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SHIPROCK/CHICAGO
DIGITAL DIVIDE
APRIL 18, 2000

GENE SPERLING
ASSISTANT TO THE PRESIDENT FOR ECONOMIC POLICY

BOOK #2– DIGITAL DIVIDE NEW MARKETS TRIP
Shiprock, NM and Chicago, IL

Shiprock, New Mexico

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April 13, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING
MARIA ECHAVESTE

SUBJECT: Overview of Your Digital Divide--New Markets Tour

The purpose of this memorandum is to provide you an overview of your Digital Divide trip. We will submit more detailed background material for each of your 3 stops before the trip begins on Monday.

As you know, you will travel to East Palo Alto, California and Shiprock, New Mexico on April 17th and Chicago, Illinois on April 18th. Members of Congress will accompany you on each portion of the trip. In addition, it is likely that Secretary Cuomo will join you in New Mexico and Secretary Daley in Chicago. Reverend Jesse Jackson, Rainbow Push; Yusef Jackson, One Net Now; Bob Johnson, Black Entertainment Television; and Raul Yzaguirre, National Council of La Raza will also accompany you on the entire trip.

This memorandum is divided into four sections. The first section provides a short overview of the message of the trip. The next three sections provide an overview of each stop on the tour – including the theme for each location, a tentative list of the CEOs/community leaders who will be in attendance, and the highlights of the corporate deliverables.

I. OVERVIEW OF THE MESSAGE

- As you know, this is your third New Markets Tour. On the first two, you focused on equity investments in underserved communities and how more could be done to bring the benefits of free enterprise and empowerment (new businesses, new jobs, education and training) to underserved communities.
- This trip focuses on a critical element—bridging the digital divide. Computers, the Internet, and the skills needed to use this technology can provide people with a chance to move themselves out of poverty, perhaps more quickly than ever.
- America has an important chance to make. We can allow unequal access to technology to further polarize American society, or we could use technology to grow the economy and generate social equity at a faster rate than ever before.

- As with other trips, highlighting that the government is doing its part is important. However, it is important to challenge the private sector to help ensure that no one is left behind in the 21st Century. This trip will allow you to highlight how the industry, community-based organizations and government can work together to expand access to the new opportunities of the Information Age.

FIRST STOP – EAST PALO ALTO, CALIFORNIA (Morning of Day One, April 17)

Message: Motivating Underserved Youth to “Get Connected.”

- 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 technology-based skills. Going to East Palo Alto would demonstrate that even in the shadow of Silicon Valley, there is still a substantial divide.
- 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 Gene attended and our OPL briefings here at the White House, we consistently heard that 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.
- In order to make this motivational message real and communicate it to young people across the country, we have built a PSA campaign that the Kaiser Family Foundation has agreed to coordinate. Magic Johnson, Rebecca Lobo (WNBA player for the NY Liberty) have agreed to appear in the ads and a number of networks, including NBC, ABC, CBS, BET, MTV and Fox, have agreed to air them. This PSA campaign establishes a longer-term vehicle for this message.

Overview of Events

- You will start the day with an OTR stop at College Track, non-profit organization for self-motivated students who are college bound. Thereafter you will arrive at Plugged In, a Community Technology Center in East Palo Alto, CA where you will provide brief remarks to an audience composed primarily of teenagers from East Palo Alto. **Note:** Plugged In received a 1995 grant from the Department of Commerce.
- You will be accompanied on stage by Magic Johnson, Rebecca Lobo, and a number of major high-tech CEOs that have made commitments to bridge the digital divide.

- This event will be an opportunity for you and the other stage participants to interact with the audience, answer their questions, and emphasize the importance for young people to become technologically literate. 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.
- You will then go to the nearby Costano Elementary school where you will have a roundtable with a number of CEOs, senior executives and community leaders to discuss their efforts to bridge the digital divide.

CEOs

For this stop, in addition to the community delegation that will be traveling with you, some of the CEOs who will join you include Carly Fiorina, Hewlett-Packard; John Morgridge, Chairman of Cisco Systems; Henry Cisneros, Univision; Robert Knowling, Covad Communications; and Kaleil Tuzman, Govworks.

Highlights of Corporate/Private Sector Announcements

In addition to the numerous private sector announcements, there are public sector announcements that will be made at each site. Here are some examples of the commitments that companies have made that will be announced in East Palo Alto:

- **The Kaiser Family Foundation is taking the lead in developing, producing and distributing the PSAs to help bridge the digital divide.** As stated above, the Kaiser Family Foundation, represented by President and CEO Drew Altman, will develop, produce and distribute public service announcements to help motivate young people to “get connected” and take advantage of the economic opportunities in the IT sector. BET, MTV, NBC, ABC, CBS, NBC, TBS, TNT, UPN, Fox, the Disney Channel, the Cartoon Network, the Odyssey Network and the WB have all agreed to join this effort by airing the PSAs. The National Association of Broadcasters has also agreed to distribute the PSAs to 1,000 of their members. Magic Johnson and Rebecca Lobo have agreed to appear in the PSAs.
- **American Online Pledges 100,000 free AOL Accounts to Students and Volunteers at PowerUP Affiliate Sites.** AOL will provide 100,000 AOL accounts to PowerUp affiliate sites valued at \$26 million annually. With AOL’s donation, PowerUp will fund and equip each of the new sites in its effort to provide young people with access to the wide range of content and information on the Internet as well as assistance to develop the skills they need to succeed in the 21st Century.
- **QUALCOMM Commits \$6 million for Education Technology in Schools** QUALCOMM will commit to helping to close the digital divide by supporting deployment of education technology in the San Diego, CA area. Efforts will include: 1) support to High-Tech High – an innovative secondary school program with a focus on math, science and technology, 2) helping to connect a minimum of five San Diego schools to the Internet, 3) contributing a minimum of 200 PCs to area schools 4) providing teacher training and technical support so that these schools may fully utilize their new resources and 5) supporting the School of Education’s continued research and development efforts at the University of California at San Diego.

- **Gateway Commits to Train 75,000 Teachers.** Gateway has pledged to provide 75,000 teachers with technology training under the Teach America! Program. All 244 of East Palo Alto's teachers will be trained in the Teach America! program on ways to effectively utilize technology in the classroom.

III. SECOND STOP – The Navajo Nation in Shiprock, New Mexico (Afternoon of Day One, April 17)

Message: Providing Digital Opportunity to Native Americans.

- 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. This stop in Shiprock will allow you highlight how private and public sector investments can help bring digital opportunity to Native Americans. This event will focus on access to technology as a vehicle for economic development, education and employment opportunities to Native Americans. New technologies could create “leapfrog” opportunities for Native American communities.

Overview of Events

- First, you will address an outdoor crowd of thousands of people at the Boys and Girls Club to announce the commitments that have been for Native American communities. You will be accompanied by the Navajo Nation Tribal President, Kelsey Begaj; Congressman Tom Udall and possibly Secretary Cuomo.
- You will then travel to the Diné Tribal College where you, along with a small group, will participate in a Webcast with 7th and 8th grade students from the Lake Valley School. There will also be students and teachers from the Boys and Girls Club at the Diné site.
- This webcast will be both a video and audio feed where you will be able to interact with the Lake Valley students who are located 1 hour and 45 minutes away from where you will be.

CEOs/Community Leaders

At this stop, in addition to those community leaders traveling, you will be joined by a number of CEOs, senior executives and community leaders. They include: Bruce Brooks, Director of Community Affairs, Microsoft [**Note:** he is the former deputy mayor of Seattle]; Robert Rutherford, Native American Systems; John Koehler, Tachyon, Inc.; Karen Smith, Executive Director, TechCorps; Susan Masten, President, National Congress of American Indians; and Kelsey Begaj, President, Navajo Nation.

Highlights of Corporate/Private Sector Announcements.

Here are some examples of the commitments that CEOs or Senior Executives will make about investments in Indian Country:

- **Microsoft to provide \$2.75 Million in New Grants to the American Indian Tribal College Program.** Microsoft, represented by Bruce Brooks, Director of Community Affairs, 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.
- **Compaq will provide \$500,000 to the Techs4Schools Partnership with TechCorps which Will Be Available to all Navajo Nation Schools.** Compaq will announce a \$500,000 commitment to develop, pilot and support the national launch of the Techs4Schools 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 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 all K-12 schools nationwide.

IV. THIRD STOP – CHICAGO, IL (Morning of Day Two, April 18)

- You will address the Comdex Conference that is a large computer conference in the U.S. and will be attended by representatives of every major computer and Internet company in America. This event will provide you with an opportunity to challenge the high-tech industry to work to bridge the digital divide.

Overview of Events

- You may first start with a tour of one of the exhibits on the floor of the Comdex trade show. You will then address a 4,000 person audience of Comdex attendees. As stated earlier, Secretary Daley may accompany you to this event.

Highlights of Administration's Announcements

- You will also announce the following Administration commitments. You should emphasize that corporations making contributions to both Community Technology Centers and Neighborhood Networks would be eligible for tax incentives proposed in your FY2001 budget.

- ✓ **FY2000 Community Technology Centers Awards.** The Department of Education will announce \$44 million in awards that will result in the creation of 214 new centers and the substantial expansion of an existing 136. This \$44 million will be awarded over three years and leverage \$42 million in state, local and corporate funding.
- ✓ **HUD will Double the Number of Neighborhood Network Centers to 1,000 Across the Country.** You will announce today that HUD will expand the number of Neighborhood Network Centers to 1,000 over the next two years. Neighborhood Network Centers are computer training facilities located in or near HUD assisted housing developments that offer computer access, staff assistance and a range of training resources to housing residents.
- ✓ In addition, the Deans of 200 colleges of education will be making a commitment to reach your goal of training new teachers to use technology in the classroom.

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April 15, 2000

SHIPROCK BOYS AND GIRLS CLUB EVENT

DATE:	April 17, 2000
LOCATION:	Shiprock Boys & Girls Club Grounds
EVENT TIME:	5:20pm - 6:45pm
FROM:	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.

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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 7th and 8th 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 7th and 8th 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

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PRESIDENT WILLIAM J. CLINTON
REMARKS ON DIGITAL DIVIDE TO THE NAVAJO NATION
SHIPROCK, NM
April 17, 2000

I am profoundly honored to be here in the Navajo Nation, within the Four Sacred Mountains – especially on Navajo Nation Sovereignty Day. And if you will permit me, I would like to try to introduce myself formally in Navajo: yah-aht-AAY. William Jefferson Clinton yih-nih-shee-YEH. Irish nish-LEH. [*“Hello. WJC is my name. Irish is my mother’s Clan.”*]

Acknowledge: introducer Myra Jodie; President Kelsey Begaye; VP Taylor McKenzie; Chief Justice Robert Yazzie; Speaker Edward T. Begay; Members of the Navajo Tribal Council; Mayor of the Shiprock Council William Lee; National Congress of American Indians Pres. Sue Masten; honored governors of pueblos and tribal leaders.

Sec. Cuomo; Dpty. Secy. Interior David Hayes; Asst. Sec. Interior Kevin Gover; FCC Chairman Bill Kennard; Commissioner Gloria Tristani; Rep. Tom Udall; Sen. Robert Bennett; Reps. William Jefferson, Silvestre Reyes; Stephanie Tubbs Jones; Fmr. Gov. Bruce King and wife, Alice; high-tech leaders; pro golfer Notah Begay; Christina and Justina Jones: I can’t tell you how proud I am of the Jones sisters and all the other young Diné [dih-neh; *“Navajo people”*] who have served the Navajo Nation as AmeriCorps members. VP Gore, who couldn’t be here today but whose vision has guided every step this Administration has taken to bring new technologies to communities in need. It was his E-rate initiative that has helped equip every classroom in the Consolidated School District with computers and the wiring to connect to the Internet.

I also want to express my deep gratitude to the Navajo Code Talkers who are here today. Sen. Bingaman has been working to ensure that you receive the national honors you so richly deserve – and I salute his efforts. Because I want all Americans to know of the young Navajo men – some as young as 15 years old – who enlisted in the Marines in World War II, helped to develop an ingenious code based on the Navajo language, and became the communications link to and from the front lines of the Pacific. One of our most enduring images of freedom is that of the Marines hoisting the American flag over Iwo Jima. Well, America might never have taken Iwo Jima or won countless other battles in the Pacific if it weren’t for your bravery, your sacrifice, and your unbreakable code.

It is fitting that we start today by recalling the achievements of the Code Talkers. After all, there are few people in America who can attest as they can to the power of communication. In fact, if you think about it, the system that the Code Talkers used has real similarities to the worldwide network we call the Internet. Both systems were developed for sending information quickly, securely, and reliably during times of war. Both had the power to change the course of history.

There is a cruel irony here: More than 50 years after the Code Talkers were able to communicate with one another over great distances in the Pacific, it is still hard to communicate between many parts of the Navajo Nation. In much of America, it takes just a modest amount of money and a modest amount of time to get someone on the Internet. Here, an astonishing 37% of households are without electricity, about 70% are without phone service, and more than half can’t find work. It goes without saying that computer use and Internet connections are far below the

national average.

But that is not a reason to give up on new technology. In fact, it's the opposite. I believe that new technologies like the Internet and wireless communications can have an enormous impact here in the Navajo Nation. They can help you leapfrog over some of the biggest infrastructure hurdles. They can make great distances virtually disappear. They can be a vehicle for economic development, education, health care, and employment opportunities. They can be the greatest equalizers our society has ever known.

I know that the Navajo Nation has already begun to see this potential. Here in Shiprock, the closest public library is more than 30 miles away. And yet, thanks to your new Power Up partnership, children and parents are now able to browse some of the great libraries of the world just by going to the Boys and Girls Club. On the western side of the Navajo Nation, rural health clinics are now linking through computers to the finest medical specialists at the University of Arizona. Your new Navajo-ABLE initiative, funded in part by the Department of Education, is providing technologies to help children with disabilities write and communicate on computers. At Diné College even rural campuses have state-of-the-art computer labs where students will soon conduct real-time teleconferences with professors around the globe.

And this is just the beginning. Just imagine if all remote health clinics were connected electronically to major medical centers. Imagine if all of the remarkable silversmiths and weavers of the Navajo Nation could sell their work not only in local markets but in global markets. Imagine if Diné could commute to high-tech, high-paying jobs in large cities just by getting on a computer here in Shiprock. Imagine if all Diné children had access to the same world of knowledge, at the same instant, as children in the wealthiest communities in America. The potential is truly staggering.

I am here today to pledge that the national government will do its part to help, in ways that honor your tribal sovereignty. Ever since I've been President we have worked to try to empower the tribes of this country. I will never forget the day in 1994 when I had a chance to welcome the leaders of every American Indian tribe to the White House. I learned it was the first time that had been done since James Monroe was President in 1822. It was about time.

When I was a little boy, I used to go to the Garland County Library in Arkansas, and I'd sit there for hours on end reading history of the Native American tribes. I remember once I read a great biography of Chief Joseph of the Nez Perce. And he made that incredible statement, "From this day I will fight no more forever." It was a noble, powerful thing. But as we both know, when many of your ancestors gave up land, water, and mineral rights in exchange for peace, security, health care, and education, the federal government didn't live up to its end of the deal. That was wrong. I have worked very hard to change it. There is nothing more important to me than getting this government-to-government relationship right in a way that will allow you to be lifted up.

That's why I asked in the State of the Union address for the largest budget increase for new and existing programs to assist tribal nations. That's why I traveled last year to Pine Ridge and today to the Navajo Nation. That's why I have made Indian Country such an important focus of my New Markets Initiative. I want to give Americans the same incentives to invest in the underdeveloped areas in America that we give them to invest in the underdeveloped areas of Latin America or Africa or Asia. I want Americans to look first to the people here at home, who need work, who need education, who need technology, who need opportunity.

And that is why I have issued a National Call to Action to bring together governments, businesses, and nonprofit organizations to spread these powerful new technologies to every corner of our nation that has not yet shared in the digital revolution. Hundreds of organizations have answered this pledge – including all 32 tribal colleges in America. Today I want to announce some of the remarkable commitments various organizations are making to the Navajo Nation and to Native Americans all over the country.

FCC Chairman William Kennard is proposing to expand the Lifeline Program to ensure that every Native American who needs it will be able to get basic phone service for as little as a dollar a month. In this day and age, when we want every American to have access to the Internet, we must start by making sure everyone in this nation has a phone.

To bring high-speed satellite Internet services to Indian Country, we have two major commitments. Tachyon [TACK-ee-on] is providing satellite Internet access to Diné College and the Lake Valley School. And Native American Systems, headed by Robert Rutherford, is committing \$100,000 to provide state-of-the-art satellite connections to the Red Rock Day School, and it will provide equipment to 30 other BIA schools in other parts of Indian Country.

Compaq will provide \$500,000 to spur the Tech4Schools partnership, which uses the Internet to help teachers make the best use of technology in schools. Four Navajo Nation schools participated in the pilot of Tech4Schools. Today, I am proud to say that it will be available to all Navajo Nation schools and all K-12 schools nationwide. Microsoft will provide \$2.75 million in software and technical support for the American Indian Tribal College Program. Andersen Consulting has committed \$100,000 to support small business in Indian Country. And Healtheon/WebMD will provide help provide valuable Internet resources to the medical professionals at the Indian Health Service facility here in Shiprock. I am grateful to all these groups. And I will continue to work with them and others to give you the tools you need to build the future all Diné deserve.

I began this talk by introducing myself in the proper way – by telling you my name and my family's Clan. Well, it is true that we are from different Clans. Your ancestors were here on this continent – here within the Four Sacred Mountains – long before my ancestors had ever so much as heard of this blessed land we now call America. But, my friends, we are all part of the same American family. We are all related.

And we have never had a better chance to build this relationship. We have never had a better chance to build new connections between people, between cultures, and Nations. The Navajo Code Talkers gave us one of the most stirring lessons in history in the power of these connections. They showed us in the most concrete way that our cultural diversity is our greatest strength. And that is precisely why we must do everything in our power to allow all Diné to lend their talents and skills to the great enterprise of building the American nation. Ah-heh-ha. Hah-go-neh. Thank you and goodbye.

[After your remarks, Pres. Begaye will give you a tribal robe and then you will return to your seat for a benediction.]

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Divider Title: _____

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

April 17, 2000

DAY, 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, Healtheon/ 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 Announces Proposals to Increase Telephone Access for Native American Communities for \$1 Per Month Through the Lifeline Program
- Microsoft Will Announces 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, Announces 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., Commits to Providing Enhanced Educational Tools to Native American Tribal Colleges
- Healtheon/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. 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.
- Healtheon/WebMD Announces Internet Access to Healthcare Information for Indian Country. 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. In addition, Healtheon/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.

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Divider Title: _____

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)

NATIVE AMERICANS AND THE DIGITAL DIVIDE

Although the overall number of Americans owning a computer and connected to the Internet is growing rapidly, there remains a persistent and growing divide between the “information rich” and the “information poor” that divides our country along income, ethnic and geographic lines. Rural Americans face even greater challenges, lagging behind the national average in computer and Internet access. Native Americans, many of whom live in rural and often isolated communities represent one group especially disadvantaged by this digital divide:

- Households in rural areas are significantly less likely to access the Internet than are households in urban areas or central cities (Dept. of Commerce, 1999)
- Only 56 percent of Native Americans living on reservations have a telephone, compared to 94.1 percent of all American households (Bureau of Indian Affairs, 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.

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Monday, April 10, 2000

MEMORANDUM TO GENE SPERLING

FROM: KENDRA PROCTOR GOLDBAS

SUBJECT: BACKGROUND ON THE FCC PROPOSAL

The FCC Chairman William Kennard Announces Proposals to Increase Access Through the Lifeline Program. William Kennard Chairman of the Federal Communications Commission (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.

This proposal:

- Eliminates lack of affordability as a barrier to local phone service, by making local phone service available to all members of Indian Tribes for a dollar per month.
- Encourages the build out of necessary infrastructure. Companies will now have the predictable, secure revenue stream necessary to warrant facilities construction in areas previously regarded as high risk and unprofitable.
- Will attract new entrants and new technologies to provide service to these communities.

Background:

- In 1985 the FCC created the Lifeline Program which provides discounts on basic telephone service of up to \$8.00 to all income eligible telephone customers.
- States may increase the discount to these customers through state programs.
- Today, 5.6 million customers receive Lifeline service.
- The Lifeline program is included in the universal service assessment on interstate and international revenues of common carriers. The Lifeline component is about \$450 million a year.

Problem:

- In spite of the discount, subscribership in Indian Country remains low.
 - Only 22% of Navajo Reservation households have a phone according to the 1990 census; Navajo Nation's more recent statistics show 27% of households with a phone.
 - Nationwide, penetration rate for Indians on reservations is 47%.
 - Penetration rate for United States is 94%.
- Low incomes make it difficult for Indians to have a phone even where facilities are available.
 - Average annual income on the Navajo Reservation is \$6,352.

- Per capita income of American Indians on reservations or trust lands is \$4,478.
- Per capita income for entire United States is \$14,420

Proposal Specifics:

- Increase the discount to low-income members of federal Indian Tribes to bring basic service to \$1 for low income members of tribes.
- Revise the qualification criteria to insure that Indians are easily able to demonstrate eligibility for Lifeline discounts.
- We estimate this proposal will increase program costs by \$17 million; a 3.5% increase for the lifeline component of the universal service program; a .4% increase in the total universal service program.

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For Release 6 a.m. PDT
April 17, 2000

Microsoft Fosters Technology Access, Training Programs at Tribal Colleges
Program Opens Door to Technology for American Indians

REDMOND, Wash., and SHIPROCK, N.M. — April 17, 2000 — Microsoft Corp.

today announced a \$2.75 million digital divide donation aimed at improving the technology infrastructure and instruction at eight tribal colleges across the western United States. The announcement will take place in Shiprock, N.M., as part of President Clinton's third New Markets tour, which is focused on creating digital opportunity for youth, families and communities. During his time in Shiprock, the president will tour Diné College, one of the recipients of the Microsoft donation.

"The best digital divide solutions will create a continuum of education and economic opportunity, taking into account cultural and geographical needs," said Steve Ballmer, president and CEO, Microsoft. "This program enables tribal college graduates to put their new skills to work in the community, expanding the impact of the technology and expertise exponentially."

Tribal colleges represent an important source of post-high-school education for American Indians, who as a group have the most limited access to technology and the Internet. "With a high level of poverty and geographical isolation, American Indians are the ethnic group most likely to be caught on the wrong side of the digital divide," said Jose C' de Baca, executive director of the American Indian Science and Technology Education Consortium (AISTEC), which will disperse the funding and manage the program. "Microsoft and AISTEC have already

made significant strides in advancing opportunities in technology for American Indians, and this initiative will help develop the significant talent that already exists at tribal colleges.”

Each of the eight colleges will receive equal cash (totaling \$260,000) and varied software grants (totaling about \$2.5 million estimated retail value), paired with intensive training and yearlong mentorship support from New Mexico Highlands University in Las Vegas, N.M. New Mexico Highlands University will receive funds and software to implement training programs and act as the tribal colleges’ mentor institution.

Through the program, AISTEC will support local area network development, distance learning, tribal college infrastructure and program/curriculum enhancement at the eight participating colleges.

For the past two years, Microsoft has funded similar training and software grants on a smaller scale at four of these tribal colleges (noted in the list below). This program significantly expands that support and builds on a successful model of intensive instructor training and peer support. Cumulative funding over the past three years totals \$455,000 and \$5 million in software.

The following tribal colleges are involved in the new initiative:

- Haskell Indian Nations University, Lawrence, Kan. (third year of funding)
- Northwest Indian College, Bellingham, Wash. (third year of funding)
- Salish Kootenai College, Pablo, Mont. (third year of funding)
- Diné College, Tsaile, Ariz., and Shiprock, N.M. (second year of funding)
- Fort Peck Community College, Poplar, Mont.
- Little Big Horn College, Crow Agency, Mont.
- Southwestern Indian Polytechnic Institute, Albuquerque, N.M.
- White Earth Tribal and Community College, Minn.

Microsoft's work with AISTEC is one component of the company's efforts toward improving technology access and training for American Indians. Other programs include the following:

- **The Evergreen State College (TESC)/Skokomish Tribe.** This is the second year of a program that extends TESC's reservation-based education programs by using technology to enhance the curriculum and delivery of undergraduate education to the Skokomish reservation (Hood Canal, Wash.). Donations to date include \$75,000 plus approximately \$80,000 in software.
- **Oglalla-Lakota College, Pineridge, S.D.** Microsoft donated approximately \$350,000 in software to OLC in July 1999 to improve access for their students.
- **Boys & Girls Club, Las Courtes de Orielles, Wis.** As part of a national initiative with the Boys & Girls Clubs of America, Microsoft provided more than \$50,000 in cash and approximately \$45,000 in software in June 1999 to help this club — which serves the Ojibwe people of northern Wisconsin — establish a new technology center.
- **Iilisagvik College, Barrow, Alaska.** In February, through Microsoft's Working Connections program, the company donated \$225,000 in cash and approximately \$250,000 in software to help this remote community college provide information technology training (through outreach activities) to primarily Inuit communities on Alaska's North Slope.

Created in 1983, Microsoft's community affairs program is one of the first philanthropic efforts in the high-tech industry. The company's worldwide charitable efforts are aimed at increasing access to technology for disadvantaged communities and supporting community organizations in the areas of education, human services, civic development, the arts and the environment. Last year, Microsoft gave more than \$25 million in cash and \$79 million in software* to more than 5,000 nonprofit organizations.

About AISTEC

NASA started AISTEC in 1994 to enhance mathematics and science education opportunities for American Indian students and to increase the numbers of American Indian students who pursue and complete university degrees in those fields. It has been one of the more

successful national educational programs in designing, developing and implementing programmatic strategies to achieve these goals. AISTEC's primary efforts have been to help tribal colleges develop curricula that aligns with major engineering and technology colleges and universities and to reinforce support networks that help students make the transition from tribal colleges to universities.

About Microsoft

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

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*Based on estimated retail value.

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For more information, press only:

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Note to editors: If you are interested in viewing additional information on Microsoft, please visit the Microsoft home page at <http://microsoft.com/presspass/> on Microsoft's corporate information pages.

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Monday, April 10, 2000

MEMORANDUM TO GENE SPERLING

FROM: KENDRA PROCTOR GOLDBAS

SUBJECT: BACKGROUND ON COMPAQ PROPOSAL

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 partner with TECH CORPS to develop, pilot and support the nationwide launch of Techs4Schools, an online mentoring program that uses the Internet to join teachers with volunteer technical experts to advance the level of technological knowledge and support in our school. 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 all K-12 schools nationwide. Compaq's investment in Techs4Schools is part of a larger commitment to creating opportunities of access to technology by all Americans.

About Compaq Compaq is a Fortune Global 100 company, is the second largest computer company in the world and the largest global supplier of computer systems. Compaq develops and markets hardware, software, solutions, and services, including industry-leading enterprise computing solutions, fault-tolerant business-critical solutions, enterprise and network storage solutions, commercial desktop and portable products and consumer PCs.

Compaq was incorporated in 1982 and in 1999 was ranked 28 in the Fortune 500. President and Chief Executive Officer Michael D. Capellas was elected to this post by Compaq's Board of Directors on July 22, 1999.

About TechCorps. TECH CORPS® is a national non-profit (501c3) organization dedicated to improving K-12 education at the grassroots level by helping educators effectively use technology in their schools. It was founded by Gary J. Beach, senior vice president of International Data Group and publisher of CIO, who envisioned an organization which challenged millions of Americans to build a technology infrastructure for our nation's schools, much like the Peace Corps challenged men and women to help build an infrastructure in developing countries. TECH CORPS was established as a national non-profit in October of 1995.

Martha A. Livingston

03/17/2000 05:21:30 PM

Record Type: Record

To: Thomas A. Kalil/OPD/EOP@EOP, Natasha F. Bilimoria/OPD/EOP@EOP

cc:

Subject: tech4schools

On the money front: \$500k for the pilot and national program (\$250k each--there was software development costs covered in the pilot). Just to confirm--the national program has not been announced.

TECHCORPS is ready to go with this and is remaining flexible about how to go about the launch. As soon as they get the word--they are ready to line up a pilot school at a location, get a school that needs tech support to sign up at the launch (techcorps preferable option), or have a volunteer at an event and have them mentor a school online (demo idea). They are also ready to line up the Compaq CEO.

Thanks, Martha



Jackson T. Dunn
03/22/2000 03:32:39 PM

Record Type: Record

To: Thomas A. Kalil/OPD/EOP@EOP, Gigi E. Georges/OPD/EOP@EOP, Natasha F. Bilimoria/OPD/EOP@EOP

cc:

Subject: New Markets Tour - Compaq's Tech Corps Initiative

----- Forwarded by Jackson T. Dunn/WHO/EOP on 03/22/2000 03:32 PM -----



"Ehrgood, Tom" <Tom.Ehrgood@COMPAQ.com>
03/22/2000 02:56:03 PM

Record Type: Record

To: Jackson T. Dunn/WHO/EOP

cc: "Hamel, Jane" <Jane.Hamel@compaq.com>, "Mattox, Dlane" <Dlane.Mattox@COMPAQ.com>

Subject: New Markets Tour - Compaq's Tech Corps Initiative

Jay,

It was good meeting with you, Tom, and Gigi today. Please review the attached description of the major Compaq initiative with Tech Corps that Compaq's CEO, Michael Capellas, will be prepared to announce on April 10 in New Mexico with the President. I hope this write-up will meet the need we discussed for a 1-2 page proposal from Compaq on this initiative. Please let me know if there is any other information you need or desire to have. Karen Smith, Executive Director of Tech Corps, is the right source for information from Tech Corps about this specific, initiative and about Compaq's larger partnership with Tech Corps.

Michael Capellas is enthusiastic about bringing Compaq's contribution to bridging the digital divide into alignment with the President's initiative, and he looks forward to the opportunity to cement that in the New Markets Tour. Participation in the April 10th event on an Indian reservation is an ideal location for Compaq because the Tech Corps program, of which Compaq is the national sponsor, was piloted on Indian reservations in cooperation with, and with the enthusiastic support of, the Bureau of Indian Affairs.

Please let me know if you require any additional information from us. We understand that the locations and logistics for the Tour are still in flux, but we look forward to your confirming Michael Capellas's participation.

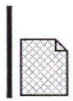
Natnies

Contact information: Jane Hamel manages Compaq's technology contributions to under-served communities and the many partnerships involved in that longstanding effort. Please contact Jane by email or at 508/467-2011 for more information on these initiatives. Dlane Mattox is Michael Capellas' executive assistant. Please contact Dlane by email or at 281-514-1614 concerning logistical and scheduling details for Michael Capellas. I will stay closely involved but will be out of town on travel from March 27 through April 7 (depending on the time of the April 4 White House event, I may be able to make that). I can be reached during that time by email or at 202/997-0720.

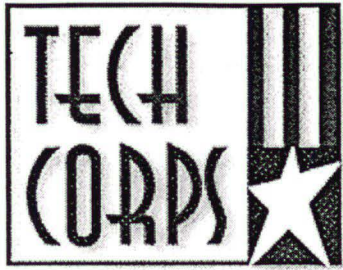
Regards,
Tom

<<Compaq's Tech Corps Initiative.doc>>

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- Compaq's Tech Corps Initiative.doc



U.S. TECH CORPS PROFILE

TECH CORPS® is a national nonprofit organization dedicated to improving K-12 education through the effective use of technology. Founded in 1995, **TECH CORPS** challenges Americans to help build a technology infrastructure in our nation's schools.

TECH CORPS programs are implemented through state chapters – currently they have a presence in 42 states and the District of Columbia

- ✓ **TECH CORPS** is about *people* – volunteers who train teachers, mentor students, install computers, offer technical support and advice, participate in technology planning, and support local technology initiatives.
- ✓ **TECH CORPS** is about *projects* – new technology resources delivered to educators throughout the country, including:
- ✓ **TECH CORPS** is about *partnerships* – education and industry leaders coming together to share a common commitment to help schools integrate technology into their teaching and learning.

COMPAQ – INVESTMENT & SUPPORT

Compaq is a National Sponsor at the \$50,000 level. Sponsorship funds enable **TECH CORPS** to strengthen & build a U.S. wide volunteer network and supports their efforts to develop focused programs and provide resources (technology, volunteer tool kits) to local chapters in more than 42 states. The hands-on support of volunteers has proven to be a critical factor in assisting educators on the effective use of technology in schools today. Compaq's support provides accessibility of the valuable people-power resources into the nation's classrooms

Compaq has contributed \$500,000 to develop, pilot and support the national launch, scheduled for April 2000, of an exciting new initiative –

Techs4schools™ Online Mentoring Program

<http://www.techcorps.org/techs4schools>

techs4schools is a new program from **TECH CORPS** that connects volunteer experts with schools to create a support structure – teams—where teachers and schools can go for technology advice and training. The driving force behind techs4schools is a desire to offer volunteer technical assistance to schools that could not otherwise reach with face-to-face volunteers.

techs4schools Objectives

techs4schools delivers technical expertise to teachers and schools regardless of geographic or demographic barriers. Specifically, the program is:

- Creating a unique online collaboration between the nation's schools and representatives from the information technology business community.

- Communicating via the World Wide Web, to install, operate, maintain, and integrate new technology in classrooms everywhere.
- Reaching across the Internet to help teachers and students
- Using the power of the Internet and the World Wide Web to increase vastly the number of volunteers and experts that can assist teachers and schools that need additional technical support.

WHY IS COMPAQ INVOLVED?

Compaq's support of **TECH CORPS** meets multiple objectives. This is an outstanding example of technology innovation that demonstrates Compaq commitment to broadening access to and knowledge of how to effectively use technology in the classroom. **techs4schools** takes volunteering to a new level :

- demonstrates technology as a communication & learning tool for teachers
- utilizes the internet and web technology and nonstop computing advantage
- begins to break down the barriers of technology access & knowledge
- provides options for schools in rural, outlying areas to have access to expertise that they otherwise may never have
- provides an avenue for volunteering that people may otherwise never have
- provides support to schools where there is an intense need for knowledge but limited access to technical assistance
- provides employees an opportunity, as volunteers, to use their skills and talents in helping schools in their communities develop and implement technology plans. To date, many employees across the U.S. are volunteering their time in local schools.

PROGRAM IMPACT

- **techs4schools** is an important partnership that demonstrates Compaq's commitment to education and brings the company a step further, by providing the one-to-one follow-up and technical resource that teachers can access easily through technology ! The initiative breaks down barriers of distance, opens communications & new ideas for classrooms, and offers another resource to schools to make the most effective use of technology. Compaq makes that possible by providing the servers, laptops, and monetary support to **TECH CORPS**.

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URGENT

PLEASE DELIVER IMMEDIATELY!

CORPORATION

FOR NATIONAL

★ SERVICE

TO: Mary Smith

WITH: DPC

FAX NUMBER:

DATE/TIME:

TOTAL PAGES: 3

OFFICE OF PUBLIC AFFAIRS

FROM: Sandy Scott

(voice) 202-606-5000 ext 255

(fax) 202-565-2794

1201 New York Avenue, NW
Washington, DC 20525

NOTE:

Mary- Cynthia Johnson
wanted me to get
you this information
right away

- Sandy Scott

GETTING THINGS DONE.



MEMO

TO: Mary Smith, Domestic Policy Council
FROM: Sandy Scott, Press Secretary, Corporation for National Service
RE: Navajo Leader Corps Announcement
DATE: 4/14/2000

Cynthia Johnson asked me to send you the information on Navajo Leader Corps that we had sent to Lowell Weiss in the speechwriting office.

The Corporation for National Service has approved a \$1 million AmeriCorps grant for the Navajo Leader Corps. This grant will support 50 Navajo AmeriCorps members to renovate 165 Head Start centers and BIA schools across the Navajo reservation. It's part of a larger \$4 million initiative to fund tribal residential corps nationwide. Members will start serving next January. The President could announce this on Monday.

Also, I sent Lowell the following background information on Navajo AmeriCorps programs and Christina and Justina Jones, who were the President's guests at this year's State of the Union. I don't know if there is anything in the speech, but I do know Lowell tried to call Christina yesterday.

Navajo AmeriCorps members. There are strong AmeriCorps programs in Navajo country -- 3 programs with 62 members on the reservation, and 20 more in Gallup, for a total of 82, all Navajo.

- **Navajo Veterans AmeriCorps** -- 30 members ensure that Navajo veterans and their families have health care, education, and other services.
- **Round Rock AmeriCorps** -- 22 members tutor 85 K-5 students in reading. Members also construct homes and building sanitation facilities for houses that lack them.
- **Rough Rock AmeriCorps** -- 10 members provide literacy and pre-literacy tutoring to children from 1-3rd grade in this America Reads program. Rough Rock is located in a remote section of Arizona on the Navajo Nation.
- **National Indian Youth Leadership Development Project** in Gallup NM -- 20 members provide direct cross-age tutoring and mentoring services for children K-8.

Christina and Justina Jones were the President's guests for this year's State of the Union. They are both AmeriCorps Alums from the Navajo Nation who attend Dine' College. (Their classes are in Tsaile, AZ, the main campus. Shiprock where the President is speaking is a branch campus) Christina Jones, a Navajo of the Kin Yaa'aanii clan, joined AmeriCorps three years ago to serve her community of Round Rock, Arizona. Christina tutored fourth-graders and built and repaired homes in this community of 1,000, where half the homes have no indoor plumbing and unemployment is above 50%. Through AmeriCorps, she discovered a love for teaching and a passion to help her community. She enrolled in the Teacher Education Program at nearby Dine' College, one of the nation's tribal colleges, and plans to teach on the reservation when she graduates next year. As a fluent Navajo speaker, Christina will not only help young Navajos succeed in school but maintain her native language and culture. While attending school full-time, Christina still tutors, leads a Girl Scout troop and visits elders living in isolation. Christina's older sister, Justina, also served in AmeriCorps and is in the same teacher preparation program at Dine' College.

If you have any questions, please contact Cynthia Johnson. She met with Navajo President Begaye about this grant just last week. If you need her over the weekend, her number is 202-319-0828. I will be gone after 4:00 tomorrow on spring break. My number is 606-5000 ext. 255, but I am going out of town at 4:00 Friday and won't be in the office Monday.

Thank you for your interest and support.

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John E. Koehler Biography

Dr. John E. Koehler is Founder, President and CEO of Tachyon, Inc., a company that will provide high-speed links between the Internet and network users throughout the world.

Prior to establishing this business, Koehler was Executive Vice President and Chief Operating Officer of the Titan Corporation, a San Diego-based company that designs, develops, and manufactures high technology information and electronic products and systems for commercial and government customers.

Before joining Titan Koehler was President of Hughes Asia Pacific, responsible for the activities of Hughes Electronics throughout the region stretching from New Zealand to India. In this position he was responsible for new ventures and operating businesses; marketing of commercial and defense electronics; and developing key government and business relationships. Under his leadership, business in the region more than quadrupled, to nearly a billion dollars per year, and several new ventures, principally in telecommunications and software/hardware systems, were launched.

Earlier in his career at Hughes he served in a variety of roles. He was Vice President of Hughes Telecommunications and Space Sector, responsible for the oversight and creation of new ventures, marketing initiatives, international operations, and overall strategy. The sector generated sales of approximately \$2 billion a year; commercial and international markets accounted for more than half of this figure. In this role, he supervised the startup of several significant ventures, including the American Mobile Satellite Corporation and the predecessors to DirecTV. He was also President and CEO of Hughes Communications, which more than doubled in size under his leadership. Koehler led the negotiations for the formation of JSAT, the first private Japanese satellite communications carrier. That enterprise now has four satellites in orbit and is the largest satellite carrier in Asia. He was also responsible for the acquisition of Hughes Network Systems, which is now the world's largest supplier of satellite-based private networks.

Prior to joining Hughes, Koehler was Deputy to the Director of Central Intelligence and Director of the Intelligence Community Staff for the United States Government. He was instrumental in putting into place the mechanisms for congressional and executive branch oversight of U.S. intelligence activities. In an earlier government role, Assistant Director of the Congressional Budget Office, he established the National Security and International Affairs division of that organization and directed a number of studies of U.S. defense policy and alternatives.

He started his professional career in 1967 at the Rand Corporation. He was associate director of the Rand economics department and held a position on the faculty of the Rand Graduate School. In 1997 he returned to Rand as interim head of the Science and Technology Division.

He has published a number of papers in the areas of foreign and defense policy. In addition to his business activities Koehler has been chairman of the Committee on Foreign Direct Investment of the Pacific Basin Economic Council and is a member of the advisory board of the School of International Relations and Pacific Studies of the University of California at San Diego. Koehler graduated summa cum laude from Yale in 1963, did post-graduate work at M.I.T., and earned his Ph.D. in economics from Yale in 1968.

He is married and resides in Del Mar, California with his wife Susan and children Matthew and Margaret. An older son, Andrew, is a graduate student at Berkeley.



Tachyon*

*A Hypothetical Particle That Travels Faster Than Light

FAST, HIGH-PERFORMANCE INTERNET EVERYWHERE NOW

Tachyon, Inc.™ is the first and only company to bring to market two-way high performance satellite delivered Internet.

The service, called **Tachyon.net™**, exploits the capacity of geostationary satellites already in orbit to bring the advantages of two-way broadband access to the Internet to everyone, everywhere. **Tachyon** delivers data rates ranging from 300Kbps to 2Mbps. The achievement of this engineering feat has resulted in 20 patents pending for the San Diego-based Internet Infrastructure company.

Tachyon.net coverage makes High-performance Internet a global reality

Tachyon.net connections are called **TAPs™** (**Tachyon Access Points**). A TAP is a small satellite antenna (less than one square meter in area) with a radio for transmitting and receiving data, and an indoor network server that acts as a satellite terminal and router. **Tachyon** has trained a team of professionals who mount and point the antenna, run standard coaxial cable from the radio to the server, and bring the connection online. The TAP is then connected via Ethernet to a LAN (local area network).

TAP Technology Can Go Anywhere In 10 Days or Less

While high-speed terrestrial connections have waits ranging from 30 days to years, **Tachyon** guarantees installation and two-way high-speed access to the Internet within 10 business days of receiving the order. A **Tachyon** TAP can be installed anywhere, whether it's a high-rise office building in Rome; a manufacturing facility in Tijuana; a multi-site enterprise in Stuttgart; a small business in Akron; a farm somewhere in Nebraska; or an Internet start-up 30-

miles from Jackson Hole, Wyoming. Because **Tachyon** does not rely upon the local phone company to upgrade links or need any other terrestrial infrastructure, the 10-day guarantee applies to every installation.

SatMex and EutelSat Provide Phase 1 Capacity

Today, **Tachyon** has satellite capacity covering all of Europe, from Ireland to Russia. In the Americas, **Tachyon** covers the region from Southern Canada to Costa Rica and from the Pacific Ocean to the Atlantic. In Europe, **Tachyon** has leased transponders on EutelSat's Telecom 2A satellite. SatMex 5, owned by Satelites Mexicanos S.A. de C.V. (SatMex), provides the satellite capacity in the Americas. **Tachyon** will next offer service in South America, Eastern Europe and Australia. By the end of the second quarter 2001, **Tachyon** plans to have leased transponder space and received the regulatory approvals to provide connection to the Internet essentially everywhere on the globe.

Completing The Total Internet Solution

As an infrastructure company, **Tachyon** is getting its product to customers, among other ways, through partnerships with Internet Service Providers (ISPs). ISPs offer **Tachyon**, just as they would DSL, as part of what many are calling "The total Internet Solution." Heretofore unreachable sites are now easily and quickly connected. Existing customers can be upgraded, and markets and new services added to increase revenues.

Tachyon is also working directly with multi-site global corporations, Application Service Providers (ASPs) and the system integrators who create information technology solutions for many of the world's large companies. **Tachyon** offers ubiquitous reach anywhere these companies want to do business. **Tachyon.net** is the Internet, Intranet, and Extranet solution for businesses and other enterprises that require high-performance IP networking with an always-on connection. **Tachyon.net** can turn any size enterprise into

a seamless, worldwide, working organization bringing suppliers, customers and partners into an e-business network.

Tachyon Meets the Needs of the Serious Internet User

Tachyon has designed its system and service to be able to extend to the end user's location the same kind of service guarantees and network monitoring that top-tier ISPs offer on their own network.

- 24 X 7 active monitoring of operation ensures that the network manager will know immediately if a TAP drops off the network. Eight times a second, each TAP verifies its link by sending a message to the gateway.
- Service level agreements guarantee uptime for both the gateway and the TAP, maximum allowable packet loss rates, and prompt trouble resolution.
- Multiple access techniques allow many users to simultaneously access the satellite and maintain a high-speed connection to the Internet.
- Customer organizations can mix **Tachyon.net** with other Internet services. **Tachyon.net** is completely consistent with TCP/IP protocols at each end.

Tachyon.net's differentiated service includes three Service Level options that provide high-performance connectivity even during periods of congestion.

- c1 service delivers data rates of 300 Kbps.
- c2 service delivers data rates of 800 Kbps.
- c3 service delivers data rates of 2 Mbps.

Tachyon Technology

Tachyon.net delivers high-speed Internet Protocol (IP) traffic from a sweet-spot on the ISP backbone – the point wired straight into the Internet's highest-capacity channels – going directly to end-users,

while eliminating the routing hops and multiple acknowledgements that cause performance-slowness congestion. Large transceivers operated by **Tachyon** at bandwidth-rich locations on the Net decode and transmit traffic directly to and from ISP backbone links.

To maximize satellite performance, **Tachyon** links are continuously live; packets are transmitted as soon as they are received with no delay for reestablishing the connection.

The high data rates reduce the duration of each transmission, minimizing the delay between request and response. Underlying this technique is a highly efficient, patented link management methodology, and an enhanced over-the-air protocol, with standard TCP/IP on each end.

At the ISP, traffic from **Tachyon** is delivered directly from bandwidth-rich Internet backbone locations via 100-megabit Ethernet like any other data stream from an Internet exchange.

Subscribers get the cleanest, fastest and most direct "end-run" to the Net.

Founded by former Hughes Executive

Former Hughes Vice President, John E. Koehler, Ph.D., founded **Tachyon** in 1997. Koehler foresaw that business customers throughout the world would demand high-performance access to the Internet at all their business locations sooner than could be delivered terrestrially or through the projected satellite Internet systems. Among his positions at Hughes, Koehler was President of Hughes Communications, creators of DirectTV.

With a Ph.D. in economics from Yale, Koehler first became acquainted with the potential for satellite communications when he served as deputy to the director of Central Intelligence for the United States Government. Appointed by Stansfield Turner and asked to remain by Bill Casey, Koehler was responsible for the U.S. Government's investment in large satellite systems, data and global telecommunications.

In creating **Tachyon**, Koehler believed that the right team of engineers could take advantage of existing geostationary satellite capacity to bring two-way connectivity to the Internet to everyone, everywhere now.

He started by acquiring MultiSpectra, a small, but highly talented San Diego- based engineering company with deep experience in Internet technologies. Bruce Carneal was brought on board to head up development. Now the Chief Technical Officer for **Tachyon**, Carneal is the founder and former President of Mentat. Mentat built TC/TCIP and STREAM software for most versions of Unix. In two years, the Tachyon team designed and built a system that has achieved unprecedented performance and efficiency.

Koehler knew that **Tachyon** had to be global in structure and in attitude from the very beginning. In 1998, when **Tachyon** had only 20 employees, Wim Vink joined the growing company to become European Managing Director. Prior to joining **Tachyon**, Vink was Managing Director of Eunet International, the largest Internet Service Provider in Europe. Mike Liebhold, who for 15 years has led market development of advanced telecommunications for such companies as Netscape Communications, Times Mirror Publishing, Apple Communications and Warner Communications, joined the **Tachyon** team as Senior Vice President for Business Development.

Prestigious Investors Provide Early Funding

The development of **Tachyon** was initially funded by an investment from Technologies for Information and Entertainment III, LP (T.I.E.) of which MIT Media Lab founder Nicholas Negroponte is a partner. Negroponte is now an active **Tachyon** board member. The first major round of funding was led by The Centennial Group with T.I.E. continuing its participation. This round of financing provided \$8 million in the first quarter of 1998. An additional \$30 million was raised in 1999 led by CEA Capitol. Other investors included Bank Boston, BV Capitol and Matthew G. Norton. Centennial is the largest institutional shareholder.

Successful Trials

During the past two years **Tachyon** has undergone successful trials with a major United States based Internet Service Provider. In Europe, **Tachyon** was in successful trials with a technology dependent multi-site manufacturing, parts supply and sales distribution corporation. Other successful trials include a global agricultural company and a network of universities.

The **Tachyon** Company team now numbers 87 employees. **Tachyon's** European headquarters are in Amsterdam, the European Internet crossroads. Mesoamerican headquarters are in Mexico City. World and North American Headquarters are in San Diego, California.

During the first and second quarter 2000, **Tachyon** will roll out service to all of Europe, the United States and Mexico under the banner of the company's motto: "**fast. everywhere.™**"

For more information contact;

Mira Tweti
Kaiser McEuen
310-479-8999



For Immediate Release

**TACHYON AND mPower³
TEAM TO CREATE HIGH-PERFORMANCE
GLOBAL AGRICULTURAL EXTRANET**

Orlando, FL, March 5, 2000 — San Diego-based TachyonTM, Inc. and Colorado-based mPower³, Inc. have joined together to market Tachyon's high-speed two-way satellite-delivered internet access, Tachyon.netTM, with mPower³ integrated agricultural data systems. The combination will provide a powerful global agricultural Extranet capable of linking growers, farmers, suppliers, and their markets through mPower³ information resources.

Tachyon President and CEO, Dr. John Koehler, and mPower³ President, Scott Charbo, made the announcement today at the Commodity Classic, the annual convention of the National Corn Growers Association and American Soybean Association.

This alliance will offer broadband Internet access, Intranets and Extranets to rural areas where high-speed traditional landlines and cable modems are often not an option or cannot adequately support needed service levels. The joint marketing agreement calls for the installation of 500 Tachyon Access Points (TAPsTM) in 2000 and 4,500 the following year in the United States and the United Kingdom.

"What we are doing will demonstrate to the world just how fast a high-performance Extranet can be put into operation when it is not hindered by the demands of installing terrestrial infrastructure," commented Tachyon President and CEO, Dr. John Koehler.

"Tachyon recently completed trials with a number of industries, and mPower³ has been working with the technology in agriculture," said Charbo. "We found that Tachyon delivers exceptional speed and flexibility for agricultural information systems, especially the intensive data dialogue mPower³ provides. We look forward to working with Tachyon in rolling out this service across the U.S. and overseas."

(MORE)

Tachyon/ mPower³ Extranet - page 2

mPower³ was the first company to bring comprehensive Internet-based information technology services to agriculture. mPower³ helps growers optimize profitability and decision-making in production, marketing and risk management, and bring added value to the food chain by providing tracking and crop information capabilities.

The speed and quality of Internet links have become critical factors in agriculture. High-speed telephone links such as DSL and T1 are nearly impossible to get outside of metropolitan areas. Until Tachyon, satellite-delivered Internet service has been one-way, with data downloads moving quickly, but the response limited by dial-up connections that often remain slow.

Tachyon's two-way, high-performance satellite Internet access has enormous implications for many industries as Extranets become the most efficient way to communicate with suppliers, distributors and other components that make up today's businesses.

Agribusiness often has been at a disadvantage because of the rural communications infrastructure. In July 1999, CNET News reported a study showing that outdated infrastructure is hampering the introduction of high-speed Internet service in at least a dozen rural states where network equipment needed to support high-speed access is practically nonexistent. While California has 177 Internet backbone "hubs" to handle high-speed data transfer, Arkansas, Wyoming and Kansas have one each, and West Virginia, Montana, South Dakota, North Dakota, Maine and Vermont have none, the study found.

The cost of high-speed access in rural areas also is sharply higher than in major cities and states with numerous hubs. Satellite-direct service allows the subscriber to bypass the "dirt roads" between high-speed backbones and high-speed connections in rural states.

(MORE)

Tachyon/ mPower³ Extranet - page 3

Meanwhile, agricultural use of the Internet has sharply increased. A 1999 study projected that by the end of that year usage by commercial farmers would triple the rate in 1997.

Charbo noted that Tachyon.net can provide valuable services for growers and companies in "food chain management." Grain companies and food processors can instantly exchange data with growers through their Extranet. They can set up systems for crop quality monitoring, traceability, and tracking crops with specialty traits.

Prior to establishing Tachyon in San Diego, Dr. Koehler led development of new communications ventures for Hughes Electronics, including DirecTV, American Mobile Satellite, and Japan Communication Satellite Company. He was CEO of Hughes Communications and VP of the Telecommunications and Space Sector, which is the Hughes satellite division. Prior to joining Hughes, he was Deputy Director of the CIA and Associate Director of the Rand Corporation economics department.

Other officers and board members such as Nicholas Negroponte, founder and director of the Media Laboratory at Massachusetts Institute of Technology, have been at the forefront of developments in European and domestic communications technology.

Tachyon, Inc.TM is the first and only company to bring to market two-way high performance satellite-delivered Internet service. Called Tachyon.netTM, the service exploits the capacity of geostationary satellites already in orbit to bring the advantages of two-way broadband access to the Internet to everyone, everywhere. Tachyon delivers data rates ranging from 300Kbps to 2Mbps. The achievement of this engineering feat has resulted in 20 patents pending for the Internet infrastructure company. Tachyon's world headquarters are in San Diego, California, with Mesoamerican headquarters in Mexico City and European headquarters in Amsterdam.

mPower³ Inc., based in Greeley, Colorado, provides production agriculture and the food chain with comprehensive field-level information technology services. These products integrate components such as field-specific weather, crop modeling, pest alerts, prescriptive irrigation scheduling, database decision management, and Internet access.

(MORE)

Tachyon/ *mPower*³ Extranet - page 4

*mPower*³ Inc. products include *nForm*TM (database, data management and reports), *nAct*TM (database, spatial and tabular data management) and *nAble*TM (field-specific weather, crop models and pest/disease alerts). The full *mPower*³ package combines all features, plus the services of an *mPower*³ Specialist trained in agronomy and computer usage.

Tachyon's web site is www.tachyon.net. Visit www.mpower3.com for an overview and demonstrations of *mPower*³ Inc. products.

CONTACTS:

For more information about Tachyon, phone Mira Tweti, Vice President, Public Relations, Kaiser McEuen, 310/479-8999 ext. 130 or Cell 310/560-7360

For more information about *mPower*³ Inc., phone Ron Butler, President, CCN Marketing Communications, 573/345-1124 or 816/289-5267. *mPower*³ may be reached toll-free at 1-877-mpower3 (676-9373).

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Memo For: Lynn Cutler
CC: Cameron Cohen
From: Fred Hannett and Patrick Murphy
Subject: Digital Divide Event at Indian Health Service facility in Shiprock, New Mexico
Date: April 10, 2000

Background:

The Indian Health Service lags far behind other healthcare systems in access to the Internet for services and information. In order to begin to bridge this gap, Healtheon/WebMD has agreed to provide free subscriptions for *WebMD Practice* to the doctors at the Indian Health Service facility in Shiprock, New Mexico. *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, Healtheon/WebMD will install an Internet-connected laptop kiosk equipped with printers in the waiting room of the facility. This kiosk will allow visitors to search for and print out healthcare information from the WebMD portal and to purchase items from our partners. All this would be at no charge to IHS or the patients.

The Event:

As we envision it, the President and Jeff Arnold (Healtheon/WebMD CEO) will be greeted by IHS officials to the facility. Some remarks will be made and a short demonstration will be conducted using the laptop computer kiosk.

We will be happy to provide proposed points for the President's comments and/or more details on the agreement with IHS as requested. We plan on installing the kiosk Sunday afternoon (April 16th.)

For More Information:

Contact *The Capitol Alliance*: Fred Hannett—202.638.6012 *or*
Patrick Murphy—202.544.8490

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MEMORANDUM

TO: LYNN CUTLER, DEPUTY ASSISTANT TO THE PRESIDENT

FROM: JOHN ROMANO, DEPUTY ADMINISTRATOR, USDA-RURAL
UTILITIES SERVICE 

DATE: APRIL 5, 2000

RE: PROJECTS READY TO BE FUNDED FROM USDA'S TRIBAL SAFE
AND CLEAN WATER SET-ASIDE

Attached is information on the six drinking water and sanitary sewer projects to which USDA-Rural Development is ready to award funds as soon as possible. This could be ideal for an announcement by President Clinton in two weeks in Shiprock, NM.

 The total funding in these six projects from USDA-Rural Development's American Indian safe and clean water set-aside fund (\$12 million in grants, passed by Congress for the first time for FY 2000) is \$3 million in grants. Additionally, the agency is committing \$2.2 million in low interest loans, and \$300,000 in grants, to the projects from our regular Water and Waste disposal loan and grant program.

THE TOTAL COMMITMENT OF USDA-RURAL DEVELOPMENT FUNDS TO THESE PROJECTS, FROM THE TRIBAL SET-ASIDE AND THE REGULAR WATER AND WASTE DISPOSAL LOAN AND GRANT PROGRAM, IS THEREFORE \$5.5 MILLION.

Five of the funding recipients are tribes; the sixth, a non-tribal utility company (Randall Community Water in SD), will serve a customer base that is more than 50 percent Indian. A list of the six includes:

- ARIZONA -- \$450,000 set-aside grant to the Havasupai Tribe, located in the bottom of a major side canyon to the Grand Canyon, for a drinking water project. This very remote, poor tribe has been flooded out on a regular basis, and never helped by the State of AZ or FEMA.
- ARIZONA -- \$350,000 set-aside grant for a drinking water project to the Spider Mound Community Utility Association, on the Hopi Reservation, where USDA-Rural Development has been financing major water and sewer work over the past three years. This is the project physically closest to the President's speech in Shiprock.
- MAINE -- \$500,000 set-aside grant to the Passamaquoddy Tribe for a wastewater project. The funds will leverage \$55,000 from the Indian Health Service, and \$200,000 from the tribe. This is the second straight year we are funding a safe or clean water project for this tribe.

MINNESOTA-\$783,000 grant from the tribal set-aside, combined with a \$70,000 low interest loan from the regular Water and Waste Disposal program, to the Bois Forte Band of Chippewas for extending both water and sewer lines. The project will remove an existing health hazard.

OREGON -- \$600,000 grant from the tribal set-aside, combined with a low interest loan of \$885,000 from the regular Water and Waste Disposal program, to the Confederated Tribes of the Warm Springs Reservation for wastewater system improvements. This amount leverages an additional \$1.6 million for this large project from HUD, the EPA and the Indian Health Service.

SOUTH DAKOTA -- \$300,000 grant from the tribal set-aside fund for the Randall Community Water District, combined with another \$300,000 in grant and \$1.3 million in loan from the regular Water and Waste Disposal program. This is a drinking water project; more than 50 percent of the customers are American Indians on the Yankton Sioux Reservation.

Please contact me at 720-0962 or 720-1172 if you would like more information/background on these projects or our tribal set-aside fund in general.

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Martha A. Livingston

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Record Type: Record

To: Natasha F. Bilimoria/OPD/EOP@EOP

cc:

Subject: Challenging Coursework Online

We worked to JB Buxton to develop this Challenging Coursework Online initiative--JB spearheaded this FY01 initiative out of DPC. This piece was included in the OSTP ed tech budget roll out materials but has been talked about publicly at all (as far as I know--am checking with JB on that). It certainly ties nicely with the Digital Divide tour as it supports supporting engaging content on the Internet (Goal One)--particularly for schools that may not be able to offer AP courses or where there are a shortage of ESL teachers. Here is the piece that JB wrote.



APonline.do

~~Native Paper~~
Native
Paper

Are we
going to announce this?

fees, but for boosting the capacity of schools to offer AP courses and for students to take them—including the purchase of online coursework.

Challenging Coursework Online Initiative

In order to spur innovative R&D focused on online learning and teaching and to increase the availability of high quality online instruction, the President included this \$10 million initiative in the FY20001 budget. As part of the Department of Education's Next Generation Technology Innovation Awards, the program would fund partnerships of developers and local school districts or state departments of education to research, develop, and evaluate the innovative use of technology to deliver for Advanced Placement, second language, and other challenging courses online.

This effort would not aim to fund projects that lead to fully developed commercial products, but is designed to fund the R&D necessary to develop high quality educational resources. Commercial developers find it difficult or impossible to make significant research investments in instructional software for education because the risks are high and markets are uncertain. Federal resources can allow developers to take larger risks and work in partnerships with universities and school systems to invent and test advanced concepts.

Grants would fund research, development, demonstration, and testing of concepts in instructional software that commercial developers can not support with private funds. This program would fund research to investigate what technologies work best for online learning and teaching with a focus on the areas of advanced placement, second language, and other challenging courses. While the federal funding would not produce commercial products, it can produce components, tools, and insights that can be converted quickly to commercial products whose performance has been verified by rigorous assessment in a variety of classrooms.

Partnerships would be between developers (for-profit and not-for-profit) and a consortium of school districts that would have to include high-poverty districts—the population to which the development of these applications are targeted—or state departments of education. The partnerships would ensure that research and development efforts would take into account school and student technological and instructional needs and that evaluation would occur in “real” settings. For example, developers might test beta-versions or prototypes of courses and/or instructional approaches with their partnering districts as a part of their projects.

The project would run a two-stage grant process. In the first stage, a cadre of [developers-district] partnerships would be funded based on concept proposals to develop a fuller R&D proposal for funding. For example, partnerships could receive up to \$100,000 planning grants each. In the second stage, the program would choose the best proposals to receive three-year funding grants. Grants might range from \$500,000-\$2 million.

The program would help not only to accelerate the research and development of innovative technologies for curricular and instructional purposes, but also to stimulate the entry of more firms into the online coursework market.

Challenging Online Coursework Initiative (shorthand: AP/ESL Online)

Summary

All students deserve access to challenging high school coursework regardless of the location of their school. The President's FY2001 budget includes \$10 million to fund the Challenging Online Coursework initiative for competitive grants to spur innovative research and development efforts focused on high quality web-based Advance Placement (AP), second language, and other challenging coursework. The initiative complements the Administration's current investments to make information technology and the Internet accessible for all schools, provide technology training for teachers, improve ESL instruction, and build the capacity of high schools to make AP courses accessible for all their students. Grants of up to three years would be provided to partnerships for research, development and evaluation of innovative 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.

Background

Students in many high schools in poor rural and inner city school districts lack access to the challenging coursework that they deserve and need to enter college. Faced with higher proportions of unlicensed and out of field teachers, especially in areas like math and science, and often little in the way of fiscal resources, these schools are unable to provide challenging courses in areas such as Advanced Placement disciplines, languages, and advanced science and math.

One way to bridge this gap is through distance learning technology. Schools and states across the country are beginning to develop the capacity to offer coursework via the Web or other distance learning technologies. For example, Florida, Kentucky and Iowa have created Virtual High Schools; the Massachusetts-based Concord Consortium offers courses nationally and trains teacher to develop and teach courses for the Web; and universities around the country are partnering with states and school districts to offer college level and credit courses to high school students.

Not only is the delivery mechanism for this coursework becoming more roundly available to schools, but also the instructional resources being developed are suitable for teaching these courses over the Internet. The computers and communication systems becoming accessible in even the smallest and most remote school systems in the US are capable of being used much more effectively than they are today.

The problem remains that course content quality is lacking. Although efforts are beginning to surface to develop coursework for the Web, the content is generally akin to a hyperlinked textbook. Educational technologies currently in the schools could be used to its potential by by delivering high quality Web-based learning in all schools and raise the level of student achievement—especially for those students who currently lack the curricular opportunities.

This initiative would complement other federal efforts to increase access to educational technology, the Internet, and challenging academic opportunities. The E-Rate program, the Technology Literacy Challenge Fund and the Technology Training for Teachers program continue to assist school districts and schools to purchase computer hardware and software, train teachers, and connect schools and classrooms to the Internet. In addition, the Administration's Advanced Placement Assistance Program not only offers funding to defray the costs of AP exam

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Proposals for the Digital Divide Initiative

Paper deliverable!

Native American Economic Development Access Center

HUD's Office of Native American Programs (ONAP) will implement a new White House initiative in April 2000 through the creation of a Native American Economic Development Access Center. The Economic Development Access Center will, for the first time, link over twelve agencies through a single toll-free number and web-site so that entrepreneurs--Native Americans, lending institutions, non-profits, foundations, and private businesses--can collaborate to achieve sustainable economic development in Indian Country. Experienced economic development specialists will provide personalized research, initiate dialogue among entrepreneurs, coordinate with other federal agencies, and share their knowledge and experience to ensure that relationships are developed and maintained, and that entrepreneurs receive information and guidance necessary to promote economic growth in their communities.

HUD/ONAP is proposing a major kick-off event featuring the President and participating agency Secretaries announcing this locally delivered, web-enabled, personalized economic development Access Center. To further bridge the digital divide, HUD/ONAP will visit American Indian and Alaskan Native entrepreneurs to train them on the web site and create a greater awareness of the economic development resources and opportunities available to them. The web site, personalized support, and training delivery will enable all entrepreneurs regardless of their technical or economic development experience.

Cisco Networking Academy Program Partners with the Cheyenne River Sioux Tribe

HUD in conjunction with Communities In Schools (CIS) and Cisco Systems has entered into a partnership to bring jobs opportunities in the IT industry to underserved communities. In recognition of the need for 21st Century job training and job opportunities, Cisco Systems, Inc., has agreed to work with HUD and CIS to expand its highly successful Cisco Networking Academy Program (CNAP) to serve youth and their families in public housing, Neighborhood Network Sites, Indian Country, and Empowerment Zones and Enterprise Communities. The CNAP is a 280 hour web-based curriculum that teaches students how to design, build and maintain computer networks. Program participants who go on to pass the industry standard CCNA exam are immediately eligible for more that 340,000 unfilled IT jobs with high starting salaries.

Under the HUD-CIS-Cisco Systems partnership, CIS brings the vital support of a caring network of educators, community leaders, and social services which allows students to learn in a positive and supportive environment. CIS will also be working with HUD to establish internship opportunities so students can graduate with a marketable skill and on-the-job experience. Cisco Systems, Inc., is the worldwide leader in networking for the Internet and is committed to providing the learning laboratory packages that are needed to train students for these IT jobs of the future.

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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).

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) 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.¹ Small businesses with fewer than 100 employees employ over 37 percent of all full-time employees.² 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

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

² 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."³

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,

³ 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.

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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 critical 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.⁴ 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;

⁴ "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-protége 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.

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**AOL FOUNDATION PARTNERS WITH NATIONAL CONGRESS OF
AMERICAN INDIANS TO ACCELERATE
DIGITAL OPPORTUNITY IN INDIAN COUNTRY**

\$100,000 Grant Establishes NCAI Digital Divide Task Force

Shiprock, NM, April 17, 2000 – The AOL Foundation today announced it is developing a partnership with the National Congress of American Indians (NCAI) to bring digital opportunity to Indian Country and has selected the NCAI to receive the first ever AOL Digital Divide Bridge grant of \$100,000. The grant will help establish the National Congress of American Indians Digital Divide Task Force, to provide national leadership for efforts to bridge the Digital Divide among Tribal Nations.

The Task Force – the first initiative developed by tribal leaders for tribes to resolve digital divide issues – will develop a strategy for the formation and deployment of strategic, tribal-based, private-sector partnerships to provide the needed access, education, training, economic development and legal mechanisms to successfully bridge the digital divide in Indian Country.

Indian Country suffers from a general lack of telecommunications and information technology services and infrastructure. As other communities begin to focus on bringing Internet connectivity to their citizens, many American Indians and Alaska Natives have yet to be connected to a basic telephone network. The announcement of the grant award was made in the Indian community of Shiprock, NM, as President Clinton visited there on his New Markets tour to call attention to the importance of creating digital opportunity and the special challenges many remote and technologically underserved communities face.

The AOL Foundation's Digital Divide Bridge Grant program supports projects that help bridge the divide between those who have access to technology and those who do not.

Additional digital divide grant winners will be announced later this month. The AOL Foundation, founded by America Online, Inc. in 1997, is dedicated to ensuring that the new medium fulfills its promise to benefit society.

Jim Kimsey, Chairman of the AOL Foundation and AOL co-founder, said: “In the Internet Century, access to technology and the training to make the most of it is not only empowering, it’s necessary. We must all work together to make sure that no one is left behind, and ensure that Native Americans receive the full benefits of this new medium quickly. The AOL Foundation is delighted to partner with the NCAI as it builds its Digital Divide Task Force on behalf of Native Americans across the country.”

Susan Masten, President of the NCAI said: “The AOL Foundation, in its brief history, has supported numerous worthy programs, and The National Congress of American Indians is honored to be chosen for this significant award and to be the first ever recipient of the AOL Foundation Digital Divide Grant Initiative. We are eager to use the investment to implement and coordinate our efforts to bridge the digital divide in Tribal Communities.”

Additionally, America Online earlier today participated in the announcement by the PowerUP youth technology consortium that it will launch 250 sites in the year 2000. AOL is donating 100,000 free accounts – worth over \$26 million annually – to the PowerUP initiative.

About the AOL Foundation

The AOL Foundation focuses on taking action to ensure that the benefits promised to society by the Internet Revolution are realized as fully and quickly as possible by all people. The Foundation, founded by America Online, Inc. in 1997, is dedicated to using online technology to enrich society by improving the lives of our families and children and empowering people to help bridge the divide between those who have access to interactive technology and those who do not. Foundation initiatives include the Digital Divide Grant Initiative, the Digital Opportunity Partnership, PowerUP, the Community Education Initiative, the Interactive Education Initiative, the Digital Divide Network, the AOL Employee Civic Involvement Initiative, the AOL Rural Telecommunications Awards, and a pilot school-business partnership in Washington, D.C. called AOL Achievers. The Foundation recently launched Helping.org, a nonprofit, one-stop philanthropy portal where people can sign up to volunteer or make donations to any of 650,000 charities, whether or not they have an online presence. For more information on the AOL Foundation, visit www.aolfoundation.org. AOL keyword: AOL FOUNDATION.

About the National Congress of American Indians

The National Congress of American Indians, founded in 1944, is the oldest, largest and most representative national Indian organization. NCAI serves the needs of a broad membership of Indian and Native governments and organizations.

About America Online

Founded in 1985, America Online, Inc., based in Dulles, Virginia, is the world's leader in interactive services, Web brands, Internet technologies, and e-commerce services.

America Online, Inc. operates: two worldwide Internet services, America Online, with more than 22 million members, and CompuServe, with more than 2.5 million members; several leading Internet brands including ICQ, AOL Instant Messenger and Digital City, Inc.; the Netscape Netcenter and AOL.COM portals; the Netscape Navigator and Communicator browsers; AOL MovieFone, the nation's #1 movie listing guide and ticketing service; and Spinner.com and NullSoft's Winamp, leaders in Internet music. Through its strategic alliance with Sun Microsystems, the company develops and offers easy-to-deploy, end-to-end e-commerce and enterprise solutions for companies operating in the Net Economy.

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