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DIGITAL DIVIDE NEW MARKETS #1 [2]

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Divider Title: 13 _____

Monday, April 10, 2000

MEMORANDUM TO GENE SPERLING

FROM: KENDRA PROCTOR GOLDBAS

SUBJECT: BACKGROUND ON POWERUP COMMITTMENT

PowerUP Commits to Expanding to 250 Affiliate Sites Across the Country. The PowerUp program will announce an effort to expand its successful educational technology program to more than 250 new communities across the country. PowerUP is comprised of more than a dozen nonprofit organizations, major corporations and federal agencies that have joined together to ensure that America's underserved young people acquire the skills, experiences and resources they need to succeed in the digital age. The federal AmeriCorps program is a strong supporter of the PowerUP effort and has assigned 400 members to work in PowerUP sites

About PowerUP sites serves young people by providing a safe physical envrionemnt that supports the overall well-being of participanst in the program. The organziation develop quality programming tha reflects a link between the use of technology and positive youth development opportunities. PowerUP intends to build partnerships with community organizations, parents, and volunteers.

Board members include: Steve Case (chair), Erskine Bowles, ~~Lean~~ Leon Panetta, Jack Kemp, Sam Nunn, Colin Powell, Carly Fiorina, Frank Rainesm and Ted Waitt (Gateway Computers).

- PowerUP programs are based in underserved schools, community centers and other locations where youth have not had access to computers, technology, and online resources. PowerUP Affiliates can be housed in schools, after school programs, residential complexes, community centers, or in other settings where underserved youth congregate.

- The following are defining elements of the PowerUP program:

    1. **A Partnership with a Youth Serving Organization:** PowerUP has partnered with national youth serving agencies across the country in order to connect young people with educational and development opportunities. National partners include the YMCA of the USA, Boys and Girls Clubs of America, Save the Children's "Web Support" Centers, National Urban League, Communities in Schools, U.S. Department of Education's Community Technology Centers and 21st Century Learning Centers.

    2. **PowerUP Online:** Interactive online content includes tools on how to find a mentor; fun and productive activities to do after school; healthy lifestyle information; exploration of career opportunities and how to acquire the skills needed to take advantage of them; and ways to learn about community service opportunities and projects. It also includes a scholastic/academic component addressing educational achievement, as well as a digital literacy component.

    3. **People Power:** PowerUP will provide the trained people power needed to effectively guide young people through the PowerUP program. Initially more than 400 specially trained, full time AmeriCorps*VISTA members and other staff will provide a sustained presence at PowerUP affiliates across the country.

FOR IMMEDIATE RELEASE

Contact: **Pam McGraw**
PowerUP
(703) 760-4896

PowerUP UNVEILS 250 NEW SITES IN 43 STATES TO CONNECT UNDERSERVED YOUTH TO TECHNOLOGY AND RESOURCES BY END OF 2000

After-School Sites will be Hosted in Boys and Girls Clubs, YMCAs, K-12 Schools and Other Facilities in Rural, Urban and Suburban America from Alaska to Florida

Centers Complete with Gateway Computers, AOL Accounts, Full-time Americorps*VISTA Staff, Snacks and More

East Palo Alto, CA, April 17, 2000 - PowerUP, the groundbreaking national initiative to give underserved youth access to technology and guidance on how to use it, today unveiled its first wave of 250 new fully-equipped and staffed sites to be launched nationwide in 43 states by the end of 2000.

Today's announcement was made jointly with President Clinton as part of the White House New Markets Tour at Plugged In, a PowerUP affiliate community technology center in East Palo Alto.

From Fairbanks, Alaska to Tampa, Florida, PowerUP will establish and equip each of these new sites with partner-donated resources, including Gateway computers, America Online Internet accounts, full-time Americorps*Vista staffing and other resources including snacks, mentors, training and equipment. In addition to providing access to technology, each PowerUP site offers local youth ways to find mentors, fun and safe after-school activities, community service opportunities and more.

Launched in November, 1999, PowerUP is a collaborative and inclusive effort that gains its power from its partners: corporations, non-profits and government organizations focused on ensuring that America's underserved youth acquire the skills, experiences and resources they need to succeed in the digital age. Today's announcement of the initiative's first major wave of sites nationwide is a strong indication of the widespread momentum PowerUP has gained in just five months.

Partners that will contribute significantly to the launch of these first 250 PowerUP sites in 2000 include: America Online, Gateway, Hewlett-Packard, Microsoft, Sun Microsystems, America's Promise, the Steve Case Foundation, the Waitt Family Foundation, Americorps*Vista, Boys & Girls Clubs, Communities in Schools, National Urban League, Save the Children, YMCA and the Department of Education. Additional partnerships are already being created for the 2001 launch of even more sites, including a major partnership with HUD to create hundreds of PowerUP centers in public and assisted housing facilities.

The new PowerUP sites will be located in urban, rural and suburban communities across the country and housed in places young people congregate: schools, after school programs, residential complexes, community centers, and other settings including Boys & Girls Clubs and YMCAs. A complete list of the centers slated for 2000 is attached.

Steve Case, Chairman of PowerUP and America Online Chairman and CEO, said: "As we enter the Internet Century, nothing is more important than providing our young people – all our young people – with the skills and resources to thrive in this new age. We're grateful for the support that we've received from across the industry, the non-profit world and government. Something exciting is happening here and the momentum is just beginning."

Rae Grad, Executive Director of PowerUP, said: "PowerUP is about more than just connecting young people with technology; it's about empowering them to use that technology to improve their lives, whether that means locating a mentor online, applying to college or finding a way to give back to the community. PowerUP is an inclusive and collaborative program and we invite all communities, including existing technology centers, to contact us and see if we can partner on behalf of your community's youth."

To increase PowerUP's reach and effectiveness, a unique "PowerUP Online" content guide is available. The guide aggregates information and organizes activities and resources on: tools on how to find a mentor; fun and productive activities to do after school; healthy lifestyle information; exploration of career opportunities and how to acquire the skills needed to take advantage of them; community service; and links with real-time community youth program opportunities provided by participating local youth serving organizations. PowerUP Online, developed by the AOL Foundation, also includes a scholastic/academic component addressing educational achievement.

The Case Foundation, established by Steve and Jean Case, has provided an initial grant of $10 million to establish PowerUP. Half of the grant covers all staff and administrative costs of the program. The other $5 million will be given in direct grants to community- and school-based centers across the country that need additional assistance to participate in the PowerUP program.

To support the growth of thousands of PowerUP sites across the country, America Online is providing 100,000 free Internet accounts, with a retail value of $26 million per year and the Waitt Family Foundation is donating 50,000 Gateway computers, valued at approximately $30 million.

Last Friday, PowerUP announced 12 new sites in youth serving organizations across the country in celebration of Youth Service Day. AOL employee volunteers devoted their time and expertise to renovate and wire the sites.

U.S. Department of Housing and Urban Development to Join Next Wave of PowerUP Sites

Even as the first wave of 250 sites is being launched in 2000, a larger, second wave of PowerUP sites will be readied for launch in 2001. As an important element of the 2001 plans, PowerUP and the U.S. Department of Housing and Urban Development announced that they will create hundreds of new sites serving residents of public housing expanding HUD's existing Neighborhood Networks program across the country.

About PowerUP

Power UP: Bridging the Digital Divide is a major national initiative launched in November 1999 by more than a dozen nonprofit organizations, corporations and federal agencies to ensure that America's underserved young people acquire the skills, experiences and resources they need to succeed in the digital age. PowerUP will be able to reach thousands of young people by leveraging its partnerships with numerous public and private organizations, and by building on thousands of existing community centers, schools and other sites. PowerUP partners provide technology, funding, trained personnel, innovative interactive programming, in-kind support and other resources to help close the divide between young people who have access to computer-based information or technology-related skills and those who don't. PowerUP, a nonprofit organization, has been established as a commitment to America's Promise to deliver positive youth development opportunities to the nation's young people. PowerUP's national partners include the Case Foundation, the Waitt Family Foundation, AOL Inc./The AOL Foundation, the Corporation for National Service/AmeriCorps*VISTA, and YMCA of the USA as well as Boys & Girls Clubs of America, Communities in Schools, Family Education Network, National Urban League, PowerBar, Inc., Save the Children, Sun Microsystems, and the U.S. Department of Education.

A live Webcast of the event will be available at www.digitaldividenetwork.org on Monday, April 17, 2000 starting at 8AM Pacific (11 AM Eastern).

B-ROLL SATELLITE FEEDS: Feed Date: Monday 4/17/00 Feed Time: 9:30 - 9:45 AM ET Coordinates: C_BAND: TELSTAR 6 /TRANSPONDER 8 /AUDIO 6.2 & 6.8 **Re-feed**: Monday 4/17/00 Re-Feed Time: 2:00-2:15 PM ET Coordinates: C_BAND: TELSTAR 6 /TRANSPONDER 8 /AUDIO 6.2 & 6.8

PowerUP: 250 sites in 2000

Alaska
- Anchorage (3)
- Bethel
- Fairbanks (2)
- Kenai (2)

Alabama
- Birmingham
- Opelika

Arkansas
- Marvell/Phillips Co.
- North Little Rock

Arizona
- Phoenix (2)
- Safford
- Scottsdale (2)
- Tempe (3)
- Tucson (3)
- Yuma

California
- Diamond Bar
- East Palo Alto
- El Monte
- Greenville
- Los Angeles (4)
- Mountain View
- Oakland (2)
- Palo Alto
- Richmond
- Sacramento (3)
- San Diego
- San Francisco (12)
- San Leandro
- San Jose
- Santa Ana
- Tustin
- Upland

Colorado
- Colorado Springs (2)
- Denver(3)
- Pueblo

Connecticut
- Bridgeport (2)
- Greenwich
- Hartford

District of Columbia (11)

Delaware
- Wilmington (2)

Florida
- Broward County (Ft. Lauderdale)
- Dania Beach
- Jacksonville
- Milton
- Oakland Park
- Panama City
- Tampa

Georgia
- Albany
- Atlanta (3)
- Columbus
- Fairburn
- Forest Park

Hawaii
- Honolulu (2)

Illinois
- Aurora
- Chicago (4)
- Lake County (Waukegan)
- Peoria
- Chicago

Indiana
- Angola
- Bloomington
- Gary
- Indianapolis
- South Bend

Kansas
- Chanute

Kansas City
Wellington
Wichita

Kentucky
Louisville
Whitesburg/Letcher Co.

Louisiana
Ferriday (2)
New Orleans
Shreveport

Massachusetts
Dorchester (2)
Holyoke
Lawrence
Malden
Marlboro
Springfield (2)
Taunton

Maryland
Aberdeen
Baltimore (2)
Randallstown
Silver Spring (2)

Maine
Portland

Michigan
Detroit
Flint
Jackson
Muskegon
Warren

Minnesota
St. Paul (2)

Missouri
Independence
Kansas City (4)
Saint Louis
Springfield

Mississippi
Jackson
Starkville
Vicksburg

Montana
Billings
Bozeman
Lame Deer
Missoula

North Carolina
Durham
High Point

Nebraska
Omaha (2)

New Hampshire
Concord
East Derry
Manchester
Nashua (2)
Salem

New Jersey
Englewood
Essex County (Newark)
Newark (2)
Plainfield

New Mexico
Albuquerque
Crownpoint, (Navaho Nation)
Shiprock

New York
Bronx
Brooklyn (2)
Jackson Heights
New York (6)
Schenectady
White Plains

Ohio
Cincinnati
Cleveland (4)
Columbus (2)
Dayton

Oklahoma
Oklahoma City
Tulsa (3)

Oregon
Portland
Salem

Pennsylvania
Greenville
Lancaster
Philadelphia (4)

Reading
Wausau

Puerto Rico
Carolina

Rhode Island
Pawtucket

South Carolina
Beaufort
Charleston (3)
Greenville
North Charleston (2)
Spartanburg (3)

South Dakota
Pine Ridge
Watertown

Tennessee
Chattanooga
Knoxville (2)
Memphis

Texas
Austin (2)
Dallas (2)
Edinburg
Fort Worth
Galveston
Harlingen
Henderson
Houston (3)

Utah
Salt Lake City (2)

Virginia
Alexandria
Fairfax County (10)
Hampton
Richmond (2)

Washington
Bellevue
Lynnewood
Seattle (2)

Wisconsin
Green Bay (2)
Hayward
Howards Grove
Kenosha (2)
Madison
Milwaukee (2)

Monday, April 10, 2000

MEMORANDUM TO GENE SPERLING

FROM: KENDRA PROCTOR GOLDBAS

SUBJECT: BACKGROUND ON AOL COMMITTMENT

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.

About America Online Founded in 1985, America Online, based in Dulles, Virginia, is the world's leader in interactive services, Web brands, Internet technologies, and e-commerce services. America Online's AOL Internet service has more than 22 million members. America Online is the world's first $4.7-billion multi-brand new media company.

America Online and the Digital Divide

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

- ✓ **Digital Divide Network**: An initiative launched by the AOL Foundation and the Benton Foundation, the Digital Divide Network is a comprehensive clearinghouse for planning and information sharing among all industry, nonprofit and government organizations working to bridge the Digital Divide.

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

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

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

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Divider Title: 14 _____

Monday, April 10, 2000

MEMORANDUM TO GENE SPERLING

FROM: KENDRA PROCTOR GOLDBAS

SUBJECT: BACKGROUND ON CISCO SYSTEMS COMMITMENT

Cisco Systems, HUD and Communities In Schools Announce 10 Pilot Networking Academies. Cisco Systems, Inc., the Department of Housing and Urban Development, and Communities In Schools will announce a program valued at $1.37 million to establish 10 Cisco Networking Academies in underserved communities that have traditionally lacked access to technology. The Cisco Networking Academy Program (CNAP) teaches students to design, build, and maintain computer networks through a 280-hour, web-based curriculum and hands-on laboratory exercises on real networks. HUD, Cisco and Communities In Schools are also establishing internship opportunities so that Academy students graduate not only with a marketable skill, but also on-the-job experience. Academy graduates who pass the industry standard Cisco Certified Network Associate exam are immediately eligible for more than 800,000 unfilled information technology jobs with high starting salaries.

About Cisco Systems Cisco is the worldwide leader in networking for the Internet. The heart of company's business is selling equipment that directs data around big corporate networks. Cisco is dedicated to empowering the Internet generation.

- ✓ Recently Cisco became the most valuable company in the world. When the NASDAQ closed on March 27, 2000 Cisco had **a market value of $555.5 billion** compared with $541.6 billion for Microsoft, based on the number of basic shares outstanding.

Cisco and the Digital Divide

- ✓ **City Year-Boston Tech Team** The program consists of 15 corps members who receive basic computer skills training from volunteers and fellow corps members in a Cisco-sponsored computer lab in Boston's South End. The program fuels community activism through a powerful technology initiative. tapping the civic power of young people for a campaign of community service

- ✓ **Cisco Network Academies** A complete, four-semester program on the principles and practice of designing, building, and maintaining networks capable of supporting national and global organizations. In partnership with Comp TIA, Fluke Corporation and Microsoft. Also working with Asia Pacific Development Information Program (APDIP) to jointly fund and set up ten Cisco Networking Academies in Asia to create a qualified talent pool for building and maintaining networks.

- ✓ **NetAid** Partnership between United Nations Development Program (UNDP) and Cisco Systems to create, a global project that harnesses the Internet to battle extreme poverty in the world. In August, they announced that they will partner with the



hud
YOUR COMMUNITY PARTNER

The 21st Century Workforce—

Targeting Underserved Communities

"The HUD-CIS-Cisco Systems partnership ensures that youth and families in underserved communities can bridge the digital divide and connect with high-skill technology jobs."

Andrew Cuomo
Secretary, U. S. Department of Housing and Urban Development

The U.S. Department of Housing and Urban Development's partnership with Communities In Schools (CIS) and the Cisco Networking Academy Program promotes job and economic opportunities in underserved communities. HUD, along with CIS and Cisco, is targeting the Networking Academy Program to serve youth and their families in public housing, Neighborhood Network sites, and Empowerment Zones and Enterprise Communities. The CIS–Cisco Networking Academy Program-HUD partnership recognizes that community development means that people must have job skills to ensure the community remains economically strong and viable now and in the future.

The digital divide is growing in America. More and more of the job market relies on high tech computer and networking skills. Youth and families in underserved communities face two major obstacles—a lack of access to computers and a lack of opportunity for computer training. Statistics indicate that:

- Of the jobs created between now and the year 2010, 90 percent will require an understanding of technology.
- Less than 20 percent of all Blacks and Hispanics in the U.S. have a computer in their home.
- Only 17 percent of individuals in urban centers have access to the Internet.
- Only 2 percent of rural households living in poverty have access to the Internet.
- Only 7 percent of individuals without a high school education are likely to own a computer.





By linking education, business and community development efforts, the skills of each partner are dedicated to bridging this digital divide for youth and their families. This program provides real jobs for the 21st century.

The Cisco Networking Academy Program centers on teaching students to design, build and maintain computer networks, but the significance goes well beyond the central lesson plan. Cisco Systems, Inc. is the worldwide leader in networking for the Internet, and the Cisco Foundation is dedicated to making lasting, positive changes by supporting programs that focus on educating students for the jobs of tomorrow. The Cisco Networking Academy Program prepares students for the marketplace of the 21st century and develops skills that can lead to jobs in high demand in the IT industry.

More than just job training is needed for youth in underserved and economically distressed communities. CIS brings the vital support of a caring network of educators and community to this training program. This partnership works because CIS works with local communities and their schools to establish programs that target at-risk youth to stay in school and graduate with marketable job skills.

Significant efforts are being made to reach at-risk youth and provide them with the opportunity to enroll in the Networking Academy Program. CIS programs enhance the experience of students and their families participating in the Cisco Networking Academy Program through programs that tutor, mentor, develop social skills and bring a sense of belonging. Services support and complement the Academy Program's curriculum and labs, including internship opportunities. It is a practice that works, and is designed to be replicated and tailored to the unique needs of individual communities and schools.

Communities wishing additional information or who are interested in their community becoming part of this exciting 21st Century partnership, should visit the CIS Web site at www.cisnet.org or call 1-800-CIS/4KIDS and ask for the CIS–Cisco area coordinator nearest you.



John T. Chambers

Changing the Way We Learn

There are two fundamental equalizers in life — the Internet and education. With nearly 800,000 unfilled Internet-related jobs which will grow to a billion plus in the next ten years, the Internet is creating e-learning as one of the most powerful learning tools of the next decade for businesses, schools, and individuals.

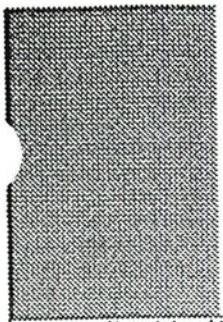
E-learning

The rapid pace of change being driven by the Internet economy demands that we keep today's workforce agile. By employing our own e-learning solutions, Cisco is now able to develop and deploy training quickly and effectively to employees around the world, on an anytime, anywhere basis. For the first time ever, e-learning incorporates accountability into the education process by ensuring the learner and knowledge provider can track results. Cisco is dedicated to helping customers successfully implement their e-learning solutions to turn today's rapid change into an advantage, with our technology, partners, knowledge and expertise.

Training Tomorrow's Workforce through Cisco Networking Academies

Cisco is also committed to working with educational institutions around the globe to ensure that today's students master the necessary skills for success in the Internet economy. We continue to invest and grow the Cisco Networking Academy Program which prepares students for the jobs of the future. Businesses, local communities, governments and foundations have joined us in support of the program through various methods of sponsorship. With over 3000 academies in 52 countries, this program is Cisco's way of increasing the pool of qualified IT professionals and ensuring that business and government work together on their common goal of preparing students for the future.

We have, in 1999, extended this investment with initial funding to form the Cisco Learning Institute as a public charity to coordinate, administer and develop enhancements for the Cisco Networking Academy Program and e-learning.



By eliminating barriers of time, distance, and socio-economic status, individuals are now empowered to take charge of their own lifelong learning. Seventy million people are already doing so and receiving an education on the Internet this year. This is only the start. One day, training for every job on earth will be available on the Internet.

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Jan. 15 2000 Issue of CIO Magazine

Difference Engine

The Social Impact of Technology

Let's Conquer the Divide



What will you say when your grandchildren ask what you did to help end poverty?

BY JARON LANIER

IT'S ALMOST IMPOSSIBLE TO IMAGINE IT innovation without capitalism. The Soviet Union was able to create impressive industries of almost every other type. There were home-grown Soviet cars, pharmaceuticals and power plants, but with few exceptions (like some early experimental military machines) Soviet computers were merely copies of Western designs. And the copies were almost always many years behind the times.

There are undoubtedly many reasons for this particular Soviet failure, and it is hardly the only one. But an apparent explanation is that the Soviet mind-set was focused on linear, zero-sum thinking. Their designers worried about how to make things efficient, how to allocate resources and so forth. They demanded a nice frame around each design problem—constraints to be solved.

The rejection of precisely that kind of thinking is practically a religion in Silicon Valley and related environs. You simply cannot make new information systems that way. An information system designer is actually doing what the original Soviets claimed to be doing—inventing radically new

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doing—inventing radically new ways for people to live, communicate and work together—and bringing forth dramatic new wealth as a result.

Information designers spin spectacular new wealth out of imagination—a rejection of linear thinking. There is a problem in this pretty picture, however.

The economic boom times enjoyed lately by the United States, thanks largely to the triumphs of information systems designers, have been egregiously lopsided. The gulf between wealth and poverty is becoming wider and more dangerous. Indeed, according to the Bureau of the Census, nearly 50 percent of the nation's wealth is now held by the richest 20 percent of the population, an increase of about 4 percent over the last 52 years. In contrast, 40 percent of the population has experienced a decrease in their share over the same time period. The old linear problem of allocation between rich and poor hasn't been made obsolete by our nonlinear explosions of riches. Furthermore, poverty is not just a matter of outward style in the United States. I wish it were. In fact, it shortens health and life, destroys families and kills hope.

Future generations are going to judge us by whether we can rise to meet the challenges of Information Age poverty. There are no excuses. America is in an undisputed leadership position on the world stage, and there is no question that our wealth abounds. We believe that capitalism is not a zero-sum game, that wealth begets more wealth. Therefore, moral imperatives aside, it should be in all our interests to find a way to alleviate the suffering of those who haven't yet benefited from the boom

Learn More...

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Globalization Research Center (www.cio.com/forums/global/)

haven't yet benefited from the boom times.

So, what to do? First, understand the nature of the problem. Access to information technology is central to wealth creation in the new knowledge economy; those who are frozen out of it will not become significant earners. But the problem is not precisely that poor Americans do not have access to information technology. They do—it's just that they are accessing the wrong technology.

There are, sadly, many children in the United States who receive inadequate health care, education and even nutrition, and yet, ironically, some form of access to television and video games is virtually universal. A typical current video game system is actually more powerful than the average current personal computer and yet costs perhaps one-tenth as much. Admittedly, PCs come with more goodies, like mass storage, but even so, there is a striking disparity. What determines economic access to technology is not the inherent cost of the technology's parts, but the commerce model. The bottom line is that poor kids are learning how to be high-tech consumers without learning how to be high-tech earners.

The bottom line is that poor kids are learning how to be high-tech consumers without learning how to be high-tech earners.

I don't think there is a silver bullet that will solve this problem, but I believe a connected campaign of government, industry and community initiatives can vastly improve the situation. These approaches need to focus on kids and families. Here are some specific things your company can do now to improve the prospects for

Find It Online

Advanced Network & Services Inc.
(www.advanced.org)

Jaron Lanier's Homepage
(www.advanced.org/jaron)

NetDay
(www.netday.org)

ThinkQuest
(www.thinkquest.org)

Whyville
(www.whyville.net)

disadvantaged kids:

■ One of the most promising trends in technology is the opening up of video game machine architectures. If kids can connect to the Net with cheap machines and create their own content and services, they will grow into a new generation of empowered, productive, technically skilled citizens, even if they have to endure crummy schools and bad neighborhoods. Unfortunately, this trend is not well enough established. If you work with a company in the video game business, please consider advocating open architectures. Include a modem. Create wonderful authoring tools so that kids can build their own content additions on top of your titles. Allow open Web access.

■ Connectivity is central if kids are to be empowered by digital technology. Some schools that have PCs tend to do stupid things with them. This is in part because of the antiquated textbook industry, which sees itself as purely a content provider rather than a tool provider. It's also unavoidably the case that the adults who run the schools are from older generations and don't understand the new economy. Once the computers in a school are online, the kids have a chance to use them well, even if the school system installs only inadequate software on its own (and believe me, that is what schools tend to do). John Gage, director of the Science Office at Sun Microsystems Inc., has spearheaded a successful approach to solving this problem by organizing NetDay, a volunteer effort to wire schools for the Internet. [Gary Beach, publisher of

* Speaker

CIO, is on NetDay's Board of Directors.] This was a job that government would have gotten around to eventually, but much too slowly to matter to a generation of kids. You can participate in NetDay. Find out if there are disadvantaged schools in your area that aren't wired. The new local wireless solutions can help speed the process and lower the costs.

■ Kids need to be motivated to become producers and not just consumers. The most powerful effort in that direction is ThinkQuest, an initiative of Advanced Network & Services Inc., a nonprofit corporation in Armonk, N.Y. (Advanced Network & Services also funds and houses the Internet2 Central Laboratory.) The ThinkQuest Internet Challenge is a nonprofit competition for scholarships and awards in which youths ages 12 through 19 compete by creating Web-based educational tools and materials. What is astonishing is the quality of the results. The ThinkQuest server is one of the most popular among kids around the world—it gets roughly 20 million hits per week, up to 3.5 million per day. Take a moment to think about this. When kids take their own initiative and become producers of curriculum, curriculum suddenly becomes popular. Some of the entries have been so useful—including a wonderful introduction to C++ programming—that they have reportedly been adopted for training purposes by major corporations. Kids from more than

When kids take their own initiative and become producers of curriculum, curriculum suddenly becomes popular.

70 countries enter ThinkQuest each year (since 1996, there have been almost 50,000 students and educators from 100 countries). Participants often work in teams, overcoming differences in language, culture and socioeconomic status. Your company or organization should be sponsoring ThinkQuest scholarships. Is it?

■ The way adults communicate with kids in order to achieve the goals of education must be revolutionized. A great example of how to do this is Whyville from the California Institute of Technology. Whyville teaches kids how to be scientists by doing real experiments instead of reading about what other people did. Kids form a natural community over the Net as they learn to plan and realize goals. Is your company sponsoring efforts like Whyville?

None of the above initiatives are handouts. They're investments that will increase wealth for us all.

The problem with pre-digital industries was that they had only a finite demand for labor. Once a factory produced as much of a product as was in demand, it had no need to produce more. This resulted in pernicious, repeated obsolescence of labor forces as technologies changed, and the resultant unemployment destabilized industrial economies for most of this century.

I'm about to make a comment that might sound sarcastic, but can also be taken at face value: The beauty of the Information Age is that information technology is forever broken and always in need of more human labor to maintain and improve it. There are two reasons for this, one technical and the other cultural. The technical

challenges of IT will be all too familiar to readers of this magazine. But even if IT someday becomes easy to manage (as a computer scientist, all I can say is, "Don't hold your breath"), the cultural factor alone will be enough to drive an economy that fully employs a boundless number of educated workers. The reason for this is that all things digital are ultimately made of human meaning, a substance that can be endlessly improved with further effort.

The challenge now is to knock down the barriers that keep some people out of the new economy. The barriers are composed mostly of momentum, a collective entrapment in bad old habits and a lack of faith. If any group of people in the world has enough optimism, skill, energy and faith to address this challenge, it is the pioneers at the leading edge of the information economy. Someday your grandchildren will ask what you did to help mankind end poverty. What will your answer be?

Jaron Lanier is the lead scientist of the National Tele-Immersion Initiative, Internet2 Central Laboratory, in Armonk, N.Y. His Web site is www.advanced.org/jaron.



How can CIOs make a difference? Tell us what you think at difference@cio.com.

Illustration by Gina Triplett

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Divider Title: 15 _____

News Release

3050 Bowers Avenue
Santa Clara, California 95954
Phone (408) 563-5161
Fax: (408) 986-7115

Release: Immediate

Contact: Jeff Lettes (editorial/media) (408) 563-5161
Carolyn Schwartz (financial community) (408) 748-5227

APPLIED MATERIALS JOINS WHITE HOUSE EFFORT TO NARROW THE DIGITAL DIVIDE

$1 Million Pledge Includes Training Center in East Palo Alto

SANTA CLARA, Calif., April 17, 2000 — Applied Materials Inc. announced today that it will commit $1 million for programs that assist people nationwide to acquire the skills they need to participate in the new digital economy. During President Bill Clinton's visit to East Palo Alto this morning, Applied Materials also announced that as part of its pledge, it will develop a new digital economy training center in that city in partnership with Rainbow/PUSH Coalition, as well as local government and community organizations.

"Our global Information Age economy is the result of everything we've been working on in Silicon Valley for the last 30 years," said James C. Morgan, chairman and chief executive officer of Applied Materials. "High-tech corporations must reach out to enable all of our communities to benefit from the opportunities that exist in the new economy. The effort which we are launching today is an important part of Applied Materials' *Information for Everyone*™ commitment."

Morgan and two dozen Silicon Valley leaders joined President Clinton in a roundtable discussion on ways the public and private sector can bring digital opportunity to youth, families and communities. East Palo Alto was the first stop on a two-day tour by President Clinton to focus national attention on the "digital divide" – a gap between those individuals and communities that have access to Information Age tools and those who do not.

— more —

The newly announced East Palo Alto training center will provide unemployed and underemployed workers and students the skills that they need to be part of Silicon Valley's growing high-technology workforce. It will be modeled after organizations like *DC Link and Learn,* based in Washington, D.C., which is a family technology center that boosts community participation in the new economy, from pre-kindergarten children to senior citizens.

Applied Materials, Inc. is a Fortune 500 global growth company and the world's largest supplier of wafer fabrication systems and services to the global semiconductor industry. Applied Materials is traded on the Nasdaq National Market under the symbol, "AMAT". Applied Materials' website is http://www.appliedmaterials.com.

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Divider Title: 16 _____

SEMICONDUCTOR EQUIPMENT AND MATERIALS INTERNATIONAL (SEMI)

Brief Description of SEMI's Commitment

SEMI Celebrates its 30th Anniversary on July 12, 2000 with $1 Million Pledge to five Digital Divide Reduction Programs. SEMI, the global trade association for the semiconductor equipment and materials industry, is celebrating is 30th Anniversary and the 30th Anniversary of the Information Age by pledging one million dollars to five workforce development programs focused on reducing the Digital Divide. The organizations that will receive $200,00 each are: Workforce Silicon Valley; Industry and Technology Outreach Foundation; Jose A. Valdez Math Institute; and the Charitech Civic Venture Fund.

Suggested Talking Point:

"We want to recognize and thank SEMI, the global trade association for the semiconductor equipment and materials industry, for celebrating its own 30th Anniversary and the 30th Anniversary of the Information Age, by contributing one million dollars to five Silicon Valley workforce development programs focused on reducing the Digital Divide."

STANLEY T. MYERS

PRESIDENT OF
SEMICONDUCTOR EQUIPMENT AND MATERIALS INTERNATIONAL

Stanley T. Myers is the president of Semiconductor Equipment and Materials International (SEMI). Headquartered in Mountain View, Calif., SEMI is an international trade association that serves more than 2,300 companies involved in the $65 billion semiconductor and flat panel display equipment and materials industries. SEMI maintains offices in Austin, Beijing, Boston, Brussels, Moscow, Seoul, Singapore, Taiwan, Tokyo and Washington, D.C.

Myers presides over the association's international SEMICON trade expositions, trade missions, market statistics program, international standards programs, economic conferences and government relations program.

Prior to his appointment as SEMI president, Myers worked for 17 years at Siltec Silicon, a manufacturer of silicon wafers, based in Salem, Ore. He served as president and CEO since 1985, and in 1986 he completed negotiations for the acquisition of Siltec by Mitsubishi Materials Corporation. In July 1996, Siltec officially changed its name to Mitsubishi Silicon America Corp. Prior to Siltec, Myers worked for Monsanto Corporation for 18 years.

Myers continues to serve on the SEMI board of directors, a post to which he was elected in 1989. He also sits on the boards of Mitsubishi Silicon America and Haskell International.

Myers earned a bachelor's degree in chemical engineering from the University of Kansas.

SEMICONDUCTOR EQUIPMENT AND MATERIALS INTERNATIONAL

Semiconductor Equipment and Materials International (SEMI) is a global trade association that represents more than 2,400 member companies worldwide participating in $65 billion semiconductor and flat panel display equipment and materials industries. Founded in 1970, SEMI has evolved into a worldwide organization committed to free trade and open markets. The primary goal of SEMI is to help its members expand their global business opportunities and improve access to their customers and to industry, government and civic leaders. SEMI accomplishes this goal by organizing industry expositions and events and by providing its members with up-to-date, industry-specific information and educational resources. Headquartered in Silicon Valley, California, SEMI

maintains offices in Austin, Beijing, Boston, Brussels, Hsinchu, Moscow, Seoul, Singapore, Tokyo, and Washington, D.C.

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Divider Title: 17 _____

Monday, April 10, 2000

MEMORANDUM TO GENE SPERLING

FROM: KENDRA PROCTOR GOLDBAS

SUBJECT: BACKGROUND ON AT&T COMMITMENT TO THE ACADEMY OF INFORMATION TECHNOLGY AND THE LEADERSHIP CONVERSATION WITH AMERICA

Academy of Information Technology: AT&T will commit $1.5 million over four years to create high school curriculum to prepare students for IT industry through career awareness, skill development, networking and internships, and technology integration in the classroom. The program is being developed by National Academy Foundation. 12 sites in schools across the country have been chosen as pilot sites to begin the program in September 2000.

- ✓ The Academy of Information Technology will cost a total of $8 million over four years to develop and implement. $6.5 million has been committed to date (including the AT&T commitment).
- ✓ Oracle is also involved in the project and will announce its commitment on the trip.

Announcement of Leadership Conversation for the Next America: AT&T will contribute $250,000 to bring national forum series to underserved communities to engage high school students and policymakers in a dialogue about economic opportunities, education, job skills and leadership for the 21st century. To spread the power of the conversations farther, AT&T will donate and maintain a new World Wide Web site for the project, providing an ongoing, online dialogue among youths and policymakers across the country.

- ✓ Michael Armstrong, CEO of AT&T has previously participated in New Markets trips and activities. He also participated in the Commerce Digital Divide conference where he announced a $1 million grant to the Educational Development Center, a non-profit education and research development association to develop a three pronged training program that would include teachers, community members and young people.

AT&T and the Digital Divide. In addition to the announcements made in East Palo Alto, AT&T and the AT&T Foundation contribute to several initiatives aimed at bridging the digital divide.:

- ✓ **The AT&T Learning Network**: Offers free online resources to help families, schools and communities use technology effectively to enhance teaching and learning. AT&T pledged a $150 million corporate commitment in 1995.
- ✓ **Job Corps Funding**: AT&T is investing in the Edison (NJ) Job Corps program by developing a three-year initiative to address the shortage of skilled workers in the information-technology industry that includes providing paid internships for training program graduates, mentors, equipment and materials.
- ✓ **Community Technology Centers**: AT&T is collaborating with the NAACP, the National Urban League to support the Community Technology Centers Network.

- ✓ **Computer Learning**: AT&T is supporting the Puente Learning Center in South Central Los Angeles to help provide free computer-based education programs to children, youth and adults and to encourage other community agencies to do the same.
- ✓ **New York City Housing Resources**: AT&T is helping settlement houses in New York City serve as centers where technology resources can be accessed, shared and used by settlement staff, community residents and program participants.
- ✓ **Cable in the Classroom Program**: AT&T Broadband and Internet Services offers free cable modem and serve to every school in its area of service and through its support for Cable in the Classroom, provides a free cable connection and over 540 hours per month of commercial-free educational programming to schools across the country.
- ✓ **School Safety**: AT&T Safe School program provide free AT&T Wireless services and Ericsson wireless phones to selected schools to support school safety efforts.
- ✓ **Get Net Wise**: Founding sponsor of GetNetWise: You're One Click Away, a comprehensive Web-based resource designed to ensure parents and families have the technology tools and tips, safety referral contacts and suggestions on quality content they need to help kids have safe and enriching experiences online.

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INITIALS: JM DATE: 5/26/23
2019-0203-F

AT&T's Potential Announcements on Workforce Development

New Markets Initiative Tour
April 10 -11, 2000

- Announce the *Education Alliance,* a $1.2 million, multi-year commitment to develop information technology curricula, and to establish a distinguished lecture series on network management technology for higher education students with North Carolina State University, North Carolina A&T University, Ohio State University, Miami University of Ohio, and Steven's Institute of Technology.

- Announce the *Academy of Information Technology,* a four-year $1.5 million grant to create high-school curriculum to prepare students for the information technology industry developed by the National Academy Foundation and the Center for Occupational Research and Development.

- Announce a *Leadership Conversation for the Next America,* a $250,000 commitment to bring a national forum series to underserved communities to engage high school students and policymakers in a dialogue about economic opportunities, education, job skills and leadership for the 21st century.

###

AT&T's Potential Announcement

PRIVATE

New Markets Initiative Tour
Week of April 9, 2000

Miami, Florida

- Announce the four-year $1.2 million grant to create the *Academy of Information Technology*, a high-school curriculum to prepare students for the information technology industry developed by the National Academy Foundation and the Center for Occupational Research and Development.

- Host a *Leadership Conversation for the Next America* to engage high school students and policy makers in a dialogue about economic opportunities, education, job skills and leadership for the 21st century.

- Identify other grants in Miami that could be packaged

Pittsburgh, Pennsylvania

- Announce the four-year $1.2 million grant to create the *Academy of Information Technology*, a high-school curriculum to prepare students for the information technology industry developed by the National Academy Foundation and the Center for Occupational Research and Development.

- Launch the roll-out of the "*Online Professional Development Institute*" for teacher training developed by the Education Development Center, a component of the Technology Leadership Program announced at the Digital Divide Summit. Identify a school where AT&T has connected our high-speed, fiber-optic cable service, and engage community-based organizations on a 'local' announcement of the initiative.

- Host a *Leadership Conversation for the Next America* to engage high school students and policy makers in a dialogue about economic opportunities, education, job skills and leadership for the 21st century.

Oakland, California

- Announce the four-year $1.2 million grant to create the *Academy of Information Technology*, a high-school curriculum to prepare students for the information technology industry developed by the National Academy Foundation and the Center for Occupational Research and Development.

- Launch the roll-out of the "*Online Professional Development Institute*" for teacher training developed by the Education Development Center, a component of the Technology Leadership Program announced at the Digital Divide Summit. Work with community-based organizations on a 'local' announcement of the initiative.

- Host a *Leadership Conversation for the Next America* to engage high school students and policy makers in a dialogue about economic opportunities, education, job skills and leadership for the 21st century.

- Identify opportunity to work with Barry Bond's *Link to Learn* initiative

PRIVATE

Rio Grand : Valley, Texas

- Ann ounce the four-year $1.2 million grant to create the *Academy of Information Tech nology*, a high-school curriculum to prepare students for the information technology indu try developed by the National Academy Foundation and the Center for Occ pational Research and Development. CORD's headquarters and a pilot 'laboratory' scho ol for the *Academy* are in Waco.

- Laur ch the roll-out of the "*Online Professional Development Institute*" for teacher train ng developed by the Education Development Center, a component of the Tech nology Leadership Program announced at the Digital Divide Summit. Work with the C enter for Occupational Research and Development to launch a teacher training prog am at their pilot school for the *Academy of Information Technology* as the 'local' anno ncement of the initiative.

- Host a *Leadership Conversation for the Next America* to engage high school students and polic /makers in a dialogue about economic opportunities, education, job skills and leade :ship for the 21st century.

- Ident fy other grants in Texas that could be packaged

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Divider Title: 18 _____

Monday, April 10, 2000

MEMORANDUM TO GENE SPERLING

FROM: KENDRA PROCTOR GOLDBAS

SUBJECT: BACKGROUND ON THE PeoplePC COMMITTMENT

PeoplePC Commits to Providing Multimedia Computers to the East Palo Alto Community. PeoplePC will provide the schools of East Palo Alto with 300 new multimedia computers. Currently, many schools in East Palo Alto have a student-to-computer ratio of 28:1, making it difficult for computers and Internet to be used as a powerful tool for learning in the classroom.

About PeoplePC: . San Francisco-based PeoplePC provides middle-class families with a full-capability PC and unlimited Internet access for $25 a month and a $300 deposit. Bringing together the buying power of a large number of consumers allows them to arrange relationships with leading computer manufacturers, a top-tier Internet service provider, and many other merchants and partners. PeoplePC use the collective buying power of the PeoplePCSM membership to arrange unusual deals and special values

PeoplePC offers:

√ A Toshiba computer replaced every three years with a new, up-to-date model while the old model is donated to a needy school or charity.

√ Unlimited internet access with UUNET, an MCI Worldcom company.

√ A relatively strong warranty and solid tech support policies.

√ An array of companies offers discounts, free gifts, bonuses and cash savings for PeoplePC members

PeoplePC and the Digital Divide. Delta Air Lines announced that Hewlett-Packard Company and IBM will supply computers for its "Wired Workforce" program in which computers are made available for all Delta employees at a substantial discount through PeoplePC. Ford followed suit and also announced a three year deal with PeoplePC in February that would provide Ford's 350,000 employees worldwide personal computers for home use. The computer package would include a printer and Internet access, all for $ 5 a month.

Monday, April 10, 2000

MEMORANDUM TO GENE SPERLING

FROM: KENDRA PROCTOR GOLDBAS

SUBJECT: BACKGROUND ON govWORKS COMMITMENT

The Community Commitment Program to Reinvest in Community. Through the Community Commitment program, govWorks will reinvest a percentage of its revenue back into the communities where it does business in their form of publicly accessible computers and Internet services. govWorks will work with localities to place these resources in appropriate locations such as community centers, libraries and city halls. [It is estimated that this year alone govWorks will contribute over $150,000 to communities across the country.]

- ✓ govWorks now has formal partnerships with the City of Philadelphia and the City of New Orleans to initiate the program in these communities.

About govWorks Founded in 1998 by George Featheree and Khalil Tuzman, govWorks is a private company that collaborates with government to provide a wide variety of Internet-based services that enhance interactions with other government agencies, citizens and businesses.

- ✓ Though still a private company, in the last ten months govWorks has grown from 3 to 180 employees and has raised $50 million.
- ✓ Provides secure and efficient means for governments to provide better services, lower costs, increase revenues and free up resources that can be used to address other needs.
- ✓ Citizens and businesses benefit from 24-hour, 7 days a week access to enhanced government services. You can pay bills or taxes online. look for government jobs, access government resources, communicate with local officials, etc.

govWorks and New Markets. Due to the explosive growth of the company, govWorks is in the process of purchasing and renovating the Blumstein Building, a 150,000 square foot building located on 125th Street in Harlem.

- ✓ This move will represent the largest move ever by a technology company into Harlem. The goal is for govWorks to anchor an "Internet/technology cluster" in Harlem, and to help attract several other technology companies to the area.
- ✓ The company is focused on local hiring for the Harlem project and they are adopting a school in Harlem to provide its students with computer and Internet skills and motivation tools.

govWorks and the Digital Divide. In addition to the Community Commitment Program, govWorks is making other positive impacts in the areas it does business:

- **GovGive** is the company's on-line commitment to nonprofit organizations and volunteers; they offer a free database enabling organizations and donors to exchange information and ideas, and allowing users to make donations and locate volunteer opportunities across the country.
- **Adopt a School**. govWorks also adopted Public School 126 in downtown Manhattan through Junior Achievement Partnership.

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Divider Title: 19 _____

govWorks.com

govWorks, Inc.
81 Franklin Street
New York, NY 10013
tel 212 941 6900
fax 212 208 4472
info@govworks.com

March 26, 2000

Mr. Gene Sperling
Assistant to the President for Economic Policy and
Director of the National Economic Council
2nd Floor, West Wing
The White House
Washington, D.C. 20502

Dear Mr. Sperling:

Thank you for the opportunity to meet with you and your team in the White House last Wednesday, March 22. As a minority-led Internet company committed to increasing access to technology, we are very excited about the President's upcoming New Markets tour and are anxious to participate and demonstrate our support. With this letter, I would like to share our plans for April 10th in support of the President's tour and to describe the role that social responsibility plays in govWorks' business.

govWorks' Announces its Community Commitment program

In support of the President's tour, we have chosen April 10th to formally announce and launch govWorks' Community Commitment program in Philadelphia, New Orleans and a city to be determined in Northern California. Through the Community Commitment program, govWorks reinvests a percentage of its revenues back into the communities where it does business in the form of publicly accessible computers and Internet service (i.e., in community centers, public libraries or city halls). We have estimated that this year alone govWorks will contribute over $150,000 to communities across the country through our Community Commitment program (we expect the actual impact to be much greater given partnership arrangements that we are negotiating with major computer equipment manufacturers and Internet Service Providers.)

govWorks is unique among young Internet companies because we built social responsibility into our business plan from Day One. In other words, our commitment to increasing community access to technology reflects our founders' deeply held values. Following the official launch of our Community Commitment program, govWorks intends to make a number of business announcements related to other major accomplishments, partnerships and our recent financings. In this way, we hope to show that social responsibility can go hand-in-hand with business success, and in so doing, encourage other young Internet and technology companies to implement their own socially responsible business practices.

We would like to show our support for the President's tour and to applaud the attention he is focusing on one of the unfortunate aspects of the new economy by formally announcing the launch of our Community Commitment program. If there is an opportunity for govWorks to play a role in the President's tour, we would be happy to coordinate our efforts. I have also attached information regarding other Community Development initiatives and also a description of the Harlem project that we discussed. Please do not hesitate to contact me at 212.941.6900 x109

(office), 650.270.6834 (mobile) or at my e-mail address below if I may be of any additional assistance.

Respectfully yours,

George Clayton Fatheree, III
Co-Founder and Vice President of
Community Development
govWorks, Inc
george@govWorks.com

enclosure: govWorks' Community Development Description
govWorks' Harlem Technology Project

Draft #9 April 14, 2000 – 10:30 AM

Contact:
For govWorks.com:
Whit Clay
Sloane & Company
212-446-1864
wclay@sloanepr.com

NOT FOR IMMEDIATE RELEASE

PRESIDENT CLINTON TO HIGHLIGHT GOVWORKS' "COMMUNITY COMMITMENT" PROGRAM

- govWorks Announces Program to Help Communities Address the Digital Divide

(New York, NY, April 17, 2000) – President Clinton today will highlight the govWorks "Community Commitment" program during his third New Markets Tour which is focusing attention on closing the Digital Divide.

govWorks, Inc., a leading e-government Internet company, is announcing its "Community Commitment" program to help communities across the country address the Digital Divide. The program is being launched today in the City of Philadelphia, PA and on Wednesday in New Orleans, LA. govWorks will be providing computer hardware equipment, high-speed Internet access and technology training to public institutions in both cities. The Company estimates that it will roll-out its "Community Commitment" program in 50 US cities by the end of the year.

"govWorks strongly believes in the power of strategic philanthropy to create a lasting and positive impact in communities," said Kaleil Isaza Tuzman, govWorks Co-Founder and CEO. "We are committed to working collaboratively with governments to help them address the challenges of e-Government and to deal with issues like the Digital Divide."

govWorks' announcement coincides with President Clinton's New Markets Tour focusing on the Digital Divide which kicked-off this morning in East Palo Alto, CA. The New Markets Tour will highlight initiatives aimed at overcoming the Digital Divide and creating digital opportunity for youth, families and communities.

Gene Sperling, head of the President's National Economic Council, emphasizes, "the President's tour hopes to encourage more private sector companies to get involved in addressing the technology gap in American society. We congratulate govWorks, as a relatively early stage Internet company, for its leadership in making a commitment to bridging the Digital Divide part of its overall business strategy."

govWorks is hosting events with Mayor John Street of Philadelphia, PA and Mayor Marc H. Morial of New Orleans, LA on April 17 and April 19, respectively, to announce the kick-off of the Community Commitment program in these cities and to highlight both Mayors' efforts to increase access to technology in their communities. govWorks will donate computers and high-speed Internet access to the Thomas Creighton Elementary School in Philadelphia, PA and to Nora Navra Public Library in New Orleans, LA. Additionally, govWorks will provide the school and library staff with computer and Internet training so that they can take full advantage of the newly-donated resources.

Mayor John Street applauds govWorks' effort to make a positive social impact in communities across the country. "By bringing this technology into the hands of our students, govWorks is significantly enhancing our efforts to provide our students with the academic and practical skills they will need to compete in the new economy."

"We are thrilled to be a part of govWorks' Community Commitment program," says New Orleans Mayor Marc H. Morial. "It will add much-needed resources and energy to our own efforts to increase access to technology for all segments of the New Orleans community."

The "Community Commitment" program designed by govWorks focuses on three goals that address the Digital Divide. They include:

- Increasing the number of publicly-accessible computers in communities across the country;
- Providing high-speed Internet access in public spaces so that community members can keep pace with the changes in the New Economy;
- Offering technical training to help people in traditionally underserved segments of society more fully participate in the Information Age.

"govWorks believes in 'making good by doing good,'" said George Fatheree, Co-Founder and Vice President of Community Development at govWorks. "From day one, making a positive social impact has been part of our business model. We hope that other early stage Internet and technology companies will get more involved to help bridge the Digital Divide and create more equal access to technology in our society."

In addition to its Community Commitment program, govWorks sponsors a number of other community-focused initiatives and programs. For example, the Company's employees have partnered with Junior Achievement to volunteer at a local inner-city elementary school near its headquarters in downtown Manhattan; govWorks is one of the only private sector sponsors of YouthVote 2000, a coalition of largely nonprofit based organizations focused on encouraging civic participation among America's youth; also, as a sponsor of Earth Day 2000, govWorks donated computers and Internet access for public use in support of the Earth Day 2000 Fair in New York City.

About govWorks, Inc.

govWorks, Inc., is a private company that collaborates with local, state and federal governments to facilitate a wide variety of Internet-based services that enhance interactions with government agencies, citizens and businesses. For governments, govWorks suite of e-government products enables them to provide better services, lower

costs, increase revenues and free up resources that can be used to address other needs. Consumers and businesses benefit from 24-hour-a-day, 7-day-a-week access to enhanced government services, with expanded options for making payments online--including the ability to use credit and debit cards, and to save money on the cost of bills and tickets.

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Divider Title: 20 _____

TechNet/NetDay Partnership : Educational Technology Knowledge Map Update Information 3/23/00

Components of the web-based knowledge map (Phase I)

- Database searchable by category, key word, content type, content source, geography parameters, congressional district

  Categories :
  - Visionary Technology Planning
  - Implementation Technology Planning
  - Hardware
  - Classroom Content
  - Technical Application Software
  - Teacher Productivity Software
  - Professional Development
  - Connectivity
  - Systems Support and Maintenance
  - Financial Support

  Content Type :
  - Static information - commercial orientation and/or neutral orientation
  - Discussion derived information - archived or current
  - E-commerce site specific information

  Content Source :
  - Non-profit organizations or associations
  - Commercial/corporate suppliers
  - Universities and research laboratories
  - Federal and state government agencies

- Solutions that will be accessible through the map include educational technology resources that would be of high interest and value to school site stakeholders such as the school principal, technology coordinator, teachers, parent support groups (PTA), community members, local business supporters. Examples of potential solutions include programs implemented through non-profit organizations, commercial product information, university conferences and research papers, web-based curriculum offerings and professional development opportunities, and federal government grant

applications.

- Each solution "page" will contain an editorial explanation of solution and or product, URL hot link directly to specific information, contact information, access to user reviews of solution usage and links to information about use of that solution within the NetDay Digital Divide laboratories if appropriate

- Knowledge community members will be encouraged to share their input as to the value and benefits derived from the posted solutions. Reviews will be edited and posted as part of the general solution pages.

- Moderated forums/bulletin boards/chats will be structured around the 10 categories with expansion to other interest areas as the knowledge community grows

- An email newsletter will be sent to forum participants and others who register to receive update information from the map, i.e. a new solution introduction, a call for user reviews, an update from the NetDay Digital Divide laboratories

- An educational technology bookshelf will recommend books and papers for community members. We will set up an affiliate program with an online book retailer and donate the proceeds from the bookshelf to needy schools. An online book club for discussions of those books and papers will further the discussions and dialogues started in the moderated forums.

- An email support desk will be setup to take inquires about solutions such as "what is a good professional development source for middle school science teachers interested in using technology to support an earth science curriculum?"

prepared by Julie Evans
3/23/00

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Divider Title: 21 _____

FOR IMMEDIATE RELEASE: APRIL x, 2000

Contact: Andrea V. Papa
ThinkQuest
(914) 765-1134
andrea@thinkquest.org

ThinkQuest Expands Reach to Rural, Inner-city, and Students with Disabilities through the Department of Education's TRIO and CTC Programs, HUD, and ABILITY Awareness

Non-profit Program Bridges Digital Divide by Reaching Out to Under-served Students

ARMONK, NY -- ThinkQuest®, a non-profit Internet-based educational initiative, is celebrating its fifth anniversary by partnering with the Department of Education's TRIO and Community Technology Centers (CTC) programs, HUD's Neighborhood Network centers, and ABILITY Awareness to bring ThinkQuest's award-winning program to the large number of students in poor schools and communities, as well as to students with disabilities, which today number more than 9.9 million[1].

To create digital opportunities in under-served areas, ThinkQuest, http://www.thinkquest.org, prepares students for the high-tech workplace of the 21st Century by teaching self-confidence and invaluable skills such as technology proficiency, critical thinking, and collaboration.

"ThinkQuest Internet Challenge, for teens, and ThinkQuest Jr., for preteens, encourages students and educators to 'learn by doing' as they team together to create educational Web sites," said Dr. Terry Rogers, president and chief operating officer of Advanced Network & Services, the non-profit corporation that founded ThinkQuest. "They compete for $1.5 million in scholarships and cash awards for themselves, and their schools."

Founded five years ago on the premise that the Internet is a powerful tool which can bridge the Digital Divide, ThinkQuest program guidelines promote mixed gender teams that include members from diverse levels of computer competency who come from various cultural, ethnic and socio-economic backgrounds. To date, more than 50,000 students and educators from 100 countries have participated in ThinkQuest.

"I am so pleased that ThinkQuest programs are providing critical educational opportunities that are helping to close the digital divide among our students," said U.S. Secretary of Education Richard W. Riley. "Through the quality online content and applications that ThinkQuest offers, students have the opportunity to learn valuable technology skills they will need to succeed in this global economy."

HUD Secretary Andrew Cuomo calls ThinkQuest "the perfect vehicle to give young people in every part of America a bridge to cross the 'digital divide,' access the computer training they need, and use the Internet to help develop and succeed in school and in life."

As an example of some of the success stories, Dr. Rogers cites Ian who emigrated to the United States, six years ago, from a semi-rural village in the Philippines.

Ian's TRIO team won an Honorable Mention Award in the ThinkQuest Internet Challenge for their Web site, "A Bow of the Head," http://library.thinkquest.org/28505/, which explores different religions. Ian is now a freshman at the University of Washington and is Webmaster for his school's Undergraduate Admissions site.

Working with the Department of Education's TRIO/ Upward Bound and Talent Search programs, ThinkQuest hopes to reach many of the organization's almost 380,000 students as well as make its program available to students learning to use information technology at the Department's Community Technology Centers. HUD will be promoting the ThinkQuest programs to its more than 500 Neighborhood Network centers across the country where a number of teams are currently completing their ThinkQuest Jr. Web site entries.

Examples of ThinkQuest Jr. participation include:

- A team of two girls and two boys, from Independence Missouri, is working on their site, "Touchdown Beethoven," that emphasizes the importance of music, using a sports theme. With no previous Web design experience, the Neighborhood Network participants, who were not friends before this endeavor, have learned the importance of working together and how to value their own contributions as well as those of their teammates.

- Another ThinkQuest Jr. team of three girls from Roslindale, MA, is designing a site on the evolution of Latin music and dance in the United States, called "Let's Dance Latin Style." Working after-school and on weekends, they are conducting research, writing text, and developing their own photos, videos, and drawings as they learn to create Web pages.

"One of our goals is to increase participation among students with disabilities because the Internet is a great equalizer and one in five Americans has a disability, " said Dr. Rogers. ABILITY Awareness works to enhance the quality of life for people with disabilities through education, employment, and volunteer opportunities.

ThinkQuest was named in The Children's Partnership[2] strategic audit, Online Content for Low Income and Underserved Americans. Listed as one of the best Web destinations that overcome content barriers, the ThinkQuest Library of 3,000 student-created Web sites is used as a learning tool by millions of people across the globe regardless of gender, culture, or background.

About ThinkQuest
Created and sponsored by Advanced Network & Services, a non-profit corporation working at the intersection of Internet research and education, ThinkQuest is one of the fastest-growing and largest Internet-based educational initiatives in the world. There are two ThinkQuest challenges: ThinkQuest Junior for girls and boys in grade fourth through sixth, and the flagship ThinkQuest Internet Challenge, for students aged 12-19. Each ThinkQuest program encourages participants to create high quality, content rich, educational Web sites that are made available to millions around the world via the ThinkQuest Library. For more information, visit the ThinkQuest Web site at http://www.thinkquest.org.

###

[1] United States Department of Education

[2] The Children's Partnership is a national nonprofit strategy and policy center on children's issues, http://www.childrenspartnership.org.

Note to Editors:

- Dr. Rogers is available for interview.
- A bylined article by Dr. Karen Morell, a director at TRIO, tells the story of Ian as mentioned by Dr. Rogers. Dr. Morell is available for interview.

ThinkQuest

Internet Challenge | Junior | Tomorrow's Teachers | Conference | Library



Jason
ThinkQuest Participant

Think Quest

News

ThinkQuest Background Info

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Contact:
Andrea V. Papa
Advanced Network & Services, Inc.
(914) 765 - 1134
andrea@thinkquest.org

ThinkQuest® Overview

ThinkQuest's Mission

ThinkQuest is an educational initiative committed to advancing learning through the use of computer and networking technology. ThinkQuest challenges teachers and students of all ages to use the Internet in innovative and exciting ways as a collaborative, interactive teaching and learning tool. Each ThinkQuest program encourages participants to create high quality, content rich, educational Web sites that are made available freely to others around the world via the ThinkQuest Web server. ThinkQuest is the largest and fastest growing Internet-based Educational program in the world. Because of the Internet, groups of people from diverse locations, backgrounds, experiences and nationalities are able to work and communicate in meaningful ways. ThinkQuest capitalizes on this new form of communication by inviting learners to explore topics they choose, collaborate to achieve a goal and add meaningful content to the Internet.

Central to the ThinkQuest philosophy is the notion that people learn best by doing, especially if what they are doing is interesting and if the product of their work will be used by and have value to others. Exemplary models of student directed, project based learning, the ThinkQuest programs harness the communication, collaboration, and multi media power of the Internet to proven educational ideas. In this "Internet style learning", successful teams bring together members with diverse talents to create highly motivated, academically stimulating and creative learning environments. It is no coincidence that the skills and knowledge students bring away from the ThinkQuest experience are valuable in the "real world', since the structure of the program is subtlety based on the product development cycle.

About ThinkQuest

ThinkQuest, a philanthropic initiative created by Advanced Network

& Services, is the largest and fastest-growing Internet-based education program in the world. It provides an educational and highly motivating opportunity for students and educators to hone their academic skills and increase their awareness of the power and educational potential of the Internet. Every year, thousands of students and educators throughout the U.S. and around the world compete for more than $2 million in scholarships and cash awards. ThinkQuest has established several distinct challenges: ThinkQuest Jr., ThinkQuest for Tomorrow's Teachers and the flagship ThinkQuest Internet Challenge.

More than 30,000 students and coaches have or are currently participating in ThinkQuest programs, and over 1,500 student-created Web sites have become part of the ThinkQuest Internet library (www.thinkquest.org) which is used by millions of educators, students, businesses, government agencies and learners of all ages around the globe. It is the most heavily trafficked educational destination on the Internet, currently averaging about three million hits a day, where the educational subject matter ranges from Mars exploration to the physics of baseball to the plays of William Shakespeare.

ThinkQuest Internet Challenge

The ThinkQuest Internet Challenge is an international program for students age 12-19 that encourages them to use the Internet to create Web-based educational tools and materials. Students form teams with colleagues from around the block or around the world and are mentored by teachers or other adult coaches. Competing for scholarships and awards totaling more than $1 million, student participants learn collaboration, project management, leadership and critical thinking skills that help raise their level of academic and technological prowess. Teams submit their entries in one of five categories: Arts & Literature, Science & Mathematics, Social Sciences, Sports & Health and Interdisciplinary. Finalist team members and coaches from each category are invited to the ThinkQuest Awards Weekend where they compete for the challenge's top prizes. Participation has grown at more than 40% a year with over 10,000 students and coaches from 64 countries participating in 1998.

ThinkQuest Junior

ThinkQuest Junior is a classroom-based competition that encourages girls and boys in grades 4-6 to take a meaningful interest in computers and technology. ThinkQuest Junior helps teachers promote the "Internet Style" of learning – an interactive, participatory method that encourages students to take advantage of the Internet as a constantly growing source of information and as a powerful collaborative tool. ThinkQuest Jr. teams create educational Web sites on a variety of subjects that make learning fun and contagious for other students of the same age. More than $250,000 in cash, computers and networking resources is awarded to winning students, teachers and their schools. Participation in ThinkQuest Junior has more than doubled in it's second year, with more than 1000 teams participating from across the United States.

Tomorrow's Teachers

Designed to help cultivate a generation of new teachers who are technology literate, ThinkQuest for Tomorrow's Teachers challenges teams of K-12 teachers, prospective teachers, and college and university faculty to build content-rich Web-based educational materials that are easily integrated into K-12 classrooms or teacher education programs. Tomorrow's Teachers requires teams to first develop high quality educational Web sites and then tie them to the relevant standards and provide a road map to show how students and teachers could use the site in their everyday classroom activity. Offering more than $500,000 in prize money, Tomorrow's Teachers challenges current and future educators to mold their vision of how technology can be used in the classroom into outstanding educational materials.

ThinkQuest Educational Technology Conference

This three-day international conference is held in conjunction with the ThinkQuest Awards Weekend. At the conference, noted technology researchers, scientists, and educators share their visions and knowledge of technology and it's implications for learning in the next century. Through presentations, panels and small group discussions with conference attendees, issues critical to teachers and educational leaders, such as the future of the Internet, integrating technology into the classroom, and emerging Internet applications for education are explored in depth. In addition, experts guide hands-on sessions with the latest Internet tools and ThinkQuest winners and their coaches provide insights into creating great student-produced collaborative projects.

ThinkQuest Library

Perhaps the most important legacy that ThinkQuest provides to the Internet community is the library of in-depth Web-based educational materials created by students who have participated over the past three years. This library of over 1,500 sites is regularly used by millions in the K-12 community, as well as by those in higher education, industry and research the world over who are looking for well documented and presented information on diverse subjects such as the formation of black holes, Shakespeare's plays and issues relating to the Holocaust. The ThinkQuest library is accessed over three million times per day and has earned alliances from major Web sites, as listed below in the Web Partners section.

Honors & Recognition

The ThinkQuest initiative is the recipient of numerous awards, including the 1997 Thomas Edison Award for Education in the New Millennium, the prestigious Global Information Infrastructure Award for education, sponsored by IBM, the ISTE Award for Pioneering Vision and the Educating Jessica's Generation Award from Jostens Learning. ThinkQuest also received the first annual DigiGlobe Award, sponsored by Deutsche Telekom AG and Focus Magazine, as well as

hundreds of online awards including Yahoo! Pick of the Year, Net Guide Gold Site Award, USA Today's Hot Site, Planet Science Site of the Day and World Village Educational Site.

ThinkQuest ThinkQuest Web sites—educational content created by kids for

Web Partners kids—will be featured on such prominent Web destinations as Netscape's Netcenter, MSNBC, Ask Jeeves, USA Weekend, Lycos, PBS Online, Women.com, and 21st Century Teachers Network. The largest Web sites in the world are joining together to support ThinkQuest, the premier Web-based learning initiative for education.

ThinkQuest Partners ThinkQuest has formed alliances with schools, government agencies, businesses, service organizations, universities and educational institutions from around the world to implement and support ThinkQuest programs. Some of these relationships are formalized in our partnership programs which include:

> **National Partners** There are National Partners in 40 countries – from Australia to Zambia – who promote, encourage and assist ThinkQuest participation in their countries. National Partner organizations are diverse in nature, from national ministries of education to universities, to private corporations to non profit organizations, and various combinations of these groups. They share a commitment to the advancement of education through technology and a belief in the power of ThinkQuest to fulfill this commitment.
>
> **State Partners** The North Carolina Business Committee for Education, appointed by the Governor, is the first in a growing number of pivotal organizations in states throughout the nation that are committing themselves to encourage and assist participation in ThinkQuest.

ThinkQuest Sponsors

Advanced Network & Services would like to thank the many companies who sponsor the ThinkQuest initiative: Adobe Systems for sponsoring the Design Award, Microsoft for sponsoring the Java Award, Cisco Systems for providing Micro Webservers for TQ Junior, Dell Computer for providing computers for the Awards weekend and ThinkQuest Summit, and Highwood Productions, ANS Communications, MCI Worldcom and the NorthStar Foundation for their generous support of the 1998 Awards Event.

About Advanced Network & Services

Advanced Network & Services, Inc., was formed in 1990 as a nonprofit corporation dedicated to advancing education by accelerating the use of computer network applications and technology. In 1995, Advanced Network & Services initiated several

new programs in support of education and science. ThinkQuest is one of those programs. Advanced Network & Services supports university research and development related to the advancement and the use of Internet applications and technologies such as Internet2, The National Tele-Immersion Initiative and Internet Performance Measurement.

For More Info Advanced Network & Services can be contacted by visiting their Web site at www.advanced.org or calling 914-765-1100. For more information on ThinkQuest, visit www.thinkquest.org.

ThinkQuest is a Registered Trademark of Advanced Network and Services, Inc.

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For Media Relations information, please write to andrea@thinkquest.org

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"Kaminkow, Julie" <Julie_Kaminkow@ed.gov>
04/07/2000 04:35:24 PM

Record Type: Record

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

cc: "Wacey, Carole" <Carole_Wacey@ed.gov>
Subject: TICG

Technology Innovation Challenge Grant FY00 Awards

1) Virtual Informal Education Web (VIEW) project
Schenectady City School District
Schenectady, NY
Project director: John Falco
518-370-8100, X107
$10 million over 5 years
in-kind contribution totaling $67,349,944

This grant involves 549 local education agencies, 12 museums, 3 institutions of higher ed, 3 non-profits, and 3 businesses. The grant will benefit 641,589 students and 33,800 teachers over the five year grant.

Abstract: Under the leadership of the Schenectady City School District and the New York Institute of Technology, the VIEW Project spans New York State. VIEW links a consortium of 549 public districts and non-public school districts in three Empowerment Zones/Enterprise Communities with a rich tapestry of partners -- Informal Education content providers (museums, libraries, cultural and community organizations), corporate enterprises and education leaders (New York State Education Department and New York State Teacher Centers). VIEW planning has included input and commitment from nationally known providers including the Smithsonian Institution, Philadelphia Museum of Art, and the Museum of Television and Radio.

VIEW partners share a common goal: To deliver world class education to students by using interactive educational technology to access content-rich resources and activities. Building staff development structures created by five New York State Technology Literacy Challenge Fund collaboration hubs, the project partnerships will facilitate an exchange of ideas and collaborative program development among teachers and informal education.

The educational programs and products resulting from this will provide interactive curriculum resources that will enhance student achievement in math, science, technology, English language arts, social studies and the Arts. VIEW will produce a replicable model of informal education providers and k-12 teachers and a coordinated Internet website structured as a web hub to showcase, promote, and provide educators easy access to VIEW projects and related archives and resources.

2) RMOTE: The Rural Mountain Organization for Technological Enhancement
Mountain Valley School District
Saguache, Colorado
Project director: Dr. Frank Venturo
970-943-3045
$3,549,449 over 5 years

This grant involves 6 local education agencies and one institute of higher education. The grant will benefit 2,698 students and 240 teachers over the five year grant.

Abstract: The RMOTE project focuses on the on-site and on-going technology staff developemnt to provide skills and knowledge in technology integration within five curricular areas. The educators who will participate in this grant are located in 6 districts in rural and remote southwestern Colorado where the barriers to staff development are distance, transportation, and access. This grant solves these problems by providing the districts with on-site and on-going training.

3) Beacon Learning Centers
Bay District Schools
Panama City, FL
Project director: Dr. Barbara Eubanks
850-872-7321
$10 million over five years

This grant involves five local education agencies, 1 library, 4 institutions of higher ed, and 2 non-profits. The grant will benefit 144,425 students and 6,315 teachers over the five year grant.

Abstract: The Beacon Learning Center and Teacher Resource Consortium will focus on four key issues: providing on-going staff development effective strategies for technology integration and related curriculum and instructional techniques, providing opportunities for collaborative learning for staff, evaluating the use of technology-enhanced instruction, and developing a central databank for housing curriculum resources aligned with curriculum standards. The curriculum resources created will focus on the core subject areas of math, language arts, science and social studies for grades k-12. The consortium will set up approximately 100 pilot classrooms to field test the curriculum resources created through the project, and to provide data for the continuous improvement.

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"Gettleman, Marna" <MGettleman@neh.gov>
04/12/2000 06:02:25 PM

Record Type: Record

To: Natasha F. Bilimoria/OPD/EOP

cc: "Heine, Roberta" <RHeine@neh.gov>, "Turner, Jim" <JTurner@neh.gov>
Subject: Schools for a New Millennium (NEH project)

Natasha -

Here is information on the implementation grants for the National Endowment for the Humanities School for a New Millennium initiative (which is a part of a larger initiative started in 1996 called "Teaching With Technology).

NEH's Schools for a New Millennium initiative gives money to schools to help them train their humanities teachers to integrate technology tools into their classroom teaching, with the help of university scholars, technology experts, local museums and universities, parents and school administrators. Schools for a New Millennium projects include a critical mass of teachers who will work full time during the summer to integrate the resources of the Internet into a high quality curriculum, reinvigorating their teaching and student learning with creative new lesson plans and activities.

Attached is a list of the implementation grants and short descriptions of each of the projects.

<<Millennium Schools.doc>>

As further background, the Teaching With Technology (TWT) initiative started in 1996, funded the creation 15 websites in such subject areas as the Civil War, the history of the Mississippi River Basin, the Supreme Court, and the literature and philosophy of Ancient Rome. These resources are on-line and free to anyone with access to the Internet. The second phase of TWT was to create a "gateway website" that will bring the best humanities websites all accessible on one site, sponsored by NEH and MCI Worldcom. This gateway website is called EDSITEMENT (http://edsitement.neh.gov). Currently the website includes 71 sites - reviewed by scholars, teachers, parents, technology experts. The Schools for a New Millennium initiative represents the third phase of the Teaching With Technology Initiative.

I hope this is all helpful for you. Please do not hesitate to call me if you have any questions or would like additional information. Finally, confirmation of the release date for the press information would be very helpful. Thanks so much!

MARNA GETTLEMAN
Assistant Director
Office of Governmental Affairs

NATIONAL ENDOWMENT FOR TH
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NATIONAL ENDOWMENT FOR THE HUMANITIES SCHOOLS FOR A NEW MILLENNIUM PROJECTS APRIL 2000

ALASKA

Juneau
Sealaska Heritage Foundation $90,000
..... ADDITIONAL ONE-TO-ONE MATCH AMOUNT $5,000
CONTACT: Rosita Worl, (907) 463-4844
PROJECT: Traditions and Technology
DESCRIPTION: A SCHOOLS FOR A NEW MILLENNIUM project to integrate digital resources in the study of Tlinglit language and culture in ***Kake, Alaska's Kake Elementary School and Kake High School.***

ARIZONA

Tempe
Arizona State University $100,000
..... ADDITIONAL ONE-TO-ONE MATCH AMOUNT $5,000
CONTACT: Roger L. Bedard, (480) 965-2032
PROJECT: Navajo Exemplary Humanities Project
DESCRIPTION: A SCHOOLS FOR A NEW MILLENNIUM project to enrich the study of cross-cultural themes at ***Seba Dakai School, a Native American school in northern Arizona,*** through creation of a Humanities Learning Center where students will use new technologies to examine traditional Navajo history, cultural texts, and artifacts.

CALIFORNIA

Fresno
California State University, Fresno Foundation $180,000
..... ADDITIONAL ONE-TO-ONE MATCH AMOUNT $5,000
CONTACT: Vida Samiian, (559) 278-7069
PROJECT: Crossing Academic Borders: Integrating Technology with Interdisciplinary Learning
DESCRIPTION: A SCHOOLS FOR A NEW MILLENNIUM project to incorporate teaching of three themes--the Immigrant experience, Steinbeck's California, and the Hispanic world—into the curriculum at ***Bullard High School in Fresno.***

Los Angeles
Los Angeles Unified School District $115,000
..... ADDITIONAL ONE-TO-ONE MATCH AMOUNT $5,000
CONTACT: Teresa M. Hudock , (213) 740-2991
PROJECT: World History and Literature Using Web Resources
DESCRIPTION: A SCHOOLS FOR A NEW MILLENNIUM project using online resources and professional development seminars to strengthen the world history curriculum at ***Portola Middle School in Los Angeles.***

KANSAS

Lawrence
West Junior High School $140,000
.....ADDITIONAL ONE-TO-ONE MATCH AMOUNT $5,000
CONTACT: Karen D. Vespestad, (785) 832-5500
PROJECT: Community Connections: Celebrating Diversity, Promoting Pluralism
DESCRIPTION: A SCHOOLS FOR A NEW MILLENNIUM project in which students at ***West Junior High School in Lawrence, Kansas,*** will create an electronic archive of study materials about Kansas history, including the state's pioneer heritage and the Underground Railroad.

MARYLAND

College Park
University of Maryland, College Park $165,000
.....ADDITIONAL ONE-TO-ONE MATCH AMOUNT $5,000
CONTACT: Adele Seeff, (301) 405-6830
PROJECT: Jubilee: In Pursuit of the American Dream of Equality
DESCRIPTION: A SCHOOLS FOR A NEW MILLENNIUM project providing technology training and faculty development at ***Northwestern High School in Hyattsville, Md.,*** on the ideas and history of social justice.

MASSACHUSETTS

Deerfield
Pocumtuck Valley Memorial Association $175,000
.....ADDITIONAL ONE-TO-ONE MATCH AMOUNT $5,000
CONTACT: Timothy C. Neumann, (413) 774-7476
PROJECT: Teaching American history using digital resources
DESCRIPTION: A SCHOOLS FOR A NEW MILLENNIUM project to enrich the U.S. history curriculum at ***Frontier Regional High School in Deerfield, Mass.,*** through faculty professional development and technology training.

SOUTH CAROLINA

Beaufort
Humanities School of Beaufort $100,000
..... ADDITIONAL ONE-TO-ONE MATCH AMOUNT $5,000
CONTACT: Margaret D. Rushton, (843) 525-4477
PROJECT: Creating a Sense of Place
DESCRIPTION: A SCHOOLS FOR A NEW MILLENNIUM project to enhance teaching of the history and culture of South Carolina's Low Country using digital resources at the ***Humanities School of Beaufort.***

TENNESSEE

Memphis
Memphis City Schools $160,000
.....ADDITIONAL ONE-TO-ONE MATCH AMOUNT $5,000
CONTACT: Elsie Lewis Bailey, (901) 775-7240
PROJECT: The Memphis Civil Rights Movement: Exploring Its History, Assessing Its Impact
DESCRIPTION: A SCHOOLS FOR A NEW MILLENNIUM project to incorporate local historical materials and use digital technology to teach the history of the civil rights movement in Memphis at ***Booker T. Washington High School in Memphis.***

TEXAS

Houston
Rice University $175,000
.....ADDITIONAL ONE-TO-ONE MATCH AMOUNT $5,000
CONTACT: Leslie M. Miller, (713) 285-5352
PROJECT: Community in History: A Middle School Implementation
DESCRIPTION: A SCHOOLS FOR A NEW MILLENNIUM project providing faculty professional development and incorporation of digital technology into the study of local and regional history at the ***Hogg Middle School in Houston***.

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DREW ALTMAN – KAISER FAMILY FOUNDATION

Drew Altman President and CEO of the Kaiser Family Foundation. In 1991, Dr. Altman directed a complete overhaul of the Foundation's mission and operating style. He received his Ph.D. in political science from MIT, where he taught graduate courses in public policy. Dr. Altman did his post-doctoral work at the Harvard School of Public Health and is a leading expert on national health policy.

- ✓ Former Commissioner of the Department of Human Services for the state of New Jersey (1986-1989).
- ✓ Former Director of the Health and Human Services program at the Pew Charitable Trusts.

Public Service Campaign to Motivate Young People to Participate in Technology. President Clinton will highlight the efforts of the Kaiser Family Foundation and Black Entertainment Television (BET) to help motivate young people to "get connected" and raise public awareness about the digital divide. The Kaiser Family Foundation will produce public service announcements (PSA) featuring celebrities and role models who will highlight their connections to technology and encourage young people to recognize ways that becoming technologically literate can open doors to them. BET, MTV, NBC, ABC, CBS, TBS, TNT, UPN, Fox, the Cartoon Network, the Odyssey Network, the Disney Network and the WB have all agreed to join this effort by airing the PSAs. The National Association of Broadcasters will agree to distribute the PSAs to 1,000 of their members.

About The Kaiser Family Foundation The Henry J. Kaiser Family Foundation is an independent philanthropy focusing on the major health care issues facing the nation. The Foundation is an independent voice and source of facts and analysis for policymakers, the media, the health care community, and the general public. The foundation is also part policy institute with substantial in-house analytic capacity.

- ✓ **Health Policy program**: Kaiser Family Foundation provide facts, analysis, and explanation on health policy issues to policymakers, the media and the public. They provide information and analysis on a broad range of policy issues, emphasizing those that most affect low-income and vulnerable populations. Major initiatives and focus areas include the Kaiser Commission on Medicaid and the Uninsured, the Medicare Policy Project, the Changing Health Care Marketplace Project, minority health, HIV, and women's health policy.
- ✓ Media Partnerships with Washington Post and U.S. News and World Report, to ABC and NBC, to MTV and Glamour magazine.
- ✓ Working in South Africa to help develop a more equitable health care system and a successful democracy. Their South Africa enterprise receives about one-fifth of their funds.

www.kff.org

www.kff.org

New Kaiser Family Foundation V-Chip Survey

A new Kaiser Family Foundation survey found that nearly one in 10 parents of children ages 2 - 17 now has a television with a V-Chip in it, but nearly four in 10 parents have never heard of the device. Coming just two months after the V-Chip became fully available, the survey is a very early look at how the new technology is being received by parents. -- *April, 2000* -- *more*

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- Publications

quick clicks...

"Here's Looking at You, Kid": Alcohol, Tobacco and Drugs in Entertainment Media

A comprehensive review of research that analyzes alcohol, tobacco and drugs in entertainment media and their impact on the behavior of American youth. The report reviews portrayals of substance use on television, in movies and in popular music; looks at trends in substance portrayals; and makes recommendations for future research in these areas. The report was prepared for The National Center on Addiction and Substance Abuse at Columbia University. -- *March, 2000* -- *more*

V-Chip Public Education Campaign Gains Network Support

-- *January, 2000* -- *more*

Click here to view the archive.

About the Program on the Entertainment Media and Public Health

Recognizing the importance of entertainment media in shaping people's awareness of health issues, the Kaiser Family Foundation established the Program on the Entertainment Media & Public Health in December of 1996 to work with entertainment media writers, producers and executives to help them convey important health messages to the public. The Program emphasizes building constructive relationships with the many people in the entertainment industry who want to play a positive role, and who understand that it is possible to entertain, educate and succeed in the entertainment industry at the same time. -- *more*

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THE HENRY J. KAISER FAMILY FOUNDATION

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Public Opinion
Reproductive & Sexual Health
State Health Facts
Uninsured
Women's Health Policy
South Africa
Daily Reproductive Health Report
Daily HIV/AIDS Report

About the Program on the Entertainment Media and Public Health

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Recognizing the importance of entertainment media in shaping people's awareness of health issues, the Kaiser Family Foundation established the Program on the Entertainment Media & Public Health in December of 1996 to work with entertainment media writers, producers and executives to help them convey important health messages to the public. The Program emphasizes building constructive relationships with the many people in the entertainment industry who want to play a positive role, and who understand that it is possible to entertain, educate and succeed in the entertainment industry at the same time.

The core issues addressed through the Program on the Entertainment Media & Public Health are reproductive health, HIV/AIDS and health policy. Of special interest are television depictions of sexual activity and sexual health issues, family planning, teen pregnancy, sexually transmitted diseases, HIV/AIDS, managed care, the uninsured, Medicare and Medicaid.

Victoria Rideout
Director, Entertainment Media & Public Health Program

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Select a Topic ...

THE HENRY J. KAISER FAMILY FOUNDATION

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THE HENRY J. KAISER FAMILY FOUNDATION

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Public Opinion
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Uninsured
Women's Health Policy
South Africa
Daily Reproductive Health Report
Daily HIV/AIDS Report

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Program on the
Entertainment Media and Public Health

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TV Writers Hotline. A hotline for TV writers seeking information on sexual health issues. The Media Project HELPline is operated as a partnership between the Foundation and Advocates for Youth. The HELPline offers script reviews or assistance in researching topics on sexuality. The hotline can be reached at 818-762-9668.

TV Writers Briefing Series. A briefing series for television writers and producers. Through The Media Project we sponsor briefings on topics such as teen pregnancy, sexually transmitted diseases, and men and contraception. For information on upcoming briefings you can call 818-762-9668.

TV Awards Program. An awards program for outstanding depictions of sexual health issues in entertainment media. Through our partnership with Advocates For Youth and The Media Project, we sponsor the SHINE Awards (Sexual Health IN Entertainment) honoring programming in the fields of television, film and music video. To submit an entry, or for more information about the SHINE Awards, please call The Media Project at 818-762-9668.

Sex on TV. Ongoing monitoring of sexual content on television. Working with researchers at the University of California, Santa Barbara, we are conducting bi-ennial analyses of the amount and nature of sexual messages on television, with special attention on identifying exemplary messages about safer sex.

Following ER. In partnership with The Johns Hopkins School of Public Health, we help produce a weekly news segment called Following ER, based on a health topic in the NBC medical drama ER. The segment airs on NBC affiliates across the country during the local news.

MTV public service campaign. The Foundation and MTV are jointly producing a series of PSAs and full-length news specials on health issues, which have received substantial airtime on the MTV network. For more information, click here.

BET public service campaign. The Foundation and Black Entertainment Television have partnered to produce a series of specials and public-service announcements on sexual health issues, aired exclusively on BET. For more information, click here.

Children's Media Use Study. Working with researchers at Stanford University and Louis Harris & Associates, the Foundation is conducting a major national study of children's media use.

V-Chip Public Education Project. The Foundation and the Center for Media Education have jointly developed a major campaign designed to inform parents about the TV ratings system.

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THE HENRY J. KAISER FAMILY FOUNDATION

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Foundations Today: Finding A New Role In The Changing Health Care System

The Kaiser Family Foundation's President Gives His Candid Assessment Of How This Information-Focused Foundation Fits Into The Larger Picture.

By Drew E. Altman, President and Chief Executive Officer

Contacts
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Health Affairs' Founding Editor John Iglehart invited me to write about the Henry J. Kaiser Family Foundation and the choices we have made about our mission and grant-making strategies. Of course, I believe deeply in what we are doing at Kaiser, but I do so with the caveat that our choices are not necessarily the right ones for others. Each foundation has a different set of opportunities by virtue of its history and donor intent, its size, its geographic location, the character of its board and staff leadership, and other factors. I have always believed that our society is best served by having foundations that do different things.

I begin my reflections with a few basics about foundations, the constraints under which they operate, and the choices they have.

Foundation Primer

A private foundation is an organization endowed with a substantial sum of money left by a wealthy individual or family to be used for a philanthropic or charitable purpose. That purpose typically is quite broad, and the recorded intent of the donor, somewhat like the U.S. Constitution, is living language that must be interpreted by successive generations of foundation trustees in light of changing circumstances and opportunities. These boards may or may not include family members (Kaiser's does). Private foundations are established to advance the philanthropic interests of the donor. Also, establishing a foundation is one of several options under the tax code that are available to wealthy persons for protecting some of their funds from taxation.

Contrary to what (in my experience) is popular perception, the law gives private Foundations wide latitude in many areas, including public policy

work. The most important restrictions are that they not engage in activities aimed at influencing elections or in direct lobbying to influence legislation. However, foundations have virtually unrestricted freedom to fund and/or provide nonpartisan information, analysis, and research on policy issues.

So that wealthy persons cannot use the establishment of a private foundation to protect their wealth from the Internal Revenue Service (IRS), the law requires that foundations annually spend an amount equal to 5 percent of their overall assets (at Kaiser we spend between 6 and 7 percent). For example, a foundation with $100 million in assets would be required to pay out $5 million per year for philanthropic purposes. If that sounds low, note that most foundations seek to maintain the real value of their assets to benefit society in perpetuity. This requires earning a return on invested assets sufficient to cover the 5 percent annual payout requirement, money management costs, and inflation. This is achievable over a long period of time but not easily, so the 5 percent requirement is not unreasonable.

The general image of foundations in most people's eyes is that of grantmakers who view proposals, make grants (usually to a university or to a community organization), and monitor those grants. Viewed as funders, foundations have generally been expected to be fairly quiet-if not invisible-supporters of the good works of others. The image is so firmly rooted that foundations that depart from the more conventional style often raise eyebrows in the foundation world and elsewhere.

In fact, however, foundations have a wide range of choices of how they accomplish their philanthropic missions. They can make grants (and in making them, open themselves to all applicants or limit themselves exclusively to solicited or commissioned work); they can conduct research themselves or run their own programs; and they can be as visible or even controversial as they deem useful to accomplishing the goals that their board and staff set for the foundation. Foundations have the latitude to make a wide range of choices as circumstances and opportunities change, and in no sector of our society have circumstances and opportunities been changing faster than in health and health care.

How Kaiser Determined Its Strategic Direction

This was the challenge that we confronted when the Kaiser Family Foundation was substantially remade in the early 1990s. At that time we asked one overriding question: "how can we best have an impact with about $30-$40 million in grants to award each year in a rapidly changing, trillion-dollar healthcare system?" With a little more than half a billion dollars in assets, compared with the billions available to several larger foundations, we believed that adding another $30-$40 million a year in conventional grants to such a vast health care system was not a recipe for playing a special national role. Nor were we large enough to

try to change things through direct action-by undertaking large, multisite national programs or supporting large numbers of community organizations as some larger foundations do.

Just as important, not only was the U.S. health care system bigger than it was in the 1980s, but it was radically different as well. When I was at the Robert Wood Johnson Foundation in the early 1980s, we saw ourselves as key players in a largely not-for-profit health care community, a community that had great interest in working with the philanthropic community and in the demonstration, research, and training projects that foundations funded. Those days are largely gone. Today's health care system is dominated by large commercial interests driven by investors' demand for profit, and by big-government policy decisions that often are shaped by larger ideological, political, or budgetary concerns. Health care has become big money and big politics, and foundations have been struggling to adapt.

We saw a glaring need in this changing health care system for an independent, trusted, and credible source of information, analysis, and balanced discussion in a field otherwise dominated by large interests, and we have tried to be that source. While foundations certainly have agendas-ours is to improve health care, especially for people in greatest need-as we see it, it is our independence and our lack of a commercial or political interest that gives us an opportunity to play a special role in the health care system.

The Foundation's Strategy

From this basic decision about a strategic direction came most of the characteristics of the Kaiser Family Foundation today.

INFORMATION. First, we are in the information, not the grant-making, business. While most foundations see their principal product as grants, we see ours as information-from the most sophisticated research to basic facts and numbers. Sometimes we make grants to produce information. (Sometimes we make such grants in response to proposals, and sometimes we make grants for work that we have solicited.) Sometimes we produce information in house or work with outside partners in think tanks, universities, consulting firms, and media organizations. Most typically we organize a body of work on a health policy topic; commission research from outside groups and individuals funded by grants; and work in partnership with them on the conceptualization, design, analysis, and dissemination of the work. This ability to give targeted grants to provide timely information is central to our role.

In the United Sates we focus our work in three areas: national health policy, human immunodeficiency virus (HIV) and acquired immunodeficiency syndrome (AIDS), and reproductive health. Whether

operating in the often politically charged health policy arena or dealing with controversial issues in reproductive health or HIV, we believe that we are in a good position to take on sensitive issues amid a glaring lack of both credible research and information and balanced discussion and debate. To encourage an entrepreneurial spirit and avoid the internal "fiefdoms" that have been a problem in many foundations, we do not have separate budgets for the three areas; our funds go to the best opportunities we can identify within our program interests.

We try to inform decision making on major issues that affect millions of persons, especially the most vulnerable and disadvantaged, and to elevate the level of national debate on health issues. Our agenda is almost equal parts research and public education: developing new information on national health issues, and helping to explain health policy issues to an understandably confused public

AUDIENCES. Second, we have a clear sense of our three audiences: policymakers, the media, and the general public. We work to put the fruits of health services and health policy research into formats that these three audiences can readily digest. Although we fund a great deal of health services and health policy research, I believe that our most important contribution to the research community is as a representative, a translator, and an information broker. Like the adage about the tree falling in the forest, studies that are only read by those of us in the research community who follow that issue will not have much impact. We need more and better research on health issues, but even more, we need better communication of the research that is done. For this reason, the Kaiser Family Foundation places a special premium on communications and uses a wide range of strategies to cut through the information overload in health. These include operating a high-volume, toll-free publications request line and a variety of online services. Communication is everybody's job at our foundation and is viewed as a central part of our programs. The job of drafting a press release, answering a reporter's question, or designing a public service ad is not something handed off to a communications officer at the end of the hall.

PROFILE. Third, we have sought a somewhat higher profile than many other foundations have, though others have followed suit in recent years. It is a fact of life that if policy-makers and persons in the media don't know who you are, they are not likely to pay much attention to what you do or say. A clear identity is also especially important in our case to distinguish ourselves from Kaiser Permanente, with which we have no connection, except for the founding family name we share and the occasional misdirected letters I get from the health maintenance organization's (HMO's) enrollees-both disgruntled and pleased.

STYLE. Fourth, to accomplish our goals, we have developed a somewhat unusual operating style. While we are part grant-making organization, we are also part policy institute, with substantial in-house

analytic capacity in some areas. We also directly operate most of our major programs. For example, foundation staff direct the Kaiser Commission on the Future of Medicaid, our three fellowship programs for health journalists, our Program on the Entertainment Media and Public Health, and our Talking With Kids About Tough Issues public service campaign. Likewise, the majority of the many national surveys on health issues that we conduct each year are designed and analyzed in house, sometimes with the involvement of outside partners whom we support, such as Robert Blendon at the Harvard School of Public Health, with whom we operate several joint projects. We also function as a resource center, on call daily to find a fact, identify an expert, or help to explain an issue for members of the media or the policy community. This role is labor-intensive, requires fast turnaround, and consumes a significant share of our overall organizational effort.

MEDIA PARTNERSHIPS. Fifth, to reach the general public with information about health issues, we have developed a broad range of partnerships with commercial media organizations, from the Washington Post and U.S. News and World Report, to ABC and NBC, to MTV (the cable music television network) and even Glamour magazine. In no case do we fund these organizations. Rather, these are joint ventures that combine our research capacity, subject knowledge, and ability to provide information through toll-free numbers and World Wide Web sites, with these entities' production capacity, creative talent, and audience reach.

Some of these partnerships are substantial undertakings. For example, in 1997 and 1998 Kaiser and the Johns Hopkins University School of Public Health produced forty-seven different Following ER reports on health issues featured on that popular program. The reports will run on NBC affiliates nationwide during the evening news following the television show. ER has thirty-five to forty million viewers per episode; we hope to capitalize on its popularity to convey critical health information to the public. We also will be surveying ER viewers regularly to determine what information and health messages they take from the show. Similarly, a public service ad we did with MTV in October 1997 concerning safe sex yielded more than 85,000 phone requests-in less than two months-for informational booklets we had developed.

PROGRAM IN SOUTH AFRICA. Sixth, since 1988 we have operated a major program in South Africa, our only international involvement, although it is not as well known in the United States as our other activities are. In South Africa we do many of the things we do in the United States. The work is directed to helping that nation to develop a more equitable health care system and a successful democracy. Our South Africa enterprise receives about one-fifth of our funds and is work to which we are deeply committed.

Assessing Kaiser's Role

I am often asked how we know whether our efforts are having an impact. Although foundations are quick to trot out evidence of their successes, the fact is that selecting priorities and determining success are essentially a series of judgment calls. In some cases, it is relatively easy to judge. For example, it is clear that the Kaiser Commission on the Future of Medicaid has become an authoritative source of analysis and information on health care for low-income persons and has played a significant role in debates about Medicaid issues. In other instances, of course, projects were not successful. For example, we were less than satisfied with two CD-ROMs that we developed on HIV and contraception. In most cases, however, success or failure is more difficult to assess.

Foundations are not accountable in the traditional sense. They do not make a profit or a loss that can be evaluated by investors. Unlike government agencies, they are not constantly scrutinized by the press or by legislative bodies that must approve their programs and budgets. This difference gives foundations their freedom to take risks and to try new things not generally possible in the commercial or public sectors. But it also means that accountability is essentially self-imposed; the evaluation of performance and impact is a judgment call that must be made by a foundation's board and staff.

The Kaiser Family Foundation is trying to play a special role as an independent source of information and analysis. We believe that role is sorely needed in the health care system today, and, based on the reception that our work receives, we are convinced that we are on the right course for us. It bears noting, however, that choosing to be an information provider has real implications for a foundation. First, information is costly; there is a trade-off between an emphasis on grants and an emphasis on information, because both take resources. Analysts, writers, editors, designers, and media experts all need to be paid, and it takes a real investment in in-house staff expertise to know what information to produce, how to organize it, and how to get it into the right hands. Second, even the best analysis and most balanced report can be unwelcome by those who have a special interest or an ideological point of view. In terms of the potential for attention and criticism, there is a big difference between being the source of information and analysis and funding the work of others. It's the difference between direct and indirect accountability. For foundations interested in moving in a direction similar to ours, the willingness to invest in staff capacity and expertise and an understanding that the role by its nature will bring criticism from time to time are necessary preconditions for success.

Finally, I have a philosophical comment to make on foundations and their role in health. An insiders' debate has been bubbling just beneath

the surface lately between those who believe that foundations should be quiet charities that support the good works of others and those who believe that foundations should play a more proactive role in whatever areas they choose to work in. I believe that the nation is best served by having a strong independent sector and that foundations should take leadership in that sector. Nonpartisan does not mean invisible, and there is no way to play a meaningful role in today's health care system without occasionally raising someone's ire. I also believe that society is best served by having foundations of different kinds, with different philosophies and program agendas.

The need for an aggressive independent sector and for a strong foundation role is per-haps greater in health than in any other sector. In no field is there a greater need for an independent voice that is not driven by the desire to make money or to win votes. In no field would a role as simply a charity be less useful; foundation funds are a drop in the bucket in today's health care system.
At the same time, it is also important to be practical about what foundations can and cannot achieve in today's health care system. During the years I have both worked in the foundation world and viewed it from the outside, I have often felt that foundations are overly impressed with their own importance. In health the challenge to foundations is to understand that we are bit players in a giant health care system but also that we have a unique and vitally important role to play.

The author especially thanks Bruce Vladeck for his contributions to this essay.

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THE HENRY J. KAISER FAMILY FOUNDATION

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HENRY CISNEROS

Henry Cisneros President and CEO of Univision, Inc. Mr. Cisneros joined the company in January of 1997. From January 1993 through January 1997, Mr. Cisneros was the Secretary of the U.S. Department of Housing and Urban Development.

- ✓ Prior to joining the cabinet, he was Chairman of Cisneros Asset Management Company, a national fixed income money management firm.

- ✓ In 1981, Mr. Cisneros became the first Hispanic mayor of a major U.S. city when he was elected Mayor of San Antonio, the nation's 10th largest city. As a four-term mayor--from 1981 to 1989--Mr. Cisneros rebuilt the city's economic base and created jobs through massive infrastructure and downtown improvements in San Antonio.

- ✓ Mr. Cisneros has served as President of the National League of Cities, Chairman of the National Civic League, Deputy Chair of the Federal Reserve Bank of Dallas, and as a board member of the Rockefeller Foundation.

Tuesday, March 7, 2000

MEMORANDUM TO GENE SPERLING

FROM: SARAH ROSEN WARTELL
NATASHA BILIMORIA

SUBJECT: MEETING WITH HENRY CISNEROS AND NEW AMERICA ALLIANCE

Time and Location
Wednesday, March 8, 2000, 11:00am, your office (Sarah will be attending).

NOTE: The group will also be meeting with SBA later this afternoon to discuss this issue.

Attendees
Henry Cisneros along with a working group of New America Alliance. The Alliance is made up of prominent Hispanic CEOs and senior executives of large corporations (see attachments).

NOTE: This is a good group to talk with about our digital divide initiative.

Purpose
The working group has chosen to explore the issue of creating a secondary markets mechanism for enhancing the flow of loans to small businesses throughout the country. They would like to speak with you about exploring the potential of this idea and who else they should speak with on how to develop a plan to advance this idea.

Background

- The New America Alliance, an organization of American Latino business leaders, promotes the well being of the Latino community, focusing of education, political and economic empowerment, strategic philanthropy and public policy advocacy.

- The Alliance realizes that business leaders have had a significant role in the functioning of America's political and governmental system. As such, the group believes that America's Latino business leaders must play a commensurate role in the emergence of Latinos in the public life of the nation. Their interests include:

✓ Investment strategies to enhance Latino progress

✓ Supporting greater availability of capital to accelerate Latino business expansion, fund start-ups, create investment funds and responsive financial institutions

✓ Working to expand Latino representation in appointive positions elective offices; particularly concerned with getting a Latino appointed to the Supreme Court

✓ Working to heighten Latino commitment to citizenship, active participation in voting and an accurate Census count in 2000

✓ Believing that education is the primary instrument by which Latinos will advance into the mainstream of American life. Support public policies and solicit private commitments, which will make it possible for every Latino student in America to graduate from high school.

Talking Points

The group forwarded over a number of questions they would like to discuss with you during this meeting (see attached). The following provides you with some talking points on how to respond to them. **NOTE:** Sarah will be attending the meeting and is very familiar with this area and would be happy to participate in the discussion.

Q: Can securitization of small business loans work to increase the flow of such loans in the same manner as the secondary market for housing mortgages?

- Theoretically, yes. Small business lending is not always collateral based and due to a lack of standards and intangible collateral, there are significant challenges that make this type of lending much more difficult.

- The NEC has had a working group to facilitate the configuration of secondary markets for small business and community development lending, but it has been difficult to how best add value.

Q: Should it be done under the auspices of the federal government or are the costs of a US government role prohibitive?

- **The government is already playing an important role.** SBA provides credit enhancement for small business lenders and an active secondary markets exists for SBA guaranteed loans. There is a small $1.6 billion secondary market for non-SBA guaranteed loans—but this in very small in comparison.

- **However, there are limitations on this model.** Most SBA lending relies on real estate or other asset collateral. The great opportunity in small business especially in this technology era is lending based cash flow and intellectual capital that is far more difficult to securitize.

- **But Government can play a role in attempting to solve these problems.** Both HUD and Commerce have pilot programs designed to explore the possibilities of this area. [Paul Webster at HUD and David Witschi at Commerce]

    - In addition, Charles Tanzy, Assistant Administrator at SBA (who they will be meeting with later this afternoon) is a leading thinker in the area.

    - Perhaps a better role for government is to provide credit enhancement for cutting edge small business lending—Charles Tanzy is also exploring this area and they should discuss this with him when they meet.

Q: Can a securitization mechanism be put together which is purely private sector investment? What are the tradeoffs and what configuration of private sector structure could you envision?

- They should talk to folks on Wall Street who are currently securitizing loans. Again, Charles Tanzy at SBA can give them information on the players.

- It would be useful to ask these Wall Street groups what structure would work—perhaps the government role in all this is to provide credit enhancement and standardization and then work with the private sector (both originators and securitizers).

Q: Are there differences in classifying small business loans, contrasted with housing mortgages, so substantial that a securitization process cannot be utilized effectively?

- Maybe. We have also tried to focus on bringing in venture capital through our New Markets Venture Capital and CDFI programs. The unique aspects of these businesses could mean that traditional lending becomes more difficult.

Q: What are the pitfalls and criticisms of small business securitization? Are there opponents?

- Possible pitfalls are the lack of standards and collateral as well as the higher risk that is involved. However, one should be aware that by imposing too many standards, the government may actually prevent some lending from actually occurring.

- Not sure if there are actually opponents to small business securitization, but that again, this type of lending is difficult and there are not that many who want to participate.

Q: Why has the idea not advanced beyond the talking stage though it has been considered for a number of years?

- As I stated earlier, we have tried to deal with this issue but have found it difficult to resolved it. We are frustrated as well.

Q: Is there a role for existing Government-Sponsored Enterprises (GSE) in this arena?

- I would tread with some caution in this area—the Department of Treasury has concerns about expanding GSEs and we think that if the government were able to provide credit enhancements, private companies would be more willing to take part.

- Some would argue (i.e. Treasury), that because GSE have lower cost capital, this would crowd out private sector activity and involvement.

Q: Any words of advice on how to build a coalition to advance the idea?

- Talk to folks on Wall Street who are currently involved in this market

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HENRY G. CISNEROS
PRESIDENT

UNIVISION

March 1, 2000

The Honorable Gene Sperling
Assistant to the President
Director, National Economic Council
1600 Pennsylvania Ave NW
Washington, D.C. 20005

Via Facsimile: (202) 456-2878

Dear ~~Mr. Sperling~~:

The purpose of this letter is to ask you to meet with a working group of the New America Alliance, a Latino business initiative working on a plan to securitize small business loans. The committee requests a meeting with you sometime on Tuesday, March 7th. I apologize for the late request, but the Alliance is seeking to organize a series of meetings on this subject that day. If you cannot personally meet with the group I would appreciate your assistance is setting up a meeting with the key NEC staff working on securitization of small business loans.

Last June, Raul Yzaguirre, President of the National Council of La Raza, and I convened a group of Latino business executives from across the country to explore ways in which the emerging Latino business community can apply its resources and talents to advance the interests of Latinos and the larger American society. The result is the formation of the New America Alliance, a business initiative which will focus on advancing Latino political development, economic capital, and educational progress. Our experience since last June makes it clear this group has the potential to make a major contribution in the near future.

A working committee of the New America Alliance has chosen to explore the creation of a secondary market mechanism for enhancing the flow of loans to small businesses nationwide. The idea of securitization of small business loans has been considered for a number of years and now several think tanks, including the Milken Institute in California, have undertaken new research and advanced concrete proposals for securitization of small business loans.

Because of your vantage point as Chairman of the National Economic Council and your ability to determine priorities for Administration initiatives, our group identified you as the most valuable resource person it could consult to explore the potential of this idea and from whom to seek advice about how to chart a course to advance it. Among the questions we will pose to you are the following:

- Can securitization of small business loans work to increase the flow of such loans in the same manner as the secondary market for housing mortgages?
- Should it be done under the auspices of the U.S. Government, therefore requiring Administration leadership and Congressional action? Are the costs of a U.S. Government role prohibitive?
- Can a securitization mechanism be put together which is a purely private sector investment, and what are the tradeoffs involved in creating a private sector model? What configuration of private sector structure could you envision—a new entity or a parallel business for an existing financial firm?
- Are the differences in classifying small business loans, contrasted with housing mortgages, so substantial that a securitization process cannot be utilized effectively?
- Is the volume of small business loans in the nation likely to be substantial enough to make broad-scale securitization viable?
- What are the pitfalls and criticisms of small business securitization? Who are the opponents? What is their position?
- Why has the idea not advanced beyond the talking stage though it has been considered for a number of years?
- Is there a role for the existing government-sponsored enterprises in this arena? What would be the level of interest among the GSEs to expanding their portfolios with small business loans at a time when housing markets are projected to contract due to demographic changes in the years ahead?
- What advice would you give to a group seeking to build a coalition to advance the idea?

Thank you for reviewing this letter prior to our meeting. At a recent retreat in Dallas of the New America Alliance board and working committees, your name emerged as the single-most important person to consult on this potential initiative for the Alliance. We appreciate your giving us the time to tap your broad experience and unique insights.

Sincerely,

/Henry

Henry G. Cisneros
President & COO
Univision Communications Inc.

Please consider whether the Administration has any interest in getting the ball rolling - it could be part of the President's legacy for entrepreneurs and small busi

New America Alliance

An American Latino Business Initiative

MISSION STATEMENT

The New America Alliance is an organization of American Latino business leaders united to promote the well-being of the American Latino community, with a focus on education, political and economic empowerment, strategic philantrophy, and public policy advocacy, to improve the quality of life in the United States.

STATEMENT OF PRINCIPLES

The New America Alliance is organized on the principle that American Latino business persons have special responsibilities to lead the process of investment that must build up the forms of capital most crucial to Latino progress – economic capital, political capital, and human capital. The Alliance believes that investment strategies to enhance these forms of capital must include many approaches, but one which American Latino business persons are uniquely capable of leading is investment in our own community through coordinated philanthropy and targeted corporate partnership.

Building Our Economic Capital

An overarching goal of the New America Alliance is to press for greater availability of investment capital in order to accelerate Latino business expansion, to generate business start-ups, to create investment funds and responsive financial institutions, and to form the public-private partnerships necessary to achieve community objectives. The American Latino community has historically been undercapitalized in every key area of economic activity. Full participation for Latinos in the economic life of the nation cannot be achieved without addressing that undercapitalization. Economic and employment progress for the America's Latinos requires massive expansion of capital sources and capital availability for business and public purposes.

Strengthening Our Political Capital

The New America Alliance recognizes that for public decisions to reflect the concerns and circumstances of he nation's Latino population requires effective representation at every level of government. Therefore, the Alliance commits to work to expand Latino representation in appointive positions and elective offices at national, state, and local levels. Of particular importance in the next presidential term is the appointment of a Latino to the Supreme Court of the United States. The organization also will support non-Latino leaders who are committed to serving the best interest of the Latino community. The New America Alliance will concentrate its efforts in all regions of the country where Latino voters have the ability to influence the outcome of an election.

The Alliance affirms that the primary determinants of Latino governmental representation are heightened commitment to citizenship, active participation in voting, broad acceptance of civic responsibilities, and aggressive efforts to assure an accurate Census count in 2000.

The nation's experience and traditions make clear that business leaders have had a significant role in the functioning of America's political and governmental system. The Alliance believes that America's Latino business leaders must play a commensurate role in the full emergence of Latinos in the public life of the nation.

Enhancing Our Human Capital

The New America Alliance affirms that education is the primary instrument by which the America's Latinos will advance into the mainstream of American life. An education ethic must be nurtured at every stage of the educational progression, from early childhood education to graduate school and adult education. A first-order priority of the New America Alliance is to support public policies and solicit private commitments, which will make it possible for every Latino student in America to graduate from high school. Because of the youthful demographics of the Latino population, a commitment to Latino education is of extraordinary importance to the future productivity and social well being of all Americans.

New America Alliance

An American Latino Business Initiative

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Divider Title: 26 _____

DARIEN DASH – DIGITAL MAFIA ENTERTAINMENT (DME)

Darien Dash Founder of Digital Mafia Entertainment. Dash has more than seven years experience in the recording and technology industries. Before founding DME, Dash was the eastern region marketing and sales director of Digital Music Express, a division of International Cablecasting Technologies owned by TCI. He was responsible for marketing and sales of the first digitally compressed music service delivered by this cable giant. Dash received a BA in Political Science and Leadership from the University of Southern California.

- ✓ Served as an adviser to President Clinton and Department of Commerce Secretary Daley on minority Internet use.
- ✓ Serves as technology chair for District 5 in Harlem.

About Digital Mafia Entertainment DME is an advanced technologies company that provides products and services that enhance the sales, productivity and competitiveness of their clients. Formed in 1995, DME is a pioneer in the interactive new media industry; the company offers website development, custom electronic sales solutions, on-line advertising and software development

- ✓ DME is the first publicly traded African-American owned advanced technology agency.

DME and the Digital Divide Digital Mafia Entertainment is dedicated to "Expanding the Hardware and Software Infrastructure in Minority Communities."

- ✓ **Places of Color:** An urban branded Internet Service Provider (ISP) that is being developed with AOL and Compuserve to create a service that is relevant for African Americans and Hispanics. It is built around the ideas of training, distance learning, certification and job placement. As part of the deal, AOL bought a minority equity stake in DME (less than 5%). DME hopes to build a subscriber base of between 3 million and 5 million users in the next year.

- ✓ **Partnership with Oracle's Promise**: DME is putting networked computers on desktops in Harlem's district five in an effort to ensure that these students benefit from the most up-to-date software and that the hardware doesn't become obsolete.

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BusinessWeek

Business Week

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December 20, 1999

SECTION: NEWS; Analysis & Commentary: COMMENTARY; Number 3660; Pg. 48

LENGTH: 744 words

HEADLINE: HIGH TECH'S NEXT BIG MARKET? TRY THE INNER CITY

BYLINE: By Roger O. Crockett; Crockett covers the high-tech industry in Chicago.

BODY:

For years, policymakers and concerned members of the high-tech community have spoken of a **digital divide** -- between technology haves and have-nots. But despite their concerns, the nagging disparity persists. If that doesn't change, the cyber ride that is propelling the U.S. economy into the next millennium could sputter. Indeed, if the technology revolution leaves low-income Americans behind, all of America will suffer.

Bill Clinton knows this. He has called for a bridging of the ''racial ravine'' that leaves many of the country's lower income African American and Hispanic citizens without the digital technology that middle-income Americans now take for granted. On Dec. 9, he planned to meet with such top high-tech luminaries as AT&T Chairman C. Michael Armstrong and America Online's Stephen M. Case at a national conference to discuss how to bridge the divide. MISPERCEPTION. But more discussion of the problem isn't going to help. Nor are the welcome and generous gifts of computers and other gear that tech companies routinely make to inner city schools, libraries, and other institutions. What's missing is a committed effort to sell computers to these forgotten folks. Nothing fancy. Just a nicely targeted marketing campaign, and maybe a few inner-city stores, to demonstrate the benefits of the Internet. Simply put, companies ought to make the same investment in inner cities that they do elsewhere in the U.S. and overseas.

There's more money in these ''blighted'' areas than many businesses realize. Inner-city consumers there spend $ 85 billion annually, 7% of U.S. retail sales, according to a study by PricewaterhouseCoopers and urban-advocacy nonprofit The Initiative for a Competitive Inner City (ICIC). ''There's a poverty perception of us as a community,'' says **Darien Dash,** chief executive of DME Interactive, a black-owned Internet-services and consulting firm in Englewood Cliffs, N.J. ''It's the biggest misperception in Corporate America.''

And there is evidence that these consumers, once they cross the **digital divide,** are lively cybercitizens. Only 24% of inner-city shoppers have access to the World Wide Web at home, compared with 41% of U.S. shoppers at large. But, according to ICIC, 30% of consumers in low-income areas have bought products online, vs. 27% of overall Web consumers.

These shoppers are also good prospects for computer stores. In Harlem, for example, residents could spend $ 344 million per square mile on such items as food clothing and consumer electronics -- more than six times the $ 53 million average throughout the New York area, according to new ICIC data. Densely

populated inner cities from Boston to Chicago show similarly startling retail demand. Suburbanites may have higher per-capita incomes, but the congested city neighborhoods can generate more sales volume. ''The economic case is strong,'' says Carl E. Steidtmann, chief retail economist for PricewaterhouseCoopers. ''When we present this data to our corporate clients we get this, 'Wow, I could have had a V8' reaction.''

So, why aren't PC makers and tech companies focusing on this underdeveloped market? Good question. The only PC maker to catch on so far is direct marketer Gateway Inc., which began a $ 2.5 million campaign in November to sell PCs and Internet service to Hispanics. Though it has yet to open a store in a Hispanic neighborhood, Spanish-language ads target Latin communities in Miami and Phoenix. ''We saw a very large opportunity,'' says Theodore W. Waitt, CEO and founder of Gateway. ''The Spanish-speaking population in the U.S. is in the top-10 markets worldwide, as big as the Canadian market.''

Seizing the opportunity means marketing the lifestyle benefits of PCs more aggressively. Inner-city residents may become cyberfreaks when they discover that PCs are more than boring boxes. And computer marketers may find recruiting new customers a welcome change from undercutting one another to snag the same old ones. After all, the number of African Americans going online will soar from 23% this year to 40% in 2000, according to Forrester Research. Hispanic users will jump from 36% this year to 43%, while whites' usage will only climb from 34% to 44%. ''Every white geek with an income of $ 100,000 is online,'' notes Larry Irving, president of Irving Information Group, a Washington technology consultant. ''The low-hanging fruit has been gathered.'' Now, it's time to do some reaching.
URL: http://www.businessweek.com/index.html

LANGUAGE: ENGLISH

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CARLY FIORINA – HEWLETT-PACKARD

Carly Fiorina – President and Chief Executive Officer. She is the first outsider ever brought in to run HP. Fiorina spent 20 years at AT&T and Lucent. Fiorina is an innovative manager who has refocused HP since joining the company in June, 1999. She has a bachelor's degree in medieval history and philosophy from Stanford University; a MBA from University of Maryland at College Park, Md.; and a master of science degree from MIT's Sloan School.

- ✓ Fortune recognized her as the "Most powerful woman in business" (1999).
- ✓ Member of the board of U.S. China Board of Trade and PowerUP.

About Hewlett Packard Founded in 1939 by Bill Hewlett and Dave Packard (in their garage), Hewlett Packard is a leading global provider of computing and imaging solutions and services. The company has 83,200 employees worldwide and had $42 billion in sales last year. In 1999, the company was ranked 13 on the Fortune 500. New chief executive Carly Fiorina pledged to "re-invent" the company, which nonetheless is expected to see up to 15 per cent growth by the end of the year. Ms. Fiorina said that there are changes needed in Hewlett Packard's traditional culture to be made to maximize its opportunities. She has launched a marketing campaign, the company's first in ten years, to address the problem of Hewlett Packard's "fragmented" marketing. The campaign is aimed at increasing awareness of the Hewlett Packard brand, which she said had been neglected in recent years. Ms Fiorina has also moved swiftly to install more incentives in the compensation system. A new system was put in place for the company's top 100 employees, linking their pay more closely to revenue and profit growth and total shareholder return.

HP and the Digital Divide Although Carly Fiorina has been very vocal in her support of bridging the digital divide, HP has made few direct contributions to this effort. Traditionally, they have been committed to philanthropic efforts that incorporate their commitment to bolstering math and sciences in the classroom. Specifically their primary focus with respect to their national grants is on math and science literacy and increasing opportunities for women and minorities.

- ✓ HP's vision is to help students be prepared to succeed in the workforce of the future by making math and science exciting and meaningful, giving all students the opportunity to succeed, and helping every child enter school ready to learn.

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FORBES

View Related Topics

December 13, 1999

SECTION: On the Cover; Cover Story; Pg. 138

LENGTH: 2487 words

HEADLINE: The Cult of Carly

BYLINE: Quentin Hardy

HIGHLIGHT:
Hewlett-Packard, Silicon Valley's first garage startup, was raised on humility and consensus but over time grew insular, self-satisfied and sclerotic. It needed a good jolt. Carly **Fiorina** is delivering it.

BODY:
IT IS CLOSED TO OUTSIDERS, BUT HEWLETT-PACKARD CO. IS STAGING THE greatest new show in corporate America. "Travels with Carly" stars Carleton S. **Fiorina,** who in July became the first outsider ever brought in to run the venerable citizen of Silicon Valley. After grabbing a torrent of media coverage upon her arrival, she disappeared from the public stage. But inside **HP,** Carly is on tour. She paces **HP** stages around the world, descending on 20 sites in ten countries to enlist rebels and battle resistance.

Few executives anywhere push their style so forcefully, let alone at an outfit like **HP,** a place so low-key and humble that Japanese executives are shameless self-promoters by comparison. "Leadership is a performance," says **Fiorina,** 45. "You have to be conscious about your behavior, because everyone else is." And so she performs. Thrill to her kinetic appearances onstage and on video. Read up on Carly in the in-house magazine: "**HP's** participation in many markets is wide and shallow." Listen to her mass voice mails: "It's a new start for **HP.**" Read her e-mails. Tap the private Web site, or watch videotapes of **Fiorina** as she stares down her audience: "We make over three new product announcements a day.

Can you remember them? Our customers can't." Interact with her. "Send me 'The 10 Stupidest Things We Do!'" she shouts as she heads offstage. "I'll read it!" It is all energy, all Carly, all the time -- maybe more than her audience, **HP's** 83,000 workers, can take. **HP** doesn't seem anything like a "stupid" company. It doubled revenue from 1993 to 1997, went from nowhere to a top slot in PCs and just sold its 100 millionth ink-jet printer. **HP** just sold a minority of Agilent Technologies, the $8-billion-a-year medical and instruments business on which **HP** was founded, in a public offering, and will spin off the remaining shares next year.

Even without that unit, **HP** scored $42 billion in sales in the fiscal year that ended Oct. 31. So why should **HP** pay **Fiorina** $100 million in stock to hear this stranger say the company is stupid? Take a deeper look at **HP,** says **Fiorina,** and you will see something sick and endangered. **HP** suffers from turf battles, complacency and slow growth, analyzes decisions endlessly and sends no clear message to a fast-moving market. This maker of big servers doesn't run on "Internet time" and hasn't tagged

itself to the Web boom, even as rivals like Sun Microsystems zip by. **HP** is preoccupied with products when it must focus, instead, on customers. "It's easy to let the bad habits take over," **Fiorina** says with hard-eyed resolve. Sometimes only an outsider can shake things up as much as she is rattling **HP.** Like Louis V. Gerstner Jr. at IBM or Richard H. Brown at EDS, **Fiorina** is trying to tear out the rot that insiders tolerate or fail to see. "Carly has a freedom I never had," says a wistful Lewis E. Platt, who just retired as chief executive after 33 years at the company.

Fiorina has deliberately tied **HP's** makeover campaign to her own energetic nature and her studied corporate fame. It is a reasonable strategy in this cult-of-personality era, when the focus has shifted from technology to stars like Scott McNealy of Sun Microsystems and Jeffrey Bezos of Amazon.com. But it's also a dangerous game. She must pull hard enough to create change, without ripping apart morale.

Her greatest worry is that her **HP** audiences will gape at her show and do nothing. She has lots of support; e-mail from the ranks is overwhelmingly positive and so large that an **HP** retiree was hired to sort it. (And yes, she reads it all.) But signs of resistance lurk everywhere. Old-timers in **HP** accuse Platt of bringing in **Fiorina** "over the grave of Dave Packard." Patricia Beck, a "bunny-suit" worker in a clean-room lab, tells a visitor: "Let me know when you find out what it is we're supposed to be." **HP** so reveres its 60-year heritage that it keeps a trove of corporate artifacts and a full-time archivist, Karen Lewis. Says she: "The **HP** we know is gone." Even Platt, 58, who was only the fourth chief **HP** has ever had, admits to some awkwardness. He praises **Fiorina's** energy but says her celebrity style is "strange to me. I'm of a different era." After all, he flew coach; she just had **HP** get a $30 million Gulfstream IV jet.

Platt often accompanied her on tour as she hit 20 of **HP's** 50 major sites to address 18,000 workers and even more on the Web and video. He would introduce her and step back as she carped at the company he ran for eight years. "Everything about her pitch is right," he says, but "if something's being torn apart, it's hard." But **HP** must change, and it won't if he sticks around, he says. This month he leaves **HP** for good to run the Kendall-Jackson winery.

Now the Carly Show goes public. On Nov. 30 she was to make her first face-to-face address to Wall Street analysts. A $200 million relaunch of **HP's** brand has begun, with commercials that depict **HP** as a collection of fearless inventors. The voice-over? Carly **Fiorina's.** Who does she think she is -- Lee Iacocca? She promises Wall Street that sales growth in fiscal 2000 is targeted at 15%, up from 7% in the year just ended. That still trails the 20% rate at Sun, so she also pledges operational savings, snazzy new products and daring alliances. It's all part of her vision of **HP** leading a commerce-rich "Chapter 2 of the Internet," skipping past its absence in Chapter 1.

Delivering could require some steep cuts, and **Fiorina** won't flinch.

Her new pay plans, she says, reward aggressive sellers and punish laggards; those who don't cut it won't survive. Some people expect her to ax 25% of the payroll, which would be 21,000 jobs. "I'm not sure about that," she says, "but if one-quarter of the people in **HP** don't want to make the journey, or can't take the pace, that's the way it has to be." This would have been heresy at the old **HP,** which had no big layoffs for all six decades of its existence. The Palo Alto garage where William Hewlett and David Packard started the business is a state landmark. Local entrepreneurs love **HP** as The Company That Invented Silicon Valley. Many of them cut their teeth making and selling **HP** computers, calculators, printers and chips. They learned the legendary "**HP** Way" of management, stressing trust and openness.

But even insiders knew the **HP** Way was suffocating. People were so busy building consensus that things didn't get done. Under the David Packard approach, new product lines split off into autonomous units, and scores of disparate operations populated the four main businesses -- ink-jet printers, laser printers, servers and PCs. **HP** wound up with multiple product logos and a hundred different brand names, such as OfficeJet, Pavilion and Vectra. It ran a thousand different intranet training sites, 40 internal help desks and 34 unlinked customer databases. Its various units use 130,000 vendors, in separate contracts. **HP** couldn't even say exactly how much it was spending on ads because the budgets were split among dozens of units (it's around $375 million). Bankrolling the new $200 million campaign required tapping 53 separate budgets. "We never acknowledged publicly that we were in need of a change," says Antonio Perez, a top **HP** lieutenant. "It's hard, when you don't know what you're going to be." Yet Lewis Platt found it hard to impose drastic change. In January he moved to split **HP** and began weighing the idea of bringing in an outsider to run it. Both ideas had support from a board worried about stagnation. Since 1995 **HP's** growth rates were on a ski slope down -- 26%, then 22%, 12%, 10%. Its stock hadn't budged from the $70 range in 18 months.

Enter Carly **Fiorina,** a champion seller of technology and corporate makeovers. She was born Cara Carleton Sneed in Texas. She graduated from Stanford but got her M.B.A. at the University of Maryland.

Fiorina is called "wicked smart" by her mentor, Lucent chief Richard McGinn.

Back when Lucent was the equipment arm of AT&T Corp., she did some of the toughest selling on the planet, persuading the regional Bells to place huge orders with their rival. After the Lucent spinoff she oversaw the inaugural branding campaign that gave the new company a focused, energized feel and helped make its stock the most widely held in America.

The **HP** board had looked at 100 candidates and narrowed the list to four. Each took a battery of psychological surveys, including a three-hour interview and a 900-question test. ("True or false: 'I would not care to see a motion picture about the life of the otter.'") The quiz was designed by psychologist Richard Hagberg, who warned **Fiorina** that "corporate antibodies" would try to stop her reforms and that she wasn't doing her job if they didn't.

Friends say **Fiorina** was ready for it. Her husband, AT&T veteran Frank Fio-rina, had retired a year earlier. In defecting to **HP,** she arrived alone, without the usual coterie of trusted assistants. "She understands the drama," one pal says. "She is an outsider in a very traditional company, at an age when you're taking stock of things. She decided to bet on herself." **HP** was to announce her anointment on a Monday, July 19, and on the preceding Saturday she began wooing possible resisters. She spent two hours at **HP's** base in Palo Alto in a meeting with the insider who had just been passed over for the top job: Ann Livermore, the **HP** server chief. Neither will say what they talked about, but it must have gone well: Livermore is overseeing a 20% increase in **HP's** consulting ranks, to 6,000, in the next six months.

Fiorina leveraged a crush of media attention over the next few days to build a star profile inside the company, as Cosmopolitan vied with business publications for interviews. After three days of this, she shut down the sideshow to focus inward. **Fiorina** began interviewing managers, taking notes and drawing harsh conclusions.

HP makes tons of hardware, she thought, but it lacks the urgency of the Internet Age. She praised the **HP** Way to the ranks but felt it had decayed into consensus management, "where everyone gets to say no, and no one gets to say yes." She turned up nearly comical corporate sclerosis. **HP** still uses the 87-hour pay period the late David Packard designed three decades ago to optimize cash flow for assembly workers whose jobs were outsourced years ago. **HP** had 13 engineers who did nothing but modify pay systems.

Fiorina quickly found $1 billion in savings by rationalizing the real estate, finance, data processing and personnel departments run by all the separate businesses. She also focused on **HP's** fractured brand.

In her first weeks at **HP** she would show up at meetings waving a sheet of paper cluttered with dozens of names for its products. The only one missing was "**HP.**" Had no one noticed? She wanted a single brand for a new **HP.** She told of how, after the Lucent spinoff, AT&T had blown it by failing to restage its brand. "Mind share is market share," she declared.

Even before **Fiorina** arrived, **HP's** marketers had been fussing for more than a year over how to rebuild the **HP** brand. They showed her the work in early August and told her the "rebranding" might occur sometime next year. She decreed it had to happen right away: "I want it to be familiar -- and startling." The new logo debuted at the Comdex trade show in November, and it pointedly drops the hallowed Hewlett-Packard in favor of a stark **HP,** a subtle reminder that this company cannot stay too attached to its past.

Fiorina's flash and frankness rankled the heads of **HP's** four main divisions. As she rooted out waste on their turf, these congenitally cheap **HP** executives whispered among themselves when she added a second Gulfstream and two smaller jets. "Whoa -- is this some East Coast company thing?" Perez asked a colleague.

In mid-August, a month after Fio-rina had landed at **HP,** the four division heads got their chance to face off against the new boss. She hosted a retreat at the Seascape resort on Monterey Bay; Lew Platt did not attend.

Fiorina brought notes of her research on **HP,** plus a call for refocusing on key strategic growth areas -- Internet services and imaging -- and reorganizing to intensify the focus on customers instead of on products. The four heads said it would take about three months to do a thorough review. "We don't have three months," **Fiorina** shot back. Do it here, in three days. It could have backfired but didn't. It was "a leap of faith, to unite us in a deep objective," Perez says. "She needed us, but we needed her." The group left Seascape with a rough reorganization of **HP** into four new units. Instead of four product divisions, two would focus on customers (business and consumer) and two on technology (computers and printers). **Fiorina** embarked on her world tour a few weeks later and unveiled the final plan in mid-November. This month 150 managers meet to air gripes about it.

Now **Fiorina** must deliver. **HP** can focus on customers rather than products, but it takes great products to make customers happy. First up is a deeper foray into digital cameras. **HP** has a new high-quality photo printer that bypasses the PC to hook directly to the camera. An **HP**-branded camera comes out next year. A new high-end printer will let bookstores crank out entire tomes in under five minutes, cover included.

Software is coming, too, including a buying agent called E-speak that can search the Web, inventory

other programs and broker deals.

Say you want a pair of shoes, $150, leather, the left one slightly larger than the right, delivered to a hotel in Paris -- and it can't have been produced by prison labor. E-speak searches the Web for the shoes, cross-checks the maker with Amnesty International, and arranges delivery through the nearest FedEx depot.

Fiorina hopes to build E-speak into an open-design franchise akin to Sun's Java. **HP** itself will use the software to sift through its all-too-many databases to create new engineering plans.

It is uncertain whether **HP** can pull all of this off, much less embrace the urgency **Fiorina** is trying to impose. Sixty years of habit doesn't fade without a fight. The Web is an instant medium, yet on **HP's** site the old organization chart still stands, months after she threw it out.

Fiorina insists the troops will heed her message, but from **HP's** past she has borrowed a talisman against an uncertain future: Bill and Dave's garage, where invention began. **HP** has five replicas of the original, and like her they also will travel the world, promoting an **HP** promise of inventive change.

On a sunny day she poses against one mockup for the company's annual report. "Some people will have to leave," she says. "We need people who like the pace, can deal at a high level, can handle greater ambiguity and risk." Carly **Fiorina** glares at the sun, then turns to the lenses trained upon her: "I am not afraid."

LANGUAGE: ENGLISH

LOAD-DATE: November 29, 1999

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National Governors Association

Washingon, D.C., Feb. 27, 2000

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Full Transcript

Good morning. It is a great pleasure to be here with you this morning.

I will start by saying that I agree with Mr. Friedman that we are just at the beginning. The analogy I guess I would use is: We are at the beginning of an era now where the term 'Cyberspace' has the opportunity to disappear.

Cyberspace to me is a term that implies distance, something that's alien, something that's cold, something that's threatening, something that is hard to adapt to.

I think we now have the opportunity with where technology is going for the Internet, for the information utility, to become something that is personal, that is warm, that is friendly, that is intimate, that works for you instead of you working for it.

Now there are of course many threats to a technology that is that pervasive, that is that ubiquitous, but there are also great promises in that technology. I would like to talk about what I think 'convergence' now means and the promise of this warm, friendly, personal, intimate personalizable information utility.

Today I believe there are three vectors of technology that are coming together, and to understand the full promise of technology you really have to think about what is happening at that intersection.

The first vector is what we call e-services. What we mean by an e-service is we are now entering a time where any asset, any process, can be turned into a service that is available via the Net. Any asset. Any process.

And these services, these assets, these processes that can be made available over the World Wide Web can be dynamically created, dynamically brokered, dynamically located to create a community that works for you.

Imagine e-traffic services. I mean let's pick a really mundane example but the one that's on our mind in California a lot. Let's imagine an e-traffic service that is tuned to your personal commute each and every day. It is technologically possible now, and in fact many of these services are beginning to emerge, or an e-travel service.

So the first vector of technology that we believe is converging now are these e-services. Any asset, any process can be turned into a service over the Web and those services can be dynamically brokered, dynamically created, dynamically located.

The second vector of technology is around appliances. And of course the PC is the most obvious information appliance but it is certainly not the only information appliance.

The cell phone has become an information appliance, not just a communication device. The huge convergence that's going on now is between wireless capability and Internet capability, and cell phones are becoming Internet-enabled devices.

And, yes, fortunately or unfortunately, depending upon your point of view, it is true that toasters will become connected to the Web. Why? Because technology now is so small that intelligence, both computing and storage capability, can be embedded in anything and everything.

We happen to have a lab in HP. We happen to have an environment in that lab called Cool Town. What we are doing in that environment is connecting absolutely everything with its own web page to absolutely everything else: every person, every place, every context, every device.

To give you an example of what is possible here, we are--we're not the only ones, but we believe we are ahead in this regard--we at HP labs are now working on molecular computing and atomic storage. That is, computing and storage that is literally atoms wide and molecules thick.

So you could have, for example, computing or storage capability in your medicine, perhaps a more uplifting analogy than a microchip in your toaster.

So e-services combined with appliances, information appliances that can be almost anything.

And then finally the third vector of technology that's coming together is an infrastructure that can support billions of these appliances and trillions and trillions of transactions. That is why we now call it, along with many others, an 'information utility.'

The term 'utility' suggests something that is as ubiquitous as electricity or water, and frankly as invisible as electricity or water.

Today, let's face it, the World Wide Web is everywhere, but it doesn't work well everywhere. And electricity and water, at least in this country, are so reliable, so secure that we don't think about them until we turn them on and use them. We pay for what we need, and then we turn them off. That is the way we believe this information utility, the infrastructure that supports these services and these appliances is going.

So you have to think about the intersection of those three things we believe to truly understand the potential of this technology.

So going back to the beginning, my statement and Mr. Friedman's statement that this is just the beginning, what we are talking about now is a generation of technology that will not simply replace old technology with incremental advances in productivity as we've seen in the last 20 years, but really this information utility can change in very dramatic ways the way we communicate, the way we learn, with particular emphasis from our point of view and I believe from yours as well on our work force and how we prepare our work forces.

It is almost a clich, to say that one of the most pressing issues

facing business leaders today--and I believe it is one of your most pressing issues as Governors as well--is how to empower employees to compete in this digital age.

Every corporation, whether it is a dot com or a brick-and-mortar, or as we now begin to say as these two kinds of companies come together, they are either clicks-and-mortars or bits-and-mortars, you pick your analogy, but every company is now dealing with the fact that technology is fundamental to how a company interacts with every constituent it has, whether that constituency are its shareowners, its employees, its suppliers, or its customers.

Again, it is almost a clich, now, but technology has become every CEO's job. It is fundamental to how a company works and competes.

It is absolutely true that as the world becomes more networked, as everything, every place, every person, every context becomes networked, that does and should empower the individual. And so access and skills are the key to success.

They are the keys to success for people. They are the keys to success for companies. They are the keys to success, I believe, for states and governments and countries.

And you of course as Governors are facing the same challenge that we as CEOs are. That is, how to empower your constituents to participate in this new digital economy.

And you know of course that the stakes are very high for your economies and the quality of life in your states and for this country, just as the stakes are critically high for those of us as CEOS. It is about whether we prosper and survive or whether we fail.

A skilled workforce is how you as Governors attract and retain businesses and keep your economies vibrant. And the most skilled workers will drive location decisions and quality of life is of course a key factor for them.

And you are, as we corporations are, you are competing every day with other locations the quality and the skill of your workforce and the quality of life in your state.

Fundamental to all of this of course is education. People will follow where education reform achieves successful economic participation we believe.

Now let me come back to a comment that Mr. Friedman made. Education is critical, and it is how to compete in this new age. Teachers as well as students need electronic tools. They need services. They need Internet access, and they need skills.

E-learning can help extend the abilities of teachers to help students. E-learning can be a developed ecosystem of partners that can rapidly expand to include additional partners, worldwide partners.

Remember I said at the outset that any asset, any process can be turned into a service that is available via the Net. That is as true of education as it is of anything else.

Last month, as an example, I gave a community address at the Bay Area Council where I shared with an audience a glimpse of one of the first, we believe, handheld learning appliance. It was a prototype of an Internet-ready device that could take children on a worldwide trip if they became bored in a particular class. It could take children on a worldwide field trip from a device about the size of a calculator that was priced at several tens of dollars.

It is an example of turning education into an e-service.

At the same time that education is critical, we must acknowledge Digital Divide concerns and use education as a means of eliminating them.

I believe we should shift the debate, frankly, from talking about the Digital Divide to beginning to talk about what I would call e-inclusion: How to make sure that everyone is included.

At HP we are committed to help make this change, as HP has been committed to education for decades and decades.

E-inclusion is our obligation, but frankly it is also very good business. We are playing on a worldwide field and we need everybody to make this work, to succeed, to grow.

It is why HP started an initiative called "Diversity In Education" about four years ago, and this initiative is focused on improving math and science education of minority kids. We have recently granted $4 million to work with four K-16 teams of schools and a university.

Technology has the power to erase the boundaries of time, of space, yes perhaps of politics as well, but it certainly has the power to erase the boundaries of prejudice and bias.

Anybody can play in this new age as long as they have the skills and the access. For us to remain successful as corporations and I believe as well as states and as a country, we need the creativity that springs from diversity and we need everyone to be able to play.

I believe we have a great challenge in this country because we are in danger of leaving a generation of kids behind. That is bad business for us. I believe it is bad politics for you.

The basic infrastructure for commerce and communication have essentially been built in this country, and now we are starting to see the promise of all this technology kicking in.

It means that the price of entry is dropping to zero. Anyone can play. Everyone can participate in this emerging economy. Technology does level the playing field. It levels the playing field in business. It levels the playing field in education.

Teachers and students will have new tools to master and to use. I believe one of your great obligations, one of our great obligations as well, candidly, in corporate America, is to help them. Help them use these new tools and master them.

So here is what I would humbly suggest might be three strategic priorities for each of you as Governors looking to remain competitive in this new age.

And as I mention these three, I think it is very important to keep something in mind again that Mr. Friedman said earlier. Time means something different now. We simply do not have the time we think we have, whether we are CEOs or whether we are Governors.

My belief is that in this new economy faster is always better than slower, and sooner is always better than later. Always. Always. Always. Because technology has changed what time means in very dramatic ways.

So the three priorities that I would suggest again:

First and most importantly from my point of view, continue to make education central to your agenda. Education is at the heart of everything I believe. You must, we must together continue to reinvent and re-engineer our education systems to achieve higher standards of competence and skill. We must reinvent and re-engineer to develop digital competency because lacking digital competency is a severe disadvantage. In fact, it is an insurmountable obstacle going forward. Help your teachers be competent to use the digital tools that exist. More are coming to the e-learning space, but teachers must be able to use these tools if they are to help children gain the skills and the access they need.

Second, set an example. Make technology central to how you communicate with your own constituents. Any service, any process can become an e-service over the Net. Deliver state services over the Net. Think global. Think borderless. Think interdependent. Think interconnected. But use the technology to transform your own government as an example to your constituents and to your students and to your teachers.

In this environment I believe we will only be able to protect constituents on the Net by collaborating with other governments. And in this digital environment borderless open-trade policies will be critical to plug your states and our Nation into the new economy.

And third, foster a climate where the Internet is allowed to flourish. That means a couple things.

First, it means of course enabling your communities with access and with infrastructure for everyone.

It means collaborating with industry to apply today's rules thoughtfully across jurisdictions.

We happen to believe that industry's self-regulation and credible third-party enforcement is the best model for developing the necessary trust that private data will be protected and the consumers will be protected.

Opening international global markets is essential. A flourishing Internet promotes social and political freedoms, and yes I believe this is true including in China.

And I also believe on that note that the U.S. must approve Permanent Normal Trade Relations with China.

So I believe it is incumbent on us as corporations, as CEOs, and on you as Governors to promote e-inclusion actively and aggressively to assure that all of your residents find success in a Century that is now rolling rapidly towards total connection.

I think the technology offers great promise. I think we can in fact move from a world where Cyberspace is an opportunity to make millions for some but remains tremendously threatening and intimidating for many, to a place where technology does help all of us participate more actively and more democratically.

But it will take I believe a focus on the things that we have just talked about: education, using the Net to transform your own governments, and making sure that your state is one in which the Internet can flourish and e-inclusion is at the foundation of your politics.

Thank you, very much.

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Divider Title: 28 _____

Rae Grad – PowerUP

Professional Background

Rae Grad is the CEO of PowerUP. She formerly served as Senior Vice President with America's Promise: The Alliance for Youth, the initiative led by General Colin Powell to secure the "five promises" for youth to succeed. Ms. Grad has also served as Executive Director of the National Commission to Prevent Infant Mortality, a congressional commission dedicated to promoting the health and well-being of mothers and children. She also served as the Executive Director of the South Governors' Association. Ms. Grad is a registered nurse with a Ph.D. in Health Education.

About PowerUP

PowerUP: Bridging the Digital Divide is comprised of more than a dozen nonprofit organizations, major corporations and federal agencies that have joined together to launch a major new multimillion dollar initiative to help ensure that America's underserved young people acquire the skills, experiences and resources they need to succeed in the digital age. The goal of PowerUP is to use innovative approaches to bridge the digital divide that separates the "haves" and "have-nots" in their access to computers, technology and online resources.

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Divider Title: 29 _____

NICK GROUF -- PEOPLEPC

Nick Grouf, Founder, Chairman and CEO of PeoplePC. Prior to founding PeoplePC, Grouf was the founder, president and CEO of Firefly Network, Inc, which was acquired by Microsoft in April 1998. Firefly was the leading provider of personalization technologies for the Internet, and pioneered the P3P privacy standard, which has been universally adopted by the governments of the United States, European Union and the Major Pacific Rim countries.

Grouf spent his early career with McKinsey & Co. in their New York office where he focused on Media and Technology companies, as well as Goldman Sachs where he worked in the Mergers and Acquisitions Group. A native New Yorker, Grouf holds an MBA from Harvard and a BA degree from Yale, where he won the Norman Holmes Pearson Prize for Best Thesis.

PeoplePC Commit to Providing Multimedia Computers to the East Palo Alto Community. The President will announce a pledge by PeoplePC to provide the schools of East Palo Alto with 300 new multimedia computers. Currently, many schools in East Palo Alto have a student-to-computer ratio of 10:1 making it difficulty for computers and Internet to be used as a powerful tool for learning in the classroom. PeoplePC's contribution will go a long way to improving access to technology for East Palo Alto children.

About PeoplePC: . San Francisco-based PeoplePC provides middle-class families with a full-capability PC and unlimited Internet access for $25 a month and a $300 deposit. Bringing together the buying power of a large number of consumers allows them to arrange relationships with leading computer manufacturers, a top-tier Internet service provider, and many other merchants and partners. PeoplePC use the collective buying power of the PeoplePCSM membership to arrange unusual deals and special values

PeoplePC offers:

√ A Toshiba computer replaced every three years with a new, up-to-date model while the old model is donated to a needy school or charity.

√ Unlimited internet access with UUNET, an MCI Worldcom company.

√ A relatively strong warranty and solid tech support policies.

√ An array of companies offers discounts, free gifts, bonuses and cash savings for PeoplePC members

PeoplePC and the Digital Divide. Delta Air Lines announced that Hewlett-Packard Company and IBM will supply computers for its "Wired Workforce" program in which computers are made available for all Delta employees at a substantial discount through PeoplePC. Ford followed suit and also announced a three year deal with PeoplePC in February that would provide Ford's 350,000 employees worldwide personal computers for home use. The computer package would include a printer and Internet access, all for $ 5 a month.

peoplepc



corporate information

▶ home
▶ what you get
▶ the details
▶ join PeoplePC
▶ check your order

PeoplePC Corporate Backgrounder

What Do We Do?

PeoplePC strives to enable full participation in the Network Economy. (Phew. Lofty mission.) We will achieve this by delivering on the much-touted promise of the Network Economy: to provide a more efficient way to link buyers and sellers; to allow sellers to reduce customer acquisition and retention costs; and to pass much of these savings on to buyers - the members of PeoplePC.

With this as our goal we are able to attract great partner companies who offer our members great deals, which in turn brings in members, which then makes us more attractive to potential partners and so on. Everyone wins.

The initial purpose of the membership program is to take a lot of the hassle out of getting online - to make it easier, more convenient, and more affordable. And to allow people, once online, to get more from the experience. For as low as $24.95 a month, members will receive a state-of-the-art, brand- name computer from one of our partners (Toshiba, Compaq and Hewlett Packard), that comes fully loaded with software (Microsoft, Quicken, Norton) and unlimited Internet access from UUNet, an MCI Worldcom company. Just for being members, they will also receive a wide variety of special deals and discounts at on-line retailers across the Web. As we grow, the number of merchants offering discounts will grow too.

We aim to make the initial decision to join PeoplePC as easy and worry-free as possible by partnering with trusted brands that people want. We make it easy to order, easy to set-up and provide excellent technical service 24 hours a day, even in-home assistance if it is required. The computer will be upgraded every three years, along with the software, so there is no fear of obsolescence.

We put our members first all the time and only ever collaborate with the best companies in each field.

Why Do We Care About This?

We want to make it easier for people to get access to the Internet:

- **Reducing the cost**
  no need to write a large check, just a low monthly fee
- **Reducing the hassle**
  no rushing around to buy a computer from here, an ISP from there, loading the machine with software and so on. Just one box, delivered to your home.
- **Providing peace of mind**

no need to worry about which machine/service is best; we do the research and get great deals on great brands.

We want to give everyone the same clout big companies have. We want to "make the little guy a big deal":

- **Collective Buying Power**
  by acting together, our members will be able to get the sort of discounts that large organizations enjoy.

We want to help bridge the gap between the technology "haves" and the "have nots"

- **PeopleGive**
  is a not-for-profit foundation whose aim is to link those who have hardware to donate with those who do not have access. We will pick up the old PCs of our members, refurbish them and put them back into the community where they can do the most good.

Membership Benefits In brief

Collectively we can provide more for individuals. With the power of a large number of members behind us, we can get better customer service, better information and better deals. Benefits include:

- **Tools**
  - PC for life (replaced at least every three years for ongoing members)
  - Unlimited Internet access
  - Membership Card (the PeoplePC/Visa branded credit card)
- **Services**
  - No guesswork in shopping for hardware, ISP and e-commerce components
  - Toll-free customer service support line, 24/7
  - On-site maintenance if required
  - Full warranty
- **Opportunities**
  - Membership buying privileges (discounts, deals, specials, etc.)
  - Online and offline saving opportunities
  - Personalized online relationships, with vendors you want to hear from
  - PeoplePC Points - frequent shopper program
- **Safeguards**
  - We do not allow advertising on the site
  - We do not allow companies to spam our members
  - We place tremendous value on member privacy

Back to PeoplePC Corporate Info...

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Divider Title: 30 _____

ROSALIND HUDNELL
Intel Corporation

Professional Background

Rosalind Hudnell is Vice President of Worldwide Community Education for Intel Corporation. This is a new role for Hudnell and she will direct the implementation of the Intel Computer Clubhouse Network a program for underserved youth and communities. She joined Intel three years ago and most recently served as the Public Affairs Manager for the Inetel's Folsom site managing workforce development, employee volunteer programs, charitable contributions and community relations. Prior to joining Intel, she served as the Vice President of the Sacramento Urban League where she oversaw the development of a community technology center. She was instrumental in implementing a variety of technology training programs funded through the California Employment Training Panel, the Department of Labor and numerous private sector corporations. She serves on the advisory committee for the Digital Divide Clearinghouse. She is a graduate of St. Mary's College.

About Intel Corporation

Intel Corporation is the world's largest micro-chip maker. Intel supplies the computing industry with the chips, boards, systems and software that are the "ingredients" of computer architecture. The company employs more than 65,000 people. Note: Intel makes the "Pentium" processor that powers Gateway computers. They also make a lower-end product called "Celeron."

Intel and the Digital Divide

Intel has two major initiatives that focusing on bridging the digital divide and improving educational opportunities for underserved communities.

Computer Clubhouse Intel is planning to establish 100 Intel Computer Clubhouses in under-served communities worldwide. The goal of the Intel Computer Clubhouse Network is to proliferate the highly successful Clubhouse learning model (15 Clubhouses exist today) and establish it as a replicable model for technology learning. Clubhouse's will offer safe after-school learning environments where students can work with adult mentors – create their own Web sites, computer-generated art, and scientific simulations. Intel has partnered with the MIT Media Lab and Museum of Science, Boston, to create initial clubhouse in Boston. This year clubhouses will open in Albuquerque, Atlanta, Boston, Los Angeles, Phoenix, Portland, Sacramento, San Jose and Santa Clara and Seattle.

Teach To The Future This is a worldwide initiative to address barriers to technology for teachers. Over the next three years, **Intel will invest $100 million** in cash, equipment, curriculum development and program management to train more than 400,000 (100,000 in U.S.) classroom teachers in 20 countries. Total worth of project (with other corporate support) is nearly half a billion dollars. Teach to the Future is part of Intel's commitment to America's Promise. **Microsoft contributed $344 million in software and program support to this program.**

intel
innovation in education

Intel Computer Clubhouse

About the Intel Computer Clubhouse Network Initiative

more in education

- K-12 Education
- Higher Education
- Newsletter
- Grants, Donations & Scholarships
- Using Technology in Education: E-Rate
- Resources and Tools

related topics

- PC Parents℠ Bits and Bytes made easy
- The Intel Museum
- Intel's Community Involvement

visit other Intel sites

- Personal Technology
- Intel® e-Business Center
- Developer
- Channel
- Support

The Collaboration

The Intel Computer Clubhouse is a successful and replicable model that uses te creatively to enable under-served youth to acquire the tools, problem solving ski confidence for successful lives. In partnership with the Museum of Science, Bos winning Computer Clubhouse and the MIT Media Lab, Intel will support the estal 100 Intel Computer Clubhouses in under-served communities worldwide. The gc Computer Clubhouse Network is to proliferate the highly successful Clubhouse l (15 Clubhouses exist today) and establish it as a replicable model for technolog five years, the Intel Computer Clubhouse Network will touch the lives of more tha young people.

Access - Only the First Step

Technology "access" is the starting point, not the end solution. The Clubhouse s youth through self-directed exploration and access to mentors who have creative use technology. The Intel Computer Clubhouse is both a physical place and a le philosophy. It is a creative and safe after-school learning environment where yo 8-18) from under-served communities work with adult mentors to explore their o develop skills, and build confidence in themselves through the use of technology

In the Clubhouse, youth express themselves through projects based on their ow creating computer-generated art, music, and video; developing scientific simulati their own animations; building kinetic sculptures and robots; developing their ow and programming their own computer games. The Clubhouse approach puts a h developing a culture of respect and trust. It is in this environment that Clubhouse out new ideas, take risks, be free to create, become inspired and ultimately, bec participants in a changing world. At the Clubhouse young people only play comp design, watch videos they create or listen to music that they compose themselve

Mentors

Volunteer mentors from nearby organizations, universities and companies suppc self-directed explorations. Mentors also role model "learning" by collaborating or investigating and learning from the work of members, or creating a project of the develop expertise in specific areas, they "peer mentor" fellow Clubhouse membe Clubhouse "members" return to volunteer as adult mentors to the next generatio youth. The Clubhouse supports approximately 1 mentor to every 3 to 5 member Involved" employee volunteer program will provide Intel mentors to Clubhouses

Girls Day

The Clubhouse pays special attention to encouraging technical fluency in girls, t playing field for girls in math, science, and technology. To increase girls' confide experience expressing themselves with new technologies, the Clubhouse sets a week as "Girls Day." Girls have the chance to work with technology in ways that inviting to them, and to interact with female mentors and staff who serve as role Additionally, young women with prior Clubhouse experience serve as teen ment them with meaningful work experience and a chance to support younger girls in discovery.

Clubhouse to Career

Basic technical skills are required at 60% of jobs today. However, the Clubhouse higher — enabling youth to develop technical fluency and become designers an technology. Members get experience working on high-end professional software encouraged to apply their skills in real world employment settings. The Clubhous program exposes youth to career opportunities and supports young people in pr and internships in nearby companies.

The Origins

Founded in 1993 by The Computer Museum (now part of the Museum of Scienc collaboration with the MIT Media Laboratory, the Clubhouse has served over 15 who use powerful computer tools to work on extended projects related to their o experiences. As of today, fifteen Computer Clubhouses serve youth in Boston, M Springs (VA), Columbus (OH), Bogota, Colombia, and Esslingen, Germany. Fun seed money from the Intel Foundation in 1993-1995, the Clubhouse has gained recognition among educators and community leaders and serves as a model of I technological tools can support learning, creative expression, and community de Clubhouse Network based at the Museum of Science, Boston, will serve as the innovation and technical expertise, and will provide ongoing support, programma and technical assistance for community-based Clubhouses around the world. In Computer Clubhouse was awarded the prestigious Peter F. Drucker Award for N Innovation. The Clubhouse was chosen for making a difference in the lives of the serves, having measurable outcomes, and providing an innovative model that cc by others.

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Intel® *Teach to the Future*

With Support from Microsoft Corporation

The Intel® *Teach to the Future* program brings together expertise and resources from leading high-tech companies to improve technology use in the classroom. This comprehensive teacher development initiative has been designed to address the barriers teachers face in effectively applying computer technology to enhance student learning.

In spite of the potential for technology to improve education, only 20% of today's 3.17 million teachers feel prepared to use technology in the classroom. Barriers to success include: lack of access to adequate equipment; lack of training on specific software tools; lack of training on tools to evaluate how, when and where technology should be applied to teach specific subject matter; and finally, lack of an evaluative process that measures success and provides for continuous improvement. Intel has taken key learnings from its own and others' experiences in technology in education and partnered with leaders in the computing industry to deliver a program that can address these barriers worldwide.

Intel *Teach to the Future* provides a flexible, modular curriculum delivered by teachers for teachers. The curriculum is based on Microsoft* Office 2000 Professional as a teaching and learning tool. The training incorporates the use of the Internet, web page design and multimedia software. Every participant is guaranteed access in their classrooms to the software and hardware necessary to put their training into practice. The training of a cadre of local master teachers ensures the knowledge and expertise remains within the school district and provides for ongoing support.

Key elements of the Intel *Teach to the Future* program include hands-on, face-to-face learning, a focus on process over content to accommodate a wide range of subjects and grade levels, and ongoing evaluation. The curriculum is divided into ten four-hour modules and is based on the award-winning Intel ACE Project, authored by the Institute for Computer Technology. It has been delivered to some 3,200 teachers in nine communities over the last two years in cooperation with Microsoft Corporation and Hewlett-Packard Company. Responses from Intel ACE participants show that 98% of the participants found the training to be valuable; 97% developed new skills and knowledge and 94% felt the training would benefit their students. A follow-up study with teachers who participated in the training in 1998 found that more than 84% felt the use of computers had improved their instruction and more than 80% felt their students' learning was enhanced.

Intel will develop online communities via its web site to support the Regional Training Agencies, Master Teachers and teacher participants. Some of the areas will facilitate administration of the program itself such as registration and evaluation; other services include case studies, a lesson plan database, and chat capability.

Intel *Teach to the Future* is a worldwide initiative. Over the next three years, it will be implemented in 20 countries around the world, reaching more than 400,000 teachers and millions of students.

U.S. Program Implementation

Who's Involved and How?

Intel	Intel funds and manages the program and development of all its components including the training and collateral materials, online communities and program evaluation.
Microsoft Corporation	Microsoft provides the Office* 2000 suite of products and Encarta* Encyclopedia 2000 to each teacher participant, as well as providing the software for the training lab systems and Master Teachers.
Institute for Computer Technology (ICT)	ICT is the author of the training curriculum, trains the master teachers, assists with program evaluation and hosts an annual meeting for the Regional Training Agencies.
Regional Training Agencies (RTAs)	Regional Training Agencies manage the program in their respective areas. They recruit school districts to participate, arrange training for 100 Master Teachers (MTs) annually, and assist with program evaluation.
School Districts	Districts provide release time and cover substitute costs for Master Teachers, insure each teacher has one Internet-connected PC in their classroom, and assist in program evaluation.
Master Teachers (MTs)	Master Teachers recruit teacher participants, set up training logistics, train at least 20 teachers per year, and assist in program evaluation.
Hewlett-Packard Company	Hewlett-Packard will provide the technology to equip all Regional Training Agencies with training labs.
Premio Computer	Premio will provide up to 20 participating districts with the technology to equip teacher training labs.
Acer, AST, Bold Data, Caliber, Hewlett-Packard, Premio, Quantex, Tangent	These computer manufacturers will offer discounted computers to participating school districts.

U.S. Geographic Roll-Out

	Year 2000	Year 2001	Year 2002	**Total**
RTAs	5	5+10 new	15+5 new	**20**
MTs	500	500+1500 new	2000+500 new	**2,500**
Teachers	10,000	40,000	50,000	**100,000**
Locations	Northern Calif., Oregon, Texas, Arizona	Add New Mexico, Washington, Utah, Massachusetts, Southern Calif., Washington DC area including Virginia and Maryland, South Carolina, others TBD	New locations TBD	