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**Folder Title:**  
Digital Divide Trip Book April 17 & 18, 2000 [binder] [1]

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# Withdrawal/Redaction Sheet

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**COLLECTION:**

Clinton Presidential Records  
National Economic Council  
Gene Sperling  
OA/Box Number: 20240

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**FOLDER TITLE:**

Digital Divide Trip Book April 17 & 18, 2000 [binder] [1]

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**RESTRICTION CODES****Presidential Records Act - [44 U.S.C. 2204(a)]**

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

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RR. Document will be reviewed upon request.

**Freedom of Information Act - [5 U.S.C. 552(b)]**

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

**DIGITAL DIVIDE  
TRIP BOOK**

**APRIL 17 & 18**



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April, 2000



## A COMPLETE LIST OF PRESIDENT CLINTON AND THE PRIVATE SECTOR'S INITIATIVES TO BRING DIGITAL OPPORTUNITY TO YOUTH, FAMILIES AND COMMUNITIES

- The Kaiser Family Foundation And Black Entertainment Television Announce Public Service Campaigns to Motivate Young People to Participate in Technology. President Clinton will highlight the efforts of the Kaiser Family Foundation and Black Entertainment Television (BET) to help motivate young people to “get connected” and raise public awareness about the digital divide. The Kaiser Family Foundation will produce public service announcements (PSA) featuring celebrities and role models who will highlight their connections to technology and encourage young people to recognize ways that becoming technologically literate can open doors to them. Magic Johnson and Rebecca Lobo are the first celebrities to agree to appear in the PSA campaign. NBC, ABC, CBS, BET, MTV, Fox, TBS, TNT, UPN, The Cartoon Network, Odyssey, The Disney Channel, Univision and the WB will all air the PSAs. The National Association of Broadcasters will distribute the PSAs to their 1,000 members. The Leadership Conference on Civil Rights, the American Library Association and the Digital Divide Network have also agreed to support this effort.  
BET will produce and air the PSAs on the BET Cable Network, encouraging African- Americans to use the Internet and to participate in the digital economy. The PSA’s will feature major African-American celebrities from the music, sports and film industries explaining the importance of African-American participation in the digital economy, as consumers, employees and entrepreneurs. In addition, BET.com and BET Holdings will sponsor an online celebrity auction to benefit efforts to address the digital divide.
- Hewlett-Packard Announces a \$15 Million Digital Village Initiative -- New Program To Start in East Palo Alto. HP will invest up to \$15 million in products, partnerships and people in 3 underserved communities -- starting in East Palo Alto. HP's comprehensive approach will focus on programs that serve adults and kids at home, in school, and through community centers:
  - HP @ Home will help families learn and grow together;
  - HP @ School will emphasize enhancing K-12 education through the use of technology; and
  - HP @ Neighborhood Community Centers will help adults and kids to learn, communicate and explore using the Internet, both before and after school.
- Gateway Launches Teach America! and Commits to Training 75,000 Teachers -- Including All East Palo Alto Teachers. Gateway has pledged to provide 75,000 teachers with technology literacy training under the Teach America! program. This effort will provide teachers with hundreds of courses to increase their use of the Internet and multimedia applications. All East Palo Alto’s teachers will be trained in the Teach America! program on ways to effectively utilize technology in the classroom. The Waitt Family Foundation has previously made a major donation of 50,000 Gateway computers for use at PowerUP sites across the country.
- QUALCOMM Commits \$25 Million to Bridge the Digital Divide in San Diego -- Including \$7 Million for K-12 Math and Science Education. QUALCOMM will help to close the digital divide with a \$25 million commitment -- including \$7 million to improve math and science education in San Diego schools through investments in educational technology and enhancing the math and science instructional skills of K-12 teachers.
- PowerUP Unveils 250 New Sites in 43 States Across the Country. The PowerUP program will announce a major expansion of its successful program to give underserved youth access to technology and guidance on how to use it. PowerUP will have 250 – up from 19 -- new, fully-equipped and staffed sites by the end of 2000. PowerUP is comprised of more than a dozen non-profit organizations, major corporations and federal agencies. The federal AmeriCorps program is a strong supporter of the PowerUP effort and has assigned 400 members to work in PowerUP sites. Partners that have contributed to the launch of the first 250 sites include America Online, Gateway, Hewlett-Packard, Microsoft, Sun Microsystems, America's Promise, the Steve Case Foundation, the Waitt Family Foundation, Americorps\*Vista, Boys & Girls Clubs, Communities in Schools, National Urban League, Save the Children, YMCA and the Department of Education.
- American Online Pledges 100,000 Free AOL Accounts Valued at \$26 Million Annually. The expansion of the PowerUP is made possible because of commitments from a number of organizations -- including a pledge by AOL to provide 100,000 AOL accounts to PowerUP sites, valued at \$26 million annually.

- Novell Will Donate \$20 Million in Software to Non-Profits Devoted to Helping Underserved Hispanic Populations. Novell is expanding its software donation program to include non-profits that help underserved Hispanic populations. The donated software has a retail value of \$20 million. Currently, many non-profits are lagging behind the private sector in their use of the Internet and information technology.
- Cisco Systems, HUD and Communities In Schools Announce 10 Pilot Networking Academies. Cisco Systems, Inc., the Department of Housing and Urban Development, and Communities In Schools will announce a program valued at \$1.4 million to establish 10 Cisco Networking Academies in underserved communities. The Cisco Networking Academy Program teaches students to design, build, and maintain computer networks through a 280-hour web-based curriculum and hands-on laboratory exercises on real networks. HUD, Cisco and Communities In Schools are also establishing internship opportunities so that Academy students graduate not only with a marketable skill, but also with on-the-job experience. Academy graduates who pass the industry standard Cisco Certified Network Associate exam are immediately eligible for information technology jobs with high starting salaries.
- Applied Materials Pledges \$1 Million and Partners with the Rainbow/ PUSH Coalition to Create a High-Tech Job Training Center. Applied Materials has pledged \$1 million to help provide "information for everyone," starting with the development of a high-tech job training center for the people of East Palo Alto, in partnership with local government and Reverend Jesse Jackson's Rainbow/PUSH Coalition.
- Semiconductor Equipment and Materials International (SEMI) Will Pledge \$1 Million to Reduce the Digital Divide in Silicon Valley. SEMI, the global trade association for the semiconductor equipment and materials industry, is pledging \$1 million dollars to five workforce development programs focused on reducing the digital divide. The organizations that will receive \$200,000 each are: Workforce Silicon Valley; Industry and Technology Outreach Foundation; Jose A. Valdez Math Institute; and the Charitech Civic Venture Fund.
- AT&T Announces a \$1.2 Million Commitment to the Academy of Information Technology. AT&T will support the Academy of Information Technology with \$1.2 million to develop a high school curriculum that will prepare students for jobs in the IT industry. In addition, AT&T will commit \$250,000 to develop a national forum series for underserved communities to engage high school students and policymakers in a dialogue about economic opportunities, education, job skills, and leadership for the 21st century.
- PeoplePC Commits to Providing Multimedia Computers to the East Palo Alto Community. The President will announce a pledge by PeoplePC to provide the schools of East Palo Alto with 300 new brand name computer systems and unlimited Internet access. Currently, the elementary schools in East Palo Alto have a student-to-computer ratio of 28-to-1, making it difficult for computers and the Internet to be used as powerful tools for learning in the classroom.
- govWorks, Inc., Announces the Community Commitment Program to Reinvest in Communities Around the Country. govWorks, Inc. will announce the launch of its Community Commitment program to help communities across the country address the digital divide. govWorks will reinvest a portion of its revenue in local communities to purchase computers, high-speed Internet access and technology training, which will be donated to libraries, public schools, and community centers. It will launch a pilot of its Community Commitment program this week by donating computers and a year's supply of high speed Internet access to the Thomas Creighton Elementary School in Philadelphia, PA and to Nora Navara Public Library in New Orleans, LA. Additionally, govWorks plans to provide the school and library staff with computer and Internet training. govWorks expects to roll out its Community Commitment program in 50 cities by the end of the year.
- NetDay and TechNet "One-Stop-Shop" for Educational Technology. The President will announce a commitment from NetDay and TechNet to develop an Internet-based "one-stop-shop" of information on educational technology, including technology planning, hardware, educational software, professional development, and sources of financial support. The database will be designed for principals, teachers, parent support groups, and community members.

- The ThinkQuest® Program Bridges the Digital Divide by Reaching Out to Underserved Students. ThinkQuest, a non-profit Internet-based education initiative, will announce a partnership with the Department of Education's TRIO and Community Technology Center programs, HUD's Neighborhood Network centers and ABILITY Awareness to bring ThinkQuest's award-winning program to the large number of students in underserved schools and communities as well as to students with disabilities. The ThinkQuest program guidelines promote teams that include members from diverse levels of computer competency who come from various cultural, ethnic and socio-economic backgrounds. To date more than 50,000 students and educators from 100 countries have participated in ThinkQuest.
- The Department of Education Announces Technology Innovation Challenge Grants The Department of Education will announce three new Technology Innovation Challenge Grants (TICG) totaling \$24 million over 5 years. In-kind contributions to these Technology Innovation projects will total more than \$67 million. This program serves as a catalyst for positive change for schools. It supports educators, industry partners, communities, parents, and others who are using new technologies to help bring high quality education to every classroom and neighborhood. Effective use of new technologies in these communities will contribute to improved student achievement in reading, writing, science, mathematics, history, the arts and other disciplines. Each project will support training for teachers and promote greater parent and community involvement in education.
- The National Endowment for the Humanities Announces \$1.45 Million In Schools for a New Millennium Projects The National Endowment for the Humanities announces \$1.45 million in Schools for a New Millennium projects designed to train humanities teachers to integrate technology tools into their classroom teaching. Schools for a New Millennium projects include teachers, university scholars, technology experts, local museums and libraries, parents and school administrators committed to bringing digital opportunity into the classroom.

**IN EAST PALO ALTO PRESIDENT CLINTON WILL BE JOINED BY HIGH-TECH AND COMMUNITY LEADERS TO ANNOUNCE NEW PARTNERSHIPS TO BRIDGE THE DIGITAL DIVIDE**

The President will participate in a roundtable discussion with CEOs from the technology industry and leaders of the civil rights community and non-profit organizations. The President will lead a discussion on concrete steps that industry, community organizations and government can take to bridge the digital divide. Participants in the roundtable will include:

Dr. Drew Altman, President & CEO, The Henry J. Kaiser Foundation

Henry Cisneros, President & COO, Univision Communications

Darien Dash, Chairman & CEO, DME Interactive Holdings, Inc.

John Doerr, Kleiner Perkins

Magda Escobar, Executive Director, Plugged In

Carly Fiorina, CEO, Hewlett Packard

Rae Grad, CEO, Power Up

Nick Grouf, CEO, People PC

Rosalind Hudnell, Vice President, Intel Corporation

Rev. Jesse Jackson, Rainbow PUSH

Irwin Jacobs, Chairman & CEO, QUALCOMM

Carlton Jenkins, CEO, One Net Now

Robert Johnson, Chairman & CEO, Black Entertainment Television

Roberta Katz, President & CEO, TechNet

Robert Knowling, CEO, Covad Communications

Jim Martin, Senior Vice President, America Online

Kenneth McNeely, Vice President, AT&T

James Morgan, Chairman & CEO, Applied Materials

John Morgridge, Chairman of the Board, Cisco Systems

David Robino, Vice Chairman, Gateway

Eric Schmidt, Chairman & CEO, Novell

Srinija Srinivasan, Vice President & Editor-in-Chief, Yahoo!

Kaleil Tuzman, CEO, GovWorks

Raul Yzaguirre, President, National Council of La Raza

## BACKGROUND ON THE DIGITAL DIVIDE AND EAST PALO ALTO, CALIFORNIA

APRIL 17, 2000

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

The Gap Between High and Low Income Americans is Increasing 80 percent of households with an income of \$75,000 or above have computers, compared to 16 percent of households earning \$10,000 - \$15,000 (Dept. of Commerce, "Falling Through The Net," July 1999).

Better Educated Americans More Likely to Be Connected 69 percent of households with a bachelor's degree or higher have computers, compared to 16 percent of those households that have not completed high (Dept. of Commerce, "Falling Through The Net," July 1999).

Whites More Likely to be Connected than African-Americans and Hispanics. 47 percent of white households have computers, compared to 23 percent of African-American households and 26 percent of Hispanic households (Dept. of Commerce, "Falling Through The Net," July 1999).

**SILICON VALLEY:** In the past 20 years, Silicon Valley has played a leading role in fostering the digital revolution that is sweeping the globe. This revolution has led to the productivity gains that have helped create the longest economic expansion in U.S. history. The Silicon Valley has profited handsomely from the innovation of its residents; the region has become one of the most prosperous communities in our nation.

- Silicon Valley has created more than 275,000 new jobs since 1992 (CA Employment Development Dept, 1999).
- Median family income has soared to \$87,000 per year – the third highest in the country (Dept of HUD, 2000).
- The median price of a house in the Silicon Valley is \$410,000, more than twice the median price in rest of the country (California Real Estate Association, 1999).

**EAST PALO ALTO:** East Palo Alto has missed out on much of this prosperity. While there has been progress and the city is working to attract employers, East Palo Alto continues to struggle with a relatively high poverty rate, the largest high school dropout rate in the Bay Area, and the lowest property values in San Mateo county (Association of Bay Area Governments, Projections, 1998).

Demographics: With a population that is 53 percent Hispanic, 36 percent African-American, 12 percent white, and 8 percent Asian and Pacific Islander, East Palo Alto celebrates its diversity (Claritas, 1999). The Hispanic population has grown rapidly in the last 10 years with Latinos comprising 64 percent of the school-age children (California Dept. of Education, 1999).

Economic Vitality: The City is engaged in an ambitious redevelopment initiative. Nevertheless, there is only one large employer in the community, a situation that narrows the tax base and obliges many residents to make long commutes to work each day. There is no bank, major supermarket, and other key service-oriented businesses in the city (City of East Palo Alto, 1999).

Poverty: Over 80 percent of K-8 students are eligible for free or reduced-price lunches ( California Dept. of Education, 1999).

Education: There is only one computer for every 28 students in East Palo Alto schools, as compared to the 1-to-9 ratio for the entire state. Only 60 percent of residents have a high school diploma or its equivalent (California Dept. of Education, 1999; City of East Palo Alto, 1999).

**THE PRESIDENT'S NEW MARKETS TRIP:  
FROM DIGITAL DIVIDE TO DIGITAL OPPORTUNITY**  
**Highlighting Technology's Economic Opportunity in Shiprock**  
*April 17, 2000*

**TODAY, PRESIDENT CLINTON WILL VISIT SHIPROCK, NEW MEXICO TO HIGHLIGHT HOW ACCESS TO TECHNOLOGY CAN LEAD TO ECONOMIC OPPORTUNITY.** President Clinton will visit Shiprock, NM where he will speak to the Navajo Nation at the local Boys and Girls Club, which is also a PowerUP site. The President will focus on access to technology as a vehicle for education and economic development to bring employment opportunities to Native Americans. He will also emphasize how public and private sector investments can create digital opportunity in isolated communities. The President will then participate in an Internet video conference at the Diné Tribal College with students from remote schools within the Navajo Nation. Building on his successful New Markets trips of 1999, the President will highlight the importance of mobilizing the high-tech industry to encourage the participation of all Americans in the digital economy.

**NATIVE AMERICANS HAVE NOT SHARED IN THE NATION'S DIGITAL REVOLUTION.**

While the number of Americans accessing the Internet has grown rapidly in recent years, there remains a digital divide between information "haves" and "have nots." Native Americans rank far below the national average in their access to telephones, computers, and the Internet, and thus unable to access the full range of information resources that are quickly becoming essential for success in the new economy. For example:

- Lack of Telephone Service Only 22.5 percent of Navajo Nation households have home telephone service as compared to the national average of 94 percent (American Indian Report, March 2000).
- Lack of Education The Navajo Nation high school drop-out rate averages at 20 percent for 9th graders. Only one quarter of the Navajo adult population has graduated from high school (Navajo Nation, 1999).

**THE PRESIDENT WILL BE JOINED BY HIGH-TECH AND COMMUNITY LEADERS.** The President will be joined by Jeff Arnold, CEO, Healthon/ WebMD Corporation; Bruce Brooks, Director of Community Affairs, Microsoft; Michael Chasen, President and Co-Founder, Blackboard, Inc.; Rev. Jesse Jackson, CEO and Founder, Rainbow/PUSH Coalition; Yusef Jackson, Co-Chairman, One Net Now; Yvonne Jackson, Senior Vice President, Compaq Computer Corporation; Robert Johnson, CEO, BET Holdings, Inc.; Dr. John Koehler, President and CEO, Tachyon, Inc.; Susan Masten, Chairman and President of the National Congress of American Indians; Steven Rohleder, Managing Partner, Andersen Consulting; Robert Rutherford, President, Native American Systems; Karen Smith, Executive Director, TechCorps; Raul Yzaguirre, President, National Council of La Raza; and Rae Grad, CEO of PowerUP.

**PRESIDENT CLINTON AND HIGH-TECH LEADERS WILL ANNOUNCE KEY TECHNOLOGY INITIATIVES TO BRING ECONOMIC OPPORTUNITY TO NATIVE AMERICANS:**

- FCC Chairman William Kennard Will Announce Proposals to Increase Telephone Access for Native American Communities for \$1 Per Month Through the Lifeline Program
- Microsoft Will Announce a \$2.75 Million in New Grants to the American Indian Tribal College Program
- IBM, the W.K. Kellogg Foundation and the University of Michigan Will Invest \$1 Million in Partnership with Tribal Colleges to Develop a Virtual Library for Tribal Colleges
- Compaq, in Partnership with TechCorps, Will Announce a \$500,000 Commitment to Serve Native American and Other Schools Through Online Mentoring
- The Corporation For National Service Will Announce \$1 Million for the Navajo Leader Corps
- Andersen Consulting Will Help Native American Small Business to Use E-Commerce
- Tachyon, Inc. Will Provide 500 Navajo Nation Students with Satellite Internet Access
- An Over \$100,000 Commitment by Native American Systems to Increase Internet Access in Indian Country
- The Native American Digital Divide Taskforce Will Launch with \$100,000 From America Online
- Blackboard Inc., Will Commit to Providing Enhanced Educational Tools to Native American Tribal Colleges
- Healthon/WebMD Will Announce Internet Access to Healthcare Information for Indian Country

## A COMPLETE LIST OF PRESIDENT CLINTON'S ANNOUNCEMENTS OF PUBLIC AND PRIVATE SECTORS COMMITMENTS TO BRING DIGITAL OPPORTUNITY NATIVE AMERICANS

- FCC Chairman William Kennard Will Announce Proposals to Provide Phone Service for \$1 Through the Lifeline Program. The Federal Communications Commission (FCC) Chairman, William Kennard, has proposed increasing funding under the Lifeline program so that every member of a federally recognized Indian tribe who is income eligible can have basic phone service for as little as \$1 per month. The FCC has also proposed an increase in federal universal service funding to companies willing to serve Native American reservations by removing the cap on the funding available to carriers that purchase exchanges on reservations and changing the practice of averaging the cost of serving high-cost reservations with low-cost areas when calculating support amounts. These critical steps to expand the Lifeline program will greatly improve Native American communities' access to information and technology resources.
- Microsoft Will Announce \$2.75 Million in New Grants to the American Indian Tribal College Program, Including Diné College. Microsoft will provide eight American Indian Tribal Colleges with technology and training through its American Indian Tribal College Program, part of a continuing relationship with the American Indian Science and Technology Education Consortium. Microsoft will provide these tribal colleges with \$2.5 million in software and \$250,000 in technical assistance to ensure an increase in technical skills among students at tribal colleges. In addition, the program will include the tools necessary for the institutions to achieve Microsoft Certified Training Facility status.
- IBM, the W.K. Kellogg Foundation and the University of Michigan Will Invest \$1 Million in Partnership Tribal Colleges to Develop a Virtual Library For Tribal Colleges. The President will announce a unique \$1 million partnership between IBM, the W.K. Kellogg Foundation, the University of Michigan and several tribal colleges to create a "virtual library." The virtual library homepage will link into a major national database that will catalog electronic books, magazines, journals and Internet documents from around the world. The virtual library will have a reference section, a database section, and local exhibitions for the 32 tribal colleges across the country. There will also be a technical support system which will answer student, faculty and community members' questions interactively.
- Compaq, in Partnership with TechCorps, Will Announce a \$500,000 Commitment to Serve Native American and Other Schools Through Online Mentoring. The President will announce a \$500,000 commitment by Compaq Computer Corporation to partner with TechCorps to develop, pilot and support the nationwide launch of Techs4Schools, an online mentoring program that uses the Internet to join teachers with volunteer high-tech experts to advance the level of technological knowledge and support in our schools. Four Navajo Nation schools participated in the pilot of Techs4Schools, and following today's launch, Techs4Schools will be available to *all* Navajo Nation Schools and other K-12 schools nationwide.
- The Corporation for National Service Will Announce A \$1 Million AmeriCorps Grant For the Navajo Leader Corps. The President will announce a \$1 million AmeriCorps grant for the Navajo Leader Corps. The grant will support 50 Navajo AmeriCorps members in renovating 165 Head Start Centers and BIA schools across the Navajo Nation. The renovations will include wiring the facilities for Internet access.
- A \$100,000 Commitment from Andersen Consulting to Support Small Business In Indian Country. The President will announce that Andersen Consulting will pledge \$100,000 to mentor and provide technical assistance to Native American tribes, tribal businesses, and other Native-owned businesses. This assistance will support their efforts to expand e-commerce. Andersen and the Department of Housing and Urban Development will coordinate this effort. This support will be in the form of professional mentoring, technical advising, computer equipment, and other services.

- Tachyon, Inc. Will Provide Tribal Colleges with Satellite Internet Access. President Clinton will announce a major commitment by Tachyon, Inc. to assist 500 students by bringing Internet access to Diné Tribal College and a remote school. The Tachyon Corporation will provide high-speed, two-way, satellite-delivered Internet access to link two sites of Diné Tribal College and the Lake Valley School, a Bureau of Indian Affairs school. This assistance from Tachyon will build upon a \$10.3 million Department of Labor Youth Opportunity Grant received by the Navajo Nation and Diné College to help fund eight technology centers in each of Diné College's locations.
- An Over \$100,000 Commitment by Native American Systems to Increase Internet Access in Indian Country. The President will announce a more than \$100,000 commitment by Native American Systems (NAS) to provide satellite connections to the Red Rock Day School, a Bureau of Indian Affairs school on the Navajo Nation in Red Valley, AZ. NAS will donate and install a satellite dish, a network router, and 12 complete computer workstations, including Compaq iPAQ computers and monitors for the 244 children attend the Red Rock Day School. NAS is also contributing an additional 30 network routers which will be distributed to similarly isolated Bureau of Indian Affairs schools on reservations across the country. The President and CEO of NAS is Robert P. Rutherford, a member of the Choctaw Tribe.
- The Native American Digital Divide Taskforce Will Launch with \$100,000 from America Online. The National Congress of American Indians (NCAI) will announce the creation of the Native American Digital Divide Taskforce. This Taskforce, with the support and cooperation of the Department of Commerce, bring together a core group of tribal leaders, tribal businesses, academics, government officials, and private businesses to examine issues of access to technology; economic development and workforce training; education; and the creation of culturally and socially relevant Internet resources. America Online will pledge \$100,000 to support for this effort, which is intended to empower Native communities through increased information and access to advanced telecommunications and information technologies.
- Blackboard Inc., Commits to Providing Enhanced Educational Tools to Native American Tribal Colleges. The President will announce a pledge of software, training and educational content to Native American Tribal Colleges. Blackboard, Inc., is Internet education company that powers online teaching and learning platforms, servicing more than 2.1 million people worldwide. Through this pledge, tribal colleges will be able to develop courses for students in remote areas in need of distance learning opportunities. It will also ensure access for tribal college students and faculty to millions of online course currently available through the Blackboard platform.
- Healthon/WebMD Announces Internet Access to Healthcare Information for Indian Country. Healthon/WebMD has agreed to provide free subscriptions for *WebMD Practice* to the doctors at the Indian Health Services facility in Shiprock, NM. *WebMD Practice* is an Internet portal that provides doctors and other healthcare providers with a full spectrum of services and information to help them provide quality healthcare more effectively and efficiently. In addition, Healthon/WebMD will install an Internet-connected kiosk equipped with printers in the waiting room of the Indian Health Services facility. This kiosk will allow visitors to search for and print out healthcare information from the WebMD portal.
- USDA-Rural Development Announces Safe and Clean Water Funds for Indian Country. The Department of Agriculture will announce \$3 million in grants from its American Indian Safe and Clean Water Set-Aside fund to serve six tribal communities in five states (AZ, ME, MN, OR, SD). Additionally, USDA is committing \$2.2 million in low interest loans and \$300,000 in grants to the projects. Five tribes and one non-profit utility district have developed these projects to provide good quality drinking water or improved wastewater disposal.
- HUD Announces 10 Neighborhood Network Centers Targeted in Indian Country. As part of its overall expansion of Neighborhood Network Centers, HUD commits to helping 10 Indian Housing Authorities to create Neighborhood Network Community Learning Centers, and to locating donations or other sources of funding for equipment and networking.

- HUD Launches Native eDGE – the Native American Economic Development Access Center. The Department of Housing and Urban Development and its Office of Native American Programs (ONAP) will announce the creation of a Native American Economic Development Access Center, accessible via website and toll-free number. This Access Center, called Native eDGE (economic Development Guidance and Empowerment) will, for the first time, electronically link resources from over 12 Federal agencies with Native Americans, lending institutions, non-profits, foundations, and private businesses so they can collaborate to achieve sustainable economic development in Indian Country. The Access Center will include a publications clearinghouse to distribute printed materials on demand, and will provide technical assistance by economic development specialists.
- The Department of Education Proposes the Challenging Online Coursework Initiative. The President will announce that his FY2001 budget includes \$10 million to fund the Challenging Online Coursework Initiative for competitive grants to spur innovative research and development efforts focused on web-based Advance Placement (AP), second language, and other challenging coursework. Grants of up to three years would be provided to partnerships for research, development and evaluation of technologies such as online simulations and other web-based instruction that can help provide high-quality learning experiences for all students no matter where their school is located. This initiative will be particularly valuable for remote Native American schools.
- The Small Business Administration and Treasury Propose BusinessLINC in Indian Country. Under Vice President Gore's leadership, the Small Business Administration (SBA) and Treasury have launched a national initiative called BusinessLINC. As part of his FY2001 budget, the President has proposed \$1.25 million to expand BusinessLINC to Indian Country. During the remainder of this year, Treasury and SBA will hold at least two working sessions that will help explore how BusinessLINC in Indian Country might best proceed with particular attention to high-tech opportunities. These sessions will bring together tribal leaders, high-technology firms. These working sessions would explore how the high-tech industry could expand its activities into Indian Country.

**PRESIDENT CLINTON'S TRIP TO BRING  
DIGITAL OPPORTUNITY TO ALL AMERICANS**

**BACKGROUND ON INDIAN COUNTRY: THE NAVAJO NATION**

APRIL 17, 2000

**ECONOMIC CHALLENGES FACING NATIVE AMERICANS**

In the United States today, there are more than 2.4 million Native Americans that belong to more than 550 tribes. Almost everywhere, they face serious economic challenges:

- Half the total Native American workforce is unemployed – 50 percent in 1997 (Bureau of Indian Affairs 1997).
- Nearly one-third of Native Americans live in poverty, compared to 13 percent of the total U.S. population (Census Bureau, 1995).
- Thirty-eight percent of Indian children aged 6 to 11 live below the poverty level, more than twice the 18 percent rate for the U.S. population as a whole. (Indian Health Service, 1997)

**BACKGROUND ON THE NAVAJO NATION AND SHIPROCK, NEW MEXICO**

With a population of about 235,000 and covering an area of 16.2 million acres, the Navajo Nation is the largest Indian reservation in the United States.

Shiprock, NM, population 9,095, is the community on the reservation that President Clinton will visit. It lies in the northeastern corner of the Navajo Nation, not far from the point where New Mexico, Colorado, Utah and Arizona meet. The town gets its name from a 1,700 foot geological monument rising impressively from the surrounding plains. The Navajo face most of the economic challenges confronting Indian reservations across the United States, especially in building an Information Age economy.

- The Navajo Nation's unemployment rate was 58 percent in 1997 (Bureau of Indian Affairs, 1997).
- With 38.8 percent of the Navajo Nation younger than age 16, the local economy will have to create 3,500 jobs per year in order to keep an already high unemployment rate from climbing further (Bureau of Indian Affairs, 1997).
- Only 22.5 percent of Navajo homes have telephone service compared to 94.1 percent of all households in the United States (Dept. of Commerce, 1999; American Indian Report, March, 2000).
- The few telephone lines that exist are often antiquated and therefore not well suited to transmitting the large volumes of data that flow along the Internet.
- Among the few Navajo towns that have Internet service, even fewer have more than one Internet Service Provider and thus do not receive the low prices made possible by competition.

# THE CLINTON-GORE ADMINISTRATION RECORD TO HELP CLOSE THE DIGITAL DIVIDE

*April 17, 2000*

**President Clinton and Vice President Gore Have a Strong Record of Working to Bridge the Digital Divide by Ensuring That Every Child is Technologically Literate.** In 1994, President Clinton and Vice President Gore set the goal of connecting every classroom and library to the Internet. In 1996, President Clinton unveiled his Technology Literacy Challenge -- and has made a major commitment of resources to connect every classroom to the Internet, expand access to modern, multimedia computers; make high-quality educational software an integral part of the curriculum; and enable teachers to effectively integrate technology into their instruction

**President Clinton Succeeded in Increasing Educational Technology Funding by Over 3,000 Percent -- From \$23 Million in FY94 to \$766 million in FY2000.** This includes:

- \$425 million for the Technology Literacy Challenge Fund, first launched by President Clinton and Vice President Gore in 1996, which helps states and local communities meet all four "pillars" of the President's educational technology initiative (computers, Internet access, teacher training, educational software).
- \$197 million for partnerships between local school districts and the private sector to develop innovative approaches to using technology in the classroom, including the Administration's Technology Innovation Challenge Grants launched in 1995.
- \$75 million for the first stage in the Administration's effort to train all new teachers to use technology, computers and the Internet in the classroom.
- \$32.5 million for the new Clinton-Gore Administration's Community Technology Center Initiative.

**President Clinton and Vice President Gore Also Fought for the \$2.25 billion "E-rate" to Connect Schools and Libraries to the Internet.**

- The e-rate is providing 20 percent – 90 percent discounts to connect schools and libraries to the Internet, with the deepest discounts going to the poorest schools that need it most.
- By the end of 2000, the e-rate will have funded \$6.25 billion of telecommunications infrastructure and services to schools and libraries. In 1999, 82 percent of public schools (over 78,000) and 51 percent of public libraries received public funding.

**Major progress has been made in reaching the goals of the President's Educational Technology Initiative.**

- The number of classrooms connected to the Internet has increased from 3 percent in 1994 to 63 percent in 1999 (Fall 1999 data, Dept of Education, National Center for Education Statistics, "Internet Access in U.S. Public Schools and Classrooms," February 2000).
- The number of schools connected to the Internet has increased from 35 percent in 1994 to 95 percent in 1999 (Fall 1999 data, Dept of Education, National Center for Education Statistics, "Internet Access in U.S. Public Schools and Classrooms," February 2000).
- Grants supported by the Department of Education are training 400,000 new teachers to use technology effectively in the classroom.

**President Clinton and Vice President Gore are Building on Their Past Achievements Through a Number of New and Expanded Proposals this Year.** Earlier this year, the President and Vice President announced specific proposals in their FY2001 budget to help create digital opportunity for more Americans, including:

- \$2 billion over 10 years in tax incentives to encourage private sector donation of computers, sponsorship of community technology centers, and technology training for workers.
- \$150 million to help train all new teachers entering the workforce to use technology effectively.
- \$100 million to create 1,000 Community Technology Centers in low-income urban and rural neighborhoods.
- \$50 million for a public/private partnership to expand home access to computers and the Internet for low-income families.
- \$45 million to promote innovative applications of information and communications technology for underserved communities.
- \$25 million to accelerate private sector deployment of broadband networks in underserved urban and rural communities.
- \$10 million to prepare Native Americans for careers in Information Technology and other technical fields.

**In addition, President Clinton and Vice-President Gore have worked to:**

- **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.
- **Expand access to technology in under-served communities.** In addition to the Department of Education's Community Technology Center program, which provides computer access and educational services to communities around the country, the Department of Housing and Urban Development has created approximately 500 Neighborhood Network learning centers that bring state of the art technology to publicly-assisted housing across America. HUD's Neighborhood Networks are innovative private/public partnerships that establish computer-based multi-service centers to help people in publicly-assisted housing learn critical computer skills and prepare for 21<sup>st</sup> Century jobs.
- **Ensure that the Administration makes closing the Digital Divide a top priority.** In December, 1999, President Clinton directed 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.

## THE IMPORTANCE OF BRIDGING THE DIGITAL DIVIDE AND CREATING DIGITAL OPPORTUNITY FOR ALL AMERICANS

April 17, 2000

- 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. In recent years, access to computers and the Internet has exploded. Unfortunately, there is strong evidence of a "digital divide" -- a gap between those individual and communities that have access to these Information Age tools and those who don't.

### **Better-educated Americans are more likely to be connected.**

- 69 percent of households with a bachelor's degree or higher have computers, compared to 16 percent of those households that have not completed high school (Dept. of Commerce, "Falling Through The Net," July 1999).
- 45 percent of households with a bachelor's degree or more have Internet access in the home, compared to 14 percent with no only a high school diploma or GED (Dept. of Commerce, "Falling Through The Net," July 1999).

### **The divide between high and low-income Americans is significant.**

- 80 percent of households with an income of \$75,000 or above have computers, compared to 16 percent of households earning \$10,000 - \$15,000 (Dept. of Commerce, "Falling Through The Net," July 1999).
- 60 percent of households with incomes of \$75,000 or above have Internet access, compared to 12 percent earning \$20,000 - \$25,000 (Dept. of Commerce, "Falling Through The Net," July 1999).

### **Whites are more likely to be connected than African-Americans and Hispanics.**

- 47 percent of white households have computers, compared to 23 percent of African-American and 26 percent of Hispanic households (Dept. of Commerce, "Falling Through The Net," July 1999).
- 53 percent of white, two-parent households with children earning more than \$35,000 have Internet access in the home, compared to 31 percent of African-American and Hispanic households (Dept. of Commerce, "Falling Through The Net," July 1999).
- However, there is virtually no gap in computer ownership between white and African-American households earning more than \$75,000. (Dept. of Commerce, "Falling Through The Net," July 1999).

### **Wealthier schools are more likely to be connected to the Internet than poorer schools**

- In wealthy schools (less than 11 percent of students eligible for free or reduced-price school lunch), 74 percent of classrooms are connected to the Internet, compared to 39 percent for the poorest schools (71 percent or more of students eligible for free or reduced-price school lunch) (Fall 1999 data, Dept of Education, National Center for Education Statistics, "Internet Access in U.S. Public Schools and Classrooms," February 2000).

### **People with disabilities are less likely to have access to technology.**

- 11 percent of people aged 15 and above with a disability have access to the Internet at home, compared to 31 percent of people without disabilities (Current Population Survey, 1998 Computer and Internet Use Supplement, as cited in H. Stephen Kaye, Computer and Internet Use Among People with Disabilities, Disability Statistics Center, March 2000).

# Withdrawal/Redaction Marker

## Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. list	re: Phone directory (5 pages)	04/16/2000	b(7)(E)

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**COLLECTION:**

Clinton Presidential Records  
National Economic Council  
Gene Sperling  
OA/Box Number: 20240

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**FOLDER TITLE:**

Digital Divide Trip Book April 17 & 18, 2000 [binder] [1]

2019-0203-F

jm2848

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**RESTRICTION CODES**

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
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- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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- b(1) National security classified information [(b)(1) of the FOIA]
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- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]



THE SECRETARY OF COMMERCE  
Washington, D.C. 20230

*Gene  
LORETTA  
STEPHANIE  
MARIA  
DAVID B.  
we should  
consider us  
part of  
digital divide  
effort  
Joh*

To: John Podesta  
From: William M. Daley *WD*  
Subject: Opportunity for the President To Appear at Comdex  
Date: March 2, 2000

*Eliot  
Maxwell  
#82-0211*

As we discussed, I want to highly recommend that President Clinton keynote the Comdex computer show in Chicago the week of April 18th. At the show, we will have for the President the Commerce Department's new digital economy report to release; he can focus attention on the digital divide; and, most importantly, call on the industry to support China's entry into the WTO.

Comdex attracts tens of thousands of attendees; and much of America's high-tech industry will have exhibits and be announcing new products. Comdex is run by Ziff-Davis. They hold two big shows a year -- Chicago in the spring, which is tied to Windows World; and the even larger Las Vegas show in the fall. Typically, they have a keynoter every day the show runs. Last fall at the Vegas show, Bill Gates, John Chambers, Carly Fiorina, and Scott McNealy were among the keynoters. At the Chicago show in April, keynoters include Flip Filipowski, and top people from Palm Computing, Sun Microsystems, and Microsoft (but not Bill Gates, although he has done Chicago several times previously.)

Typically, keynoters use these opportunities to demonstrate new products. In some cases they give traditional speeches; but more often their one hour is a Hollywood-like show, although that is more often the case in Vegas than Chicago. Many national news organizations carried live coverage from the Vegas show, and the Post even sent a reporter to cover the scene.

Beginning last summer my staff had proactively been seeking Comdex as a venue for me to speak, and in November Comdex was kind enough to offer an invitation. Because of my trip to China, I now will not be able to attend. As an industry show, Comdex has never had a government keynoter -- the President will be the first. In light of what was to be my involvement, Comdex began also putting together a special session, where they hope to attract several members of Congress to discuss the digital economy.

This is a wonderful -- and very timely opportunity -- for the President. He could either make a straight speech; or if he would like to go more Hollywood, we had come up with several ideas -- particularly on the digital divide -- that you may want to consider for him. Our thinking was to get prominent Americans to become a voice for closing the divide.

These include:

1) asking Magic Johnson or other celebrities with an interest in the Internet, like Michael Jordan, to participate. Magic is starting a new portal aimed at African Americans, and Michael is a partner in MVP.com -- a Chicago-based company that will sell sporting goods on the Net. My staff had approached Magic about doing this with me, and he was inclined to say yes. At Comdex, the President could have a conversation with him as well as a child or teacher from Chicago on the digital divide.

2) asking Oprah Winfrey to participate. As you know, she reviews books once a month on her TV show, and we approached her about committing to review the Digital Divide report, when it comes out in October. We had thought she could announce this at Comdex. It would be the first government report ever reviewed by her -- or probably any government report ever reviewed by anyone. We would make it available in a consumer oriented version online. She had not accepted our offer, but perhaps Cheryl Mills could help in this regard.

Mort Engleberg has been involved with helping us, and I am sure he would be glad to help the President. On my staff, Ilene Zeldin (482-5035) has been coordinating this for me. And the contact for the White House staff to call at Comdex is Jeff Sudbey at 781-433-1716.

Comdex is eager to invite the President and will be very flexible in the day and time for his possible address. I think it is too great of an opportunity for us to miss, especially as we approach the China vote, and as the President comes off of his digital divide tour.



**Bruce N. Hahn, CAE**  
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April 6, 2000

Tom Kalil  
The White House  
1600 Pennsylvania Ave, N.W.  
Washington, D.C. 20500  
By fax: 202.456.5334

Dear Tom:

Thanks again for meeting with CompTIA representatives and members of the Technology Workforce Coalition on February 25. As you may recall last month we sent a letter to the President expressing our support for his legislative initiatives designed to bridge the Digital Divide. We also offered to help promote/participate in the President's April 9 New Markets Trip.

I understand that the President will be attending the Comdex trade show in Chicago the week of April 17 (Tuesday the 18<sup>th</sup>, I believe). CompTIA has been heavily involved in this show, which is aimed at the core of our 8,000 member constituency, for many years. Our Public Policy Committee Chairman, Alan Hald, is participating on a CompTIA sponsored panel on policy issues on Wednesday April 19. Alan's presentation will include a call for broad industry support of the President's digital divide initiative and will also recognize the Vice President's efforts to address the skills shortage in our industry. The public relations department in our Chicago headquarters is already arranging interviews with Alan and our other policy speakers (among them are Intel VP Mike Maibach who is speaking in support of PNTR for China).

We would like the opportunity for CompTIA representatives to appear with the President at the Comdex show to add support for the President's digital divide initiative, his efforts to help pass China PNTR legislation, and/or other Administration efforts we are supporting. CompTIA is by far the most widely known IT trade association to the Comdex attendees and trade press audience, and we believe our support would be helpful to the goals of the trip. As you know CompTIA has long been involved in school-to-work programs aimed at the economically disadvantaged, and if it were helpful from a PR standpoint we could arrange for appearances by minority IT workers in Chicago who have used CompTIA's A+ certification program as a springboard to rewarding careers in the IT sector. Our headquarters (and our PR department) are in Chicago, and would be willing to offer any support to the effort that might be helpful.

We hope that you will be able to reward your supporters by accommodating our request. Please let us know at your earliest convenience if we can work this out.

Cordially,

  
Bruce N. Hahn

PS: I understand that the President's scheduling office was contacted also by a gentleman who is running a congressional dialogue at Comdex immediately after our panel presentation. He is a web site designer who has received the endorsement of a small start-up IT association unrelated to CompTIA, and is marketing panel representation in his session to industry executives. I didn't want you to confuse our two organizations.

and those who don't...As companies, non-profit organizations and individuals, we are committed to taking concrete steps to meet two critical national goals: (1) Ensuring Access To 21st Century Learning Tools For Every Child In Every School; and (2) Expanding Digital Opportunity For Every American Family And Community. We pledge to support these two goals."

On his third New Markets Tour "From Digital Divide to Digital Opportunity," the President will work to inspire thousands of organizations to join the cause, as well as work with Congress for budgetary and legislative support. On April 17-18, President Clinton, accompanied by CEOs, Members of Congress, Cabinet Secretaries and community leaders, will focus national attention on initiatives aimed at overcoming the digital divide and creating opportunities for youth, families and communities. During this tour, the President will announce several initiatives to help bring digital opportunity to all Americans. Detailed information on President Clinton's appearance at COMDEX/Spring will be posted at [www.comdex.com](http://www.comdex.com) as it becomes available. Attendees can also register for the event on this site.

"In an age where all business is quickly becoming e-business, access to technology and technology training becomes more critical every day," said Bob Bierman, vice president and general manager, COMDEX/Spring. "The timing is right to close the Digital Divide, making the technology-enabled culture of the new economy a part of everyday life."

COMDEX/Spring assembles the IT solutions, education and experts needed by companies looking to develop new business and IT models and remain competitive in the Internet economy.

ZD Events is the world's leading producer of information technology tradeshows and conferences, serving over 5,000 exhibiting companies and two million attendees through 59 events in 18 countries. ZD Events' products range from the IT industry's largest exhibitions such as COMDEX and NetWorld+Interop, to highly focused events featuring renowned educational programs, custom seminars and specialized vendor marketing programs.

Note: For media registration call: 781/433-1756.

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Note: For media registration call: 781/433-1756.

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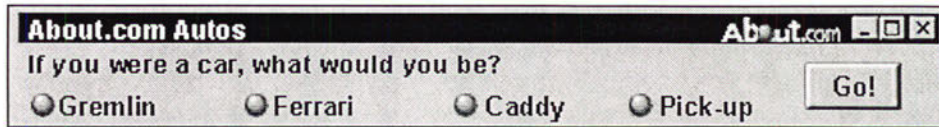
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Needham, MA, April 06, 2000--

## President Clinton to Address I.T. Industry at COMDEX/Spring -- Meeting Place for the New Economy

### Marks First Time a U.S. President has Appeared at a Major IT Industry Event

COMDEX today received confirmation that the President of the United States, Bill Clinton, will address [COMDEX/Spring 2000](#) in a speech on April 18. COMDEX/Spring is a critical stop on the President's groundbreaking Digital Divide tour, as it represents an unparalleled opportunity for the President to speak and meet with influential members of the information technology (IT) community who hold the key to closing the Digital Divide.

More than 80,000 IT professionals, including industry media and moguls, will be in attendance at COMDEX/Spring, April 17-20, 2000 at McCormick Place in Chicago. This announcement marks the first time a U.S. President has appeared at an IT industry forum of this magnitude.

"I will speak at the influential COMDEX Conference in Chicago, where I'll talk to representatives of every major computer and Internet company in America, and ask them to join our cause," President Clinton said at the Digital Divide kick-off Tuesday afternoon at the White House.

"COMDEX has always been the meeting place for the computer industry and the resulting new technologies," said Fredric D. Rosen, Chairman of ZD Events. "Now, in this new millennium, COMDEX has evolved to become the meeting place for the 'new e-economy.' We are honored that President Clinton has chosen our first major event of the year to share his vision for closing the Digital Divide."

In a national call to action Tuesday, President Clinton pledged a commitment to closing the "Digital Divide" and creating digital opportunity for all Americans: "While computer and Internet access has exploded in recent years, America faces a 'digital divide' -- a gap between those who have access to Information Age tools and the skills to use them

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PR Newswire

October 14, 1992, Wednesday

**SECTION:** Financial News

**DISTRIBUTION:** TO BUSINESS, TECHNOLOGY AND FOREIGN EDITORS

**LENGTH:** 456 words

**HEADLINE:** ISRAEL AT COMDEX: HIGH-TECH POWERHOUSE TO SHOWCASE OVER 50 COMPANIES COMDEX TO FEATURE ISRAEL IN ITS FIRST NATIONAL RESOURCES FORUM

**DATELINE:** NEW YORK, Oct. 14

**BODY:**

For the first time in its **history**, **COMDEX** will showcase the industry of one country: Israel. Fifty-eight companies in the Israeli computer industry not only will present their newest wares but will also meet with top U.S. computer executives to develop joint ventures at COMDEX/Fall '92.

Israel's computer industry, which has won a reputation for creativity in software and for innovations in hardware, peripherals and related data- and tele-communications, will have eight companies exhibiting systems/products in the Israel Pavilion, Booth No. 3242, located in the Sands Expo and Convention Center, Las Vegas, November 16th through 20th. Included in the eight are three producers of programmers' software (Contahal, Magic and MLL), two who offer security systems for software (Algorithmic Research and J.B. Electronics), one creator of computer-based training systems (Eureka), one in data collection hardware/software (Linear Industries), and one in electronic imaging software (T.I.S. Teleimage).

Some 50 additional Israeli computer industry firms and the eight exhibitors are also participating in the first COMDEX National Resources Forum, a special two-day event which will take place on Tuesday, November 17th and Wednesday, November 18th.

According to Meir Buber, Israel's Trade Commissioner to the U.S., "The National Resources Forum is a unique business-to-business device that will be initiated with presentations by the top executives of leading U.S. companies who have successfully established subsidiaries in Israel. They include Andy Grove of Intel, Bill Gates of Microsoft, and George Fisher of Motorola.

"Immediately after these presentations, executives of Israeli computer industry companies will meet one-on-one with executives of U.S. firms to discuss possible joint ventures, mutual R&D projects, and marketing relationships. We regard the Forum and the exhibits in the Israel Pavilion as major opportunities to show Israel's phenomenal growth in the computer industry, both in software and other areas where we are at the leading edge of industry technology and design capability."

Sheldon Adelson, CEO of The Interface Group and founder of the COMDEX National Resources Forum, added, "Israel's reputation for developing sophisticated computer products and its growing population of highly educated Soviet immigrants make Israel the ideal country to first present itself in this forum at COMDEX.

"We welcome Israeli companies and look forward to their participation in establishing long-term, profitable relationships with U.S. computer companies." **CONTACT:** Erin Flynn or Bernie Zwirn, 212-697-5600, or Beth Belkin, 212-560-0600 ext. 442, all for COMDEX

**LANGUAGE:** ENGLISH

**LOAD-DATE:** October 15, 1992

The Associated Press

View Related Topics

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December 24, 1997, Wednesday, AM cycle

**SECTION:** Business News

**LENGTH:** 485 words

**HEADLINE:** IBM pulls out of '98 Comdex

**DATELINE:** LAS VEGAS

**BODY:**

IBM is pulling out of the world's largest computer show because the company believes Comdex has gotten too big.

That, at least, is the reason IBM gives for not attending Comdex next year for the first time in the show's 20-year **history**.

**Comdex** organizers estimate about 220,000 people saw last month's show, which IBM attended. Next year's show is scheduled for Nov. 16-20.

"We don't think Comdex is the best way to reach our customers," said John Bukovinsky, a spokesman for the Armonk, N.Y.-based computer giant. "Comdex is a good way to talk to customers about products, but not the best way to talk about solutions."

In order to work directly with prospective customers about their personal computer needs, Bukovinsky said IBM needs "an environment that is not as hectic and crowded as Comdex has become."

International Business Machines Corp. also doesn't plan to attend the smaller Comdex Spring show in April, held in Chicago.

A spokeswoman for Softbank Comdex, the company that produces the computer shows worldwide, said that while IBM would be missed, the company's absence won't hurt the premier show of the computer industry.

"Companies have to make their own decisions with regard to their own marketing programs on their own basis," said Suzanne Lonergan, spokeswoman for the Needham, Mass.-based show producer.

Based on a statement issued by Jason Chudnofsky, president and chief executive officer of ZD Comdex & Forums, a Softbank Comdex division, IBM's decision may be rooted in a dispute over next year's booth placement, not crowded conditions on the trade-show floor.

"Statements have appeared in the media over the last several days attributed to IBM and its divisions regarding their decision not to exhibit in Comdex Fall 1998," Chudnofsky said. "We are extremely surprised at these statements, especially in light of the promotional visibility IBM has given the impact and success of their participation in Comdex through a nationwide series of advertisements in major newspapers."

Chudnofsky then explained how IBM broke off talks with Comdex organizers after an unnamed competing exhibitor selected IBM's location on the trade-show floor. IBM chose a location, but wanted to change the booth configuration. The Comdex staff rejected the reconfiguration and suggested

alternatives, but IBM's authorizing executive needed to review the plan.

"While the situation was being reviewed with this executive, a company with a later booth selection number selected the booth under discussion," said Chudnofsky. "Upon being notified that the booth had been selected by another organization, the IBM team left the booth selection process without any further discussion of alternatives."

IBM's 16,000-square-foot two-level booth was one of the most visible displays of the 1997 show with a location in the main convention center hall near a main entrance and a concession area.

**LANGUAGE:** ENGLISH

**LOAD-DATE:** December 24, 1997

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## **FOCUS<sup>TM</sup>**

**Search: General News;History of "COMDEX"**

To narrow this search, please enter a word or phrase:

*Example:* House of Representatives

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December 26, 1997, Friday, ALL EDITIONS

**SECTION:** BUSINESS; Pg. 01E

**LENGTH:** 486 words

**HEADLINE:** Comdex has grown too big, IBM says;  
But a dispute over its booth may have led it to skip the computer show.

**BYLINE:** FROM STAFF AND NEWS SERVICES

**BODY:**

IBM is pulling out of the world's largest computer show because the company believes Comdex has gotten too big. That, at least, is the reason IBM gives for not attending next year for the first time in the show's 20-year **history**.

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Booth dispute

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Comdex's spring show was held for many years at the Georgia World Congress Center, but Comdex

organizers last year decided to move to Chicago because state officials at the time hadn't made firm plans to expand the center.

The Legislature next year will be asked to approve \$ 200 million for a 500,000-square-foot expansion of the 950,000-square-foot exhibit hall complex, which the local convention industry hopes will lure the spring Comdex show back to Atlanta.

Last spring's Comdex brought about 60,000 people to Atlanta, boosting the local economy by an estimated \$ 112 million.

**LOAD-DATE:** December 27, 1997

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## FOCUS<sup>TM</sup>

**Search: General News;History of "COMDEX"**

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Business Wire

November 5, 1998, Thursday

**DISTRIBUTION:** Business Editors/Technology Writers

**LENGTH:** 1002 words

**HEADLINE:** COMDEX/Fall '98 to Become One of the Largest Pay-Per-View Streaming Media Events Ever

**DATELINE:** BOULDER, Colo.

**BODY:**

Nov. 5, 1998--

VStream Poised to Deliver First-Time Consumer Internet Access to the World's Largest Technology Event

Reaching new heights in Internet commerce, VStream Incorporated, a company redefining streaming for corporate communications, is set to rival pay-per-view records by streaming content for COMDEX/Fall '98 over the Web.

For the first time in the **history of COMDEX**, all aspects of the technology conference will be available to customers in an easy to access, streaming video format. By extending the value of the conference beyond the time-limited week of the actual event, customers can now expand their participation in the educational programming by accessing those sessions and speakers they couldn't see in Las Vegas in the convenience of their home or office.

"By offering consumers Internet access to COMDEX's hundreds of hours of keynote speeches and technology sessions, VStream has secured a place in history as provider of one of the largest pay-per-view streaming media events ever," said Paul Berberian, president of VStream. "This achievement not only validates streaming as a strategic communications tool, but also marks a new era for COMDEX -- for the first time ever, consumers will have the opportunity to experience this event in its entirety."

Each year, COMDEX/Fall presents the world's largest and most influential information technology event. The event, being held Nov. 16-20 in Las Vegas, will host more than 2,400 exhibiting companies, over 10,000 new product launches and 220,000 resellers and corporate decision makers.

The COMDEX/Fall '98 Conference will feature industry experts in over 100 conferences, focusing on real solutions to leverage technology investments, build a networking infrastructure, implement an Internet and intranet strategy, and other critical business areas.

This on-demand playback service provided by VStream will not be available prior to or during COMDEX/Fall '98. It will only be available on a subscription basis starting Dec. 1.

VStream built this unique COMDEX playback solution using Microsoft Windows Media Technologies, which provide: -0-

- the highest-quality streaming media for the best user experience;
  - a comprehensive, easy-to-use platform for building streaming applications for business; and
  - a universal player for convenient access to the most multimedia content.
- 0-

"VStream has been a leader in delivering streaming services with Windows Media Technologies for both Internet and intranet applications," said Gary Schare, Lead Product Manager, Microsoft Corp. "VStream offers Windows Media Technologies customers controlled, measurable delivery of audio and video coupled with outstanding 24-hour technical support."

### Subscriptions

Subscriptions provide users access to all sessions of COMDEX/Fall '98's Technology Conference, e-Business Program and InFocus Program. Keynote, PowerPanel and SuperSessions are also included in the subscription price. Subscriptions are reasonably priced and based on the length of time the video content is available, ranging from one day to six months. Subscriptions may be renewed or extended at any time over the Web and include toll-free customer assistance and technical support to assure viewer satisfaction.

### How to Register

Subscription registration began Oct. 28 at [www.vstream.com/comdex](http://www.vstream.com/comdex). During COMDEX/Fall '98, interested parties can register at VStream and Microsoft's sales booths in the lobbies of the Hilton and Sands hotels or VStream's exhibit in the Las Vegas Convention Center. All registered users will receive an email reminder when the content is available for viewing on Dec. 1.

### Technical Requirements

Users wishing to access COMDEX/Fall '98 on the Web will need to meet the following technical requirements: -0-

- Computer with sound card and speakers
- Minimum Internet access of 14.4 kbps for audio and 28.8 kbps for video
- Microsoft Windows Media Player, available free at <http://www.microsoft.com/windows/mediaplayer/download/default.asp>

-0-

### About VStream

VStream provides premier outsource services in streaming multimedia content over the Internet or corporate intranets. Founded in April 1997 and based in Boulder, VStream enables controlled and measurable broadcasting and on-demand access to video and audio information over the Internet and corporate intranets.

Unique features of VStream's service include vast capacity, superior reliability, controlled delivery, tracking mechanisms, and detailed reporting and billing procedures. For more information, call 800/VStream or visit [www.vstream.com](http://www.vstream.com).

### About ZD Events

ZD Events is the world's leading producer of information technology events, with products ranging from the IT industry's largest exhibitions to renowned educational programs, custom seminars and specialized vendor marketing programs. It brings together the high-profile, high-impact COMDEX and WINDOWS WORLD brands with the educational focus and depth of NetWorld+Interop, Seybold Seminars and other leading industry events.

ZD Events serves more than 5,000 exhibiting companies and two million attendees through over 50 events in 18 countries. These events have revolutionized the way computers are bought, sold and distributed. ZD Events is the events group of Ziff-Davis.

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NEEDHAM, MA, August 28, 1996--

## COMDEX/Fall '96 Presents Expert Panels in "International Marketing Forum"

### Exclusive U.S. Department of Commerce International Buyer Program Offered

COMDEX/Fall, the largest and most significant trade show and conference in the world for information technology professionals, returns to Las Vegas, November 18-22, 1996. With over 210,000 expected attendees from over 120 countries, over 10,000 new products from 2,100 exhibiting companies and an extensive conference program containing over 70 educational sessions, this year's event will once again lead the way in directing the future of the international IT industry.

"We have worked closely over the past 12 months with our valued exhibitors and advisory board to develop an all-encompassing business-to-business program, that is international in scope. And what you will find at COMDEX this year is every major vendor, every new and emerging computer and communications technology, and the leading industry experts delivering to you the strategies and ideas to move your business forward at today's demanding pace," stated William R. Sell, Show Director, COMDEX/Fall '96.

"More than 35,000 international attendees from more than 120 countries will be on hand to exchange ideas and develop new business partners, and we will provide the tools necessary to meet those requirements."

Once again, COMDEX will be part of the exclusive U.S. Department of Commerce International Buyer Program and serve as the meeting place for IT executives from multi-national companies. SOFTBANK COMDEX will continue its program of meeting the needs of its international participants through the services of the International Business Center. With this program COMDEX offers, at no charge, multilingual interpreters, private meeting rooms, a full array of business services, and the computerized matchmaking service that helps exhibitors and attendees alike locate their best international prospects and partners.

In a new program developed to meet the growing needs of the international marketplace, COMDEX/Fall will present the International Marketing Forum, an educational event taking place on Sunday, November 17. "This forum will be of significant value to CEO's, presidents, vice presidents, country managers, product managers, strategic

planning directors, channel managers and people and organizations interested in doing business in Europe, the Americas and/or Asia", noted Mr. Sell. "The attendees will gain the benefit of an expert panel of speakers addressing the issues and concerns of companies providing computer hardware and software, consulting services, systems integration, education and training, OEM, distribution and most other high technology products and services."

The three most important emerging technology markets, Europe, Latin America and Asia, will be examined through a series of panel discussions by leading international business experts. "There is no richer environment than the COMDEX/Fall Conference Program for attendees to understand how technology will impact business and people", noted Sam Whitmore, Editorial Director, *PC Week* magazine.

Since the introduction of the first COMDEX event in 1979, SOFTBANK COMDEX has continued to meet the growing needs of the global information marketplace. With an expansive program of more than 39 trade shows and conferences worldwide, including COMDEX events throughout North America, South America, Europe and Asia, SOFTBANK COMDEX provides the premier showcase and most comprehensive educational platform for new and emerging computer and communications technologies.

For further information on the COMDEX/Fall Conference Program, and to register for the International Marketing Forum, as well as all conference programs, be sure to visit COMDEX Online at [www.comdex.com](http://www.comdex.com).

**For additional information, contact: Suzanne Lonergan, SOFTBANK COMDEX, 617/433-1755; Fax 617/444-4806, or via e-mail: [lonergan@comdex.com](mailto:lonergan@comdex.com).**

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November 7, 1996, Thursday

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**LENGTH:** 843 words

**HEADLINE:** COMDEX/Fall '96 to Host Largest IT Crowd Ever Assembled;  
COMDEX/Fall '96 Las Vegas Convention Center, Las Vegas Hilton and Sands Expo and Convention  
Center, November 18-22, 1996;  
The Museum at COMDEX, Industry Luminary Keynotes and New Conference Programs Highlight  
Event

**DATELINE:** NEEDHAM, Mass., Nov. 7

**BODY:**

More than 210,000 professionals from the information technology industry will attend the 18th annual COMDEX/Fall, making it the largest information technology gathering in **history**. **COMDEX/Fall '96**, the most significant IT industry trade show in the world for resellers and corporate decision makers, returns to Las Vegas, Nevada on November 18-22, 1996.

"COMDEX/Fall '96 can offer what no other event in the industry can -- the largest, most comprehensive IT forum in the world," said Bill Sell, show director, COMDEX/Fall '96. "This year's event features new exhibits, pavilions and conference sessions and once again delivers the leading industry experts and companies. In addition, we will be commemorating the 25th anniversary of the microprocessor with the first-ever Museum at COMDEX."

The opening day of COMDEX/Fall will mark the 25th anniversary of the introduction of the microprocessor, which changed the face of the computer industry. To recognize this achievement, the Museum at COMDEX, featuring video presentations, original artifacts and historic exhibitions, will open to attendees at the Las Vegas Convention Center during the five days of COMDEX/Fall '96. Included in the special program "25 Years of Industry Achievement," along with the museum, are an Achievement Awards event, as well as a keynote presentation by Andrew Grove, president and chief executive officer of Intel Corporation, and related high-level conference sessions.

Keynote speeches by industry luminaries are presented at the Aladdin Theater at 9 a.m. and are open to all attendees. Andrew Grove; Bill Gates, chief executive officer of Microsoft Corporation; and James Barksdale, president and chief executive officer of Netscape Communications Corporation are scheduled on November 18, 19 and 20, respectively. In keeping with the 25th anniversary theme, Grove will reflect on the microprocessor's influence on the computer industry and will speculate on future advancements in the industry. Gates will discuss "Information At Your Fingertips: A Challenge For The PC Industry," while Barksdale will examine online issues.

The Museum at COMDEX is made possible in part through a partnership with The Computer Museum. The "25 Years of Industry Achievement" program would not have been possible without the generous support of the following sponsors: Intel Corporation, Motorola Semiconductor Products Sector, SOFTBANK Holdings, Inc.; and Ziff-Davis Publishing Company.

Over 70 Conference Sessions, PowerPanels and SuperSessions are scheduled to provide attendees of COMDEX/Fall '96 with the latest information in key areas of IT. In an innovative initiative, SOFTBANK COMDEX Inc. is offering attendees two opportunities to pose questions to top industry experts and hear them answered at COMDEX/Fall '96. 'Technology Crossfire - Virtual Questions, Real Answers' and 'Ask the Technical Experts' consist of questions submitted to COMDEX via the show's

World Wide Web site, [www.comdex.com](http://www.comdex.com), reviewed by COMDEX technical advisors and selected for response by leading industry experts.

A record number of attendees and exhibitors are projected at this year's event, including significant international participation. COMDEX/Fall '96 includes COMDEX Internet, COMDEX Multimedia and COMDEX Communications and Network Computing areas, featuring product demonstrations, specialized exhibits and separate conference tracks. COMDEX/Internet will feature two interactive components: Enterprise@Web, demonstrating a real-life intranet and Web-based applications that can help run a global enterprise, and the COMDEX Internet://Experience, providing hands-on training and demonstrations for anyone doing business on the Internet.

In addition, the event will also house several specialized technology and vendor pavilions, including a Microsoft Partner Pavilion, Netscape Partner Pavilion, Mobile and Wireless Computing Pavilion, ISDN Pavilion and CTI Pavilion. Also, to recognize those products which are unique, technically innovative and show strong potential for significant impact on computing worldwide, BYTE Magazine again sponsors the "BYTE Best of COMDEX" awards.

Since the introduction of the first COMDEX event in 1979, SOFTBANK COMDEX has continued to meet the growing needs of the global information technology marketplace. With an expansive program of more than 30 trade shows and conferences worldwide, including COMDEX events throughout North America, Latin America, Europe and Asia, SOFTBANK COMDEX provides the premier showcase and most comprehensive educational platform for new and emerging computer and communications technologies.

Be sure to visit COMDEX OnLine for updated information on all our events: <http://www.comdex.com>.

For additional information, contact: Suzanne Lonergan, SOFTBANK COMDEX, 617/433-1755; Fax: 617/444-4806, or via e-mail: [lonergan@comdex.com](mailto:lonergan@comdex.com).

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PC Week

November 7, 1988

**SECTION:** Vol. 5 ; No. 45 ; Pg. 52; ISSN: 0740-1604

**LENGTH:** 660 words

**HEADLINE:** Is Comdex headed the way of the dinosaur? computer industry trade show; column

**BYLINE:** Schindler, Paul

**BODY:**

Is Comdex Headed the Way of the Dinosaur?

Right about now, your desk may be filled with requests from staff members and users who want to attend Comdex. I'd like to offer some good reasons not to send anyone, and some management advice if there are people you can't stop--or if you insist on going yourself.

First off, I think Comdex may be the "NCC of the '80s." Computer trades resemble dinosaurs in several ways. For one thing, they're cold-blooded. For another, they start out small and manageable, then evolve and grow so large that messages from their brains take a discernible amount of time to reach their tails. Finally, when they evolve into giants, they must eat full-time just to survive, and can die because there is only a ton of food instead of 20 tons.

The first victim of the dinosaur syndrome was the National Computer Conference. The descendent of the cozy spring and fall Joint Computer Conferences, by the early '80s it became so gargantuan that it fell of its own weight. It always had enough exhibitors to be a decent-sized show. But because of the brain-to-tail propagation-delay problem, they were the wrong kind of exhibitors (PC vendors were exiled to a different hall). Some see signs that Comdex suffers from the same syndrome.

Comdex began as a small cozy conference for computer-equipment resellers. Now it spreads like kudzu all over Las Vegas every November, attracting far more visitors than the town's frail, gambling-oriented infrastructure can handle. It's not a bad place to be, unless you want to fly in, catch a cab or make a telephone call from a hotel or a pay phone. Then it approximates Dante's description of hell.

Conventioneers, unlike gamblers, all want to be on the floor at 10 and leave at 5--hours when good gamblers lay abed. And conventioneers want to phone home, something gamblers rarely attempt. Between 30-second waits for a dial tone, perpetually busy long-distance trunks and hotel switchboards that are modem-hostile, Las Vegas is the worst place in America from which to attempt to telecommunicate. If you go, or send someone, figure on not hearing from them by voice or data until they return to civilization.

I'm not saying you should avoid Comdex because it's cold-blooded, has the wrong kinds of exhibitors, is too big to handle and is held in an inhospitable venue. I'm saying you should avoid it because, unless you're a computer-equipment vendor, the odds are overwhelmingly against finding something you need, something you're interested in or something you can use.

Not only is the floor full of vaporware, most of the actual products are intended for OEM used and require more support than most corporate PC departments want to provide.

Having said all that, if you insist on going, here are some tips to ensure the trip proves worthwhile.

Have a plan. Figure out what technologies are most critical in your operation before you go. Make a list.

Use the index and the preshow coverage to decide which booths to visit. Plan to spend a reasonable amount of time in each booth, and allow time for visiting the off-floor suites, where the real business of Comdex takes place.

Be flexible in the implementation of the plan. That may sound like a contradiction in terms, but rigidity may cut you off from serendipity. There may be technologies on the floor you didn't expect and have never seen before. Go have a look. Besides, you don't want to come home from Comdex ignorant of this year's "hot box."

Do as journalists do: Plan on writing about it. Even if your corporation doesn't normally produce "trip reports," produce one after attending Comdex. You probably can't afford to send everyone who would like to go. But a written report does two things: It ensures propagation of useful information among the stay-behind population, and it focuses the mind of the attendee. A looming deadline and a blank sheet of paper force you to pay attention.

**SIC:** 3571 Electronic computers

**IAC-NUMBER:** IAC 07115069

**IAC-CLASS:** Computer; Magazine; Trade & Industry

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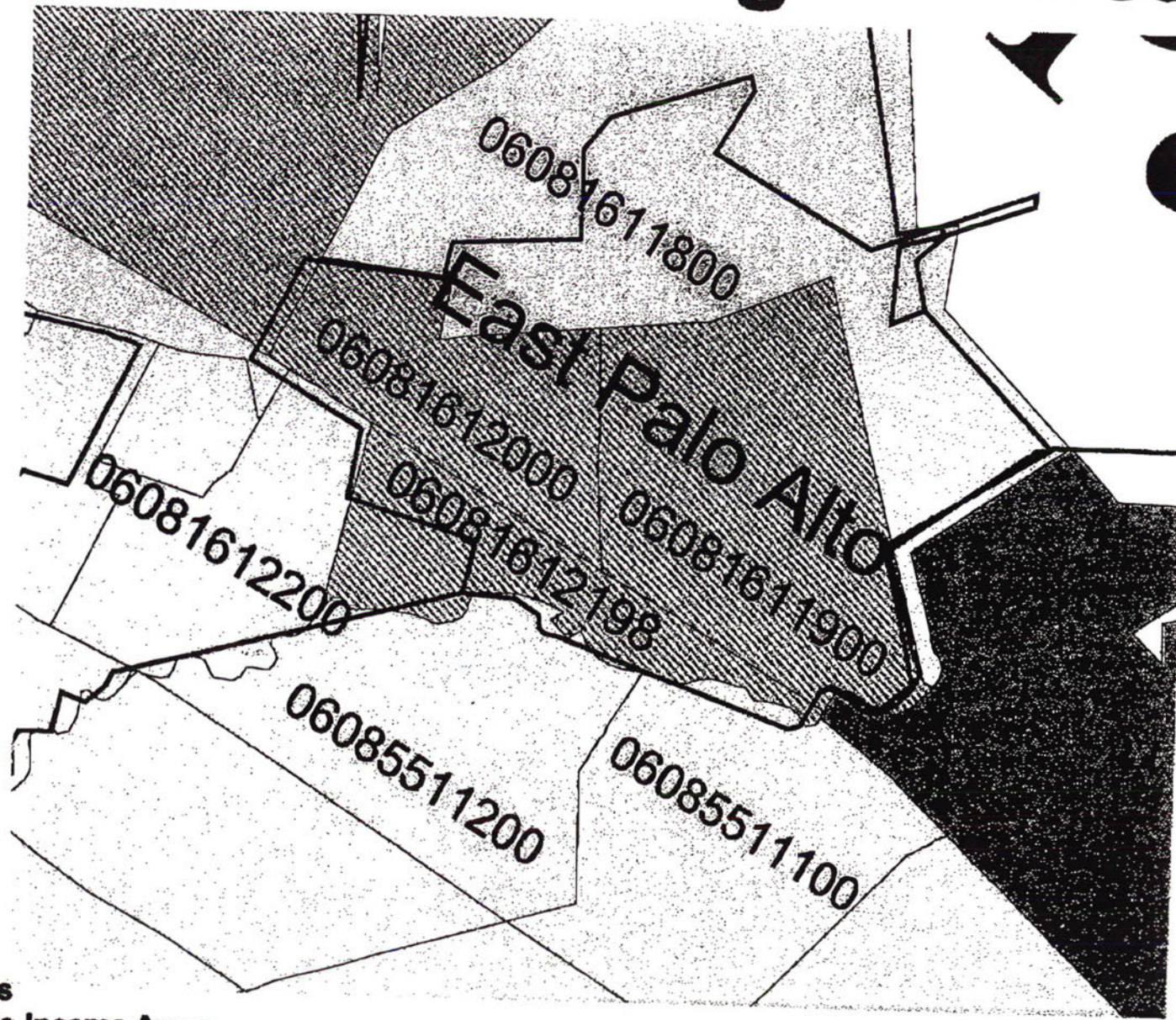
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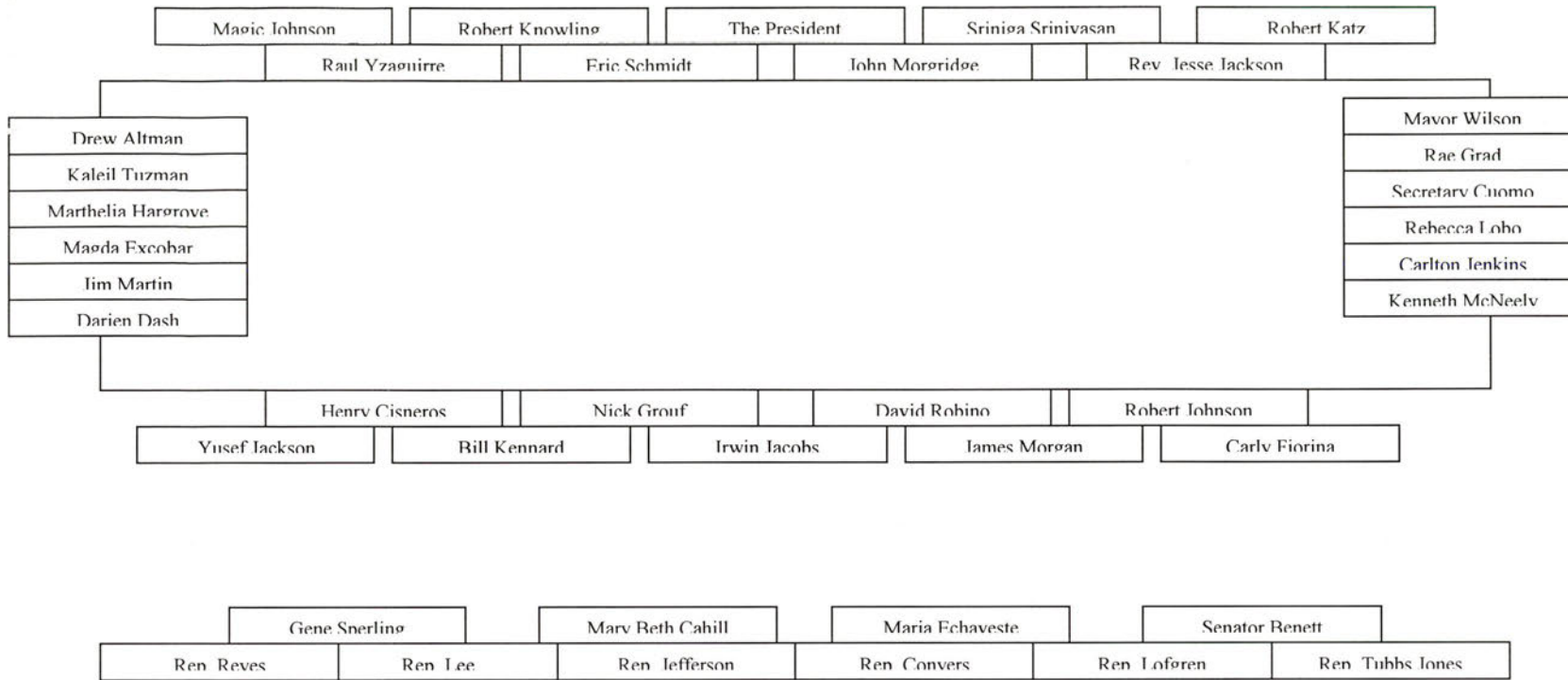
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# East Palo Alto Eligible Areas



-  census tracts
- Low- and Moderate-Income Areas**
-  New Market Eligible Only
-  CCII Poor Neighborhood Only
-  New Market Eligible and CCII Poor Neighborhood





## DIGITAL DIVIDE POLICY BOOK

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**New Markets Tax Credit:  
Spurring Investment for Business Growth in Urban and Rural Communities**

President Clinton's FY 2000 budget includes a "New Markets Tax Credit" to help spur \$6 billion in private sector investment for business growth in low and moderate income rural and urban communities. Businesses in our nation's inner cities and isolated rural communities often lack access to equity capital to grow and succeed. To help attract new capital to these businesses, President Clinton is proposing a new tax credit for equity investments in these communities. Investors would be able to claim a tax credit worth 25 percent of the amount invested, in present-value terms. Investments in a wide range of investment vehicles focused on serving these communities would be eligible for the credit. Over the next five years, these funds would be able to attract an aggregate of \$6 billion in new equity capital eligible for the tax credit.

*What investment funds can use the tax credit?* To provide flexibility and attract a range of investors, investments in a wide range of vehicles would qualify. Under the proposal, the Treasury Department would allocate tax credits to investment vehicles whose primary mission is to serve low and moderate income communities. These might include community development banks or venture funds, community development corporations (including for-profit subsidiaries of nonprofits), small business investment corporations focused on low and moderate income communities, funds established under SBA's new programs - America's Private Investment Companies and New Market Venture Capital Firms - or other investment funds set up to serve low and moderate income communities. Tax credits could also be provided for investments in designated national or regional funds that, in turn, invest in local community development funds. Similarly, tax credits could be provided for secondary market investments for qualified purposes.

*What businesses would qualify?* The designated investment entities would make their own decisions, based on local knowledge and expertise, about what investments or loans to make to help create and grow businesses in low and moderate income communities, subject to certain rules designed to ensure that the businesses are operating in these communities. A wide range of businesses could be funded by these investment entities, from small technology firms to inner city shopping centers, from manufacturers with hundreds of employees, to retail stores.

*How would the tax credit work?* Investment funds would apply for designation. Designated entities would be given the authority to allocate a given amount of tax credits to investors. The entities would use the tax credits to attract investment capital, and then provide the investors with tax credit authorizations, worth approximately 25 percent of their investment (in present-value terms). On their tax returns, the investors would claim a 6 percent tax credit for each of five years of a mandatory minimum holding period on their investment. The investment funds would report to the Treasury Department on the tax credit allocations made and on the use of the investment for qualified purposes.

"The New Markets Tax Credit is the most significant proposal for the economic development of distressed urban and rural communities in a generation." Michael Rubinger, President and CEO of Local Initiatives Support Corporation (LISC)

## PROVIDE NEW MARKETS TAX CREDIT

### Current Law

In general, there are limited tax incentives for investing and making loans to businesses in low-income communities. For example, current law provides for targeted tax incentives that are intended to encourage investment in specialized small business investment companies that are licensed by the Small Business Administration to make loans to, or equity investments in, small businesses owned by persons who are socially or economically disadvantaged.

### Reasons for Change

Businesses in our nation's inner cities and isolated rural communities often lack access to equity capital to grow and succeed. To help attract new capital to these businesses, a new tax credit for equity investments in these businesses is proposed.

### Proposal

In general.—Taxpayers would be allowed a credit against Federal income taxes for qualified investments made to acquire stock or other equity interests in a selected community development entity. The credits would be allocated to selected community development entities by the Department of Treasury, pursuant to regulations to be issued by that Department. For each year during the period 2000-2004, the Treasury Department would be permitted to authorize selected community development entities to issue an aggregate of \$1.2 billion of equity interests with respect to which credits could be claimed under the proposal (a total of \$6 billion of new equity investment). If the selected community development entity fails to sell equity interests to investors up to the amount authorized within five years of the authorization, then the remaining authorization would be canceled, and the Treasury Department would have up to two years to authorize another community development entity to issue equity interests for the unused portion.

The credit allowed to the investor (either the original purchaser or a subsequent holder) would be a six-percent credit for each year during the five-year period after the equity interest is purchased from the selected community development entity. A taxpayer holding a qualified investment would be entitled to a credit on each credit allowance date (meaning each one-year anniversary, during a five-year period, of the date the investment was originally purchased from the community development entity). The taxpayer's basis in the investment would be reduced by the amount of the credit. The credit would be subject to the general business credit rules.

Qualified investments.—“Qualified investments” which entitle the investor to a credit must be common stock or other similar equity interest acquired from a selected community development

entity in exchange for cash.<sup>7</sup> The stock or other equity interest must not be redeemed (or otherwise cashed out) by the selected community development entity for at least five years. Substantially all the proceeds of the investment must be used by the community development entity to make "qualified low-income community investments," meaning equity investments in, or loans to, qualified active businesses located in low-income communities.<sup>8</sup> Qualified low-income community investments could be made directly by a selected community development entity, or could be made indirectly through another community development entity.<sup>9</sup>

Community development entities.—"Community development entities" that could apply for credit allocations would include (but would not be limited to) Community Development Financial Institutions, Community Development Corporations, Small Business Investment Corporations-LMIs, New Market Venture Capital Firms, America's Private Investment Corporations, or other investment funds (including for-profit subsidiaries of nonprofit organizations). To be selected for a credit allocation, the community development entity's primary mission must be serving or providing investment capital for low-income communities or low-income persons, the entity must maintain accountability to residents of low-income communities (through representation on governing or advisory boards, or otherwise), and at least 60 percent of the aggregate gross assets of the entity must be invested in "qualified low-income community investments" or residential property located in low-income communities.<sup>10</sup>

As part of the credit allocation process, the Treasury Department would certify entities as eligible "community development entities." Certified entities would be required to file annual

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<sup>7</sup> To ensure that credits are available only for new equity investments in selected community development entities, the term "qualified investment" would not include any stock or other equity interest acquired from a community development entity which made a substantial stock redemption or distribution (without a bona fide business purpose therefor) in an attempt to avoid the purposes of the proposal.

<sup>8</sup> If at least 85 percent of the aggregate gross assets of the community development entity are invested (directly or indirectly) in equity interests in, or loans to, qualified active businesses located in low-income communities, then there would be no need to trace the use of the proceeds from the particular stock (or other equity ownership) issuance with respect to which the credit is claimed.

<sup>9</sup> A community development entity would be treated as indirectly making "qualified low-income community investment" when it purchases loans previously made by another community development entity which, in turn, uses the proceeds from the transaction to provide additional capital to qualified active businesses located in low-income communities.

<sup>10</sup> Expenditures made by a community development entity to provide financial counseling and certain other services to businesses located in, and residents of, low-income communities would also be treated as "qualified low-income community investment."

reports demonstrating that they continue to meet all the requirements for initial certification, and would be required to identify the amount (and purchasers) of equity interests with respect to which allocated credits may be claimed by the purchaser and to demonstrate that the entity monitors its investments to ensure that capital is used in low-income communities.

If an entity fails to be a community development entity during the five-year period following the taxpayer's purchase of an equity interest in the entity, or if the equity interest is redeemed by the issuing entity during that five-year period, then any credits claimed with respect to the equity interest would be recaptured and no further credits would be allowed.

Low-income communities.—For purpose of the credit, "low-income communities" would be defined as census tracts with either (1) poverty rates of at least 20 percent (based on the most recent census data), or (2) median family income which does not exceed 80 percent of metropolitan area income (or for a non-metropolitan census tract, 80 percent of non-metropolitan statewide median family income).

Qualified active businesses.—“Qualified active businesses” generally would be defined as businesses<sup>11</sup> which meet the following requirements: (1) at least 50 percent of the total gross income of the business is derived from the active conduct of trade or business activities in low-income communities; (2) a substantial portion of the use of the tangible property of such business is used within low-income communities; (3) a substantial portion of the services performed for such business by its employees are performed in low-income communities; and (4) less than 5 percent of the average of the aggregate unadjusted bases of the property of such business is attributable to certain financial property (e.g., debt, stock, partnership interests, options, futures contracts) or to collectibles (other than collectibles held primarily for sale to customers).

For purposes of the credit, there would be no requirement that employees of a “qualified active business” be residents of the low-income community. Rental of improved commercial real estate located in a low-income community (e.g., an office building or shopping mall) would be a qualified active business, regardless of the characteristics of the commercial tenants of the property. In addition, a qualified active business that receives a loan from a community development entity could include an organization that is organized and operated on a non-profit basis. The purchase and holding of unimproved real estate would not be a qualified active business. In addition, a qualified active business would not include (a) any business consisting predominantly of the development or holding of intangibles for sale or license; (b) operation of any facility described in sec. 144(c)(6)(B) (e.g., commercial golf course, country club, massage parlor, hot tub facility, suntan facility, liquor store); or (c) any business if a significant equity interest in such business is held by a person who also holds a significant equity interest in the community development entity.


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<sup>11</sup> As under current-law section 1394(b)(3)(D), the term “qualified active business” would include any trade or business which would qualify as such a business if the trade or business were separately incorporated.

Regulatory authority.—The Treasury Department would be granted authority to prescribe such regulations as may be necessary or appropriate to carry out the purposes of the proposal, including regulations limiting the benefit of the proposed tax credit in circumstances where investments are directly or indirectly being subsidized by other Federal programs (e.g., low-income housing credit and tax-exempt bonds), and regulations preventing abuse of the credit through the use of related parties. The Treasury Department would issue regulations describing the certification process for community development entities, annual reporting requirements for such entities, and application of the low-income community investment requirements to start-up entities.

Effective date.—The proposal would be effective for qualified investments made after December 31, 1999.

**NEW MARKETS TAX CREDIT:  
SPURRING INVESTMENT FOR BUSINESS GROWTH IN URBAN AND RURAL  
COMMUNITIES  
Summary**



President Clinton's FY 2000 budget includes a "New Markets Tax Credit" to help spur \$6 billion in private sector investment for business growth in low and moderate income rural and urban communities. Businesses in our nation's inner cities and isolated rural communities often lack access to equity capital to grow and succeed. To help attract new capital to these businesses, President Clinton is proposing a new tax credit for equity investments in these communities. Investors would be able to claim a tax credit worth 25 percent of the amount invested, in present-value terms. Investments in a wide range of investment vehicles focused on serving these communities would be eligible for the credit. Over the next five years, these funds would be able to attract an aggregate of \$6 billion in new equity capital eligible for the tax credit.

*What investment funds can use the tax credit?* To provide flexibility and attract a range of investors, investments in a wide range of vehicles would qualify. Under the proposal, the Treasury Department would allocate tax credits to investment vehicles whose primary mission is to serve low and moderate income communities. These might include community development banks or venture funds, community development corporations (including for-profit subsidiaries of nonprofits), small business investment corporations focused on low and moderate income communities, funds established under SBA's new programs - America's Private Investment Companies and New Market Venture Capital Firms - or other investment funds set up to serve low and moderate income communities. Tax credits could also be provided for investments in designated national or regional funds that, in turn, invest in local community development funds. Similarly, tax credits could be provided for secondary market investments for qualified purposes.

*What businesses would qualify?* The designated investment entities would make their own decisions, based on local knowledge and expertise, about what investments or loans to make to help create and grow businesses in low and moderate income communities, subject to certain rules designed to ensure that the businesses are operating in these communities. A wide range of businesses could be funded by these investment entities, from small technology firms to inner city shopping centers, from manufacturers with hundreds of employees, to retail stores.

*How would the tax credit work?* Investment funds would apply for designation. Designated entities would be given the authority to allocate a given amount of tax credits to investors. The entities would use the tax credits to attract investment capital, and then provide the investors with tax credit authorizations, worth approximately 25 percent of their investment

(in present-value terms). On their tax returns, the investors would claim a 6 percent tax credit for each of five years of a mandatory minimum holding period on their investment. The investment funds would report to the Treasury Department on the tax credit allocations made and on the use of the investment for qualified purposes.

"The New Markets Tax Credit is the most significant proposal for the economic development of distressed urban and rural communities in a generation." Michael Rubinger, President and CEO of Local Initiatives Support Corporation (LISC)

*New Markets Summaries - All.rtf*

# New Markets Tax Credit

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Hold - create  
- benefiting  
of the credit

“Businesses must have equity capital before they are considered viable candidates for debt financing... Continued efforts to develop the markets for private equity investments will be rewarded by an innovative and productive business community. This is especially true in lower income communities, where the weight of expansive debt obligations on small firms can severely impede growth prospects...”

*Alan Greenspan, Federal Reserve Board Chairman*

# New Markets Tax Credit

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“I remember from my time on Wall Street that there really had been no practical means, even for professional investors, to invest in inner cities even if they wished to do so. Hopefully the creation of CDFI and other vehicles, and this new tax credit, will interact to make investment opportunity more readily available and to provide incentive for such investment.”

*Robert E. Rubin, U.S. Treasury Secretary*

# BUSINESSLINC

## Summary

In the six years since President Clinton took office, the economy has created 17.7 million new jobs. Yet even during one of the greatest periods of sustained economic growth in American history, we still have not achieved true equality of opportunity. Concentrations of poverty and joblessness continue to have a devastating effect on the social and economic fabric of communities across the country. This lack of opportunity is at the heart of our deepest social divisions.

The evidence strongly suggests that there are attractive business opportunities in underserved rural and inner city communities that are not being met. One of the most critical needs of these communities is access to technical assistance.

The President's BusinessLINC Initiative is designed to encourage and support mentoring relationships between businesses. This will improve the commercial prospects of small businesses and ensure that the opportunity to stimulate job growth, neighborhood revitalization and economic development of America's untapped new markets are not lost.

BusinessLINC is a key component of the president's New Markets Initiative. It complements SBA's existing small business counseling programs and encourages small business expansion by providing mentoring and technical assistance from larger businesses.

### **BusinessLINC Initiative**

The BusinessLINC Initiative is a new partnership between the Federal government and America's business community to encourage large businesses to work with small business owners and entrepreneurs, especially in America's rural areas and inner cities. BusinessLINC, which stands for Learning, Information, Networking, and Collaboration, is designed to stimulate business-to-business relationships that will produce one-on-one technical advice and consulting, classroom and group training, peer group consulting, strategic alliances, and supplier and marketing development for small businesses.

BusinessLINC will help facilitate the technical advice and assistance, access to resources and personal contacts that are necessary for small businesses to compete successfully.

The SBA and the Department of Treasury will jointly create mentor-protégé programs. The Treasury Department program - Success Partnerships - will help increase the participation of small, disadvantaged and women-owned businesses as contractors and subcontractors by offering technical advice, financial and management skills, endorsement credibility, and one-on-one advice from large companies. The SBA counterpart will seek to enhance the capabilities of participants in the Agency's 8(a) business development program, and to improve their ability to compete and receive Federal Government contracts. In addition, SBA will expand ACENet (Angel Capital Electronic Network), which helps link minority and women-owned businesses with investment capital.

SBA will recruit national and local organizations to advocate BusinessLINC strategies through their

networks, and encourage companies to 1) build them into their core business strategies, 2) disseminate best practices, 3) create forums for businesses to exchange information and practices, and 4) support an Internet website to encourage BusinessLINC activities.

SBA will assemble a BusinessLINC leadership coalition of experts, comprised of both public and private sector representatives. The coalition will work to expand business-to-business relationships between large and small businesses and will provide businesses with on-line information, resources, and a database of companies with an interest in mentor or protégé programs ([www.businesslinc.sba.gov](http://www.businesslinc.sba.gov)).

SBA also will support activities throughout the Country that foster direct business relationships between larger and smaller firms on specific projects.

The Federal Government's HUBZone Empowerment Contracting program also will support the BusinessLINC initiative. Under the HUBZone program, up to \$6 billion in new federal contracts will be targeted to small businesses and distressed areas by the year 2000. In addition, it will widen the pool of potential government contractors and create an estimated 25,000 new jobs in more than 7,000 rural and inner city communities.

Several large private sector firms have already committed resources to the project. Those include:

- GE Capital will expand its Small Business Colleges, which offer business advice to entrepreneurs in distressed areas, and to open a fifth college in St. Louis and a new pilot program for women business owners in Washington, D.C.
- Science Applications International Corporation (SAIC) will execute joint marketing agreements with small businesses and support relationships with small businesses in the new HUBZone areas.
- Chase Manhattan Bank will create a new program that will connect its senior bank officers with women and minority small business owners, and a new partnership with the National Association of Black Management Consultants.
- Bell Atlantic will spend \$1.8 billion, through a partnership with SBA, to increase purchasing and subcontracting with minority and women-owned businesses.

**BusinessLINC:****Business-to-Business Relationships that Increase the Economic Competitiveness of Firms**  
*January 15, 1998*

Today, Treasury Secretary Robert E. Rubin and SBA Administrator Aida Alvarez announced that the Administration's FY 2000 budget includes seed funding of \$3 million to expand BusinessLINC to new markets in economically distressed communities around the country.

In June 1998, Vice President Al Gore launched BusinessLINC -- Learning, Information, Networking, and Collaboration, and asked Secretary Rubin and Small Business Administration Administrator Alvarez to lead the effort. BusinessLINC is a unique partnership between the federal government and America's business community to encourage large businesses to work with small business owners and entrepreneurs, in order to improve the economic competitiveness of smaller firms located in distressed areas, both urban and rural.

As a part of the initiative's efforts to gather information on current efforts encouraging business-to-business linkages, a series of six regional meetings were held in Atlanta, Cleveland, Chicago, Dallas, Los Angeles, and New York. The regional meetings, which included participation by business leaders from both large and small companies; local business and civic organizations; and federal, state and local government officials, served as forums to spark further interest from the private sector community, share information about their business-to-business partnerships and mentor-protégé programs, and exchange ideas and best practices.

Vice President Gore released a report on successful corporate strategies, *BusinessLINC: Business-to-Business Relationships that Increase the Economic Competitiveness of Firms*, at the second White House Business and Entrepreneurial Roundtable on December 16, 1998. At the Roundtable, leading businesses announced new BusinessLINC initiatives, including BankBoston; Bell Atlantic; Chase Manhattan Bank; Delilah's Southern Cuisine; GE Capital; ITC Personnel Services; Lazo Technologies; McDonald's Corporation; Science Applications International Corporation; and Trumark Metal Stamping.

Vice President Gore also announced a new private sector BusinessLINC leadership coalition; a Treasury mentor-protégé program -- *Success Partnerships*; and a BusinessLINC website ([businesslinc.sba.gov](http://businesslinc.sba.gov)) that will serve as a national database for small and large companies and intermediaries to identify business linkages. The \$3 million in new funding will leverage these private sector efforts to spur BusinessLINC at the national and local level, to bring vital business expertise to economically distressed communities across the country.

The benefits to large and small firms from BusinessLINC can be significant. Smaller firms can use these strategies to obtain technical assistance and management development, leverage core strengths, access new sources of financing, increase marketplace credibility, and enter into subcontracts and joint ventures. Larger companies may use BusinessLINC to reach new markets, partner with agile companies, create a strong supplier base, thrive in industries that call for inter-firm collaboration, and create a stronger community and overall business environment.

**BusinessLINC: Learning, Information, Networking and Collaboration**  
**Business-to-Business Relationships**  
**that Increase the Economic Competitiveness of Firms**

**A Report to Vice President Al Gore**

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## Executive Summary

Vice President Al Gore launched an initiative in June 1998 called "BusinessLINC"— Learning, Information, Networking, and Collaboration — to galvanize business-to-business relationships that build the competitive strengths of small businesses, especially those located in economically distressed urban and rural areas. The Vice President asked Treasury Secretary Robert E. Rubin and U.S. Small Business Administration's Administrator Aida Alvarez to co-chair the effort to research business-to-business advisory services in all contexts and to suggest how best practices could be applied in urban and rural economically distressed communities.

Small businesses are critical to job growth and the economic vitality of the United States. Of the approximately 6.6 million employers in the U.S., over 5.5 million are businesses that employ fewer than 100 employees.<sup>1</sup> Small businesses with fewer than 100 employees employ over 37 percent of all full-time employees.<sup>2</sup> As America grows more diverse, the face of small business is also changing: in the most recent survey of business ownership prepared by the Bureau of Census, the number of minority-owned small businesses grew at a 62 percent rate while the total number of firms grew 26 percent, from 1987 to 1992. Yet relatively little attention has been paid to the ways that business relationships with larger firms can help smaller firms thrive and compete effectively.

The Department of the Treasury and the Small Business Administration, in partnership with other Federal agencies, held a series of BusinessLINC Regional Meetings across the country with over 500 business people, civic leaders and practitioners in the summer and fall of 1998. In addition, Treasury staff have conducted additional research, including in-depth interviews with experts from corporate and civic organizations, to learn from a wide array of experience. Because there has been little academic research on this topic, Treasury also contracted with Harvard Business School Professor Michael Porter's research and consulting firm, the Initiative for a Competitive Inner City, which has expertise in business strategy and economic development, to conduct additional research and develop detailed case studies of several business-to-business relationships. Finally, members of a CEO working group put together by Secretary Rubin, and outside expert reviewers, provided additional material and extensive input for the report. The report is based on our findings from these meetings, interviews and additional research.

Our work suggests that business-to-business relationships -- which include learning, information-sharing, networking among firms and intermediaries, and collaboration on specific projects— can be essential to business success and a vital resource to help economically distressed

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<sup>1</sup> U.S. Census Bureau, U.S. Firms, Establishments, Employment, Annual Payroll, and Estimated Receipts by Industrial Division and Enterprise Employment for 1995.

<sup>2</sup> Office of Advocacy, U.S. Small Business Administration, from data provided by the U.S. Department of Commerce, Bureau of the Census, March 1997 Current Population Surveys.

communities. Both companies and individual business professionals can bring their expertise and resources to bear through BusinessLINC activities. As Michael Porter has stated, "business-to-business connections, whether they be in training, purchasing, mentoring, or supplier relationships, are the most precious resource companies can contribute. A network of business relationships and sources of advice is critical to any company's success."<sup>3</sup>

Based on the meetings, interviews and research conducted as part of the BusinessLINC initiative, this report for the first time catalogs these corporate relationships ("BusinessLINC strategies"), sets forth the lessons to be learned from them, and presents an action agenda for businesses to create more BusinessLINC relationships -- at the individual business level, in local initiatives and at the national level.

*"Chase has long recognized that the growth and strength of small businesses is a key element to the overall health and vitality of our communities and of our own business success in those communities."*  
 — Walter V. Shipley, Chairman, The Chase Manhattan Corporation

The Regional Meetings also illustrated how BusinessLINC strategies can have an important impact on distressed areas. An objective of this report is to encourage businesses outside economically distressed communities to enter into partnerships with businesses in these areas. The action agenda is designed to provide a blueprint for allowing the benefits of BusinessLINC strategies to reach more small and large businesses, particularly those in economically distressed areas.

Companies enter these business-to-business collaborations to further their business objectives. The report presents how companies are creating profitable opportunities with smaller firms as part of their business strategy. For example,

- Turner Construction operates a nationwide training program that has trained over 7,000 construction subcontractors, providing Turner with high-quality low-cost suppliers;
- The North Texas Commission and the Dallas/Fort Worth Minority Business Development Council annually match 35-40 entrepreneurs with corporate mentors to advance the growth of small minority and woman-owned companies and also to benefit the mentors;
- Chase Manhattan Bank's Business Resource Centers have counseled over 5,000 small business owners directly or through referrals to outside professionals,

<sup>3</sup> Porter, Professor Michael E., "The Next Agenda for America's Cities: Competing in a Global Economy," First Annual James W. Rouse Lecture, June 24, 1997.

resulting in more than \$38 million in loans to more than 500 small businesses; and

- The Women's Network for Entrepreneurial Training program, operating from the Boise, Idaho SBA District Office since 1995, has served over 1,000 women business owners with assistance through mentoring roundtables.

The benefits to both large and small companies from BusinessLINC practices can be significant, as discussed in Chapter I. Smaller firms can use BusinessLINC strategies to enhance their capability and their capacity through:

- obtaining technical advice;
- enhancing management development;
- leveraging core strengths;
- accessing sources of financing;
- increasing marketplace credibility; and
- entering subcontracts and joint ventures.

Larger companies may see benefits such as:

- reaching new markets;
- partnering with agile companies;
- cultivating a world-class supplier base;
- thriving in industries that call for inter-firm collaboration; and
- creating stronger communities and a stronger business environment.

Based on our extensive interviews, we found that the major participants in business-to-business relationships often are: (1) corporations that rely on smaller companies as suppliers and sales channels; (2) financial institutions; (3) business-led membership organizations; (4) specialized nonprofits; and (5) individual business professionals. We discuss this more fully in Chapter II, along with the range of partner firms. Although this report primarily focuses on BusinessLINC strategies used by corporations, these activities are often led by entrepreneurial individuals within firms. Individual business professionals may be interested in applying the ideas in this report within their company or through the intermediary organizations mentioned above.

In Chapter III, we classify this range of business-to-business relationships into five basic strategies: (1) one-on-one technical assistance and consulting; (2) classroom and group training; (3) peer groups and boards of advisors; (4) supplier development and strategic alliances; and (5) sales channel development.

No matter which BusinessLINC strategy was used, firms and practitioners who were interviewed repeated many of the same keys to successful BusinessLINC strategies, discussed in Chapter IV:

- The business-to-business relationship must be mutually beneficial -- a "win-win" for both firms. These BusinessLINC have the hallmarks of a serious business relationship -- a

focus on business outcomes, commitment, efficient and effective interactions, and accountability.

- The greatest benefits of BusinessLINC relationships come over a long term and often in unanticipated ways. BusinessLINC relationships rarely generate large profits in the short-term, but often provide real benefits over time.
- The business must be committed to the relationship at both the top management and staff levels, with appropriate incentives for performance.
- Successful business-to-business relationships often rely on successful personal relationships. People often tend to do business with people they like and trust. BusinessLINC strategies are a method for finding and developing common business goals and capacities, and developing trust and personal ties.

Chapter V focuses on the role of intermediary organizations – specialized nonprofits and business-led membership organizations – in forging and supporting BusinessLINC. These organizations can provide the necessary local market knowledge and business skills to maximize a company's investment in BusinessLINC strategies.

*"General Motors believes a positive working relationship between small and large businesses is crucial to the development of healthy, vibrant communities. By working together, small and large companies can learn from each other, benefit from each other, and provide the economic growth needed for communities to flourish."*  
 -- John E. Smith, Jr., CEO, General Motors

In particular, these strategies can have force in economically distressed communities, as is discussed more fully in Chapter VI. Successfully partnering with businesses in distressed communities requires the same type of local market knowledge – about the companies, about the marketplace, and about the competitors – as it does to penetrate any new market. Although there are important challenges to BusinessLINC with firms in these communities, there are also real business opportunities. Secretary Rubin has said, "these BusinessLINC relationships can play an important role in helping firms in economically distressed communities to grow and succeed."

A number of companies and organizations target their efforts to foster business-to-business relations in economically distressed areas. For example,

- GE Capital's Small Business College is an 11-week structured networking and educational seminar for small business owners that partners with organizations that reach local firms in distressed areas, such as the Port Authority of New York and New Jersey, and Public Service Electric & Gas of New Jersey.

- Coastal Enterprises in rural Wiscasset, Maine provides technical assistance and financing to small businesses, having loaned or invested \$50 million in 1,000 ventures and provided training and technical assistance to roughly 4,000 women-owned businesses. Coastal Enterprises facilitates peer networks and advisory boards for owners, in conjunction with training or individual consultation.
- Baltimore Advisors is a privately funded nonprofit whose mission is to increase employment in Baltimore by strengthening companies with annual sales from \$1 million to \$20 million. A network of corporate partners, comprised of business professionals and owners and mid- to large-size businesses provides one-on-one direct work, group strategy sessions and advisory boards.

Distressed urban and rural areas face a number of challenges. Businesses often must deal with outsiders' lack of market information about the local business community and its resources; outsiders' preconceived stereotypes of businesses, workers or consumers located in poorer areas; and the limitations business owners in these areas may face due to their isolation from mainstream business networks.

Despite these barriers, certain advantages may enhance business opportunities for firms interested in investing in, or linking with, smaller firms in these communities. Michael Porter suggests that inner cities have four basic competitive advantages: strategic location near

business, transportation or communication networks; unmet local customer demand in high density areas; committed and available workforce; and integration with regional industries and clusters.<sup>4</sup> Likewise, in rural areas, latent competitive advantage may be found in proximity to natural and extractive resources, availability of developable sites, and human resources.

*"GE Capital views the GE Capital Small Business College as a sound investment in the communities it serves. It yields stronger small businesses, enhanced employment, improved economic conditions, and the potential for future business partnerships with our company"* — Gary Wendt, CEO, GE Capital

At the Regional Meetings and follow-up interviews, most successful examples of BusinessLINC activity in economically distressed communities involved the use of intermediaries brokering business-to-business connections. In Chapter VI, this report identifies special considerations and recommendations for BusinessLINC initiatives in economically distressed areas:

- Partner with a skilled intermediary organization to fill market information gaps, supplement skill training and build trust;
- Profile the business community and its existing support organizations;
- Access to new customers and new markets is critical;

<sup>4</sup> "The Competitive Advantage of the Inner City," *Harvard Business Review*, May/June 1995.

- Create a long-term growth plan to provide useful encouragement; and
- Consider the full range of skills distressed-area businesses will need to grow.

BusinessLINC concepts also part of the first Roundtable in June, including the announcement by Pam Aguirre, CEO of Mexican Industries, that her firm had undertaken two joint ventures with larger firms in the automotive industry that would strengthen all the firms involved. These ventures continue to move forward today, and this report reviews a much wider range of BusinessLINC strategies.

Treasury Secretary Rubin and SBA Administrator Alvarez transmitted this BusinessLINC report at the second in a series of White House Business and Entrepreneurial Roundtables on Community Empowerment. At this Roundtable, the Vice President announced a series of initiatives to implement BusinessLINC:

Secretary Rubin explained that the Administration would launch:

- a new BusinessLINC website developed by Treasury and to be maintained by SBA that will allow businesses to identify local resources for BusinessLINC activity, success stories, and interested small and large companies;
- the launch of a Departmental BusinessLINC program to encourage these business relationships in its own procurement practices;
- To carry on BusinessLINC in the private sector and apply the expertise gathered in this report, Secretary Rubin acknowledged the creation of a new coalition of organizations that will take up the Action Agenda. Participating organizations include the Business Roundtable, the National Minority Supplier Development Council, the Conference Board, the National Black Chamber of Commerce, the U.S. Hispanic Chamber of Commerce, National Association of Women Business Owners, the Women's Business Enterprise National Council, the National Association of Minority Contractors, and the National Congress for Community Economic Development;
- A number of local organizations in the cities where we held regional meetings have also agreed to foster BusinessLINC in their communities:

New York City: American Women's Economic Development, Asian Women in Business, Chase Manhattan Bank, New York City Partnerships & Chamber of Commerce.

Cleveland: Cleveland Regional Minority Purchasing Council - Greater Cleveland Growth Association.

Dallas: Dallas-Ft. Worth Minority Business Development Council, GTE, North Texas Commission, North Texas Women's Business Council.

Los Angeles: Asian, Inc., UCLA School of Public Policy and Social Research, Vermont Slauson Economic Development Corporation.

Chicago: Chicago Association of Neighborhood Development  
Organizations, Chicagoland Chamber of Commerce.  
Washington, DC: The Greater Washington Board of Trade.

SBA Administrator Alvarez stated that "SBA has made a strategic commitment to increasing access to its programs by these new, emerging small business communities. SBA is committed to increasing economic opportunity for all Americans." SBA helps small businesses succeed by acting as an intermediary for capital, counseling, contracting, and networking for small businesses. Administrator Alvarez explained the SBA announcements:

- The launch of the HUB Zone program to provide Federal contracting opportunities for qualified small businesses in distressed communities. The SBA expects that HUBZone contracting will equal roughly \$2 billion in FY 1999 and increase to almost \$6 billion in 2003.
- The approval of the first formal mentor-protégé relationship before the first of the year under SBA's new 8(a) Mentor-Protege Program to enhance the capacity of these firms and improve their ability to receive federal contracts.
- The development of a new on-line "Small Business Classroom" for training and informing entrepreneurs on how to raise capital, how to write a business plan, and how to reach counselors and mentors.
- The expansion of ACENet (Angel Capital Electronic Network) that will help minority- and women-owned businesses to access investment capital.

Companies also announced several new BusinessLINC activities including:

- Bell Atlantic will target \$1.8 billion in direct purchases and subcontracts to small businesses by the year 2000, pursuant to a Memorandum with the SBA. Bell Atlantic will also formally mentor at least three companies each year.
- Science Applications International Corporation (SAIC), with \$4 billion in sales, will sign joint marketing agreements with small businesses to pursue commercial contracts, applying its lessons learned from federal mentor-protege programs. In addition, SAIC will establish a high-level committee to examine how to develop relationships with small businesses in HUB Zones, Empowerment Zones and Enterprise Communities.
- Chase Manhattan Bank will open a Business Resource Center in the Bronx, its third BRC, to provide technical assistance to an estimated 500 small businesses per year. Chase will also offer in-depth, structured BusinessLINC assistance to selected Chase suppliers and other minority- and women-owned businesses from Chase's senior executives and the National Association of Black Management Consultants. Additionally, Chase will become a corporate sponsor of the new coalition promoting BusinessLINC activities.

- GE Capital will further extend its successful outreach for its four Small Business College sites (New York City, Newark, NJ, Philadelphia and Stamford, CT) with 200 graduates annually to small businesses in distressed areas. In the Spring of 1999, GE Capital will open a fifth College site, in St. Louis. GE Financial Assurance will pilot a new seminar series for women business owners in Washington DC, reaching an estimated 2,500 people in the first year.
- Trumark broke ground in the last month for a joint venture with Mackie Automotive Systems that will create over 300 jobs in Detroit's Empowerment Zone, an example of an increasingly common BusinessLINC strategy in the automotive industry. In addition, Trumark has enlisted the National Association of Black Automotive Suppliers to act as the BusinessLINC intermediary in the Detroit area to foster new BusinessLINC's.
- McDonald's, as part of its efforts to support small business entrepreneurship in central cities, facilitated the sale of 19 restaurants in Youngstown, Ohio, including inner city sites, to an African-American franchisee. McDonald's also announced that of the 125 applicants in training to be new McDonald's franchisees, 65% are minority and women, including 43 African-Americans, 13 Hispanic-Americans and 12 Asian Americans. Moreover, McDonald's reported that purchases from minority suppliers have more than quadrupled since 1997, putting such purchases at almost \$3 billion in 1998.

This report is intended to spark further efforts by the private sector, local organizations, and government, working together. To foster these initiatives, the report suggests a BusinessLINC Action Agenda, summarized on the next page and detailed in the final chapter.

## Summary of Action Agenda

### A. Starting Individual BusinessLINC

1. Consider objectives and desired outcomes.
2. Profile the potential BusinessLINC partners.
3. Learn about existing organizations and resources, public and private, that could complement the effort.
4. Formulate a BusinessLINC strategy for your company or organization, such as:
  - one-on-one technical advice and consulting,
  - classroom and group training,
  - peer groups and boards of advisors,
  - supplier development and strategic alliances, or
  - sales channel development.
5. Consider special factors in establishing BusinessLINC in economically distressed areas.

### B. Catalyzing More BusinessLINC at the National Level:

1. Recruit a coalition of organizations to advocate BusinessLINC strategies through their networks, and corporations to build into their core business strategies.
2. Disseminate BusinessLINC best practices and case studies, and create forums for businesses to exchange information and practices.
3. Develop a national award for leading BusinessLINC practices, and compose case studies of winning companies.
4. Create a seed fund that a national BusinessLINC coalition could award to local BusinessLINC initiatives focused on economically distressed areas.
5. Promote and support an Internet website to encourage BusinessLINC activity.

### C. Catalyzing more BusinessLINC at the Local Level:

1. Recruit local firms to employ BusinessLINC strategies.
2. Galvanize support to bolster local intermediary organizations, such as specialized nonprofits and business membership organizations, that foster BusinessLINC.
3. Target resources to enlist existing organizations that can encourage more BusinessLINC activity in economically distressed communities.

April 16, 2000

**REMARKS TO EAST PALO ALTO COMMUNITY AT PLUGGED IN**

**DATE:** April 17, 2000  
**TIME:** 8:35-10:05 am  
**LOCATION:** Plugged In, East Palo Alto, California  
**FROM:** Gene Sperling  
Mary Beth Cahill

**I. PURPOSE**

The focus of the event is on the importance of motivating and inspiring underserved youth to “get connected.” During the NBA All Star Summit that I attended and OPL briefings at the White House, there was a consistent theme--even though there is an increased supply of computers and Internet access, not enough has been done to demonstrate why gaining access to technology is so important.

This event will provide you with an opportunity to emphasize to young people, particularly in underserved communities, why technology is critical to their lives. You will be addressing an audience of 250 people, many of whom are youth from the East Palo Alto Community.

**II. BACKGROUND**

The East Palo Alto stop is your kickoff event. It is a low-income urban community in the heart of the Silicon Valley. Over 80 percent of the students in local K-8 schools are eligible for free or reduced priced lunches. The latest data available indicates that 24 percent of East Palo Alto school children live below federally designated poverty level. Despite its geographic proximity to Silicon Valley, the center of the high-tech world, East Palo Alto residents are struggling. Much of the community lacks the skills necessary to succeed in the technology-based economy. Going to East Palo Alto demonstrates that even in the shadow of Silicon Valley, there is still a substantial divide.

Members of Congress attending this event will be interspersed in the first two rows of the audience. The following Members of Congress will be attending this event:

Sen. Robert Bennett (R-UT)  
Rep. John Conyers (D-MI)  
Rep. William Jefferson (D-LA)  
Rep. Zoe Lofgren (D-CA)  
Rep. Silvestre Reyes (D-TX)  
Rep. Stephanie Tubbs Jones (D-OH)  
Rep. Tom Udall (D-NM)

This event will also be Webcast on the Internet-- young people will be hooked up to the event from schools and community technology centers in other parts of the country -- and will be able to e-mail you questions.

Upon arrival at Plugged In, YOU will immediately be greeted by Magda Escobar, Executive Director of Plugged In.

### III. PARTICIPANTS ON STAGE

YOU

Mayor of East Palo Alto, Sharifa Wilson  
Magic Johnson  
Rebecca Lobo, WNBA player from the NY Liberty  
Carly Fiorina, CEO of Hewlett-Packard  
Robert Knowling, CEO of Covad Communications  
Magda Escobar, Executive Director of Plugged In

### IV. SEQUENCE OF EVENTS

- Magic Johnson, Rebecca Lobo, Carly Fiorina and Robert Knowling will be announced off-stage and will be seated on stools on stage.
- YOU will be announced off-stage accompanied by Mayor Sharifa Wilson and Magda Escobar
- Mayor Wilson will make brief welcoming remarks and will introduce Magda Escobar.
- Magda Escobar will make brief remarks and introduce YOU (Mayor Wilson will leave the stage prior to your remarks and will be seated in the front row).
- YOU will make remarks and proceed to a your stool on stage.
- YOU will then ask **Magic Johnson** and **Rebecca Lobo** a question to frame the discussion on motivating youth to become technologically literate. A suggested question could be:

How do we get more young people inspired and motivated to embrace information technology -- not only as a user of the technology but as high-tech workers and entrepreneurs? What's the message that you think would be most effective?

- YOU will then turn to **Carly Fiorina** and ask her a question. Suggested questions:

Currently, only 20 percent of information technology professionals are women. If we're going to meet the growing demand for workers with IT skills -- we clearly need to get more women involved in the field. Do you have any ideas for how we might accomplish this? OR

Clearly, bridging the digital divide in communities like East Palo Alto isn't going to happen over night. What do you think are the right kinds of long-term relationships between a company and underserved communities that we should be encouraging?

- YOU will then turn to **Robert Knowling** and ask him a question. Suggested question:

What kind of jobs are available to young kids who are willing to devote the time to gaining IT skills?

- YOU will then proceed to open up and moderate an interactive discussion with the young people in the audience.
- There will be Plugged In staff in the audience and they will call on youth with questions for YOU, the stage participants, CEOs and community leaders on stage.
- YOU should call on the following people to help answer audience questions:
  - Reverend Jesse Jackson
  - Eric Schmidt, CEO Novell
  - Dr. Irwin Jacobs, CEO QUALCOMM
- YOU will turn to Magda and ask her if there is a question from our Internet audience.
- When it is time, Magda will announce to the audience that YOU have time for one more question.
- After this time, YOU will then close the discussion.
- YOU will work a rope line and depart the stage.

- YOU will then meet (site-TBD) briefly with the following people:

**Larry Irving**, Irving Communications

**John Doerr**, Kleiner Perkins

**Kim Smith**, New Schools Venture Fund

**Matt James**, Kaiser Family Foundation

**Vicki Rideout**, Kaiser Family Foundation

**Wade Randlett**, Red Gorilla

**Beth Inadomi**, Podesta Associates

**Garrett Gruener**, Alta Partners

**Charmin Smith**, Seattle Storm, WNBA (Played for Stanford)

**Kate Starbird**, Utah Starzz, WNBA (Played for Stanford. She has recently launched a start up computer graphics firm based in Palo Alto, CA)

**Ruthie Bolton-Holifield**, Sacramento Monarchs, WNBA (1996 Gold Medal winner, is on the 2000 Olympic team, visited White House and met YOU just prior to the 1996 Atlanta Olympic Games)

## V. COMMITMENTS FOR EAST PALO ALTO

The following are some of the key deliverables that you will be announcing in your remarks:

- The Kaiser Family Foundation And Black Entertainment Television will develop and produce Public Service Campaigns featuring celebrities and role models who will highlight their connections to technology and encourage young people to recognize ways that becoming technologically literate can open doors to them. Magic Johnson and Rebecca Lobo are the first celebrities to agree to appear in the PSA campaign. BET, MTV, NBC, ABC, CBS, TBS, TNT, UPN, Fox, the Cartoon Network, the Odyssey Network, the Disney Network and the WB have all agreed to join this effort by airing the PSAs.
- BET.com will produce and air on the BET Cable Network and the BET on Jazz Network PSAs encouraging African Americans to use the Internet and participate in the digital economy.
- Hewlett-Packard HP will invest up to \$15 million in products, partnerships and people in 3 underserved communities -- starting in East Palo Alto. HP's initiatives will focus on programs that serve adults and kids at home, in school, and through community centers. The HP @ School program will emphasize enhancing K-12 education through the use of technology. The HP @ Neighborhood Community Centers will help adults and kids before and after school to learn, communicate and explore using the Internet. And, the HP @ Home initiative will help families learn and grow together.

- Gateway Computers will announce the launch of its Teach America! program which pledges to train 75,000 teachers in technology literacy. Gateway will provide this training to all teachers in the East Palo Alto community.
- QUALCOMM has pledged \$25 million for digital divide projects. This commitment includes \$7 million to improve math and science education in San Diego schools through investments in educational technology and enhancing the math and science instructional skills of K-12 teachers.
- The PowerUp program will announce a major expansion of its successful program to give underserved youth access to technology and guidance on how to use it. PowerUP will have 250 new, fully-equipped and staffed sites by the end of 2000 with major support from AOL (100,000 free AOL accounts valued at \$26 million) and the Waitt Family Foundation (50,000 computers).
- Novell will donate \$20 million in software to non-profits devoted to helping underserved Hispanic populations.
- Applied Materials has pledged \$1 million to help provide "information for everyone", starting with the development of a high-tech job training center for the people of East Palo Alto in partnership with local government and Reverend Jesse Jackson's Rainbow/PUSH Coalition.

**V. PRESS COVERAGE**

Open

**VI. REMARKS**

To be provided by speechwriting.

**VII. ATTACHMENTS**

Biographies on Stage Participants  
List of CEOs and Community Leaders on Stage  
Draft Press Paper for East Palo Alto, California

## MAGDA ESCOBAR

### Plugged In

#### Professional Background

Magda Escobar is the Executive Director of Plugged In. She started her work at Plugged In in 1996 as Development Director. In February 1998, she became Co-Executive Director and was responsible for managing Plugged In. Magda started her career as a Team Leader at City Year Boston after graduating from Stanford in 1992. She consulted to the Commission on National and Community Service researching effective models for delivering technical assistance and training to national service programs around the country. She continued her work in national service by becoming the National Program Director at Public Allies in Washington DC. While there, she helped expand the program from two to six cities across the United States.

#### About Plugged In

Plugged In, established in 1992, is a community technology center with a mission to ensure that everyone in East Palo Alto California has the opportunity to fully benefit from all that the information revolution has to offer. Plugged In operates three programs: Plugged In Enterprises, Plugged In Greenhouse, and the Technology Access Center.

**Plugged In Enterprises** trains teenagers in the latest web design technology. The teenagers use their skills to operate a web design business that creates web pages for community members and paying commercial clients. Clients include Pacific Bell, OICW, and Sun Microsystems.

**Plugged in Greenhouse** is a creative arts and technology studio for the ideas and dreams of East Palo Alto children. It houses a variety of activities including an after-school program, classroom partnerships, and special projects based on educational themes.

**The Technology Access Center** is the community production studio, copy center, cyber-library, self-paced learning studio, and telecom center for East Palo Alto. It provides community members with access to computers, the Internet and information that helps them "get things done."

<p style="text-align: center;"><b>CARLY FIORINA</b> <b>Hewlett-Packard</b></p>
--

### **Professional Background**

Carly Fiorina is President and Chief Executive Officer of Hewlett-Packard. She is the first outsider ever brought in to run HP. Fiorina spent 20 years at AT&T and Lucent. Fiorina is an innovative manager who has refocused HP since joining the company in June, 1999. She has a bachelor's degree in medieval history and philosophy from Stanford University; a MBA from University of Maryland at College Park, Md.; and a Master of Science degree from MIT's Sloan School. Fortune recognized her as the "Most powerful woman in business" (1999). She is a member of the board of U.S. China Board of Trade and PowerUP.

### **About Hewlett Packard**

Founded in 1939 by Bill Hewlett and Dave Packard (in their garage), Hewlett Packard is a leading global provider of computing and imaging solutions and services. The company has 83,200 employees worldwide and had \$42 billion in sales last year. In 1999, the company was ranked 13 on the Fortune 500. Ms. Fiorina has said there are changes needed in Hewlett Packard's traditional culture to be made to maximize its opportunities and has launched a marketing campaign, the company's first in ten years, to address the problem of Hewlett Packard's "fragmented" marketing. The campaign is aimed at increasing awareness of the Hewlett Packard brand, which she said had been neglected in recent years. Ms Fiorina has also moved swiftly to install more incentives in the compensation system. A new system was put in place for the company's top 100 employees, linking their pay more closely to revenue and profit growth and total shareholder return.

### **HP and the Digital Divide**

Traditionally, they have been committed to philanthropic efforts that incorporate their commitment to bolstering math and sciences in the classroom. Specifically their primary focus with respect to their national grants is on math and science literacy and increasing opportunities for women and minorities. HP's vision is to help students be prepared to succeed in the workforce of the future by making math and science exciting and meaningful, giving all students the opportunity to succeed, and helping every child enter school ready to learn.

### **Commitment to the Digital Divide Trip**

HP will announce an investment of up to \$15 million in products, partnerships and people in 3 underserved communities -- starting in East Palo Alto. HP's comprehensive approach will focus on programs that serve adults and kids at home, in school, and through community centers.

## EARVIN "MAGIC" JOHNSON

### Professional Background

Since ending his professional basketball career, Magic Johnson has been dedicated to his vision that business ventures must have a redeeming social value.

**Basketball achievements:** Leading the Lakers to five NBA Titles; playing in 11 all-star games; and, playing with the original Dream Team that won a gold medal at the 1992 Olympics in Barcelona.

**Magic Johnson Enterprises:** This growing business empire includes Johnson Development Corporation, Magic Johnson Theatres, Magic Johnson All-Star Camps, Magic Johnson T's, and Magic Johnson Entertainment.

**Johnson Development Corporation:** This venture devotes its efforts toward revitalizing urban shopping centers by bringing employment opportunities and stimulating economic growth for future economic investment.

**Magic Johnson Theatres:** In partnership with Sony Retail Entertainment, has opened state-of-the-art multiplex screens in Los Angeles, Atlanta and Houston with others planned in New York, Chicago, Detroit, Cleveland, New Orleans, San Diego and Washington, DC.

### About the Magic Johnson Foundation

In 1991, the Foundation was established to raise funds for community-based organizations that deal with HIV/AIDS educational and prevention programs. The Foundation now awards grants to community-based organizations that deal with educational, health and social programs for America's youth. The Magic Johnson Foundation supports community-based organizations serving the health, educational and social needs of children residing in inner city communities. The foundation works to counteract the inner city cycle of desperation, poverty, violence and lack of personal skills that can destabilize a community.

**The Youth Entrepreneurial Project:** This initiative targets inner city youth who will intern with Earvin Johnson's existing companies through Magic Johnson Enterprises. These internships include working in the entertainment management company, the sports management company, the commercial development enterprise, the film and television division, boxing promotion, and concert promotion.

**The Education Program:** This after-school project provides tutoring and computer education at centers in cities where Magic Johnson Theaters exist. The program also focuses on projects that teach history and culture to young people bereft of a sense of history.

<b>ROBERT KNOWLING</b> <b>Covad Communications</b>
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**Professional Background**

Robert Knowling is Chairman, President and Chief Executive Officer of Covad Communications. He is the former Executive Vice President of US West where his 30,000 member Operations and Technologies team provided quality communications services for more than 25 million customers in 14 states, Knowling was recruited in July 1998 to run Covad. He became one of the few African-American CEOs in Silicon Valley. During the past 18 months, he has guided the company through a major expansion and an initial public offering. He also serves as chair of the Information Technology Association of America's Industry Committee. Through the committee, Knowling has been leading efforts to bring more diversity to the information-technology workforce by developing internship programs, getting hiring commitments from employers and creating new outreach and educational programs that target minorities. He sat in the First Lady's box for SOTU 2000.

**About Covad Communications**

Covad is the leading national Digital Subscriber Line (DSL) broadband provider. The company's technology provides "always on" broadband Internet access. Covad's network currently covers more than 25 million homes and businesses in major metropolitan areas.

Covad services are available across the United States in 56 of the top Metropolitan Statistical Areas (MSAs). By the end of 2000, Covad services will be available in 100 MSAs. At that time, Covad's digital network will reach more than 40 percent of all US homes and 45 percent of all US businesses.

Covad provides the "back-bone" that supports Internet Service Providers (ISPs) who offer DSL service commercially. Covad's flagship services, TeleSurfer for residential customers and TeleSpeed for small businesses, are readily available to consumers and businesses through a host of 250 leading ISPs.

**REBECCA LOBO**  
**WNBA – New York Liberty**

**Professional Background**

Rebecca Lobo is one of the most recognizable women's basketball players in the country. She was a star player for the Connecticut Huskies during 1995, their undefeated NCAA Championship year. Lobo now plays with the WNBA's New York Liberty. She also played on the gold medal-winning 1996 USA Women's Olympic Team in Atlanta. She has made appearances at the White House, in Southwick, Mass. for the dedication of "Rebecca Lobo Way," and on The Late Show with David Letterman. She is a strong supporter of efforts to raise awareness about breast cancer, a disease that struck her mother, RuthAnn, during Lobo's junior year at the University of Connecticut. Lobo was a member of the 1998 WNBA Touring Team. In addition, Lobo was named one of USA Weekend's Most Caring Athletes in recognition of her charitable work.

**Rebecca Lobo and the Digital Divide**

Rebecca Lobo is one of the WNBA's most community active players. As a part of this commitment, she has focused on motivating young people to "get connected" to technology. Ms. Lobo has her own youth-oriented website, [www.rebeccalobo.com](http://www.rebeccalobo.com) that encourages interaction with users.

**SHARIFA WILSON**  
**Mayor, City of East Palo Alto**

**Professional Background**

Sharifa Wilson is currently the Mayor and Vice-Chair of the Redevelopment Agency for the City of East Palo Alto. She was elected to the City Council in 1990 and has created strategic alliances with local, state and federal agencies, the business community and residents of the city. As Mayor she initiated a community Taskforce on AIDS, chairs the San Mateo County Community Development Block Grant Committee, and is a member of the Joint Ventures Silicon Valley Digital Divide Advisory Group. She is also responsible for the implementation of the City's three highly visible redevelopment projects: the 101 Ravenswood Center, a major mixed-use project including big box retail, community retail and residential housing; University Circle, a planned office and hotel project; and the Ravenswood Technology Park, a planned major office/ industrial business park. Mayor Wilson holds a B.S. from New York University, where she was awarded the Martin Luther King Scholarship for four consecutive years. She was profiled in "African-American Voice of Triumph: Leadership"

## CEOS AND COMMUNITY LEADERS ON STAGE

Dr. Drew Altman, President & CEO, The Henry J. Kaiser Foundation  
Henry Cisneros, President & COO, Univision Communications  
Darien Dash, Chairman & CEO, DME Interactive Holdings, Inc.  
Carly Fiorina, President & CEO, Hewlett-Packard Company  
Rae Grad, CEO, Power Up  
Nick Grouf, Chairman & CEO, PeoplePC  
Rosalind Hudnell, Vice President, Intel Corporation  
Yusef Jackson, Chairman, One Net Now  
Rev. Jesse Jackson, Rainbow PUSH  
Dr. Irwin Jacobs, Chairman & CEO, QUALCOMM  
Carlton Jenkins, CEO, One Net Now  
Magic Johnson, Magic Johnson Enterprises, Inc.  
Robert Johnson, Chairman & CEO, Black Entertainment Television  
Roberta Katz, President & CEO, TechNet  
Robert Knowling, Chairman, President & CEO, Covad Communications  
Rebecca Lobo, New York Liberty (WNBA)  
Kenneth McNeely, Vice President, AT&T  
Jim Martin, Senior Vice President, AOL  
James Morgan, Chairman & CEO, Applied Materials  
John Morgridge, Chairman of the Board, Cisco Systems  
David Robino, Vice Chairman, Gateway  
Eric Schmidt, Chairman & CEO, Novell  
Srinija Srinivasan, Vice President & Editor-in-Chief, Yahoo!  
Kaleil Tuzman, CEO, GovWorks  
Raul Yzaguirre, President, NCLR

April 15, 2000

## **SHIPROCK BOYS AND GIRLS CLUB EVENT**

<b>DATE:</b>	April 17, 2000
<b>LOCATION:</b>	Shiprock Boys & Girls Club Grounds
<b>EVENT TIME:</b>	5:20pm - 6:45pm
<b>FROM:</b>	Gene Sperling

### **I. PURPOSE**

To address members of the Navajo Nation, highlight the Digital Divide in Indian Country, and to announce several new public- and private-sector investments in Indian Country to address the Digital Divide.

### **II. BACKGROUND**

As you remember, you were the first President to visit a Native American reservation since President Franklin Roosevelt. You will be making a significant statement about your commitment to the Native American community by going twice in a 12 month period.

The primary focus of the Shiprock stop will be to bring digital opportunity to Indian Country. As you know, Native American communities face major economic and social challenges. They rank far below the national average in their access to telephones, computers, and the Internet. On the Navajo Nation, about 77.5 percent of homes are without a telephone, and 37 percent of households are without electricity.

New information on communications technologies could provide Indian Country with new opportunities by taking advantage of e-commerce, distance learning and telemedicine. New technologies could create "leapfrog" opportunities for Native American communities.

This event will focus on access to technology as a vehicle for economic development, education and employment opportunities to Native Americans.

You will be speaking at a Boys and Girls Club (which is also a PowerUP site) to an audience of approximately 20,000 members of the Navajo Nation, business leaders, students, academics, tribal college presidents, and tribal leaders.

The following Members of Congress will be attending the event:

Sen. Robert Bennett (R-UT)  
Rep. William Jefferson (D-LA)  
Rep. Silvestre Reyes (D-TX)  
Rep. Stephanie Tubbs Jones (D-OH)  
Rep. Tom Udall (D-NM)

### III. PARTICIPANTS

#### YOU

Kelsey Begaye, President of the Navajo Nation  
Representative Tom Udall  
Myra Jodie, Navajo student  
Mary Frank, Invocation  
Raymond Jim, Benediction

Standing on stage, but not speaking (they will be announced off-stage prior to YOU):

Taylor McKenzie, VP of the Navajo Nation  
Edward Begay, Speaker, Navajo Nation Council  
Robert Yazzie, Chief Justice of the Navajo Nation Supreme Court  
William Lee, Chapter President, Shiprock Local Government

### IV. SEQUENCE OF EVENTS

- YOU will arrive at the Shiprock High School Landing Zone and YOU will be greeted by the following individuals:

Kevin Gover, Associate Secretary for Indian Affairs, Department of Interior  
Charles Gover, Basketball Coach, Shiprock High School  
Wilson Pipestem, President of the Kelsey Begaye Foundation

- YOU will depart Shiprock High School Landing Zone via motorcade en route Shiprock Boys and Girls Club.
- YOU will arrive at the Shiprock Boys and Girls Club
- YOU will be announced off-stage accompanied by Representative Tom Udall, President Kelsey Begaye and Myra Jodie.
- Presentation of colors by the Code Talkers (These men worked in the Pacific arena during World War II. War messages would be coded in Navajo so as not to be revealed and then these men would “de-code” them. They helped win the war.)
- Invocation by Mary Frank.
- Kelsey Begaye will make brief welcoming remarks and introduce Representative Tom Udall.

- Representative Tom Udall will make remarks and introduce Myra Jodie.
- Myra Jodie will make remarks and introduce YOU.
- YOU will make remarks.
- Kelsey Begaye will present you with a Tribal Blanket
- Raymond Jim will give a Benediction.
- YOU work a ropeline and depart.

## V. COMMITMENTS

YOU will be making the following announcements:

- The FCC Chairman Announces Proposals to Increase Access Through the Lifeline Program. Chairman William Kennard of the FCC has proposed to increase funding under the Lifeline program so that every member of a federally recognized Indian tribe who is income eligible can have basic phone service for as little as \$1 per month. The FCC has also proposed to increase federal universal service funding to companies willing to serve Native American reservations by removing the cap on the funding available to carriers that purchase exchanges on reservations; and changing the practice of averaging the cost of serving high-cost reservations with low-cost areas when calculating support amounts.
- \$2.75 Million by Microsoft in New Grants to the American Indian Tribal College Program. Microsoft will provide eight American Indian Tribal Colleges with technology and training through its American Indian Tribal College Program. Microsoft will provide these tribal colleges with \$2.5 million in software and \$250,000 in technical assistance to ensure an increase in technical skills among students at tribal colleges.
- Compaq will provide \$500,000 to the Techs4Schools Partnership with TechCorps which Will Be Available to all Navajo Nation Schools. Compaq will commit \$500,000 to develop, pilot and support the national launch of the Tech4Schools program, an online mentoring program that uses the Internet to join students, teachers and volunteer technical experts together to advance the level of technological knowledge in our schools. Techs4Schools will be available to *all* Navajo Nation Schools and all K-12 schools nationwide.
- A \$100,000 Commitment from Andersen Consulting to Help Small Business In Indian Country Use E-Commerce. Andersen Consulting will pledge \$100,000 to mentor and provide technical assistance to Native American tribes, tribal businesses, and other Native-owned businesses to support their efforts to expand e-commerce. Andersen and the Department of Housing and Urban Development will coordinate this effort. This support will be in the form of professional mentoring, technical advising, computer equipment, and other services.

- An Over \$100,000 Commitment By Native American Systems To Increase Internet Access in Indian Country Native American Systems (NAS) will provide \$100,000 in satellite connections to the Red Rock Day School, a Bureau of Indian Affairs school on the Navajo Nation in Red Valley, AZ. NAS will donate and install a satellite dish, network router, and 12 complete computer work stations, including Compaq iPAQ computers and monitors. The President and CEO of NAS is Robert P. Rutherford, a member of the Choctaw Tribe.
  
- The Corporation for National Service Will Announce A \$1 Million AmeriCorps Grant For the Navajo Leader Corps. The Corporation for National Service has committed a \$1 million AmeriCorps grant for the Navajo Leader Corps. The grant will support 50 Navajo AmeriCorps members in renovating 165 Head Start Centers and BIA schools across the Navajo Nation. The renovations will include wiring the facilities for Internet access.
  
- Healtheon/WebMD Announces Internet Access to Healthcare Information. Healtheon/WebMD has agreed to provide free subscriptions for *WebMD Practice* to the doctors at the Indian Health Services facility in Shiprock, NM. *WebMD Practice* is an Internet portal that provides doctors and other healthcare providers with a full spectrum of services and information to help them provide quality healthcare more effectively and efficiently.
  
- IBM, the W.K. Kellogg Foundation and the University of Michigan Will Invest \$1 Million in Partnership Tribal Colleges to Develop a Virtual Library For Tribal Colleges. This a unique \$1 million partnership between IBM, the W.K. Kellogg Foundation, the University of Michigan and several tribal colleges to create a "virtual library." The virtual library homepage, unique to each tribal college, will link into a major national database that will catalog electronic books, magazines, journals and Internet documents from around the world.

## VI. PRESS PLAN

Open Press.

## VII. REMARKS

Provided by Speechwriting.

April 16, 2000

## **DINÉ COLLEGE INTERNET VIDEO CONFERENCE**

**DATE:** April 17, 2000  
**LOCATION:** Diné College Lobby  
**EVENT TIME:** 6:55pm - 7:55pm  
**FROM:** Gene Sperling

### **I. PURPOSE**

The focus of this event is to highlight how Diné College has addressed the Digital Divide and to highlight how technology has changed the life of one Diné College student in particular. This event will also provide you with an opportunity to have a video conference with the twenty-six 7<sup>th</sup> and 8<sup>th</sup> grade students at Lake Valley School, a Bureau of Indian Affairs School, on the Navajo Nation which is located 1 hour and 30 minutes away.

You will be accompanied by CEOs, HUD Secretary Andrew Cuomo, FCC Chairman William Kennard, Members of Congress and others that accompanied you to Shiprock.

### **II. BACKGROUND**

Erica Nakai, 21, is a pre-engineering student at Diné College-Shiprock. She will open an informal discussion with you about her experiences at Diné College before you begin a video teleconference with the students at the Lake Valley School.

Erica is completing her sophomore year and plans to transfer to New Mexico State University as a civil engineering major. She is currently studying Geographic Information Systems, which is computer technology applied to environmental science (used for health research; data collection, such as Census location for remote tribal members; roads; and soil quality tracking). Until enrolling at Diné College, Erica had never accessed the Internet or used computer technology.

The Tachyon Corporation is providing high-speed two-way satellite-delivered Internet access to link two sites of Diné College and the Lake Valley School, a Bureau of Indian Affairs school. The Lake Valley School is located approximately 1 ½ hours away from Shiprock. Prior to the assistance of Tachyon, Lake Valley School was not connected to the Internet.

### III. PARTICIPANTS

#### YOU

Erica Nakai, a Diné College student

45 Guests at the Dine College Lobby

26 7<sup>th</sup> and 8<sup>th</sup> graders from Lake Valley School via the video conference.

### IV. SEQUENCE OF EVENTS

- YOU will arrive at Diné College and will be greeted by the following:

**Francis Becenti**, President of Diné College

**Lauren J. Bernally**, Vice President of Diné College

**Phil Bluehouse**, President of Diné Tribal College Board of Regents

**Bernice Casaus**, Dean of Diné Tribal College

- You will be greeted by Erica Nakai in the lobby, who will open an informal discussion.
- YOU will participate in an informal discussion with Erica Nakai and others in the room.
- YOU will participate in a video teleconference with twenty-six students from Lake Valley School.
- YOU work a ropeline and depart for Shiprock High School Landing Zone.
- Upon arrival, YOU will be greeted by a group of 20 individuals.

### V. PRESS PLAN

Pool Press.

### VI. REMARKS

None.

### VII. ATTACHMENTS

List of Greeters on Departure

## **Greeters at Shiprock High School Landing Zone Upon Departure**

Taylor McKenzie, Vice President, Navajo Nation

Estelle Bowman, Executive Director, Navajo Nation, Washington Office

Levon Henry, Attorney General

Lester K. Tsosic, Executive Director, Office of Management and Budget

Roman Bitsuie, Executive Director, Navajo-Hopi Land Commission

Raymond Eteitty, Jr., Executive Director, Office of Navajo Tax Commission

Derrith Watchman-Moore, Division Director, Navajo Environmental Protection Agency

Benjamin Jones, Division Director, Division of Community Development

Genevieve Jackson, Division Director, Division of Diné Education

Tony Skrelumas, Division Director, Division of Economic Development

Bobby White, Controller, Division of Finance

M. Teresa Hopkin, Division Director, Division of General Services

Marlene Jasperse, Division Director, Division of Health

DuWaine Boone, Division Director, Division of Human Resources

Arvin Trujillo, Division of Natural Resources

Hebert Clah, Division Director, Division of Public Safety

Cecelia Belone, Division Director, Division of Social Services

Robert Yazzie, Chief Justice, Navajo Nation Supreme Court

Marilou Begay, Judge, Shiprock Judicial District

April 15, 2000

**ROUNDTABLE WITH CEOs**

Date: April 17, 2000  
Time: 10:30 a.m.  
Location: Costano Elementary School  
East Palo Alto, California  
From: Gene Sperling  
Mary Beth Cahill

**I. PURPOSE**

You are meeting with CEOs and senior executives of the nation's leading information technology companies to informally discuss the economic and social challenges presented by the digital divide. The companies represented in this meeting have a sustained commitment to providing digital opportunities to the most underserved areas of the country.

**II. BACKGROUND**

This roundtable discussion is an opportunity to discuss the opportunities and challenges presented by the digital divide with CEOs of the leading IT companies, civic leaders and members of Congress. The executives in this room have pledged their companies to engage in campaigns to bring access and training to East Palo Alto and similar underserved areas around the nation. In an informal discussion, you will have an opportunity to review the continued efforts of the industry to bridge the divide and discuss further actions that could be taken in partnerships between companies, non-profit groups and the government.

Cisco Systems Chairman John Morgridge will open the roundtable discussion. When Cisco Systems' original headquarters was located across the street from Costano School, the company "adopted" Costano and provided structural and financial support to the school. In addition, they also provided academic and technological assistance, texts books and computer facilities. The relationship continues today. Next month, Morgridge will be "principal for a day" at Constano.

### III. PARTICIPANTS

#### YOU

Dr. Drew Altman, President & CEO, The Henry J. Kaiser Foundation  
US Senator Robert Bennett (R-UT)  
Mary Beth Cahill, Assistant to the President and Director of Public Liaison  
Henry Cisneros, President & COO, Univision Communications  
US Rep. John Conyers (D-MI)  
Secretary Andrew Cuomo, Department of Housing and Urban Development  
Darien Dash, Chairman & CEO, DME Interactive Holdings, Inc.  
Maria Echaveste, Deputy White House Chief of Staff  
Magda Escobar, Executive Director, Plugged In  
Carly Fiorina, CEO, Hewlett Packard  
Rae Grad, CEO, Power Up  
Nick Grouf, CEO, People PC  
Marthelia Hargrove, Principal, Costano Elementary School  
Rosalind Hudnell, Vice President, Intel Corporation  
Rev. Jesse Jackson, Rainbow PUSH  
Yusef Jackson, Chairman, One Net Now  
Dr. Irwin Jacobs, Chairman & CEO, QUALCOMM  
Rep. Stephanie Tubbs Jones (D-OH)  
US Rep. William Jefferson (D-LA)  
Carlton Jenkins, CEO, One Net Now  
Earvin "Magic" Johnson  
Robert Johnson, Chairman & CEO, Black Entertainment Television  
Roberta Katz, President & CEO, TechNet  
Bill Kennard, Chairman, FCC  
Robert Knowling, CEO, Covad Communications  
Rep. Barbara Lee (D-CA)  
Rebecca Lobo, New York Liberty  
US Rep. Zoe Lofgren (D-CA)  
Jim Martin, Senior Vice President, America Online  
Kenneth McNeely, Vice President, AT&T  
James Morgan, Chairman & CEO, Applied Materials  
John Morgridge, Chairman of the Board, Cisco Systems  
US Rep. Silvestre Reyes (D-TX)  
David Robino, Vice Chairman, Gateway  
Eric Schmidt, Chairman & CEO, Novell  
Srinija Srinivasan, Vice President & Editor-in-Chief, Yahoo!  
Gene Sperling, Assistant to the President and Chair, National Economic Council  
Kaleil Tuzman, CEO, GovWorks  
Mayor Sharifa Wilson, East Palo Alto, CA  
Raul Yzaguirre, President, NCLR

#### **IV. SCHEDULE OF EVENTS**

- YOU proceed into Cisco Auditorium and are seated.
- YOU will turn to John Morgridge, Chairman of Cisco Systems, and ask him a question to open the roundtable discussion. A suggested question could be:

John, you have worked on this issue for an extended period of time and have had a long-standing relationship with the Costano School. How do we sustain interest in bridging the digital divide over the long-term?

- After an hour of discussion, John Morgridge will end the roundtable by thanking YOU.

#### **V. PRESS**

This event is CLOSED PRESS.

#### **VI. ATTACHMENTS**

List of proposed discussion questions for roundtable  
Seating Chart

## Suggested Questions for Roundtable

- I believe that information technology could empower more Americans -- and people all over the world -- to lift themselves out of poverty. But the kind of applications that could help do this -- like adult literacy software -- may not be the most lucrative market. How could we combine the best of social equity and private sector entrepreneurship?

[Example: We are starting to see the emergence of "social venture capital firms" that evaluate both public and private rates of returns.]

- All of you have demonstrated incredible leadership on this issue. What could we do together to convince more companies and individuals to make bridging the digital divide a top priority?
- Some communities -- like Boston -- have really gotten organized around this issue and have developed a comprehensive strategy for digital opportunity that involves schools, technology centers, home access, and IT training. Do you think high-tech companies would be willing to help other communities get organized to that extent?
- One of the most important powers that a President has is to set national goals, shape the national agenda, and to call attention to important issues. Are there important goals and issues that you think we are not paying enough attention to?