance Measures

NTIA would measure the effectiveness of the program on two levels — in the community and at the national level. First, NTIA would develop standard metrics for each access grant. Grant recipients would be required to report regularly on such items as the number of households connected to the Internet (and the demographics of those households), the number of those households that have remained connected and active, and the number of people trained. In addition, NTIA could require surveys that profile how individuals and families receiving assistance are using the Internet (e.g. for education, home banking, health information). These data would be aggregated at the program level and would give NTIA information on the degree to which the program is reaching the targeted populations for the purposes intended.

At the national level, NTIA would use the annual *Falling Through the Net* survey to examine the digital divide as a whole. The survey data would indicate the extent to which the program is helping to close the gaps based on income, education level, race, and geography. In particular, NTIA could examine the growth rates among targeted populations and look for accelerations in those rates. In addition to providing NTIA with a yardstick for measuring the program's overall effectiveness, the data would assist NTIA in identifying the communities to be targeted.

Exhibit 13

Department of Commerce
National Telecommunication and Information Administration
Home Access Program

FY 2001 Budget Initiative
Grants to Support Access to the Internet at Home for All Americans

Appropriation: +$50.0 million	Permanent Pos. +15	FTEs: +15

A component of the Digital Divide Initiative, this program will make targeted investments to communities and populations that research shows are lacking in access to the Internet.

To ensure that access to the Internet is an opportunity afforded to all Americans, the Administration proposes the creation of a new program that would provide low-income individuals and families with the connections, training, and support necessary for full participation in today's increasingly online society.

Explanation and Justification

The extraordinary growth of the Internet is rapidly changing the way Americans live, work, and communicate. These networks are swiftly making the dream of having "information at your fingertips" a reality. Those Americans with access to the Internet have an advantage in today's information-based economy than those without. The Internet is rich with educational content, with health information, and with news, government and community information. In addition, many Americans now take advantage of the many transactional services now available on the Net, including online shopping and banking, travel reservations, and license renewals. The growth of the Internet has proven to be the engines of the 21st century economy.

While the Internet is bringing benefits to an increasing number of Americans, research shows that many are being left behind. NTIA's own series of *Falling Through the Net* reports have documented a significant and persisting gap in access to the Internet along the

lines of income, education level, and geography. The most recent report in this series, *Falling Through the Net: Defining the Digital Divide*, published in July, 1999, showed that:

* households with incomes of $75,000 and higher are more than twenty times more likely to have access to the Internet than those at the lowest income levels, and more than nine times as likely to have a computer at home;

* Whites are more likely to have access to the Internet from home than Blacks or Hispanics have from any location. Black and Hispanic households are approximately one-third as likely to have home Internet access as households of Asian/Pacific Islander descent, and roughly two-fifths as likely as White households; and

* regardless of income level, Americans living in rural areas are lagging behind in Internet access. Indeed, at the lowest income levels, those in urban areas are more than twice as likely to have Internet access than those earning the same income in rural areas.

The report also showed that for many groups, the digital divide has widened as the information "haves" outpace the "have nots" in gaining access to electronic resources. The following gaps with regard to home Internet access are representative:

* the gaps between White and Hispanic households, and between White and Black households, are now more than six percentage points larger than they were in 1994; and

* the digital divides based on education and income level have also increased in the last year alone. Between 1997 and 1998, the divide between those at the highest and lowest education levels increased 25 percent, and the divide between those at the highest and lowest income levels grew 29 percent.

Kids and Media at the New Millennium, a recent report by the Kaiser Family Foundation, showed that for children, the digital divide is not in the schools, but in homes. Their study revealed that:

* while percentage of schoolchildren that had access to computers at school was comparable for children from both low-, middle-, and high-income families, schoolchildren from high-income families were twice as likely as children from low-income families to have access to computers in their homes; and

* white children were roughly twice as likely to live in homes with Internet access than were Black or Hispanic children.

The goal of the Home Access to the Internet program is to bridge the digital divide by providing targeted investments to bring these at-risk populations online. NTIA will build on its experience in supporting information infrastructure in low-income communities (through the Technology Opportunities Program, formerly known as the Telecommunications and Information Infrastructure Assistance Program) and in documenting and analyzing the digital divide (through the *Falling Through the Net* series).

This new program will build on the lessons of the highly successful Technology Opportunities Program (TOP). Through six years of supporting and evaluating projects that demonstrate innovative information technology applications in low-income communities, TOP has build an extensive base of knowledge on issues, challenges, and effective solutions. In particular, the Home Access to the Internet program would be designed around two of the hallmarks of the TOP program: 1) locally-driven solutions; and 2) public-private partnerships. NTIA's experience has shown that the most creative, innovative, and effective solutions come not from the federal government, but from local communities. Therefore, NTIA will not dictate acceptable solutions for provide Home Access to the Internet. Instead, NTIA will challenge low-income communities to devise solutions that best reflect their circumstances and best meet their needs. NTIA's experience has also shown that strong partnerships and broad community support are key ingredients in sustaining information technology projects. The Home Access to the Internet program will encourage community-based partnerships and partnerships between local organizations, academia, and private industry. In order to demonstrate the local and private sector commitments, applicants will be required to provide matching funds.

NTIA will use the data from the *Falling Through the Net* survey to target the program's resources and as an ongoing performance measurement tool. First, survey data will identify the communities and populations most in need of assistance, initially and on an ongoing basis. Second, NTIA will monitor annual survey data to gauge the effectiveness of the program in improving home access in targeted communities and populations.

Strategic Intent

The initiative contributes significantly to major themes of the Department of Commerce's mission. The first theme is to build for the future and promote U.S. competitiveness in the global marketplace by strengthening and safeguarding the nation's economic

infrastructure. Funding for this program will strengthen the nation's workforce by providing more Americans with the skills necessary to compete in the new economy. Secondly, this program will help keep the nation competitive with cutting-edge science and technology and an unrivaled information base by expanding the user base of advanced network technologies.

The proposed program also supports two goals of NTIA's Strategic Plan:

- promote the availability and sources of advanced telecommunications and information services; and
- advance the public interest in telecommunications, mass media, and information.

Performance Measures

Measuring the program's effectiveness will involve an assessment of both output and outcome measures. Outputs will include:

Number of applications awarded

Number of partners represented by the applications funded

Outcomes will be examined on two levels — in the community and at the national level. First, NTIA would develop standard metrics for each access grant. Grant recipients would be required to report regularly on such items as the number of households connected to the Internet, the number of those households that have remained connected and active, and the number of people trained. These data would be aggregated at the program level and would give NTIA information on the degree to which the program is reaching the targeted populations for the purposes intended.

At the national level, NTIA would use the annual *Falling Through the Net* survey to examine the digital divide as a whole. The survey data would indicate the extent to which the program is helping to close the gaps based on income, education level, race, and geography. In particular, NTIA could examine the growth rates among targeted populations and look for accelerations in those rates. In addition to providing NTIA with a yardstick for measuring the program's overall effectiveness, the data would assist NTIA in identifying the communities to be targeted.

The following table provides the basis for the measures of the program's effectiveness and performance:

	FY 2001	FY2002	FY 2003	FY2004	FY 2005
Outputs:					
Applications awarded (1)	150	135	125	115	110
Number of states participating in program	50	50	50	50	50
Outcomes:					
Number of households connected to the Internet (1)	50,000	60,000	70,000	80,000	85,000
Number of people trained on Internet applications	65,000	75,000	85,000	100,000	110,000

Note:

(1) The decreasing number of awards increase in the number of households connected per year reflects a shift from smaller planning grants to larger grants that would provide the Internet connections and training to low-income communities.

Number and Percent of Families in Poverty by Number and Age of Related Children and Poverty Level, 1998

	Income (based on family of 4)	All families*		Families with children		Families with 2+ children		Families with children 11 to 13 years old		Families with children 14 to 17 years old	
		Number	% of total	Number	% of total	Number	% of total	Number	% of total	Number	% of total
All incomes		114,615	100.0	37,756	100.0	21,929	100.0	10,619	100.0	12,474	100.0
<= 200% of poverty level	$33,400	37,377	32.6	13,288	35.2	8,624	39.3	3,857	36.3	3,923	31.5
<= 175% of poverty level (~free/reduced lunch eligibility)	$29,225	31,916	27.9	11,284	29.9	7,347	33.5	3,244	30.6	3,306	26.5
<= 150% of poverty level	$25,050	26,669	23.3	9,467	25.1	6,204	28.3	2,707	25.5	2,785	22.3
<= 100% of poverty level	$16,700	15,913	13.9	5,864	15.5	3,870	17.7	1,669	15.7	1,716	13.8

Source: 1999 Current Population Survey March Supplement

Numbers in 1000s

*Also includes unrelated individuals and unrelated subfamilies

THE CLINTON-GORE ADMINISTRATION: WORKING TO BRIDGE THE DIGITAL DIVIDE

December 9, 1999

Today, President Clinton will announce that he intends to lead a New Markets trip in the Spring of 2000 to focus national attention on the digital divide -- the growing division in the United States between information "haves" and "have-nots." This issue has also been a top priority for Vice President Gore, who has worked to bridge the digital divide by ensuring that all of our children have access to educational technology. To support this effort, President Clinton today will issue a Directive to members of his Cabinet to take specific actions to close the digital divide, such as expanding Community Technology Centers in low-income urban and rural neighborhoods, continuing to measure the extent of the digital divide, and helping low-income workers gain the skills they need to compete for high-paying information technology jobs. He will also announce several commitments from the private sector and non-profit organizations that will help address this challenge, including: a commitment of the Congress of National Black Churches to make this issue a top civil rights priority; the creation of the Digital Divide Network, a comprehensive clearinghouse of state and local efforts to bridge the digital divide; and the establishment of the Digital Opportunity Partnership, an alliance between the private sector and the Leadership Conference on Civil Rights that will help bring civil rights organizations into the 21st century.

In Pledging to Close the Digital Divide, the President Will Be Joined Today By: Duane Ackerman, Chairman and CEO, BellSouth Corporation; Michael Armstrong, Chairman and CEO, AT&T; Zoe Baird, President, Markle Foundation; Richard Brown, Chairman and CEO, EDS; Stephen Case, Chairman and CEO, America Online; Darien Dash, CEO, DME Interactive Holdings; Tessie Guillermo, Exec. Dir., Asian and Pacific Islander American Health Forum; Wade Henderson, Exec. Dir., Leadership Conference on Civil Rights; Roberta Katz, CEO, Technology Network; Susan Masten, President, National Congress of American Indians; Jorge Schement, Board Member, Benton Foundation; and Irma Zardoya, Superintendent, District 10, New York Public Schools.

Today's announcement comes as Secretary of Commerce William Daley convenes a summit on the digital divide with these and other prominent high-tech CEOs and leaders in the civil rights, educational, and non-profit communities.

I. FROM DIGITAL DIVIDE TO DIGITAL OPPORTUNITY

President Clinton will make several announcements that will help bridge the digital divide and create digital opportunity for more Americans.

1. **A New Markets trip to disadvantaged urban and rural communities to focus national attention on the digital divide**: The President will lead a New Markets trip next spring designed to mobilize a significant private and public effort to close the digital divide. This trip, which will include leading high-tech CEOs, will highlight communities that are using information technology to enhance our children's education, expand access to life-long learning, and create economic growth and high-tech, high-wage jobs. Previous New Markets trips -- to communities such as Appalachia, the Mississippi Delta, Newark, and Chicago -- have served as a catalyst for new public-private partnerships to expand opportunity in those regions of the country that have not yet reaped the benefits of America's economic expansion.

2. **A directive to members of the Cabinet to take specific actions to address the digital divide**: President Clinton is directing members of his Cabinet (Secretaries of Commerce, Education, Health and Human Services, Housing and Urban Development, and Labor) to take specific steps to close the digital divide, including:

   - Continuing to measure the nature and extent of the digital divide by examining the importance of income, education, race, gender, geography and age to Americans' access to Information Age tools;

- Expanding the network of Community Technology Centers to provide access to technology for those American who can't afford it;

- Promoting applications of the Internet that will empower low-income families, such as the ability to start their own business; and

- Upgrading the IT skills of workers in low-income communities.

3. **Digital Divide Network**: Companies from across the computing, telecommunications, software, and Internet industries – as well as the Urban League and several of the nation's largest private foundations – are coming together to launch the Digital Divide Network. The network is an Internet-based clearinghouse for information on public and private efforts to bring technology to underserved communities. For the first time, America will have a one-stop shop for tracking our progress and for learning exactly what has worked and what has not.

4. **Digital Opportunity Partnership** The Leadership Conference on Civil Rights is working with many nonprofit organizations and private-sector companies to launch a new Digital Opportunity Partnership. This initiative will empower the entire civil and human rights communities through an expanded Web site (civilrights.org), leadership forums, and even "freedom riders" who will bring high-technology to the doorstep of nonprofit organizations.

5. **Congress of National Black Churches**: The Congress of National Black Churches, representing 65,000 churches and 20 million members, is sending a letter to the President acknowledging the importance of the digital divide as a key civil rights issue for the 21st century, and committing to work with the President and with industry to help close the digital divide.

II. THE IMPORTANCE OF BRIDGING THE DIGITAL DIVIDE

Access to computers and the Internet and the ability to effectively use this technology are becoming increasingly important for full participation in America's economic, political and social life. People are using the Internet to find lower prices for goods and services, work from home or start their own business, acquire new skills using distance learning, make better informed decisions about their healthcare needs, and get more involved in the education of their children by communicating more frequently with teachers.

Access to computers and the Internet has exploded during the Clinton-Gore Administration. Unfortunately, there is strong evidence of a "digital divide" -- a gap between those individuals and communities that have access to these Information Age tools and those who don't. In some instances, this divide is actually widening. A July 1999 report from the Department of Commerce, based on December 1998 Census Department data, revealed that:

- **Better educated Americans more likely to be connected.** Between 1997 and 1998, the technology divide between those at the highest and lowest education levels increased 25%. In 1998, those with a college degree are more than *eight times* likely to have a computer at home and nearly *sixteen times* as likely to have home Internet access as those with an elementary school education.

- **The gap between high- and low-income Americans is increasing.** In the last year, the divide between those at the highest and lowest income levels grew 29%. Households with incomes of $75,000 or higher are more than *twenty times* more likely to have access to the Internet than those at the lowest income levels, and more than *nine times* as likely to have a computer at home.

- **Whites more likely to be connected than African-Americans or Hispanics.** The digital divide is also persistent and growing along racial and ethnic lines. Whites are more likely to have access to the Internet from home than African-Americans or Hispanics have from *any* location. African-American and Hispanic households are roughly *two-fifths* as likely to have home Internet access as white households. The gaps between white and Hispanic households, and between white and African-American households, are now more than six percentage points larger than they were in 1994. However, for incomes of $75,000 and higher, the divide between whites and African-Americans has narrowed considerably in the last year.

- **Rural areas less likely to be connected than urban users.** Regardless of income level, those living in rural areas are lagging behind in computer ownership and Internet access. At some income levels, those in urban areas are 50% more likely to have Internet access than those earning the same income in rural areas. Low income households in rural areas are the least connected, with connectivity rates in the singles digits for both computers and Internet access.

III. A STRONG RECORD WORKING TO CLOSE THE DIGITAL DIVIDE

President Clinton and Vice President Gore have worked hard to close the digital divide, and to help create opportunity for more Americans in the Information Age. They have worked to:

- **Ensure that every child is technologically literate**: The President and Vice President have set a goal of connecting every classroom and library to the Internet by the year 2000 -- a goal that we are on track to meet. They also have fought for investments in technology training for teachers, modern computers in the classroom, and high-quality education software. Technology in the classroom can make it easier for parents and teachers to communicate, prepare our children for the high-tech workplace of the 21st century, and help improve student performance in all academic subjects. Major Administration initiatives in educational technology include the Technology Literacy Challenge Fund, and the "e-rate." The "e-rate" is helping to connect our children to the future by providing discounted Internet access to libraries and 1 million classrooms, with the deepest discounts going to the poorest schools and libraries that need it most.

- **Expand the network of Community Technology Centers**: The final budget deal included a tripling of support for Community Technology Centers, which provide access to technology for those who can not afford it.

- **Encourage the development of applications of information technology for low-income Americans:** Administration grant programs have supported innovative pilot projects -- such as the use of telemedicine for prenatal care, telementoring for at-risk youth, a national computer network for local food banks, and distance learning for people who have lost their jobs.

- **Expand access to technology for people with disabilities**: President Clinton and Vice President Gore have been strong supporters of efforts to make technology more accessible for people with disabilities. Recent actions by the Federal Communications Commission will help ensure that telecommunications equipment, such as cellular phones, is designed to be accessible for people with disabilities.

PowerUP
BRIDGING THE DIGITAL DIVIDE

Background Information on the Digital Divide

"Possession of computer skills is going to make the difference between getting ahead and being left behind for millions of American youth." - General Colin L. Powell, (Ret.)

A PRESSING NATIONAL NEED

"Digital divide" is the term commonly used to describe an individual's or community's lack of access to computers and online resources. According to data from the U.S. Department of Commerce, this "digital divide" currently breaks along many fault lines, including education, geography and income.

Access to technology and computer-based skills will be essential for children growing up in the new century and is vital to America's social and economic well-being. The U.S. Department of Commerce estimates that by the year 2000, 60 per cent of jobs will require technical skills. And, the disparity between those with access to technology and those without will – if left unattended – establish an impenetrable barrier not only to quality jobs, but also to educational opportunities and access to information that all Americans will need in order to be successful. The U.S. can avert a potentially devastating new social inequality between digitally literate "haves" and "have-nots" if the nation's skills, resources and commitment are mobilized quickly.

Experience has shown that providing access to hardware and software to underserved young people is not enough. Several key elements must be present and work together if technology initiatives are to accomplish measurable educational and developmental goals. These include:

- One-on-one contact between young people and capable caring adults;
- Innovative content and curriculum;
- Adequate infrastructure;
- Professional training and upkeep, and
- Evaluation and measurement systems.

- more -

100 ENTERPRISE WAY, #C2, SCOTT'S VALLEY, CALIFORNIA 95066 TEL: 831. 431. 1390
email: ContactPowerUP@aol.com www.powerup.org

Digital Divide Backgrounder
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A DIGITAL DIVIDE

The gap between the digital "haves" and "have-nots" exists for various reasons, including parents' education level, household income, ethnicity, geography and infrastructure. Groups that have studied telecommunications investment have found that telephone and cable companies are quicker to wire wealthier suburbs with advanced systems while poor, inner-city neighborhoods are not upgraded. ("Defining the Technology Gap," The Benton Foundation)

Many civic organizations believe that communication networks are critical tools for fostering civic engagement by facilitating coordination and communication. Research has shown that communities without access to communication networks may find it more difficult to sustain civic engagement that can lead to an improvement in their situation. ("Defining the Technology Gap," The Benton Foundation)

In a study on the issue of community organizations, The Urban University and Neighborhood Network (UUNN) found that, "Those who lack access to the Internet … will lose out in an increasingly competitive environment because so many neighborhood organizations are small, geographically isolated and woefully underfunded, their members don't have efficient access to the information needed to understand all aspects of their neighborhood problems and the paths toward solutions."

Some statistics from the National Telecommunication Information Administration study "Falling through the Net: Defining the Digital Divide" illustrate the widening gap between those with access and those without:

- *Education:*
  - 61.6% of those with a college education use the Internet as opposed to only 6.6% of those with a high school degree or less.
  - People with a college degree are over eight times more likely to have a computer than those who are less educated.
- *Income:*
  - Households with an earned income of over $75,000 are over twenty times more likely to have home Internet access than those at the lowest levels.
  - The "digital divide" for home Internet access widened 29% between those at the highest and lowest income levels between 1997 and 1998.
- *Ethnicity:*
  - Hispanic households are half as likely to own a computer as their white counterparts.
  - African-Americans have Internet access at any location, including home, work, school and library than whites.

- more -

- *Single-Parent Households:*
  - Only 31.7% of single-parent households have a computer, compared to 61.8% of married couples.
  - At all income levels, African-American, Asian, and Native American households with two parents are twice as likely to have Internet access as those with one parent. When incomes are over $35,000, this household type also includes Hispanic and White households, as well.

HOW WILL PowerUP HELP?

PowerUP recognizes that no single organization or solution exists to bridging the digital divide – it will take many people and many groups working together. PowerUP therefore engages a diverse yet powerful coalition of people and resources, leveraging the power of public and private entities committed to building a better society.

Through the PowerUP network, more than a dozen nonprofit organizations, major corporations and the U.S. Department of Education will provide technology, funding, and trained personnel to help underserved young people gain the skills, experiences and resources required to succeed in the digital age.

PowerUP is designed to achieve three goals: to shine a spotlight on the issue of the digital divide and help build a national crusade to bridge it; put programs and resources in place to enhance the technology centers in schools and communities that already exist; and stimulate the creation of new sites across the country. Through its partnerships, PowerUP will provide technology, funding and valuable resources to reach hundreds of thousands of young people through thousands of existing community centers, schools and other locations nationwide.

FOR MORE INFORMATION

For more information on the digital divide, see:

- *Digital Divide Clearinghouse* – A comprehensive resource center on the issue: **http://www.helping.org/"bridging the digital divide"**
- *Department of Commerce Report on Digital Divide* - Internet **http://www.ntia.doc.gov/ntiahome/digitaldivide/**
- *Crossing the Great 'Digital Divide'* - PC Week **http://www.zdnet.com/pcweek/stories/columns/0,4351,409662,00.html**
- *Attacking the 'Digital Divide'? You BET!* - ZDNN http://www.zdnet.com/zdnn/stories/news/0,4586,2313980,00.html

# # #

PowerUP
BRIDGING THE DIGITAL DIVIDE

PowerUP
Bridging The Digital Divide

Local Site Profiles

PowerUP is a major national initiative launched by more than a dozen nonprofit organizations, major corporations and federal agencies to help ensure that America's underserved young people acquire the skills, experiences and resources they need to succeed in the digital age. Through partnerships with existing organizations, PowerUP has supported the opening of several sites in fall 1999 and expects to expand to reach hundreds sites over the next year. PowerUP has been established as a commitment to America's Promise to deliver positive youth development opportunities to the nation's young people.

Alexandria, VA
The Alexandria PowerUP-supported site is located in the Gum Springs Community Center. The site will serve children in the Route One corridor of Alexandria and will help alleviate the "digital divide" that currently exists between children who have access to computers at home and those who do not. The Center will enable children to complete their homework utilizing the resources of the computer, engage in academic research and explore the larger world of the Internet in an adult-supervise environment. Gum Springs is very diverse and densely populated area of Fairfax County. Approximately 3,863 residents make up the Gum Springs community of which more than 993 youth are under the age of 18. PowerUP is in the Gum Springs Community Center, 8100 Fordson Road, Alexandria, Virginia. The community center is equipped with arts and crafts room, gymnasium, child care and senior centers, and a museum focusing on the history of the Gum Springs community.

The Local Sponsor for Gum Springs is the Northern Virginia Technology Council (NVTC). The Fairfax County Department of Community and Recreation Services (CRS) provides significant support to the site. NVTC has been extremely successful in galvanizing its association members to aid the PowerUP-supported site and provide much needed technology resources. NVTC also provides funding for five AmeriCorps*VISTA members from across the country whose backgrounds range from educational professional to ambulance trauma worker. CRS provides the space for this PowerUP-supported site, refurbished and rewired the site, and funds the salary for the site coordinator. The Alexandria YMCA branch is coordinating the VISTA members. The team at Gum Springs, in collaboration with the local library, have recruited community volunteers to mentor and tutor the children and youth at the site. A partnership with the surrounding Fairfax County public schools will allow PowerUP staff and volunteers to overlap after-school activities in support of students homework and school projects.

- more -

100 ENTERPRISE WAY, #C2, SCOTT'S VALLEY, CALIFORNIA 95066 TEL: 831. 431. 1390
email: ContactPowerUP@aol.com www.powerup.org

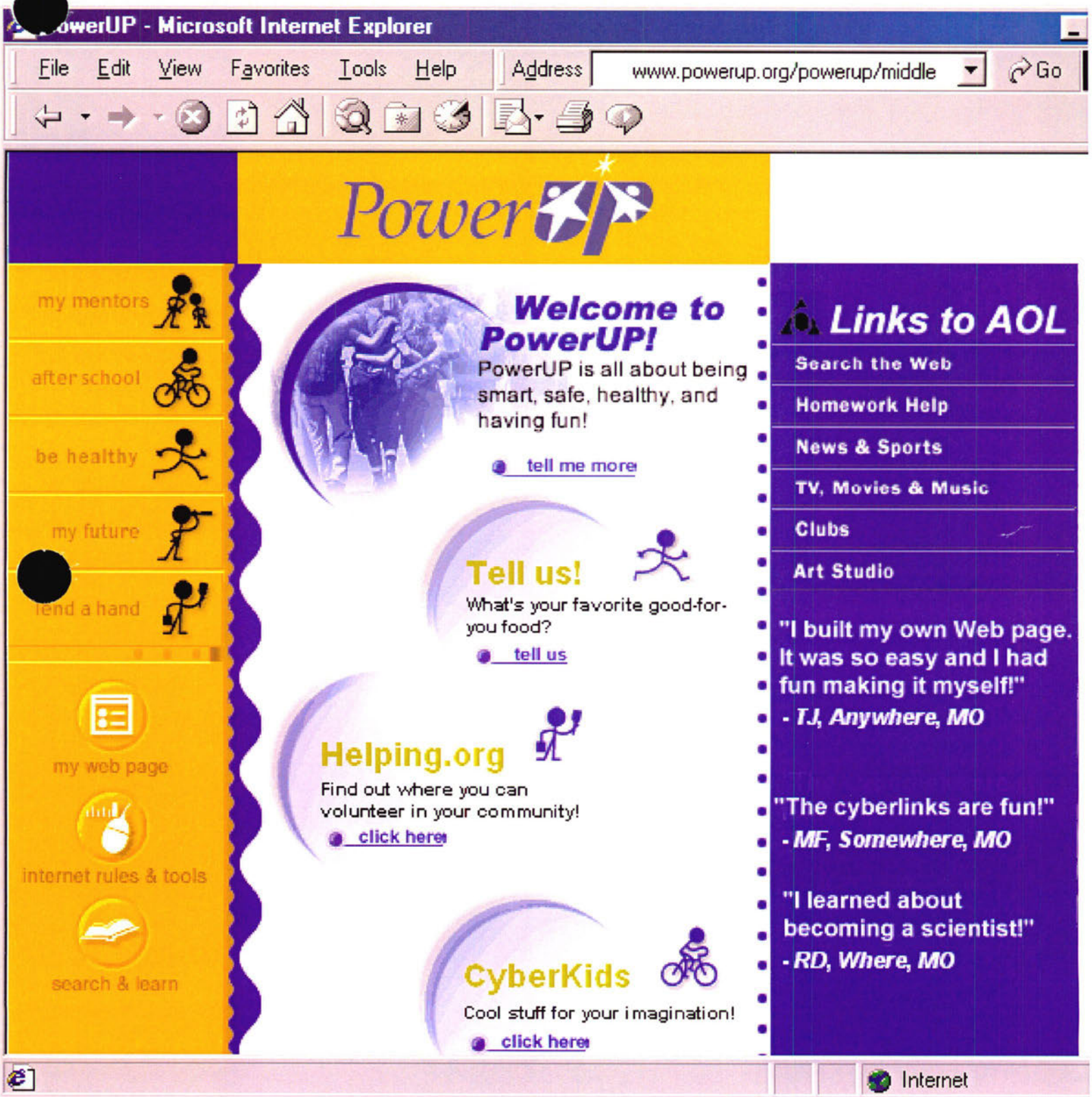
San Jose, CA
The San Jose PowerUP-supported site is located in Holly Oak Elementary. Holly Oak is an ideal location to reach underserved youth as 47% of the students receive subsidized or free lunches due to low family income levels. Sun Microsystems, Inc. serves as the Local Sponsor for this site. Sun Microsystems is also a PowerUP National Partner and has donated technical training for local PowerUP staff. AmeriCorps*VISTA members, supervised by the East Valley Family YMCA, will be working on PowerUP activities in the school's computer lab as well as in school classrooms. Both members have extensive math and science backgrounds as well as previous community service experience. The main goals of the AmeriCorps*VISTA members in San Jose are to work with teachers as they incorporate technology into their classroom lessons as well as to establish after school computer classes and clubs for both students and parents.

Seattle, WA
Seattle's PowerUP site is located in South Shore Middle School. 72% of South Shore Middle School students receive free or reduced lunches and the school has a bilingual population of 15%. Microsoft Corp. serves as the Local Sponsor for this site. The Meredith Mathews East Madison YMCA supports two youth development directors who are housed in South Shore Middle School in order to coordinate a comprehensive enrichment program to foster positive youth development among South Shore's students. As part of PowerUP's work at South Shore, AmeriCorps*VISTA members coordinate a web page design class for the after school program and supervise open computer time. The members, who have broad experience working with youth and technology, are also helping teachers develop curriculum that utilizes technology.

Washington, D.C.
This PowerUP-supported site is located in the offices of a 155-unit subsidized housing complex called Southern Ridge in Anacostia, an extremely underserved inner-city Washington, D.C. neighborhood. PowerUP staff are focused on complementing and expanding computer programs at the surrounding schools and introducing and enhancing computer skills to children at the after-school program located in the housing development. The Case Foundation is the Local Sponsor for the Washington, D.C. site, in addition to the Foundation's role as a National Benefactor to PowerUP. The site is staffed by four AmeriCorps*VISTA members: a trained clown and balloon sculptor; a musician; an anthropologist, and a retired lawyer looking to change careers. The AmeriCorps*VISTA members are supervised by the YMCA of Metropolitan Washington. The property is owned by Community Preservation and Development Corporation (CPDC), a non-profit 501(c)3 developer of affordable housing. CPDC provides and supports community technology programs at many of its sites in the Washington, DC metro area.

# # #

PowerUP Online



PowerUP
BRIDGING THE DIGITAL DIVIDE

NEWS RELEASE

FOR IMMEDIATE RELEASE

Contact: Lisa Ellen (212) 453-2444
Susan Porter (202) 828-8866

MAJOR "DIGITAL DIVIDE" INITIATIVE LAUNCHED

Coalition of Business, Nonprofits and Government Partner to Reach Underserved Youth in Thousands of Communities and Schools

A Breakthrough in Technology Access and Education -- New Organization Created to Advance Goals of America's Promise

AOL and Gateway CEOs Commit Internet Accounts, Computers and Millions in Grants

WASHINGTON, November 8, 1999 -- More than a dozen nonprofit organizations, major corporations and federal agencies today launched a major new multimillion dollar initiative to help ensure that America's underserved young people acquire the skills, experiences and resources they need to succeed in the digital age.

The new initiative, called PowerUP™, is a unique partnership to give underserved children access to technology and guidance on how to use it. Based in schools and community centers around the country, PowerUP not only will provide young people with access to the wide range of content and information on the Internet; it will also help them develop additional skills they need to succeed in the 21st century.

PowerUP will be able to scale quickly and reach thousands of young people because it will leverage partnerships with numerous public and private organizations, and build on thousands of existing community centers, schools and other locations nationwide. PowerUP partners will provide technology, funding, trained personnel, in-kind support and other resources to help close the divide between young people who have access to computer-based information or technology-related skills and those who don't.

AOL Chairman and CEO Steve Case, who is chairing PowerUP, said: "There's no single solution to bridging the digital divide -- it's going to take all of us working together to make a difference. In a few short years, the Internet has transformed nearly every aspect of our lives -- and is fast transforming our society. The real question we face now is how we can make sure that everyone benefits from these changes. We must take steps now so that in the Internet Century, no children are left behind."

Case added, "PowerUP has drawn inspiration from America's Promise to deliver positive youth development opportunities to the nation's young people. Its goal is not only to provide young people with access to computers and the Internet, but also to leverage technology's power and the potential of the online medium to help young people develop character and competence."

- more -

Gateway Chairman and CEO Ted Waitt, a founding member of the board of PowerUP, said, "The gap between the Internet haves and have nots is widening along racial, economic and geographic lines, and we absolutely, positively cannot afford another divide in this country. We can pull together. Nothing is more important in our lives and in the future of our communities than ensuring all of our children have access to the tools and information they need to get ahead, and stay ahead."

Created as a nonprofit organization, PowerUP is guided by a board of directors that in addition to Case and Waitt includes: Erskine Bowles, partner at Forstmann Little and former White House chief of staff; Jean Case, President of the Case Foundation; Carly Fiorina, President and CEO of Hewlett-Packard Company; Jack Kemp, Co-Director of Empower America; David Mercer, National Executive Director of YMCA; Sam Nunn, Partner at King and Spalding and former U.S. Senator; Leon Panetta, Director of the Panetta Institute and former Director of OMB and White House chief of staff; Retired Army General Colin L. Powell, Chairman of America's Promise; Franklin Raines, Chairman and CEO of Fannie Mae; and Roger Staubach, Chairman and CEO, The Staubach Company.

A Compelling National Need

General Colin L. Powell (Ret.), Chairman of America's Promise, said, "PowerUP is a breakthrough initiative that our nation urgently needs. As I've traveled throughout the country, it has become clear to me that our future success as a nation will depend on how prepared our young people are for the challenges of the 21st century. PowerUP will bring to the nation's underserved youth the skills and experiences they need to build a successful future."

Harris Wofford, CEO of the Corporation for National Service, said, "AmeriCorps is proud to add people power to PowerUP. We know from experience that just putting computer hardware and an Internet connection in the schools is not enough. To unleash the full potential of young people -- and of the computer -- kids need to know more than just how to surf the net. They need to learn how to use computers to succeed in a digital world. AmeriCorps members will give students access to advanced technology and compelling programming, in a safe environment with a caring adult. Together, that's what all of us in PowerUP will do."

A Powerful Program Offering

PowerUP brings together several critical and innovative program elements to create a powerful offering for community centers, schools and other locations nationwide. Key elements include:

- **Computers and Internet Access -** Through major grants from the Waitt Family Foundation and the AOL Foundation, PowerUP will provide 50,000 computers and 100,000 AOL accounts for free Internet access to sites throughout the country.

- **Innovative, Life-enriching Interactive Programming -** A unique "PowerUP Online" guide aggregates information and organizes activities and resources according to the "five promises" identified by America's Promise as essential for children to become successful adults including: tools on how to find a mentor; fun and productive activities to do after school; healthy lifestyle information; exploration of career opportunities and how to acquire the skills needed to take advantage of them; community service; and links with real-time community youth program opportunities provided by participating local youth serving organizations. PowerUP Online, developed by the AOL Foundation, also includes a scholastic/academic component addressing educational achievement.

- **An Army of Trained Workers -** PowerUP will provide the people power needed to effectively train young people in attaining digital literacy skills while offering them an ongoing relationship with a caring adult in a safe environment. Initially more than 400 specially trained, full-time AmeriCorps*VISTA members and other staff will provide a sustained and trained presence at PowerUP-supported centers where needed. One of the shortcomings in technology education efforts to date has been lack of dedicated, capable adult staff to work with young people in centers on a regular basis.

- **Partnering with Key Groups to Scale Quickly and on a Large Scale -** PowerUP's goal is to scale quickly to reach a national level. It will do this in two ways: by engaging key partner groups at the national and local levels, and by providing flexible program options for existing centers.

    - *Youth-serving organizations* - PowerUp will partner with local YMCAs, Boys & Girls Clubs, Save the Children's "Web of Support" centers, National Urban League, and other organizations with roots in thousands of communities across the country to connect young people with additional learning and positive youth development activities such as after-school sports, arts and crafts, or other classes and technology services.

    - *Federal agencies* - In keeping with a PowerUP goal of enhancing scholastic achievement and digital literacy, PowerUP will partner with the U.S. Department of Education's Computer Technology Centers and 21st Century Community Learning Centers to supplement and complement educational goals of children both during and after school hours.

    - *Corporations* - Companies that have established their own sites or technology programs may choose to add PowerUP program elements, and/or supply additional financing or in-kind support either at the national or local level.

    - *Private individuals and foundations* - Financial and in-kind support.

- **Millions of Dollars in Local Community Grants -** PowerUP will provide an initial total of $5 million in direct grants to community- and school-based centers who wish to participate in the PowerUP program. Grants may be used for any activities or resource needs that are consistent with PowerUP's program goals.

- **Links with Schools -** PowerUP works to enhance scholastic achievement and national digital literacy goals by forming partnerships with local schools and educators. A section of the PowerUP Online guide features a scholastic approach to educational attainment linked to academic curricula, and AmeriCorps*VISTA members are responsible for connecting the PowerUP program with local schools to supplement and complement educational goals of young people both at school and after school.

- **Healthy Snacks -** Through its partnership with PowerBar Inc., PowerUP will provide PowerUP-supported sites with healthy snacks, including PowerBars, PowerBar Harvest bars, and PowerBar Essentials bars.

Steve Case said, "We recognize that there are many projects underway in communities across the nation that seek to bridge the digital divide, but they are fragmented and lack the scale necessary to attract significant resources. PowerUP will help knit these initiatives into a national tapestry and jump-start a crusade that can change the lives of millions of kids, bringing together an unprecedented combination of people, skills and resources.

"PowerUP offers us the opportunity to make dramatic progress in establishing consistent, quality-oriented methods and resources to ensure that technology centers and programs across the country share a common standard of excellence in driving positive youth development," Case said. "Just as the nation made a successful commitment to ensuring that every child has access to public education starting at the age of five, we must now commit ourselves to ensuring that in the 21st century every child in America has access to technology so that no one falls behind. This mission is what PowerUP is all about."

Partnership Brings Funds, People, Skills and Resources

The PowerUP partnership brings a range of support services and resources to community centers, schools and other youth service locations around the country:

- **National Benefactors -** National benefactors of PowerUP include the Case Foundation, the Waitt Family Foundation, AOL Inc./AOL Foundation, and The Corporation for National Service (which houses AmeriCorps*VISTA), and The YMCA of the USA. These organizations will bring money, computers, access, interactive programming, trained staff and other community-based services on a large scale to sites across the nation:

- *The Case Foundation*, established by Steve and Jean Case, will provide an initial grant of $10 million to establish PowerUP. The grant includes $5 million to cover all staff and administrative costs of the program, enabling partnership contributions to go directly to supporting or establishing in-site programs for youth at centers across the country. Another $5 million will provide the local community grants to benefit up to 5,000 local community centers and school-based sites nationwide.

- *The Waitt Family Foundation*, established by Ted and Joan Waitt and their family, will supply computer hardware to PowerUP by providing 50,000 Gateway computers and Internet appliances over the next three years.

- *AOL Inc./The AOL Foundation* has donated its resources and staff to develop PowerUP Online, a first-of-its kind interactive programming guide built around the "five promises" that America's Promise has identified as essential for children to become successful adults. PowerUP Online aggregates valuable content and organizes activities and resources in an easy-to-use format for use in grades K-12. In addition, 100,000 AOL accounts are being provided for centers that need them.

- *The Corporation for National Service* (AmeriCorps*VISTA) is bringing people power to PowerUP. Initially more than 400 AmeriCorps*VISTA members and others in AmeriCorps will be trained and deployed to provide dedicated, full-time mentoring and other assistance to schools, YMCAs, Boys & Girls Clubs, National Urban League centers, Save the Children "Web of Support" centers, the U.S. Department of Education's Computer Technology Centers and 21st Century Community Learning Centers, and other community technology centers across the country.

- *The YMCA of the USA* will provide service-learning and positive youth development opportunities for young people at PowerUP-supported sites, including providing a sustained presence of caring, supportive adults who regularly interact with parents and teachers in the community.

    - **Founding National Partners -** Founding national partners who will support the program through their existing networks of community-based centers, training programs, in-kind contributions and other activities include Sun Microsystems, Boys & Girls Clubs of America, Save the Children, National Urban League, Communities in Schools, FamilyEducation Network, PowerBar Inc., and the U.S. Department of Education's Computer Technology Centers and 21st Century Community Learning Centers.

- **Founding Local Sponsors -** Founding local sponsors who have established pilot sites for PowerUP in their communities include Microsoft, Sun Microsystems, the Northern Virginia Technology Council, and the Case Foundation. The sites are located in San Jose, CA; Seattle, WA; Alexandria, VA; and Washington, DC. The sites are additionally supported by the YMCAs of Santa Clara Valley, Greater Seattle, and Metropolitan Washington, which provide service-learning and positive youth development opportunities.

PowerUP is a commitment to America's Promise. America's Promise – The Alliance for Youth led by General Colin Powell, is dedicated to mobilizing individuals, groups and organizations from every part of American life, to build and strengthen the character and competence of our youth.

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PowerUP
BRIDGING THE DIGITAL DIVIDE

PowerUP
Bridging the Digital Divide

Fact Sheet

"The PowerUP program does more than provide technology solutions; it leverages technology to help kids succeed, personally as well as academically. It's a breakthrough initiative that our nation urgently needs." -- General Colin L. Powell (Ret.)

PowerUP™ is a major new multimillion dollar initiative aimed at helping underserved youth obtain the skills, experiences and resources they will need to succeed in the digital age. More than a dozen major corporations, nonprofit organizations and federal agencies joined together to launch the nationwide initiative.

Based in schools and community centers around the country, PowerUP not only will provide young people with access to the wide range of content and information on the Internet; it will also help them develop additional skills they need to succeed in the 21st century. PowerUP will be able to scale quickly and reach thousands of young people because it will leverage partnerships with public and private entities and build on thousands of existing community centers, schools and other locations nationwide. PowerUP partners will provide these sites with technology, funding, trained personnel, in-kind support, and other resources to help close the divide between young people who have access to computer-based information or technology-related skills and those who don't.

ORGANIZATION

PowerUP is being established as a nonprofit organization, headquartered in Silicon Valley, CA. Chief Executive Officer is Rae Grad. Rae Grad most recently served as a Senior Vice President with America's Promise having been part of the team that pulled together the Presidents' Summit for America's Future. Prior to that, Rae served as Executive Director of the National Commission to Prevent Infant Mortality, a bi-partisan Congressional Commission and before that as the Executive Director of the Southern Regional Project on Infant Mortality, an initiative of the Southern Governors' Association. Rae is a registered nurse with a doctorate in health education

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100 ENTERPRISE WAY, #C2, SCOTTS VALLEY, CALIFORNIA 95066 TEL: 831. 431. 1390 FAX: 831. 431. 1393
email: ContactPowerUP@aol.com www.powerup.org

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GOALS

PowerUP will use innovative approaches to bridge the "digital divide" that separates the "haves" and "have nots" in their access to computers, technology and online resources. This disparity threatens the ability of millions of young people to acquire the skills they will need to succeed. The goals of PowerUP are to: shine a spotlight on the issue of the digital divide and build a national crusade to bridge it; put programs and resources in place to enhance technology centers in schools and communities that already exist today; and stimulate the creation of new sites across the country where they are needed.

PROGRAM

PowerUP will go beyond merely providing computer hardware and connections to the Internet. It will provide a safe learning environment that will help unleash the full potential of young people. To do that, PowerUP brings together several key elements:

- *Computers and Internet access* from the Waitt Family Foundation and the AOL Foundation.
- *Innovative, life-enriching interactive programming* developed by the AOL Foundation and built on the "Five Promises" that America's Promise has identified as necessary for children to become successful adults.
- *An army of trained, full-time staff* from AmeriCorps*VISTA and other organizations to work with young people at the sites to attain digital literacy and other skills.
- *The ability to scale quickly and on a national level* by engaging key partner groups at the national and local levels including youth-serving organizations, federal agencies, corporations, and private individuals and foundations and by providing flexible, modular program options for existing centers.
- *Local community grants* from the Case Foundation to community- and school-based centers.
- *Links with schools and educators* in order to enhance scholastic achievement and national digital literacy goals.
- *Healthy snacks* provided to all PowerUP-supported centers through a partnership with PowerBar Inc.

PowerUP Fact Sheet
3-3-3-3

SITES

Within a year, PowerUP will support hundreds of sites in technology and computer centers around the country. Initial pilot sites will open in fall 1999 in Washington, D.C.; San Jose, CA; Seattle, WA; and Alexandria, VA. Future sites will be located in technology and computer centers in schools, public housing complexes, youth serving centers, and community centers.

FUNDING & OTHER RESOURCES

National Benefactors bring money, computers, access, interactive programming, trained staff and other community-based services on a large scale to sites across the nation.

- *The Case Foundation* will provide a grant of $10 million, including $5 million for local PowerUP community grants.
- *The Waitt Family Foundation* will provide 50,000 Gateway computers and Internet appliances over the next three years.
- *AOL Inc./The AOL Foundation* has donated its resources and staff to develop PowerUP Online, a first-of-its-kind interactive programming guide built around America's Promises' "Five Promises." In addition, 100,000 AOL accounts are being provided for centers that need them.
- *The Corporation for National Service* will deploy more than 400 trained AmeriCorps*VISTA members to work full-time as mentors to young people participating in the program.
- *The YMCA of the USA* will provide service-learning and positive youth development opportunities for young people at PowerUP-supported sites.

Founding National Partners will support PowerUP with existing networks of community-based centers, training programs, in-kind contributions and other activities. These partners include:

- *Sun Microsystems*
- *Boys & Girls Clubs of America*
- *Save the Children*
- *National Urban League*
- *Communities in Schools*
- *FamilyEducation Network*
- *PowerBar, Inc.*
- *U.S. Department of Education's Computer Technology Centers and 21st Century Community Learning Centers*

PowerUP Fact Sheet
4-4-4-4

Founding Local Sponsors will establish or support PowerUP sites in their communities. Sponsors are:

- *Microsoft*
- *Sun Microsystems*
- *The Northern Virginia Technology Council*
- *The Case Foundation*

PowerUP BOARD OF DIRECTORS

- Erskine Bowles, partner at Forstmann Little and former White House chief of staff
- Jean Case, President of the Case Foundation
- Steve Case, Chairman and CEO, AOL and Chairman of the PowerUP Board
- Carly Fiorina, President and CEO of Hewlett-Packard Company
- Jack Kemp, Co-Director of Empower America
- David Mercer, National Executive Director of YMCA of the USA
- Sam Nunn, Partner at King and Spalding and former U.S. Senator
- Leon Panetta, Director of the Panetta Institute and former Director of OMB and White House chief of staff
- Retired Army General Colin L. Powell, Chairman of America's Promise
- Franklin Raines, Chairman and CEO of Fannie Mae
- Roger Staubach, Chairman and CEO, The Staubach Company.
- Ted Waitt, Chairman and CEO, Gateway

# # #

PowerUP
Bridging The Digital Divide

Partner Fact Sheet

PowerUP is a major national initiative launched by more than a dozen nonprofit organizations, major corporations and federal agencies to help ensure that America's underserved young people acquire the skills, experiences and resources they need to succeed in the digital age. Through this partnership, PowerUP will be able to reach thousands of existing community centers, schools and other locations nationwide with technology and associated educational support services. PowerUP has been established as a commitment to America's Promise to deliver positive youth development opportunities to the nation's young people.

Lead National Benefactors

National Benefactors include public and private companies or organizations that bring money, computers, access, interactive programming, trained staff and other community-based services on a large scale to PowerUP-supported sites across the nation.

- **AOL Inc./The AOL Foundation**

The AOL Foundation is providing 100,000 AOL accounts for centers that need them. In addition, AOL Inc./The AOL Foundation have developed PowerUP Online, a first-of-its-kind interactive programming guide has been developed for use in PowerUP-supported centers. Built around the "Five Promises" that America's Promise has identified as essential for children to become successful adults, PowerUP Online provides information and organizes activities and resources in an easy-to-use format for use in grades K-12.

Founded in 1985, AOL Inc., based in Dulles, Virginia, is the world's leader in interactive services, Web brands, Internet technologies, and e-commerce services. The AOL Foundation, founded by America Online in 1997, supports programs that spark innovative uses of the interactive medium to benefit society.

For more information on AOL Inc., visit their web site at www.aol.com. For more information on the AOL Foundation, visit www.aolfoundation.org.

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email: ContactPowerUP@aol.com www.powerup.org

- **Corporation for National Service (AmeriCorps*VISTA)**

PowerUP is AmeriCorps' largest technology initiative to date. AmeriCorps*VISTA is bringing the people power to PowerUP. Initially more than 400 AmeriCorps*VISTAs and other members of the AmeriCorps family will be trained and deployed to provide dedicated, full-time mentoring and other assistance to schools; YMCAs; Boys & Girls Clubs; National Urban League centers; Save the Children "Web of Support" centers; U.S. Department of Education's Computer Technology Centers and 21st Century Community Learning Centers; and other community technology centers across the country. Currently 14 AmeriCorps*VISTA members are piloting PowerUP sites in Alexandria, VA; San Jose, CA; Seattle, WA; and Washington, D.C.

AmeriCorps, the domestic Peace Corps, engages more than 40,000 Americans each year in service to their community and country. The Corporation for National Service, AmeriCorps*VISTA's parent agency, is dedicated to promoting the ethic of service and citizenship and providing Americans of all ages and backgrounds with opportunities to serve in ways that help strengthen communities.

*For more information on AmeriCorps*VISTA, or Corporation for National Service, visit their web site a* www.americorps.org.

- **The Case Foundation**

The Case Foundation has provided an initial $10 million grant to establish PowerUP as a nonprofit organization. The grant will cover $5 million for staff and administrative costs of the program -- enabling all partnership contributions to go directly to supporting or establishing in-site programs for youth at centers across the country -- plus an additional $5 million for PowerUP grants for up to 5,000 local community centers and school-based sites nationwide. The Case Foundation is also a Local Partner and has adopted a Washington D.C. PowerUP-supported site located in the Southern Ridge Apartments in Anacostia, a low-income housing complex.

The Case Foundation is a private philanthropy established by Jean and Steve Case dedicated to galvanizing the combined resources of communities nationwide to benefit underserved young people in three areas: education, technology and healthcare. The Case Foundation supports venture philanthropy, a model of charitable giving based upon the venture capital structure.

- **The Waitt Family Foundation**

The Waitt Family Foundation will supply computer hardware to PowerUP by providing 50,000 Gateway computers and Internet appliances over the next three years.

PowerUP Partner Fact Sheet
3-3-3-3

Founded in 1993, The Waitt Family Foundation, founded by Ted and Joan Waitt and their family, was created to support individuals, families and communities through programs involving education, non-violence, child advocacy, and community enhancement.

- **YMCA of the USA**

As the first youth-service organization to come on board with PowerUP, the YMCA offers service-learning and positive youth development opportunities for young people at PowerUP-supported sites. As a National Benefactor, the YMCA provides a sustained presence of caring, supportive adults who interface regularly with parents and teachers in the community. PowerUP-supported sites in Alexandria, VA; San Jose, CA; Seattle, WA; and Washington, DC are maintained by the following local YMCAs: YMCA of Metropolitan Washington, YMCA of Santa Clara Valley, and YMCA of Greater Seattle.

Collectively, America's 2,283 YMCAs are the nation's largest provider of childcare. YMCAs across the country are at the heart of community life and offer a variety of programs such as family activity nights, juvenile delinquency prevention programs, volunteerism and mentoring, and welfare-to-work initiatives. YMCAs serve nearly 17 million people, including 9 million children during non-school hours.

For more information on the YMCA of the USA, visit their web site at www.ymca.net.

Founding National Partners

Founding National Partners are organizations that will support the PowerUP program through their existing networks of community-based centers, training programs, in-kind contributions and other activities.

- **Boys & Girls Clubs of America**

As a National Partner, Boys & Girls Clubs of America will be complementing and supplementing their existing work with youth in after-school sites with PowerUP program elements. They also bring an important element to PowerUP by providing a safe place for young people with positive youth development opportunities, including sports, arts and crafts or other special classes.

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PowerUP Partner Fact Sheet
4-4-4-4

Boys & Girls Clubs of America have a lineup of tested and proven nationally recognized programs that address today's most pressing youth issues, teaching young people the skills they need to succeed in life. More than 25 national programs are available in the areas of education, the environment, health, the arts, careers, alcohol/drug and pregnancy prevention, gang prevention, leadership development and athletics.

For more information about Boys & Girls Clubs of America, visit their web site at www.bgca.org.

- **Communities in Schools**

As a National Partner, Communities in Schools Inc. (CIS) will integrate PowerUP program elements into the Cisco Networking Academy Program, a partnership between CIS, Cisco Systems Inc., and the Cisco Foundation. A 280-hour curriculum, the Networking Academy program teaches high school and community college students how to design, build and maintain computer networks. Students from underserved communities gain highly marketable technology skills enabling them to succeed in the digital age. The program was launched in 1997 and now reaches approximately 21,000 students in all 50 states, the District of Columbia and 40 countries around the world.

For the past 20 years, CIS has provided successful stay-in-school solutions at school sites by showing communities how to coordinate their public, private and nonprofit resources so kids can get the help they need-where they need it-in the public schools. CIS provides community champions -- privately-supported independent teams -- whose sole mission is to rally community support for children and broker services in the schools. CIS provides access to services for more than 1 million young people through 1,500 schools in 32 states and the District of Columbia.

For more information on Communities in Schools, visit their web site at www.cisnet.org.

- **FamilyEducation Network**

FamilyEducation Network provides the Web publishing tools that the youth and AmeriCorps*VISTA members will use to create their own home pages through the PowerUP program. Young people participating in the program will be encouraged to build Web sites relating to their communities, themselves, or their dream jobs. In this way, PowerUP encourages community-building as well as digital literacy.

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FamilyEducation Network develops and provides educational and child-development resources and services for millions of families, corporate employers, schools and communities. The Company's network of Web sites, which include familyeducation.com, teachervision.com, and infoplease.com represent the largest K-12 community of parents, educators and students on the Internet. FamilyEducation Network helps parents, schools, and community organizations use online tools and other media to become more effectively involved in their children's education and overall development.

To find out more information about the FamilyEducation Network, visit their web site at www.familyeducation.com.

- **National Urban League**

As a PowerUP National Partner, the National Urban League will incorporate PowerUP program elements into their community technology centers. By incorporating trained staff, PowerUP Online and consistent standards into its programs, the National Urban League will fulfill its vision to collaborate with its local affiliates to plan, implement and evaluate state-of-the-art technology access centers in each Urban League affiliate.

The National Urban League has been developing technology-based programs since 1968. The League's Technology Programs & Policy (TPP) department implements the National Urban League's vision to bring the benefits of information and communications technology to underserved communities. In addition to establishing technology centers, TPP works with League affiliates, local, state, and federal government, foundations and corporate partners to influence technology policy in urban communities. The office also attempts to aggregate equipment and service demand to deliver the best available hardware, software and development resources to the Urban League Movement and the communities that they serve.

To find out more information about the National Urban League, visit their web site at www.nul.org.

- **PowerBar Inc.**

As a National Partner, PowerBar Inc. will help provide well-balanced nutrition for young people at PowerUP sites through its donation of energy bars, including PowerBars, PowerBar Harvest bars, and PowerBar Essentials bars.

Headquartered in Berkeley, Calif., PowerBar is the leader in the energy bar market with approximately 45 percent market share. The company's bars, gels and drinks serve as tools to help people perform at their best.

For more information, visit the PowerBar web site at www.powerbar.com.

- **Save the Children**

Save the Children focuses its work in the United States on out-of-school time, with programs that serve 5 to 18 year-olds in poor inner cities and rural neighborhoods. Working with community partners, Save the Children has established a "Web of Support" that provides caring adults, safe places, and constructive activities during unsupervised time away from school. A unique feature of the "Web of Support" after-school programs is the "Web of Support Online (WOSO)," -- a password-protected extranet that creates a virtual community linking kids from low-income neighborhoods around the country. Already sharing youth development synergies with PowerUP, Save the Children will strengthen some of its rural sites with PowerUP program elements.

Save the Children is an international nonprofit child assistance organization whose mission is to make lasting, positive change in the lives of children in need. Save the Children operates health, education, economic opportunity, and humanitarian response programs in 44 countries around the world.

For more information on Save The Children, visit their web site at www.savethechildren.org.

- **Sun Microsystems Inc.**

Sun Microsystems Inc. is providing technical training for the AmeriCorps*VISTAs who will be staffing PowerUP. Sun is also a Local Partner, funding a PowerUP-supported site in San Jose, CA at the Holly Oak Elementary School.

Sun has developed, and continues to develop, special programs and activities aimed at improving or assisting the community, as well as furthering the use of technology to educate.

To find out more about Sun Microsystems Inc., visit their web site at www.sun.com.

- **U.S. Department of Education's Computer Technology Centers and 21st Century Community Learning Centers**

The power of PowerUP is its partnerships. One of the goals of PowerUP is to enhance scholastic achievement and digital literacy. PowerUP has partnered with the U.S. Department of Education to help supplement and complement education goals of children both in the classroom and outside of the classroom.

PowerUP Partner Fact Sheet
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The U.S. Department of Education has made a commitment to share information with its Computer Technology Centers and 21st Century Community Learning Centers about the resources available to them through PowerUP as well as to provide online content for PowerUP Online.

The U.S. Department of Education's mission is to ensure equal access to education and to promote educational excellence throughout the nation. The priorities of the Department are: that all students will be able to read well and independently by the end of 3rd grade, will master challenging mathematics, and will be academically and financially prepared to attend college. Also, that all states and schools will have challenging, clear standards and accountability; that there will be a dedicated and well-prepared teacher in every classroom; that every classroom will be connected to the Internet; and that every school will be safe and drug-free. The Department is committed to helping students from all backgrounds, regardless of race, national origin, disability, age, or gender.

For more information on the Department of Education, visit their web site at www.ed.gov.

Founding Local Sponsors

Local Partners are public and private companies that provide direct financial and other support needed to establish or maintain a local site.

- **Case Foundation** -- See paragraph above.

- **Microsoft Corp.**

Microsoft Corp. has partnered with Meredith Mathews East Madison YMCA to sponsor the PowerUP program at an after-school center located at the South Shore Middle School in Seattle.

Founded in 1975, Microsoft is the worldwide leader in software for personal and business computing. The company offers a wide range of products and services designed to empower people through great software -- any time, any place and on any device.

For more information on Microsoft Corporation, visit their web site at www.microsoft.com.

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- **Northern Virginia Technology Council**

As a PowerUP Local Partner, the Northern Virginia Technology Council (NVTC) is bringing technology to low-income children through its sponsorship of PowerUP at the Gum Springs Community Center in Fairfax County. As a true collaborative effort, NVTC has received contributions from its members to purchase computer software and hardware for the site, and fund five AmeriCorps*VISTA members to work with the children in the computer center. Additionally, NVTC members will be volunteering at the site.

The Northern Virginia Technology Council (NVTC) is the voice of technology business, driving success for member companies in diverse fields and building recognition of the region as a global leader in technology development and application. NVTC represents about 1,200 member companies employing more than 175,000 workers and is one of the largest technology councils in the nation.

To enable children to achieve their full potential and become responsible members of their community, Fairfax County Department of Community and Recreation Services provided, refurbished, and rewired the PowerUP site located in the Gum Springs Community Center.

For more information on the Northern Virginia Technology Council, visit their web site at www.nvtc.org. For more information on the Fairfax County Department of Community and Recreation Services, visit their web site at www.co.fairfax.va.us/rec/ffrec.htm.

- **Sun Microsystems** -- See paragraph above.

Friends

Friends of PowerUP include public and private companies, organizations and individuals who support the national PowerUP office or local sites through funding or special contributions.

- **Inprise Corporation**

Inprise Corporation has donated office space for the operation and administration of the national PowerUP office. National staff oversees the PowerUP program from this Silicon Valley office.

PowerUP Partner Fact Sheet
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Inprise/Borland is a leading provider of products, services, and solutions that enable developers and corporations to extend their business applications to the Internet. Whether it is developing Web-based applications, defining client architecture, deploying business logic or maintaining connectivity to backend databases, Inprise supplies the tools and middleware that allow companies to solve mission-critical business problems.

For information on Inprise, visit their web site at www.borland.com.

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PowerUP
BRIDGING THE DIGITAL DIVIDE

PowerUP
Bridging The Digital Divide

Partner Quote Sheet

"The AOL Foundation is delighted to be able to participate in the launch of what could be one of the most significant digital divide efforts to date. This initiative recognizes that the digital divide is not just about hardware, software and connectivity but about bringing together America's volunteer community and all the communities that care about the future of the information age."
Jim Kimsey, Chairman, AOL Foundation

"Boys & Girls Clubs of America salutes the collaborative and visionary approach being taken by PowerUP. The combination of technology access, funding, trained personnel and other resources combined with community-based organizations dedicated to the welfare of our young people such as, Boys & Girls Clubs of America, has the potential to make a dramatic impact in closing the digital divide."
Robbie Callaway, Senior Vice President, Boys & Girls Clubs of America

*"PowerUP represents a ground breaking approach to tackling one of America's most urgent social and economic needs. It's vital that our young people not only have access to computers and the Internet but also receive the attention and support they need to succeed in the next century. We know that one of the most critical elements in that success is a relationship with a caring adult; AmeriCorps*VISTA is proud to contribute the people power to PowerUP to help accomplish this goal."*
Harris Wofford, CEO, Corporation for National Service

"FamilyEducation Network is proud to be part of this national movement to help underserved youth harness the power of the Internet. FamilyEducation Network is committed to providing state-of-the-art technology and content for schools and community groups to be effectively involved in the education, and overall development of children."
Jonathan Carson, Co-founder and CEO, FamilyEducation Network

"Helping to bridge the digital divide is a priority for Microsoft, and we are pleased to be a part of the PowerUP initiative as one of several efforts to provide disadvantaged young people with equal access to the benefits of technology. The PowerUP site we are sponsoring at South Shore Middle School in Seattle is especially exciting because the school will not only offer underprivileged kids access to technology, but also, through a relationship with the Meredith Mathews East Madison YMCA, provide them a safe and rich learning environment."
Christopher Jones, Senior Program Manager, Community Affairs, Microsoft Corporation

- more -

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PowerUP Partner Quote Sheet
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"Advances in technology and communications have contributed greatly to the progress that our economy currently enjoys. At bottom, our challenge as a national community is to leave no one behind. To this end, it is clear that all of our institutions must work together, lest we take our 20th Century inequities well into the 21st. The PowerUP initiative represents a commitment to making sure that all Americans can get to the starting gates of opportunity in our vibrant economy."
B. Keith Fulton, Director, Technology Programs & Policy, National Urban League

"The Gum Springs Computer Center is a model of collaboration. NVTC has involved its member businesses, our local Fairfax County government, the YMCA, and the entire Gum Springs community to work together to successfully address and solve the digital divide. The contributions of our member companies, in conjunction with community leaders and Colin Powell's America's Promise, are an important step in ensuring that all of our children are ready for the next century."
Bobbie Kilberg, President, Northern Virginia Technology Council

"PowerUP addresses technology access issues and then goes a step further through its youth development component, which recognizes that a number of factors -- including good nutrition, positive self-image, and strong role models -- are critical to helping young people succeed. We at PowerBar find this holistic approach very appealing and are proud to be a partner."
Brian Maxwell, CEO and Founder, PowerBar Inc.

"PowerUP is empowering America's young people. It is preparing children for the new century by giving them access to a world of learning through technology. And by reaching out to all children, PowerUP is helping to keep our democratic values strong. I am proud to be a member of this important partnership."
U. S. Secretary of Education Richard W. Riley

"The YMCA of the USA is extremely proud to coordinate the four pilot sites of America's Promise PowerUP technology initiative. In this important collaboration, YMCAs will provide thousands of underserved children with safe places in the after school hours and enable them to learn new skills, critical for their success. This is only the beginning in a high tech partnership that will empower American children, families and communities to bridge the digital divide."
David R. Mercer, National Executive Director, YMCA of the USA

# # #

PowerUP
Bridging the Digital Divide

Frequently Asked Questions

WHAT IS POWERUP?

PowerUP is a major national initiative to bridge the "digital divide" -- the lack of access to computers and online resources by individuals and communities.

Specifically, PowerUP will help thousands underserved kids get the access to the technology, guidance and skills they'll need to succeed in the digital age. To do this, PowerUP brings together a unique and powerful partnership that includes more than a dozen corporations, nonprofit organizations and government agencies.

PowerUP will also deliver people power -- hundreds of full-time staff from AmeriCorps*VISTA -- along with innovative online programming and other essential resources, including technology, funding and in-kind support to thousands of sites for young people across the country.

WHAT MAKES THIS PROGRAM DIFFERENT?

Several key elements:

- ⇒ The strength, size, reach and scope of the partnership, which will be able to reach thousands of sites across the country,
- ⇒ The comprehensiveness of the program, which includes technology access, innovative online programming, full-time staff, funding, links with schools -- even healthy snacks -- to existing sites and, in some cases, starting new ones; and
- ⇒ An approach that uses technology to promote positive youth development, based on the "five promises" identified by America's Promise as essential for young people to succeed.

WHAT'S THE ULTIMATE GOAL OF POWERUP?

PowerUP has three primary goals:

- ⇒ Shine a spotlight on the issue of the digital divide;
- ⇒ Enhance existing technology centers and community centers; and
- ⇒ Stimulate the creation of new sites across the country wherever they're needed.

- more -

100 ENTERPRISE WAY, #C2, SCOTT'S VALLEY, CALIFORNIA 95066 TEL: 831. 431. 1390
email: ContactPowerUP@aol.com www.powerup.org

The ultimate goal is to ensure that all children, regardless of socio-economic status, race, gender or geography, have access to the power of technology and the vast potential that the online medium holds.

WHY IS POWERUP IMPORTANT?

Access to technology and computer-based skills will be essential to children growing up in the new century and is vital to our country's social and economic well-being.
Information technology -- and specifically the Internet -- can have a great rejuvenating and democratizing effect on American society. But, it could also accelerate the poverty and isolation that plague rural communities and inner cities if it is not made more widely available and deployed effectively. No child in America should be left behind in the 21st Century - the Internet Century.

Today, eighty-six percent of Internet delivery capacity today is concentrated in the 20 largest cities. 75 percent of households with incomes over $75,000 own computers, but only ten percent of the nation's poorest families do. That's a crisis. Our country can't afford to leave anybody behind. We've got a moral responsibility to make sure every child has the chance to succeed. And it's an economic challenge, too. In a networked economy, people who are already connected benefit each time more people are connected. There's no more urgent task before the country than closing the digital divide.

WHAT IS THE "DIGITAL DIVIDE"?

Essentially, it refers to the gulf that separates the "haves" and "have-nots" in access to computers, technology and online resources. The "digital divide" affects both individuals and communities and breaks along many fault lines, including education, geography and income.

HOW WILL POWERUP BE FUNDED?

The Case Foundation is providing initial funding of $10 million -- including $5 million for grants to local programs and $5 million to cover all staff, administrative and program development costs, enabling other contributions to go directly to supporting or establishing in-site programs at centers across the country. In addition, Gateway, the AOL Foundation, the Corporation for National Service, and Power Bar are also making significant contributions.

FAQs
3-3-3-3

HOW LONG WILL INITIAL FUNDING LAST?

It depends on how quickly PowerUP ramps up to deploy services. The Case Foundation envisions this as an initial three-year investment and could provide additional funding as the program expands.

WHAT HAPPENS AFTER THE MONEY RUNS OUT?

The Case Foundation is committed to the program. PowerUP is also confident that other foundations and corporations will get involved and help the program grow and will encourage co-investors and stakeholders to help the program thrive and establish itself independently over time.

WHAT ROLE WILL THE POWERUP BOARD PLAY?

The board will be very involved in thinking through the overall strategy for PowerUP and will help gain partners for the program.

HOW MUCH WILL IT COST TO BUILD A POWERUP CENTER?

Estimates are that it will cost $100,000 for full set-up, including operating costs for a year. However, costs will vary based on need. Since in many cases PowerUP will provide services to sites that already exist, the cost will depend on the hardware and resources they may already have in place.

WHAT'S THE DIFFERENCE BETWEEN POWERUP AND THE SITES ALREADY ESTABLISHED BY STEVE AND JEAN CASE IN VIRGINIA?

The Cases have been working personally on the youth technology access problem and on the need for positive youth development for some time. Part of their focus went into establishing a number of prototype community technology centers for young people in Fairfax County and other parts of Virginia. After seeing how successful these were, they felt the concept could be expanded and scaled up significantly. PowerUP represents a huge step onto the national level -- something that can be done only through the kind of partnership PowerUP represents -- one that's able to bring together national partners, technology, innovative online programming, funding, people power, in-kind support and other vital resources to thousands of existing centers nationwide.

Fairfax County plans to incorporate elements of the PowerUP in their centers.

- more -

FAQs
4-4-4-4

WILL THESE CENTERS BECOME SUPPORTED BY POWERUP?

Yes. While they already have full-time trained staff and other important elements of a total, positive youth development environment, they will benefit particularly from the new interactive programming developed by the AOL Foundation -- "PowerUP Online" -- and they'll want to integrate it into their program.

ARE THERE ANY POWERUP SITES IN EXISTENCE TODAY?

Pilot programs are in the process of opening this fall in Washington, DC, San Jose, Seattle and San Jose. But that's just the beginning. By this time next year, it is expected that PowerUP will reach hundreds of technology centers in schools, housing projects, community centers and other locations across the country. PowerUP is already working with the YMCA, Boys and Girls Clubs, Save the Children, CIS, the Department of Education's Computer Technology Centers and 21st Century Community Learning Centers to support already existing programs. Ultimately, PowerUP hopes to reach thousands of centers --"wherever there is a computer and a young person."

WHO CAME UP WITH THE IDEA FOR POWERUP?

The Cases and General Powell had been discussing shared concerns about the "digital divide" for some time. It was out of those discussions that they decided that a new and comprehensive, partnership approach was needed to address the problem on a national level. PowerUP has been established as a commitment to America's Promise.

HOW MANY PEOPLE WILL GO THROUGH THE POWERUP PROGRAM?

The program is expected to reach hundreds of thousands of children over time.

IS THE POWERUP PROGRAM AVAILABLE TO ANYONE? OR DO I HAVE TO GO TO A COMMUNITY CENTER?

PowerUP is intended specifically to work in the context of community centers, schools, existing technology centers and related sites - a safe place with a caring, capable adult.

FAQs
5-5-5-5

WHO WILL PROVIDE THE TRAINING OR MENTORING FOR THIS PROGRAM?

PowerUP will mobilize an army of full-time workers to help young people realize the full potential of computer-based technology in ways that will build character and competence and stimulate personal achievement.

Specially-trained, full-time AmeriCorps*VISTA members and other staff will provide a sustained, dedicated, trained presence at PowerUP centers. Others are expected to participate as well, including YMCA and staff from other youth-serving organizations. Sun Microsystems has an outstanding technology-training program, which they're graciously adapting for use in training AmeriCorps*VISTA members and others for the centers.

WHAT'S THE TARGET AGE GROUP OF POWERUP AND WHAT WILL THE KIDS BE LEARNING IN POWERUP SITES?

K-12. They will be able to access positive youth development opportunities online, develop digital literacy and have opportunities to take advantage of scholastic achievement opportunities.

HOW WILL POWERUP MEASURE SUCCESS?

Initially, sustained involvement in PowerUp programs -- meaning frequency of use, longevity of use, number of children being served, number of websites children build. Ultimately, PowerUP wants to track the ability of the program to contribute to the accomplishment of both personal and academic success, and will be developing metrics to do this.

HOW MANY SITES WILL GO ONLINE AND WHEN?

A minimum of 250 sites is expected to be online by this time next year.

WHAT'S THE EDUCATIONAL FOCUS OF POWERUP?

PowerUP's main focus is positive youth development but it is providing access to academic sites as part of the program elements as well as connecting with schools in each community.

FAQs
6-6-6-6

HOW MANY POTENTIAL SITES ARE THERE?

No one knows for sure, but estimates are that the total number of in-school and out-of-school youth centers in the U.S. is in the tens of thousands, including school-based learning centers -- bottomline, wherever there are kids and computers.

WHAT IS THE MISSION OF THE CASE FOUNDATION?

The Case Foundation is dedicated to helping underserved young people in the areas of education, technology and healthcare. The Foundation supports social venture philanthropy, which taps the potential of communities and individuals to address social concerns.

WHAT IS AMERICA'S PROMISE?

Founded and led by General Colin Powell, America's Promise-Alliance for Youth is a national crusade dedicated to improving the lives of the nation's more than 15 million youth, especially those who are underserved. America's Promise aims to provide these young people with experiences that build character and strengthen core competencies by accessing the five America's Promise Fundamental Resources.

WHAT ARE THE FIVE PROMISES?

The five resources America's Promise has identified that, if consistently fulfilled, will significantly increase the chance of youth becoming successful adults are:

1. An ongoing relationship with a caring adult-parent, mentor, tutor or coach;
2. Access to safe places and structured activities during non-school hours;
3. A healthy start;
4. A marketable skill through effective education;
5. An opportunity to give back through community service.

America's Promise believes that every young person should have a chance at the American Dream, and an opportunity to live a productive and fulfilling life.

WHY THE LINK BETWEEN POWERUP AND AMERICA'S PROMISE?

The Five Promises of America's Promise capture what is necessary for our underserved youth to succeed in the digital age. Teaching kids to use computer programs or surf the Net is not enough. By embracing America's Promise goals, PowerUP provides a more complete environment needed to unleash the full potential of young people.

FAQs
7-7-7-7

WHAT IS GATEWAY CONTRIBUTING? WHY ARE THEY INVOLVED?

Gateway is committing 50,000 new computers and is considering additional involvement in the future. Since Gateway was founded 15 years ago, it has had a commitment to helping people improve their lives through technology and innovation. Both the Gateway Foundation and the Waitt Family Foundation have been providing technology and software to hundreds of schools and community organizations for years to help improve learning. The PowerUP effort is particularly important to Gateway because it believes the scale of the program is certain to have a positive impact nationwide.

AREN'T THERE ALREADY PLENTY OF THESE CENTERS OUT THERE?

There are projects in communities all across the country trying to bridge the digital divide. That's exactly why PowerUP is so important: help is needed for all centers that seek to make a positive difference in the lives of our young people and who might benefit from the resources PowerUP is able to bring together: technology, funding, online programming, people power, in-kind contributions and other resources. The truth is, it's going to take many organizations working together to make a difference.

The beauty of PowerUP is that it isn't competitive with any program -- it can be used as an enhancement to existing centers.

PowerUP is responding to another need as well. Efforts today are largely fragmented and lack the scale necessary to attract significant resources. PowerUP hopes to be a catalyst to knit these initiatives into a national tapestry and jump-start a crusade that can change the lives of millions of kids. It's going to take an unprecedented combination of people, skills and resources to do that -- something PowerUP is uniquely able to help with.

Finally, PowerUP offers the opportunity to make dramatic progress in establishing consistent, quality-oriented methods and resources to ensure that technology centers and programs across the country share a common standard of excellence in driving positive youth development.

# # #

SEE PG 2 + 10

Draft December 5, 1999

From Digital Divide to Digital Opportunity

During the Clinton-Gore Administration, access to computers and the Internet has exploded. In 1993, few people outside of our nation's universities had even heard of the Internet – today, over 100 million Americans have access to the Internet. Computer penetration has also risen from 24 percent of U.S. households in 1994 to 42 percent in 1998 as the cost of computers has declined.

Access to computers and the Internet and the ability to effectively use this technology are becoming increasingly important for full participation in America's economic, political and social life. People are using the Internet to:

- Find lower prices for goods and services;
- Work from home or start their own business;
- Acquire new skills using distance learning so that they can compete for higher-paying jobs;
- Make better informed decisions about their healthcare needs;
- Plan for a financially secure retirement;
- Track the voting record of their elected officials on the issues they care about; and
- Get more involved in the education of their children by communicating more frequently with teachers, and comparing the performance of their school with other schools in the region.

Unfortunately, there is strong evidence of a "digital divide" -- a gap between those individuals and communities that have access to these Information Age tools and those who don't. In some instances, this divide is actually widening. A July 1999 report from the Department of Commerce, based on December 1998 Census Department data, revealed that:

- Households with incomes of $75,000 and higher are more than *twenty times* more likely to have access to the Internet than those at the lowest income levels, and more than *nine times* as likely to have a computer at home.
- Households with a bachelors' degree or more are more than eight times likely to have a computer than those households at the lowest education level.
- From 1994 to 1998, the percentage of white households with computers increased from 27.1 percent to 46.6 percent – while the percentage of black households with computers increased from 10.3 percent to 23.2 percent. For households with

incomes above $75,000, however, the difference between white and black adoption of computers has virtually disappeared.

There are other aspects of the digital divide as well.

- Low-income households may not be as prepared to take advantage of the opportunities created by these new technologies, because of lower levels of functional and technological literacy.

- Certain minorities (Blacks, Hispanics, Native Americans) are under-represented in the IT industry. This is important because jobs in the IT sector pay almost 80 percent more than the private sector average.

- Telecommunications companies are less likely to offer advanced services (such as high-speed Internet access) to residents and businesses in rural areas or economically disadvantaged regions of the country. Advanced services may be more expensive or not available in rural America because of the lower concentration of customers (teledensity). There is at least anecdotal evidence to suggest that this is becoming an important factor in where businesses locate, particularly given the growing importance of e-commerce and e-business.

- Computers and content on the Web may be inaccessible to people with disabilities, unless they have been designed to be accessible.

Market forces, competition and technological progress will clearly help bridge the digital divide. The semiconductor industry is able to double computing power every 12 to 18 months – which has significantly reduced their cost. Companies are also developing low cost "information appliances" such as the WebTV – which is available for $100. Competition between telecommunications companies and Internet Service Providers is driving down the cost of connectivity.

But clearly, a national campaign to help bridge the digital divide would help accelerate the rate at which we can create digital opportunity for all Americans. We should take advantage of these new technologies to bring America together – not to further divide us along the lines of race and class. A public-private partnership, with an important role for the government as catalyst and convenor – would help create "one America."

I. Universal, affordable access to computers and Internet access at home

The President should set a goal of ensuring that every American that wants it should have affordable access to a computer and the Internet at home.

There would be 2 primary policies for achieving this goal

1. **Direct support for Internet-connected computers for low-income households**

Currently, companies are offering Internet-connected computers at $25-$30 month in a leasing arrangement, with a new computer provided every three years. The cost of this could be split three ways:

- The government could provide $10/month;
- Individual households could provide $5-$10 month;
- The private sector could provide $10/month – through some combination of at or below cost pricing, advertising, and corporate sponsorships at the national or local level. Employers who are interested in helping their employees upgrade their skills using computer-based training is one group of possible corporate sponsors.

Cost: Assuming that the government wanted to start with a pilot of 1 million households, the cost to the government would be $120 million/year for three years – or $360 million over three years.

Implementation/policy issues

1. *Public-private partnership*: An effective public-private partnership should be at the core of this initiative. Private sector and other stakeholders would set up a not-for-profit corporation (the "Digital Opportunity Corporation") with the following responsibilities:

   - Define minimum technical standards for participation in the program to help ensure its integrity. These standards would evolve over time to reflect changing marketplace conditions. These standards would be primarily "performance-based" (e.g. ability to support full Web access, ability to run word processing and other basic software, etc.)
   - Identify partners who can increase awareness of the program (e.g. through public service announcements, celebrity endorsements, civil rights organizations, black churches, local chambers of commerce, etc.)
   - Recruit corporate sponsors (e.g. major employers of working poor such as retailers and temp agencies).
   - Collect and disseminate "best practices" that emerge at the state and local level.
   - Recruit content partners (example is Intuit – which has a program to provide its financial software for free for everyone with an income under x).
   - Interact with the government to develop a consensus on important policy issues that emerge.

- Sponsor research (e.g. better understanding of attitudinal or cultural barriers to adoption of information technology using market research)

Recruiting a prominent former high-tech CEO to run the organization would help build bipartisan support.

2. *Eligibility*: Two options:

- Limit to those households with income that is less than 130 percent above the poverty line;

- Expand threshold to those eligible for EITC – but reduce government payment to $60/year for those above 130 percent of poverty line.

3. *Advertising/privacy*: Need to avoid advertising sponsorships from companies such as alcohol and tobacco. All corporate sponsors should have adopted a strong privacy policy that is audited by a third-party organization (e.g. TRUSTe, WebTrust, BBBOnline).

4. *Payments*: Payments would be made to the companies providing below-cost access – to reduce the administrative overhead of the program. Payments from low-income households to companies is an important issue that will require some scrutiny because many of these households do not have credit cards or checking accounts.

5. *Support and repair*: Expanded support for Community Technology Centers could allow them to provide some user support, and to recruit technically-skilled people in the region willing to staff a volunteer help-desk or buddy system.

6. *Government information & services*: One issue is whether the government wants to have certain information or services "pre-loaded" or continuously delivered. Electronic delivery of government information and services could result in cost-savings for the government – and help reduce the net cost of the program to the government because of savings in other areas.

7. *Sunset*: The Administration could announce a sunset for the program – tied to factors such as:

- significant increase in penetration in low-income households

- emergence of a viable business model for free or nominal cost access

- presumption that it would phase out after some fixed period of time (e.g. 5 years)

2. Telecommuting tax credit

The second policy instrument to encourage universal access to Internet-connected computers would be a telecommuting tax credit. A similar legislative proposal was made by Representative David Price (H.R. 1892 – the Home Telecommuter Tax Policy Act, introduced in the 105th Congress).

Under current law, employers can treat up to $60/month [indexed for inflation since 1993] in commuting expenses as a fringe benefit which is excluded from gross income. Under 132(f) of the Internal Revenue Code, the definition of a "qualified transportation fringe" is currently limited to a transit pass, transportation in a commuter highway vehicle, and parking. The proposal would expand the definition of a qualified transportation fringe to include legitimate telecommuting expenses – such as a personal computer and dial-up or high-speed Internet connectivity.

This credit would have the added advantage of:

- Allowing people to spend more time with their family;

- Reducing traffic congestion; and

- Improving the environment and reducing the emission of greenhouse gases.

II. Digital Opportunity through new content and applications

The government should also support the development of applications and content that will help empower low-income households and communities. Although companies are willing to spend $30 million to develop a Nintendo video-game, or $100 million for a Hollywood movie, very little private sector capital is available for the development of applications that would expand economic and social opportunity for low-income Americans.

Software and digital information has an important economic characteristic that should be explored in the development of applications – namely, that the marginal cost of disseminating it to more people is almost zero. This could create a new economics for the delivery of social services. Traditionally, the cost increases proportionally to the number of people being served. This is not the case with software and digital information.

a. *Micro-enterprises*: Create courseware that will give someone the skills they need to start their own business. Create an online toolkit that would walk someone through the steps needed to start their own micro-enterprise and obtain financing.

b. *Adult literacy*: Develop courseware for adult literacy, GED equivalence, or English as a Second Language.

c. *Information Literacy*:

"Knowledge is of two kinds: we know a subject ourselves, or we know where we can find information upon it." -- Samuel Johnson

According to the American Library Association, an information literate person is "able to recognize when information is needed and have the ability to locate, evaluate, and use it effectively." This skill is obviously becoming increasingly important – because of the increased volume of information.

Librarians are an ideal position to help provide these skills – the Administration could support these efforts at the local level by expanding support for the Institute for Museum and Library Services.

c. *Local information*: Provide local information on public transportation, job opportunities, and child-care.

d. *Job training*: Provide courses that allow low-income households to compete for higher-paying jobs.

Example: SFWorks (a San Francisco non-profit) and e-learning company DigitalThink are working together on a program called "WELFARE-TO-WEB." The program gives former welfare recipents who have entry-level jobs acquire skills such as the use of office software, programming, and networking using DigitalThinks's courseware. They are starting out with a pilot program, but hope to be able to scale to 3,000 participants within 2 years.

e. *Public health*: Communities around the country are beginning to experiment with information technology to improve public health.

Example:

- One county is using geographical information systems to reduce childhood lead poisoning. Using a variety of data sets they can identify neighborhoods with concentrations of (a) older houses; (b) low-income households; and (c) children under 6.

- The Department of Commerce has given a grant to the Michigan Public Health Institute to develop an electronic childhood immunization network for the greater Detroit area. Currently, Michigan has the lowest rate of pre-school immunization. This network is allowing health care providers to have access to the immunization history of the child, generating automatic reminders for parents and doctors, and improving the ability of schools to track a child's immunization status.

f. *Strengthening parental involvement in education*

Example: Hillcrest Elementary School is an inner-city K-5 school in Orlando, Florida. 80 percent of the students received free or reduced-price lunches. Many of the students speak Vietnamese, Spanish and French and have limited english proficiency. The school purchased WebTV's that children could take home with them to improve their language skills. This also resulted in an increase in parental involvement, which had been low because of language barriers. Parents were encouraged to sign on with their children to help with lessons and to use the school's Web site, which features a weekly newsletter, the school calendar, the daily lunch menu, teachers' email addresses and parenting resources.

Cost: The government could support the development of these applications with a significant increase (+$40 million) in the Commerce Department's Telecommunications Opportunity Program (TOP), which is currently funded at $20 million. This increase in funding would support partnerships between non-profits, foundations, companies, and state and local governments to:

- Develop applications of information technology that will help empower low-income Americans and communities;

- Demonstrate these applications on a pilot basis and evaluating the results;

- Develop strategies for replicating the results in other communities.

The Department of Commerce should also be directed to find other agency partners, which might be interested in co-funding the development of particular applications.

The Administration could also increase support for the Institute for Museum and Library Services to expand "information literacy" programs in 80 communities ($250,000 per community – for a total cost of $20 million).

III. Communities

1. Increase support for Community Technology Centers

Current level of support for CTCs is $32.5 million, OMB passback is $65 million. One option would be to increase to $100 million.

This complements the "access to the home" initiative by stimulating demand and providing training. Once people feel comfortable using a computer and the Internet in a Community Technology Center

2. Accelerated Depreciation for Broadband Deployment in Underserved Communities

To accelerate investment in broadband in underserved urban and rural communities, the Administration could propose expensing or accelerated depreciation for broadband deployment in "New Markets."

Today, most Americans access the Internet using a regular phone line, sending and receiving data at 28 or 56 kilobits per second. However, applications such as video-conferencing and e-business require high-speed (broadband) networks capable of transmitting millions of bits per second. Increasingly, businesses will not locate in communities without competitively-priced access to broadband networks.

Broadband access to the home will also support a richer set of applications, such as distance learning, home health care, and telecommuting. By encouraging telecommunications companies to invest in broadband networks in all regions of the country – we can avoid the next generation of the digital divide problem – unequal access to advanced services.

We could use the same definition of underserved area as the one used to define "New Markets" – census tracts where at least 20 percent of the population is beneath the poverty level, or where median family income is less than 80 percent of median family income for the surrounding area.

3. **Broadband Communities**

The Administration could propose an increase in programs that are designed to promote economic development such as EDA and the Department of Agriculture's Rural Utility Service – targeted to greater use of telecommunications for economic development. The types of projects that would be supported include:

- Aggregation of demand from companies and public institutions to encourage telecommunications companies to build out their networks to rural areas. The cost of high-speed Internet access can be 10 times higher ($2,000 vs. $200) in rural areas than in urban areas because of the cost of sending traffic to a far-away network "point of presence."

- Better use of rights-of-way to speed deployment and encourage competition between multiple telecommunications companies

- Deployment of high-speed networks to Indian Country and inner-cities to provide employment that can be "out-sourced" – such as data entry, call centers, and entry-level programming. This also solves some of the biggest obstacles associated with welfare-to-work – lack of affordable child care and public transportation.

- Lower-cost connectivity to industrial parks and business incubators.

- Trials of wireless and other technologies to find more affordable broadband alternatives for rural communities.

Cost: $50 - $100 million for projects in 50 urban and rural communities.

Summary of costs

1. **Universal access to the home**

- $120 million for PC/Internet access in 1 million low-income households - $360 million over 3 years

- Telecommuting tax credit: ??

2. **Content/applications for digital opportunity**

- $40 million – increase in Telecommunications Opportunity Program

- $20 million – help libraries in 80 communities establish "information literacy" programs

3. **Communities**

- $67.5 million to increase Community Technology Center program to $100 million (only $35 million above passback).

- Accelerated depreciation for broadband investment in "New Markets"

- $50 - $100 million for 50 urban and rural "broadband communities"

Total: ~ $300 - $350 million plus cost of tax incentives

Alta Partners

November 15, 1999

Mr. Tom Kalil, National Economic Council
Ms. Minyon Moore, White House Political Director
The White House
Washington, DC 20500

Dear Tom and Minyon:

Enclosed please find an outline of one possible approach to providing Universal Internet Access to all Americans. As we have discussed, the basic goal is to create a very low cost package for respectable hardware and dial-up Internet access which is subsidized by the U.S. Government, but in a way that the subsidy can be easily phased out as Internet economics change.

As the enclosed document discusses, we believe that USG must play a role in four critical areas:

1) Convene the major industry players who must support this goal.
2) Convene the major community players who must create the backbone of the distribution system and the customer support system.
3) Subsidize ISP coverage by purchasing ad banner inventory in order to drive up CPM to a self-subsidizing level.
4) Subsidize hardware costs by purchasing screen real-estate in order to bring the consumer's co-pay down to the $5 to $10 range.

While we are mindful of the challenges that each of these four elements present, success would mean a unique and historic triumph by the Administration over the threat of a digital divide, which could otherwise plague our country's social and economic fabric for decades to come.

We very much hope that you will take the initiative to convene a meeting of early supporters of this idea by December 15. We suggest a series of detailed meetings with all the key Administration players, followed by a short summary briefing of the President.

As the Administration has done so frequently in your support of the growth of the new economy, please take this opportunity to work with industry to tackle this key challenge.

Sincerely,

Garrett Gruener

Wade Randlett

One Embarcadero Center
Suite 4050
San Francisco, CA 94111

(415) 362-4022
fax (415) 362-6178
alta@altapartners.com

Proposal for Universal Internet Service

Since 1934 in the name of Universal Service, the Federal Government has acted to ensure that all Americans have affordable access to telecommunications services. When the 1996 Telecommunications act was passed, the FCC established the first specific definition of the "basic package" of essential services that Universal Service encompasses. This currently includes;

> 1) Voice grade access to the public telephone network, with the ability to place and receive calls; 2) touch-tone service; 3) single-party service; 4) access to emergency services, including 911 and Enhanced 911 (which identifies a caller's location); 5) access to operator services; 6) access to interexchange services; 7) access to directory assistance; and 8) Lifeline and Link Up services for qualifying low-income consumers[1]

We propose that the basic package of essential services be expanded to include computing and internet access for low-income American's, with an income ceiling at approximately $25,000 per year. In exchange for a co-payment between $2.50 and $10.00 per month, qualifying citizens would receive:

1) Access to a new computer, replaced every 36 months, capable of surfing the Web, sending email, storing ample data, and performing common software tasks (office tools).
2) Dial-up Internet access.

We believe that in the 21st century, home Internet service will be critical for any citizen to be a productive part of American society. Internet tools like e-mail are becoming integral parts of our communication system. Job searches and online educational courses are becoming popular Internet activities as well. When every American becomes connected to the Internet at home there will also be a number of benefits for local, state, and federal Governments. Government services can be streamlined to take advantage of the Internet. For example,

- Health care information
- Tax and Social Security information
- Child welfare information
- Historically unprecedented amounts of educational material for children.

The 1998 Department of Commerce report, Falling Through The Net, sums up these benefits quite well.

> Traditionally, our notion of being connected to the nation's communications networks has meant having a telephone. Today, Americans' increased use of computers and the Internet has changed that notion. To be connected today

[1] The new definition of Universal Service, Benton Foundation, June 10, 1997 http://www.benton.org/Updates/summary.html

> increasingly means to have access to telephones, computers, and the Internet. While these items may not be necessary for survival, arguably in today's emerging digital economy they are necessary for success. As the Department of Commerce has found in its *Emerging Digital Economy reports*, the dramatic growth of electronic commerce and the development of information technology (IT) industries are changing the way Americans work, communicate, purchase goods, and obtain information. Jobs in the new economy now increasingly require technical skills and familiarity with new technologies. Additionally, obtaining services and information increasingly requires access to the Internet.[2]

The 1996 Telecommunications Act describes Universal Service as an "evolving level of telecommunications services" and suggests that any changes should consider;

> The extent to which such telecommunications services-- (A) are essential to education, public health, or public safety; (B) have, through the operation of market choices by customers, been subscribed to by a substantial majority of residential customers; (C) are being deployed in public telecommunications networks by telecommunications carriers; and (D) are consistent with the public interest, convenience, and necessity.[3]

We believe that home Internet service satisfies conditions A, C and D and that soon it will satisfy condition B.

Internet Lifeline Service For Qualifying Low Income Consumers

Currently less than 6% of households whose income is under $15,000 are connected to the Internet at home[4]. The monthly cost of an ISP and the cost of computer hardware are the two most significant impediments to home Internet access for low-income Americans.

> The most important reasons why certain households have never used the Internet is that they "don't want it" or it is too expensive. Although the former is the more important reason overall, the cost factor dominates among low-income groups, Hispanics, single-parent families, the youngest householders, and the unemployed. Policymakers should therefore consider the role of cost as a deterrent to expanding online access.[5]

To make home Internet access affordable for all Americans we propose subsidizing monthly Internet service for low-income consumers. We envision two possible uses for these subsidies. The few low-income consumers who already own a PC or Internet capable device can use their subsidies for free Internet access. Those who do not own their own hardware can use their subsidy to help pay for a combination package of Internet service and hardware if they make a modest monthly "co-payment."

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[2] Falling Through the Net: Defining the Digital Divide, US Department of Commerce, July 1999, Page 77 http://www.ntia.doc.gov/ntiahome/fttn99/contents.html

[3] 1996 Telecommunications Act, US Government, Section 254 part (c) http://www.technologylaw.com/techlaw/act.html

[4] Falling Through the Net: Defining the Digital Divide, Chart II-2

[5] Falling Through the Net: Defining the Digital Divide, Page 39

We propose distributing the subsidy in the form of vouchers, allowing qualified households to purchase Internet service from any ISP, or ISP/Hardware provider they desire. Eligibility for this program would be determined in a manner similar to the Federal food stamp program. Eligibility for food stamps is based on citizenship, income and asset ownership. Gross monthly income cannot exceed 130% of Federal Poverty guidelines. Approximately nine million American households are currently eligible for this program.

There are two places that the federal government needs to supply a subsidy to make this service affordable to low-income Americans. First, the federal Government would commit to purchase an adequate supply of banner advertisements that would be "served" to low-income ISP users. The government would need to buy enough ads to ensure that participating private Internet Service Providers received a $6.50 CPM, or cost per thousand of ad banners served. This CPM price will cover the basic cost of POP-server connectivity to the Internet.

Second, the federal government should pay to place important health, education, and welfare information and links to government sites on the computers that are shipped to low-income subscribers. The government should pay $5.00 per month per computer for the "real estate" fee to have those services appear on the desktop and pre-populated in the bookmarks of the computer's web browser.

Timeline

We envision this as a five year program. Within this timeframe we want all low-income consumers who desire home Internet service to have it. This is an ambitious goal, but an attainable one. To accomplish this, the program must be well advertised and designed. Fortunately the Government is not the only organization that will have an incentive to advertise this service. If the voucher system is used, ISP's and computer manufacturers will also have an incentive to advertise the availability of them.

Future

We do not expect that we will have to maintain these subsidies in the future. As more Americans become connected to the Internet, prices for hardware and connectivity will continue to drop. Advertising revenue on the Internet is likely to increase to the point where internet capable devices and their corresponding ISP's are given away for free. Nonetheless we believe that the Government must make the initial push to get these families connected to the Internet today, otherwise they may never get connected. With a subsidy model, rather than a taxation model, the government may simply phase out its payments as the private market renders the subsidy unnecessary.

Conclusion

The next five years are important ones in the development of the online community in the United States. Competition has done a wonderful job in creating thousands of dial-up ISP's around the nation and the drop in computer prices the past few years has been dramatic. Nonetheless there is an opportunity today for the Government to improve the equitable distribution of this important social good. The low-income consumer is truly being left behind in today's digital revolution, and it is imperative that they be given effective, high-quality access to computing and communication over the Internet and Web.

December 7, 1999

MEMORANDUM FOR GENE SPERLING AND JOHN PODESTA

FROM: TOM KALIL

RE: MEETING WITH HIGH-TECH CEOs

Summary: You are scheduled to meet with a number of high-tech CEOs on a proposal for universal Internet access that they had discussed with the President. Since their letter to the President, I have had several meetings and phone conversations with some of the CEOs to discuss the specifics of their proposal. They hope to use this round of visits to build support within the Administration for their idea.

They had originally proposed having the government commit to purchase Internet "banner ads" to subsidize access, but I told them I did not think this was workable. Eric Schmidt (CEO of Novell) had written to the President separately on a "digital democracy" proposal - but is supporting this idea as well.

Meetings: This is their current schedule

11:00	David Beier
12:00	Tom Kalil, Minyon Moore
3:45	Gene Sperling
4:30	John Podesta, Secretary Daley (possible POTUS drop-by)

Basic idea:

Currently, companies are providing computers with Internet access at $25-$30 month in a leasing arrangement, with a new computer provided every three years. The cost of this could be split three ways:

- The government could provide $10/month;
- Low-income households could provide $5-$10 month;
- The private sector could provide $10/month – through some combination of at or below cost pricing, advertising, and corporate sponsorships at the national or local level. Employers who are interested in helping their employees upgrade their skills using computer-based training is one group of possible corporate sponsors.

The assumption is that at $5-10 per month, even very low-income households could afford a computer and Internet access.

Attached are (1) some of the design issues that I have been discussing with them; (2) a list of participants; (3) their original white paper.

Cost: Assuming that the government wanted to start with a pilot of 1 million households, the cost to the government would be $120 million/year for three years – or $360 million over three years.

Design issues

These are some preliminary thoughts that I have had about some of the issues we would have to consider to make this a workable proposal.

1. *Public-private partnership*: An effective public-private partnership should be at the core of this initiative. Private sector and other stakeholders would set up a not-for-profit corporation (the "Digital Opportunity Corporation") with the following responsibilities:

   - Define minimum technical standards for participation in the program to help ensure its integrity. These standards would evolve over time to reflect changing marketplace conditions. These standards would be primarily "performance-based" (e.g. ability to support full Web access, ability to run word processing and other basic software, etc.)

   - Identify partners who can increase awareness of the program (e.g. through public service announcements, celebrity endorsements, civil rights organizations, black churches, local chambers of commerce, etc.)

   - Recruit corporate sponsors (e.g. major employers of working poor such as retailers and temp agencies).

   - Collect and disseminate "best practices" that emerge at the state and local level.

   - Recruit content partners (example is Intuit – which has a program to provide its financial software for free for everyone with an income under $20,0000).

   - Interact with the government to develop a consensus on important policy issues that emerge.

   - Sponsor research (e.g. better understanding of attitudinal or cultural barriers to adoption of information technology using market research)

   Recruiting a prominent former high-tech CEO to run the organization would help build bipartisan support.

2. *Eligibility*: Two options:

   - Limit to those households with income that is less than 130 percent above the poverty line;

   - Expand threshold to those eligible for EITC – but reduce government payment to $60/year for those above 130 percent of poverty line.

3. *Advertising/privacy*: Need to avoid advertising sponsorships from companies such as alcohol and tobacco. All corporate sponsors should have adopted a strong privacy policy that is audited by a third-party organization (e.g. TRUSTe, WebTrust, BBBOnline).

4. *Payments*: Payments would be made to the companies providing below-cost access – to reduce the administrative overhead of the program. Payments from low-income households to companies is an important issue that will require some scrutiny because many of these households do not have credit cards or checking accounts.

5. *Support and repair*: Expanded support for Community Technology Centers could allow them to provide some user support, and to recruit technically-skilled people in the region willing to staff a volunteer help-desk or buddy system.

6. *Government information & services*: One issue is whether the government wants to have certain information or services "pre-loaded" or continuously delivered. Electronic delivery of government information and services could result in cost-savings for the government – and help reduce the net cost of the program to the government because of savings in other areas.

7. *Sunset*: The Administration could announce a sunset for the program – tied to factors such as:

- significant increase in penetration in low-income households
- emergence of a viable business model for free or nominal cost access
- presumption that it would phase out after some fixed period of time (e.g. 5 years)

Wade Randlett, Vice President & co-founder, RedGorilla.com: Originally with TechNet

John Witchel, CEO & co-founder, RedGorilla.com

Charles Katz, CEO & founder, 1stUp.com (Free Internet Access service)

Eric Schmidt, CEO, Novell Inc: Also developed proposal that he sent to the President on "digital democracy" - but believes these proposals are complementary. Digital democracy idea was to have secure, free e-mail account that could be used for doing business with the government. Long-standing friend of the Administration.

Daniel (Danny) Rimer, Partner, The Barksdale Group (former lead analyst, Hambrech & Quist). Barksdale Group is headed up by Jim Barksdale, former CEO of Netscape.

Garrett Gruener, founder, AskJeeves.com Venture capitalist - has spent the most time thinking about this issue. AskJeeves is an Internet search engine.

Nick Grouf, founder & CEO, PeoplePC Providing low-cost PC + internet access for $25.00/month - which requires corporate sponsors.

Tony Wilbert, founder & CEO, Creditland.com: Provides Internet comparison shopping for credit cards, home loans, etc.

Bernard F. McKay, VP, Intuit. Wants to help on preparation software for EITC.

Out of the country/impossible schedule. Want to help later:

Scott Cook
John Doerr
Marc Andreessen
Joe Kraus, Vice President & co-founder, Excite@Home

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Narrowing the "Digital Divide": Creating Opportunities for All Americans in the Information Age

Information tools, such as the personal computer and the Internet, are increasingly important to economic success and full participation in all aspects of American society. People with computers and Internet access can use these tools to find a job, acquire new skills, start a small business, get lower prices for goods and services, and become more informed citizens.

Currently, not all Americans are enjoying the benefits of the Information Age tools. In July 1999, the National Telecommuni-cations and Information Administration issued a report, *Falling Through the Net: Defining the Digital Divide*, which found a growing gap between those with access to these tools and those without. Black and Hispanic households are only two-fifths as likely to have Internet access as white households. Households with incomes of $75,000 and higher, in urban areas, are more than twenty times as likely to have access to the Internet as households at the lowest income levels, and more than nine times as likely to have a computer at home. As information technology plays an ever-increasing role in Americans' economic and social lives, we cannot afford to leave anyone behind.

Fortunately, competition and advances in technology are driving down the cost of computers and Internet access, which will make these new Information Age tools affordable for more Americans. I believe that we should set a national goal of making computers and Internet access available for every American. Furthermore, we should explore ways of using technology to expand the economic opportunities for those Americans who have not yet enjoyed the benefits of our prosperity.

Accordingly, I am directing executive departments and agencies ("agencies") to take the following specific actions to help Americans benefit from advances in information technology:

1. The Secretary of Commerce shall work with the private sector and others to develop a national strategy for making computers and the Internet accessible to all Americans, with the goal of significantly narrowing the "digital divide."

2. The Secretary of Commerce shall continue to measure the level of connectivity of Americans to telecommunications and information tools, and report periodically on the relationship of income, education, race, gender, geography, and age to Americans' access to these tools.

3. The Secretaries of Education, Housing and Urban Development, Health and Human Services, Labor, and Commerce shall:

   (a) expand our growing network of Community Technology Centers to provide access to technology for low-income Americans; and

   (b) encourage the development of information technology applications that would help enable low-income Americans to start and manage their own small businesses.

4. The Secretaries of Education, Labor, and Commerce shall work with the private sector to upgrade the information technology skills of America's workforce, particularly workers living in disadvantaged urban and rural communities.

5. The Secretary of Commerce, the Secretary of Education, and the Secretary of Housing and Urban Development shall highlight and disseminate the lessons learned from their grant programs and educational technology initiatives, with an emphasis on underserved citizens, to increase the number of communities across the Nation that could reap the benefits of information technologies for their residents.

6. Items 1-5 of this memorandum and my July 1, 1997, and November 30, 1998, memoranda shall be conducted subject to the availability of appropriations and consistent with agencies' priorities and my budget, and to the extent permitted by law.

7. The Vice President shall continue his leadership in coordinating the United States Government's electronic commerce strategy. Further, I direct that the heads of executive departments and agencies report to the Vice President and to me on their progress in meeting the terms of this memorandum, through the Electronic Commerce Working Group (ECWG) in its annual report. To the extent that substantial new policy issues emerge, the analysis and action on those policies will be coordinated in a manner consistent with the responsibilities of the ECWG, the National Economic Council, and the Domestic Policy Council, as appropriate.

CNBC
THE CONGRESS OF NATIONAL BLACK CHURCHES, INC.

National Office: 1225 Eye Stroet, N.W. • Suite 750 • Washington, D.C. 20005-3914 • (202) 371-1091 • FAX (202) 371-0908
Branch Office: 75 Piedmont Ave., N.E. • Suite 268 • Atlanta, GA 30303-2509 • (404) 582-0003 • FAX (404) 582-0053

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Executive Director
Ms. Sullivan Robinson

December 8, 1999

The Honorable William Jefferson Clinton
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Dear President Clinton:

The Congress of National Black Churches, Inc. (CNBC), an ecumenical coalition consisting of the leadership of eight of the largest historically black church denominations in America representing an aggregate membership of 65,000 churches and approximately nineteen million members, wishes to commend the President for his efforts to bridge the "digital divide." This an isuue of vital concern to the future welfare of all Americans, but especially that of African-Americans.

CNBC views the issues surrounding equity in access and utilization of advanced state-of-the arts technology as vital to the future viability of the African American community. We are currently conducting our Annual Consultation in Los Angeles, California — December 7th through 9th, 1999, which has technology as one of the key topics for discussion. These dates nearly coincide with your own Presidential Digital Divide Conference.

During the past two days, CNBC's leadership -- along with invited experts from throughout the nation's information technology industry -- have been looking at potential strategies for effectively leveraging the resources of the black church to end the digital divide. Our deliberations on this topic are increasingly making us aware of the "digital divide" as one of the key civil rights issues of the day. As we consider the magnitude of the problem posed by the existing technological impoverishment in the African-American community, (especially in our churches, homes, schools, and business), CNBC's leadership body and its member denominations are committed to finding a solution for connecting the black churches and the larger black community.

Again, we commend you for your leadership in advancing a national agenda that remedies the access and utilization gap of information technology in America. We remain interested in exploring ways in which The Congress of National Black Churches, Inc. may further assist in developing and implementing a program of action that will bring about greater parity in the African-American community.

Sincerely,

Dr. Wallace S. Hartsfield, Sr.

Chairman

Sullivan Robinson

Executive Director

Activities	Deliverables	Goals	Measures of Success
Baseline Needs Assessment Survey	1) A baseline needs assessment survey instrument for national and select local civil rights organizations 2) A published report evaluating the survey	1) To better understand the operational level of civil rights organizations in accessing and utilizing advanced digital technologies 2) To better understand the level of understanding among civil rights organizations about various communications and emerging technology policy concerns	1) Response rate for needs assessment survey 2) The distribution and utilization of the report 3) The use of the report as a staring point to Implement a coordinated technology assistance plan
Technology Leadership Forums	1) Series of meetings with national civil rights leaders, leaders in the technology industry and representatives of the foundation community.	1) To change the technology culture at the leadership level of civil rights organizations (and the foundations that fund them) from one that fears technology to one that embraces its potential. 2) To increase the willingness of civil rights leaders (and the foundations that fund them) to commit greater resources to build the capacity within their organizations to utilize technology more effectively	1) Participation of civil rights leaders and others at the leadership forums 2) Increased expenditures within civil rights organizations for wise use of technology 3) Increased willingness by traditional foundations to fund technology related expenses for civil rights organizations
Internet Arm of the Civil Rights Movement, civilrights.org	1) The development of the Internet arm of the civil rights movement, civilrights.org, as a conduit for technology assistance among civil and human right organizations	1) To begin building viable capacity within the civil rights community to develop and deliver new sustainable models for information services; 2) To actively promote a more informed and knowledgeable citizenry supportive of equal opportunity; 3) To increase the involvement of the civil rights community in the shaping of the new digital communications and technology environment; 4) To enhance our democracy by using technology to motivate individuals to be engaged in the civic and political lives of their communities; 5) To educate, recruit and mobilize people on a host of civil rights issues and in particular, to become more relevant to a younger generation; and, 6) To empower those who help shape children's lives with the tools and knowledge necessary to raise a generation of children who become responsible citizens, appreciative of everyone's differences; and, help to create One America in the 21st Century.	1) Increase of technology capacity at civil rights organizations 2) Interactive surveys measuring knowledge of visitors before and after researching various topics 3) Increase in the number of civil rights organizations participating in debates over communications and technology policy matters 4) Online "Get Out The Vote (GOTV)" campaigns 5) Type and quality of media coverage on variety of civil rights issues 6) Increase in number of organizational members and individuals who sign-up to receive various newsletters and alert 7) Number of people who download various diversity tools 8) Increased traffic to civilrights.org and other civil rights organizations' web sites

Freedom Circuit Riders – Building a National Civil Rights Network and Communications Strategy	1) A corps of civil rights freedom circuit riders to build capacity in civil rights organizations and implement a coordinated technology assistance plan	1) To improve the technology culture among the leadership of the civil rights community 2) To improve significantly the knowledge base of the staffs at civil rights organizations about technology 2) To strengthen civil rights coalition's educational, advocacy, and public policy activities through broader and wiser use of technology	1) Qualitative and quantitative case studies highlighting how organizations are utilizing technology more effectively 2) Periodic surveys documenting staffs' views on assistance provided by freedom circuit riders 3) Increased utilization of Internet (including civilrights.org) for educational and advocacy purposes
Technology Assistance Forums – Working Together in a Coordinated Manner	1) The convening of periodic technology assistance forums bringing together the staffs of the national civil rights organizations 2) Hosting of similar forums at conferences of local civil rights organizations	1) Increased sharing of knowledge and resources among technology staffs at civil rights organizations 2) Building networks among technology staff at civil rights organizations 3) Increasing technical staffs' familiarity with latest technology applications 4) Linking the civil rights community to the technology community by providing technology companies a venue to interact with the broad civil and human rights community 5) Overcoming barriers that currently hamper civil rights organizations' efforts to leverage the latest technologies effectively: technical resource information, fiscal resources, and staff technical training.	1) Case studies documenting how organizations are utilizing technology more effectively 2) Summaries documenting how organizations are sharing knowledge and learning from each other 3) Attendance at technology assistance forums 4) Feedback of technology assistance forums from participants
Digital Diversity Educational Materials	1) Set of educational materials assisting national organizations who work on civil rights issues to educate their constituencies about the importance of using technology	1) To change the technology culture of under-served communities – break down any cultural barriers that may impede more access and utilization of technology by people of color and others 2) To increase the pool of students of color studying math, science and engineering and therefore, increase the number of qualified workers of color in the technology industry	1) Decrease in the income gap between technology "haves" and "have nots" 2) Decrease in the racial gap between technology "haves" and "have nots" 3) Long term – an increase in the number of qualified workers of color in the technology industry

Digital Diversity Initiative

Those of us familiar with the power of the emerging global medium share a vision for a future in which the promise of technology reaches all segments of our society. Below we present the potential of the Leadership Conference's **Digital Diversity Initiative.**

The Vision – One Year From Now

A **Baseline Survey** of civil and human rights organizations provides an accurate picture of the level and depth of the civil rights community's access to and utilization of advanced digital technologies as well as its understanding of various communications policies;

Technology Leadership Forums are changing the technology culture at the highest levels of the civil rights community by bringing leaders of the technology industry together with civil rights leaders and the foundation community;

The **Internet Arm of the civil rights movement,** www.civilright.org, is developed and is serving as a technology conduit for the broad civil and human rights community to employ technology more wisely and to do so in a coordinated manner;

Freedom Circuit Riders are providing civil rights organizations with traveling technology enablers to work directly with the organizations to better achieve their missions through broader and wiser use of technology;

Periodic **Technology Assistance Forums** are providing staff at national (and local) civil rights organizations the ability to share knowledge and information on an on-going basis; and,

Digital Diversity Educational Materials are assisting national organizations who work on civil rights issues to educate their constituencies about the importance of using technology.

Applications of the **Digital Diversity Initiative** one year from now might include:

Civilrights.org is empowering the civil rights community to leverage and control information services in the new digital information marketplace. For example:

Individuals and organizations interested in civil and human rights contribute content to *civilrights.org.* In turn, civilrights.org aggregates the content and deploys the information through a syndicated news process to other organizations' web sites – e.g. *This Week in Civil Rights* Newsletter – a weekly summary of civil and human rights activities at the national level;

Periodic online civil rights chats, hosted by *civilrights.org*, empower civil rights leaders to interact with the public to discuss important policy matters thereby demonstrating how the digital medium can improve participation in a democratic society – e.g. Wade Henderson, Kweisi Mfume, Raul Yzaguirre, and Karen Naraskai discuss the importance of filling out census forms;

Reporters covering civil rights issues are empowered by a *civilrights.org media center* to learn more about the issues and therefore, write more accurate stories -- e.g. a reporter writing on residents exercising their rights under the Fair Housing Act learns about the history of fair housing, the recent testing studies, and continuing challenges;

By communicating directly with young adults about their ideas, concerns, and priorities, civilright.org empowers the civil rights movement to more effectively address the evolving needs of today's youth and become more relevant to the younger generation – e.g. regular online forums bring the voices of emerging youth leaders to the civil rights leadership;

Teachers and parents interested in having their students and children understand contemporary civil rights issues are empowered by the *civilrights.org library* to actively promote knowledge by linking today's civil rights struggles with those in the past – e.g. a high school teacher uses materials from the library to explain the Civil Rights Act of 1964 and its continuing relevance today; and,

Parents concerned about helping their children become open-minded adults are empowered by *civilrights.org* to utilize valuable interactive tools and visit others sites assisting individuals to raise a generation that appreciates and embraces differences rather than fears them – e.g. a series of interactive online children's books that engage children in thinking about the richness of the Nation's diversity.

Whether it be the aforementioned examples or hundreds of others, we all share the goal of turning the digital divide to digital diversity. The question that remains is how we get there from here?

Getting from the Digital Divide to Digital Diversity

The Leadership Conference on Civil Rights (LCCR) and the Leadership Conference Education Fund (LCEF) have developed the **Digital Diversity Initiative** to bring the promise of advanced communication technologies, particularly the Internet, to the constituencies of the broad civil and human rights community. We believe the best way to accomplish this is by accelerating the understanding, acceptance and use of information technology among national civil rights organizations and to do so in a collaborative manner.

Specific Goals of Digital Diversity Initiative:

To change the technology culture within the civil rights community from one fears technology (or at best views it as a necessary evil) to one that embraces its potential;

To strengthen and extend the voice of the civil rights movement through expanded and wiser use of technology;

To begin building viable capacity within the civil rights community to develop and deliver new sustainable models for information services;

To utilize the emerging interactive medium to actively promote a more informed and knowledgeable citizenry supportive of equal opportunity;

To increase the involvement of the civil rights community in the shaping of the new digital communications and technology environment;

To enhance our democracy by using technology to motivate individuals to be engaged in the civic and political lives of their communities;

To actively educate, recruit and mobilize people on a host of civil rights issues and in particular, to become more relevant to a younger generation; and,

To empower those who help shape children's lives with the tools and knowledge necessary to raise a generation of children who become responsible citizens, appreciative of everyone's differences;

and, help to create **One America in the 21st Century.**

Digital Diversity Overview:

The **Digital Diversity Initiative** contains six primary components:

A Baseline Needs Assessment Survey;
Technology Leadership Forums;
Development of the Internet Arm of the Civil Rights Movement, www.civilright.org;
Digital Diversity Freedom Circuit Riders;
Civil Rights Technology Assistance Forums; and,
Digital Diversity Educational Materials.

Baseline Needs Assessment Survey

As a general matter, many assumptions have been made about the technology readiness of non-profit organizations. The **Baseline Needs Assessment Survey** will provide an accurate picture of the level and depth of the civil rights community's access to and utilization of advanced digital technologies as well as its understanding of various communications policies. The survey will focus on national civil rights organization that comprise the Leadership Conference coalition and also will survey a select number of local affiliates as well. This published report will also serve as a starting point to engage theleadership of national civil rights organizations and the foundations that traditionally fund them about the technology culture within the civil rights community.

Technology Leadership Forums

As a starting point, we must first change the culture at the leadership level of civil rights organizations from one that fears technology (or at least one that views technology as a necessary evil) to one that embraces its potential. Civil rights leaders (and the foundations that fund them) must be willing to commit the necessary resources to build the capacity within their organizations to utilize technology more effectively. The **Technology Leadership Forums** will bring leaders of the technology industry together with civil rights leaders and the foundation community to discuss the Baseline Survey and to develop a

coordinated technology assistance program for the civil rights community.

Development of the Internet Arm of the Civil Rights Movement, civilrights.org

The overriding theme of the Digital Diversity Initiative is that combating the digital divide be accomplished by any one group acting by or for itself alone but only in a coordinated manner with various organizations working with and learning from each other. The Initiative calls for the development of the Internet arm of the civil rights movement, civilrights.org, to serve as the civil rights community's web site, a place where the diverse interests of the civil rights community will be empowered to share knowledge and information with one another. Much more than just another web site, civilrights.org will ensure that as each organization begins to — technology more wisely, they are doing so in a collaborative manner that will bring benefits to the entire civil and human rights movement. Civilrights.org will become a trusted online intermediary on civil rights issues - a natural starting place for anyone interested in learning more about a host of civil rights issues.

Leadership Conference Civil Rights Freedom "Circuit" Riders

The third component of the **Digital Diversity Initiative** is a corps of civil rights freedom "circuit" riders to serve as teachers dedicated to helping civil rights organizations better achieve their missions through broader and wiser use of technology. The "Freedom Circuit Riders" will be provided by the Technology Project, a project of the Rockefeller Family Fund, that seeks to accelerate social and political progress by building technological capacity for community collaboration and citizen engagement.

The **Freedom Riders** will work to build capacity within civil rights organizations thus bringing the promise of the Internet to their organizations. By coordinating their work and teaching organizations how to utilize civilrights.org, the Freedom Riders' work will ensure that the **Digital Diversity Initiative** will be greater than the sum of its individual parts. The Freedom Riders will combat the digital divide by transferring knowledge, providing solutions, and building organizations' interest and enthusiasm in adopting new technology tools in a coordinated manner.

Civil Rights Technology Assistance Forums

The final component of the Digital Diversity Initiative is the convening of **civil rights technology assistance forums.** These events (similar to the "Coffee and Doughnets" events convened by the Morino Institute) will bring together the staffs of the national organizations to share knowledge and resources, and learn from experts in the field on a regular basis. The forums will address the barriers previously identified as hampering civil rights organizations' efforts to leverage the latest technologies effectively: technical resource information, fiscal resources, and staff technical training.

The forums will highlight promising applications of technology programs, and show staff at participating organizations how to utilize these applications within their own organizations. In addition, the technology assistance forums may provide technology companies a venue to interact with the broad civil and human rights community and teach non-profits about the latest technological advances.

Digital Diversity Educational Materials

Organizations who work on civil rights issues need assistance to educate their constituencies about the importance of using technology. The Digital Diversity Initiative will develop a series of educational materials to assist national organizations with their education and outreach efforts.

Digital Divide Network

Companies from across the Internet, computing, telecommunications and software industries as well as several of the nation's largest private foundations [subject to foundation approval] are coming together to launch the first-ever initiative to coordinate strategies and efforts targeting solutions to the Digital Divide. Initial partners in the Digital Divide Network include: [SUBJECT TO COMPANY APPROVAL: 3Com, America Online, AT&T, Bell Atlantic, BellSouth, Dell, Gateway, IBM, Intel, Intuit, Microsoft, Network Solutions, SBC, USWest]. [Foundations being approached are Ford, Carnegie, MacArthur, Markle, Open Society Institute, and Kellogg]

Editorial control of Network programming will be by the Benton Foundation in partnership with the National Urban League.

The Digital Divide Network will include:

the most comprehensive clearinghouse to date on completed and ongoing activities across the country focused on expanding access by underserved communities to the Internet and information technology, including efforts to provide:
hardware, software, wiring and connectivity;
education and training relating to technological literacy;
public education about the centrality of the Internet for individuals' and communities' future economic, political and social success;
content and curricula specifically tailored to the needs and uses of underserved communities
special features on research and initiatives relating to specific communities affected by the Digital Divide, including: African Americans, Latinos, Native Americans, people with disabilities, rural communities, urban poor communities
ongoing synthesis and analysis of the results of initiatives and successes and failures with a focus on highlighting:
best practices
areas of building consensus and gaps requiring further study
the development, tracking and reporting of key metrics for success in the effort to bridge the divide
a detailed national map of public access points across the country and a state-by-state breakdown of ongoing Digital Divide efforts
a compendium of resources available for communities to employ in addressing their digital divide issues, including: public and private grant programs, in-kind resources, including hardware, software, training, volunteers and other technical assistance
regularly updated news and highlights on digital divide announcements, programs and research
community-based features enabling cross-industry calendaring, networking, information-sharing and real-time and asynchronous dialogues

The Digital Divide Network will not attempt comprehensive reporting or coverage of areas which are appropriately dealt with elsewhere (although it will include discussions, reports and initiatives in these areas to the extent they intersect directly with Digital Divide):
Technology assistance for nonprofits
Online philanthropy
Corporate marketing/customer acquisition
Technological development/deployment

Partners in the Digital Divide Network are committed to:
Sharing with the Network all information relating to the creation, implementation and results of partnerships and initiatives targeting aspects of the Digital Divide
Encouraging use of the Network by all partners, grantees, employees, vendors, associates and

customers interested in exploring Digital Divide solutions
Collaborating with other Network participants to build broad-based consensus on appropriate metrics, best practices and necessary actions to take in bridging the Digital Divide
Strategically integrating corporate and philanthropic Digital Divide initiatives with other Network initiatives to achieve maximum effectiveness.
Focusing significant, high-level resources to working as individual organizations and as partners in a broad-based collaborative to ensure that core objectives for Bridging the Digital Divide are achieved.
Partnering with other companies, nonprofits, foundations and governments in the effort to bridge the Digital Divide.

Funding for the Digital Divide Network is contemplated as follows:
The AOL Foundation will provide operational grant to Benton to manage expansion of existing Digital Divide Clearinghouse into the Digital Divide Network. Funding will last through June.
Digital Divide Network partners will be requested to earmark small portions of significant grants, partnerships and initiatives focused on Digital Divide to the Benton Foundation, to enable the integration of the information relating to that initiative into the Network [optional].
Network partners are not being solicited currently for direct funding in order to be a Network participant, although certainly a regular funding stream will need to be developed before next July.
It is anticipated that if a broad enough partnership can be developed, the ongoing operations of the Network can be funded for the equivalent of about $20-$40 thousand per year per partner.
(again with this discussion being put off until next summer)

Discussion of Network management is being postponed until after launch with the exception of the following generalities:
AOL Foundation's management relationship with Benton will be replaced by broad-based foundation and industry relationship with Benton.
Benton, in collaboration with the National Urban League, will maintain editorial control of programming on the Network.
All company and foundation participants in the Network will share equal participation in the process of developing a post-launch management structure.

At launch, the Digital Divide Network will be available online in nascent form, including:
An independent Web url: DigitalDivideNetwork.org
The Digital Divide Clearinghouse will be reconfigured to include:
prominent new DDN branding,
removal of all AOL Foundation branding
a feature highlighting the new collaborative effort behind the Network,
a blinking rotation of the partners' logos
creation of an area on Industry initiatives, nonprofit initiatives, government initiatives and foundation initiatives
inclusion, wherever possible of existing Digital Divide initiatives of Network participants
(All Network participants recognize the difficulty of building a new area online in the time we currently have and will be patient and forgiving)

There will be a press release issued by the Network participants, that David Eisner is currently drafting. It will include no industry quotes in the body and will be attached to a quote sheet from partners. All Network participants will have an opportunity to review and comment upon the release. In the event of editorial issues, Benton will have final editorial sign-off.

Assuming that the companies and foundations currently involved in this discussion are satisfied with this formulation of the Digital Divide Network, a revised version of this memo will be made immediately and broadly available for companies wishing to become Network partners. All

decided partners will be empowered to solicit additional partners.

Tuesday, December 7, COB will be the cutoff for accepting partners, pre-launch, although, of course we will continue to add partners afterward.

'99 DEC 8 PM 7:30

THE WHITE HOUSE

WASHINGTON

December 8, 1999

DIGITAL DIVIDE MEET-AND-GREET AND DEPARTURE STATEMENT

DATE:	December 9, 1999
TIME:	7:45 – 8:10 a.m.
LOCATION:	Oval Office and Rose Garden
FROM:	Gene Sperling, Mary Beth Cahill

I. PURPOSE

After a brief meet-and-greet with leaders from the high-tech industry and the civil rights, non-profit and educational communities to discuss the digital divide, you will deliver a Departure Statement on this topic.

II. BACKGROUND

As Americans increasingly go on-line to shop, work, communicate and learn, access to and skill in manipulating digital information have become indispensable tools of social opportunity. Despite the explosion in Internet use during the Clinton-Gore Administration, there is strong evidence of a "digital divide" -- a gap between those individuals and communities who have access to these Information Age tools and those who don't. A July 1999 report from the Department of Commerce reveals that:

- *Better educated Americans are more likely to be connected.* Between 1997 and 1998, the technology divide between those at the highest and lowest education levels increased 25%. In 1998, those with a college degree were more than *eight times* as likely to have a computer at home and nearly *sixteen times* as likely to have home Internet access as those with an elementary school education.

- *The gap between high- and low-income Americans is increasing.* In the last year, the divide between those at the highest and lowest income levels grew 29%. Households with incomes of $75,000 or higher are more than *twenty times* more likely to have access to the Internet than those at the lowest income levels, and more than *nine times* as likely to have a computer at home.

- *Whites are more likely to be connected than African-Americans or Hispanics.* African-American and Hispanic households are roughly *two-fifths* as likely to have home Internet access as White households, and the trend is worsening. However, for incomes of $75,000 and higher, the divide between Whites and African-Americans has narrowed considerably in the last year.

- *Rural areas are less likely to be connected than urban users.* Regardless of income level, those living in rural areas are lagging behind in computer ownership and Internet access.

You and Vice President Gore have worked to close the digital divide. Specifically, you have striven to:

- *Ensure that every child is technologically literate*: You have set a goal of connecting every classroom and library to the Internet by the year 2000 -- a goal that we are on track to meet. You also have fought for investments in technology training for teachers, computers in the classroom, and educational software. Major Administration initiatives include the Technology Literacy Challenge Fund and the "e-rate", the latter providing discounted Internet access to libraries and 1 million classrooms.

- *Expand the network of Community Technology Centers*: The final budget deal included a tripling of support for Community Technology Centers, which provide access to technology for those who can not afford it.

- *Encourage the development of applications of information technology for low-income Americans*: Administration grant programs have supported innovative pilot projects -- such as the use of telemedicine for prenatal care, telementoring for at-risk youth, a national computer network for local food banks, and distance learning for people who have lost their jobs.

- *Expand access to technology for people with disabilities*: Recent actions by the Federal Communications Commission will help ensure that telecommunications equipment, such as cellular phones, is designed to be accessible for people with disabilities.

You will announce more initiatives in your Departure Statement. In summary form, these initiatives comprise:

- A directive to members of the Cabinet to take specific actions to close the digital divide, such as expanding Community Technology Centers in low-income urban and rural neighborhoods, continuing to measure the extent of the digital divide, and helping low-income workers gain the skills they need to compete for high-paying information technology jobs.

- Commitments from the private sector and non-profit organizations that will help address the problem, including a commitment from the Congress of National Black Churches to make this issue a top priority.

- A comprehensive clearinghouse of state and local efforts to bridge the digital divide.

- A partnership between the private sector and the Leadership Conference on Civil Rights that will help prepare civil rights organizations for the 21st century.

III. PARTICIPANTS

Briefing Participants

Secretary Daley
John Podesta
Doug Sosnik
Gene Sperling
Maria Echaveste
Loretta Ucelli
Mary Beth Cahill
Lowell Weiss
David Beier
Tom Kalil

Event Participants

Secretary Daley
Gene Sperling
Mr. F. Duane Ackerman, Chairman and CEO, BellSouth Corporation
Mr. B. Michael Armstrong, Chairman and CEO, AT&T
Ms. Zoe Baird, President, Markle Foundation
Mr. Richard H. Brown, Chairman and CEO, EDS
Mr. Stephen M. Case, Chairman and CEO, America Online
Mr. Darien Dash, CEO, DME Interactive Holdings
Ms. Tessie Guillermo, Exec. Dir., Asian and Pacific Islander American Health Forum
Mr. Wade Henderson, Exec. Dir., Leadership Conference on Civil Rights
Ms. Roberta Katz, CEO, Technology Network
Ms. Susan Masten, President, National Congress of American Indians
Ms. Irma Zardoya, Superintendent, District 10, New York City Public Schools
Mr. Jorge Schement, Board Member, Benton Foundation and Co-Director, Inst. for Information Policy, Penn State University

IV. SEQUENCE OF EVENTS

- **YOU** will be briefed by your advisors in the Oval Office.
- **YOU** will meet-and-greet with CEOs, civil rights leaders and educators in Oval Office.
- **YOU** will accompany guests to Rose Garden.
- There **YOU** will make your Departure Statement.
- **YOU** will depart for Massachusetts.

VI. PRESS COVERAGE

Meet-and-greet is closed to the press.
Rose Garden Departure Statement is Open Press.

VI. REMARKS

To be provided by speechwriting.