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DIGITAL DIVIDE NEW MARKETS #1 [4]

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Divider Title: _____

SHARIFA WILSON
Mayor, City of East Palo Alto

Professional Background

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

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White House News Report

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

April 17, 2000

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

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

- \$425 million for the Technology Literacy Challenge Fund which helps states and local communities meet all four "pillars" of the President's educational technology initiative (computers, Internet access, teacher training, educational software). *law by PC + VP 10/1996 (1)*
- \$197 million for partnerships between local school districts and the private sector to develop innovative approaches to using technology in the classroom. *(7) where the private sector (TRC) (2)*
- \$75 million to help train all new teachers to use technology. *(CTC) (3) 242 255 18957*

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

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

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

- *(CIS)* The number of classrooms connected to the Internet has increased from 3 percent in 1994 to 63 percent in 1999. *(4)*
- *(CIS)* The number of schools connected to the Internet has increased from 35 percent in 1994 to 95 percent in 1999.
- Grants supported by the Department of Education are training 400,000 new teachers to use technology effectively in the classroom.

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

- \$2 billion over 10 years in tax incentives to encourage private sector donation of computers, sponsorship of community technology centers, and technology training for workers.

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

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

- **Expand access to technology for people with disabilities.** President Clinton and Vice President Gore have been strong supporters of efforts to make technology more accessible for people with disabilities. Recent actions by the Federal Communications Commission will help ensure that telecommunications equipment, such as cellular phones, is designed to be accessible for people with disabilities.
- **Expand access to technology in under-served communities.** In addition to the Department of Education's Community Technology Center program, which provides computer access and educational services to communities around the country, the Department of Housing and Urban Development has created approximately 500 Neighborhood Network learning centers that bring state of the art technology to publicly-assisted housing across America. HUD's Neighborhood Networks are innovative private/public partnerships that establish computer-based multi-service centers to help people in publicly-assisted housing learn critical computer skills and prepare for 21st century jobs.
- **Ensure that the Administration makes closing the Digital Divide a top priority.** In December, 1999, President Clinton directed members of his Cabinet (Secretaries of Commerce, Education, Health and Human Services, Housing and Urban Development, and Labor) to take specific steps to close the Digital Divide, including:
 - ✓ Continuing to measure the nature and extent of the digital divide by examining the importance of income, education, race, gender, geography and age to Americans' access to Information Age tools;
 - ✓ Expanding the network of Community Technology Centers to provide access to technology for those American who can't afford it;
 - ✓ Promoting applications of the Internet that will empower low-income families, such as the ability to start their own business; and
 - ✓ Upgrading the IT skills of workers in low-income communities.

Expand Access Technology

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

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

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

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

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

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

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

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

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

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

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

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

ON W/Edits

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

April 17, 2000

- Access to computers and the Internet and the ability to effectively use this technology are becoming increasingly important for full participation in America's economic, political, and social life. In recent years, access to computers and the Internet has exploded. Unfortunately, there is strong evidence of a "digital divide" -- a gap between those individual and communities that have access to these Information Age tools and those who don't.
- Ensuring that more Americans have high-tech skills is important, since jobs in the IT sector pay almost 80 percent more than the private sector average. [Department of Commerce, Emerging Digital Economy II, June 1999.]

Better educated Americans are more likely to be connected.

- 69 percent of households with a bachelor's degree or higher have computers, compared to 16 percent of those households that have not completed high school. [Department of Commerce, "Falling Through The Net," July 1999]
- 45 percent of households with a bachelor's degree or more have Internet access in the home, compared to 14 percent with ~~no~~ high school education. [Department of Commerce, "Falling Through The Net," July 1999.]

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

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

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

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

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

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

People with disabilities are less likely to have access to technology

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

THE PRESIDENT'S NEW MARKETS TRIP:
FROM DIGITAL DIVIDE TO DIGITAL OPPORTUNITY
Motivating Young People to "Get Connected" in East Palo Alto
April 17, 2000

TODAY, PRESIDENT CLINTON WILL KICKOFF HIS DIGITAL DIVIDE NEW MARKETS TRIP IN EAST PALO ALTO, CALIFORNIA TO HIGHLIGHT THE IMPORTANCE OF ALL YOUNG PEOPLE HAVING THE OPPORTUNITY AND THE MOTIVATION TO "GET CONNECTED." President Clinton will kick off his third New Markets trip in East Palo Alto, CA, where he will hold a discussion with Magic Johnson, New York Liberty star Rebecca Lobo, high-tech CEOs and young people from East Palo Alto. His discussion will center on motivating and inspiring all young people to "get connected" and become technologically literate as a means to increasing their future economic potential. The President will emphasize how critical information technology skills are to competing for the high-tech, high-wage jobs of the 21st century. The discussion will be broadcast on the Internet, giving young people across the country an opportunity to email questions to the President.

President Clinton will announce several private and public sector commitments that expand "digital opportunity" for underserved communities, families and youth. He will then participate in a roundtable with corporate and community leaders, focusing on the importance of closing the digital divide by providing both opportunity and motivation to communities, family and youth.

Today's visit comes two weeks after the President issued his "National Call to Action" with two major national goals:

- Provide 21st Century Learning Tools for Every Child in Every School. To reach this goal, America needs to connect every classroom to the Internet, provide all students with access to computers, train teachers to integrate technology into the curriculum, and provide high quality educational content and software.
- Create Digital Opportunity for Every American Family and Community. For all families and communities to benefit from the New Economy, we must ensure that all Americans have access to technology and the skills needed to use it. We must work to make home access to the Internet universal, bring technology to every neighborhood, empower all citizens with IT skills, and motivate young people to "get connected."

EAST PALO ALTO HAS NOT FULLY SHARED IN THE NATION'S DIGITAL REVOLUTION

Although it is in the heart of Silicon Valley, East Palo Alto has not shared equally in the region's phenomenal economic expansion. While progress has been made, the city still faces significant economic challenges.

- High Poverty Over 24 percent of local K-8 students live in poverty and over 80 percent are eligible for the free lunch program (Census Bureau, 1997; CA Dept. of Finance, 2000).
- Lack of Education Technology East Palo Alto schools have a 28 to 1 student/ computer ratio, limiting the ability of teachers to use technology in the classroom. (CA Dept. of Ed., 1999).

PRESIDENT CLINTON, AND CORPORATE AND COMMUNITY LEADERS WILL ANNOUNCE KEY INITIATIVES TO BRING DIGITAL OPPORTUNITY TO YOUTH FAMILIES AND COMMUNITIES:

- The Kaiser Family Foundation Commits to a Media Campaign to Motivate Young People to "Get Connected." Magic Johnson and Rebecca Lobo Will Star in the Public Service Announcements that Will Air on 13 Major Networks. BET Television Will Also Produce and Air PSAs to Encourage African-Americans to Participate in Digital Economy.
- HP Announces \$15 million Partnership to Expand Digital Opportunity in 3 Communities, Including East Palo Alto
- Gateway Launches Program for Technology Training for 75,000 Teachers -- Including All East Palo Alto Teachers
- QUALCOMM Commits \$25 million for Digital Divide -- Including \$7 million for Math and Science Education
- PowerUP Commits to Expanding to 250 Technology Centers for Underserved Youth Across the Country - With Major Support from AOL (100,000 Free Accounts Valued at \$26 Million) and Waitt Family Foundation (50,000 Gateway Computers)
- Novell Will Donate \$20 Million in Software to Non-Profits Devoted to Underserved Hispanic Populations
- Cisco Systems Pledges \$1.37 Million to Develop 10 Pilot Networking Academies
- Applied Materials Pledges \$1 Million for Digital Divide Projects -- Including a Partnership with the Rainbow/ PUSH Coalition to Create a High-Tech Job Training Center in East Palo Alto, CA
- AT&T Pledges \$1.5 Million to The Academy Of Information Technology in Oakland, CA
- PeoplePC Will Provide 300 Computers and Internet Access to Schools in the East Palo Alto Community
- govWorks's Community Commitment Program Will Donate Computer Equipment to Communities it Serves

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

- The Kaiser Family Foundation And Black Entertainment Television Announce Public Service Campaigns to Motivate Young People to Participate in Technology. *Adams will start with* President Clinton will highlight the efforts of the Kaiser Family Foundation and Black Entertainment Television (BET) to help motivate young people to "get connected" and raise public awareness about the digital divide. The Kaiser Family Foundation will produce public service announcements (PSA) featuring celebrities and role models who will highlight their connections to technology and encourage young people to recognize ways that becoming technologically literate can open doors to them. Magic Johnson and Rebecca Lobo are the first celebrities to agree to appear in the PSA campaign. *BET, MTV, NBC, ABC, CBS, TBS, TNT, UPN, Fox, the Cartoon Network, the Odyssey Network, the Disney Network and the WB have all agreed air the PSAs.* The National Association of Broadcasters will agree to distribute the PSAs to 1,000 of their members.

BET.com will produce and air on the BET Cable Network Public Service Announcements encouraging African-Americans to use the Internet and to participate in the digital economy. The PSA's will feature major African-American celebrities from the music, sports and film industries explaining the importance of African-American participation in the digital economy, as consumers, employees and entrepreneurs. In addition, BET.com and BET Holdings will sponsor an online celebrity auction to benefit efforts to address the digital divide.
- Hewlett-Packard Announces \$15 Million Digital Village Initiative -- New Program To Start in East Palo Alto. HP will invest up to \$15 million in products, partnerships and people in 3 underserved communities -- starting in East Palo Alto. HP's comprehensive approach will focus on programs that serve adults and kids at home, in school, and through community centers:
 - HP @ Home will help families learn and grow together,
 - HP @ School will emphasize enhancing K-12 education through the use of technology; and
 - HP @ Neighborhood Community Centers will help adults and kids to learn, communicate and explore using the Internet, both before and after school
- Gateway Launches Teach America! And Commits to Training 75,000 Teachers -- Including All East Palo Alto Teachers. Gateway has pledged to provide 75,000 teachers with technology literacy training under the Teach America! Program. This effort by Gateway provides teachers with hundreds of courses to increase their use of the Internet and multimedia applications. All East Palo Alto's teachers will be trained in the Teach America! program on ways to effectively utilize technology in the classroom. *Gate Gateway here*
- QUALCOMM Commits \$ 25 Million for Digital Divide Projects -- Including \$7 Million for K-12 Math and Science Education. QUALCOMM will help to close the digital divide with a \$25 million commitment -- including \$7 million to improve math and science education in San Diego schools through investments in educational technology and enhancing the math and science instructional skills of K-12 teachers.
- PowerUP Unveils 250 New Sites in 43 States Across the Country. The PowerUP program will announce a major expansion of its successful program to give underserved youth access to technology and guidance on how to use it. PowerUP will have 250 -- up from 19 -- new, fully-equipped and staffed sites by the end of 2000. PowerUP is comprised of more than a dozen non-profit organizations, major corporations and federal agencies 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. Partners that have contributed to the launch of the first 250 sites include America Online, Gateway, Hewlett-Packard, Microsoft, Sun Microsystems, America's Promise, the Steve Case Foundation, the Waitt Family Foundation, Americorps*Vista, Boys & Girls Clubs, Communities in Schools, National Urban League, Save the Children, YMCA and the Department of Education.
- American Online Pledges 100,000 Free AOL Accounts to Students at PowerUP Sites, Waitt Family Foundation Providing 50,000 Computers Worth \$30 Million. The expansion of the PowerUP is made possible because of commitments from a number of organizations -- including a pledge by AOL to provide 100,000 AOL accounts to PowerUP sites, valued at \$26 million annually, and a donation of 50,000 Gateway computers by the Waitt Family Foundation.

What?

- Novell Will Donate \$20 Million in Software to Non-Profits Devoted to Helping Underserved Hispanic Populations. Novell is expanding its software donation program to include non-profits that help underserved Hispanic populations. The donated software has a retail value of \$20 million. Currently, many non-profits are lagging behind the private sector in their use of the Internet and information technology.
- Cisco Systems, HUD and Communities In Schools Announce 10 Pilot Networking Academies. Cisco Systems, Inc., the Department of Housing and Urban Development, and Communities In Schools will announce a program valued at \$1.37 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 with on-the-job experience. Academy graduates who pass the industry standard Cisco Certified Network Associate exam are immediately eligible for information technology jobs with high starting salaries.
- Applied Materials Pledges \$1 Million And Partners With The Rainbow/ PUSH Coalition To Create A High-Tech Job Training Center. Applied Materials has pledged \$1 million to help provide "information for everyone," starting with the development of a high-tech job training center for the people of East Palo Alto, in partnership with local government and Reverend Jesse Jackson's Rainbow/PUSH Coalition.
- Semiconductor Equipment and Materials International (SEMI) Will Pledge \$1 Million to Reduce the Digital Divide in Silicon Valley. SEMI, the global trade association for the semiconductor equipment and materials industry, is pledging \$1 million dollars to five workforce development programs focused on reducing the digital divide. The organizations that will receive \$200,000 each are: Workforce Silicon Valley; Industry and Technology Outreach Foundation; Jose A. Valdez Math Institute; and the Charitech Civic Venture Fund.
- AT&T Announces a \$1.5 Million Commitment to the Academy of Information Technology in Oakland, CA and the Leadership Conversation for the Next America. AT&T will support the Academy of Information Technology with \$1.5 million to develop a high school curriculum that will prepare students for jobs in the IT industry. In collaboration with the National Academy Foundation and several corporate partners, the Academy of Information Technology will provide high school students with a greater understanding of opportunities in the high-tech industry along with the necessary skills training to be effective in the new economy. In addition, AT&T will commit \$250,000 to develop a national forum series for underserved communities to engage high school students and policymakers in a dialogue about economic opportunities, education, job skills, and leadership for the 21st century.
- PeoplePC Commits to Providing Multimedia Computers to the East Palo Alto Community. The President will announce a pledge by PeoplePC to provide the schools of East Palo Alto with 300 new brand name computer systems and unlimited Internet access. Currently, the elementary schools in East Palo Alto have a student-to-computer ratio of 28-to-1, making it difficult for computers and the Internet to be used as powerful tools for learning in the classroom. PeoplePC's contribution will go a long way toward improving access to technology for East Palo Alto children.
- govWorks, Inc., Announces the Community Commitment Program to Reinvest in Communities Around the Country. govWorks, Inc. will announce the launch of its Community Commitment program to help communities across the country address the digital divide. govWorks will reinvest a portion of its revenue in local communities to purchase computers, high-speed Internet access and technology training, which will be donated to public spaces including libraries, public schools, and community centers. This effort is part of a continuing commitment to reinvent technical resources on an ongoing basis in the communities where govWorks does business. It will launch a pilot of its Community Commitment program this week by donating computers and a year's supply of high speed Internet access to the Thomas Creighton Elementary School in Philadelphia, PA and to Nora Navara Public Library in New Orleans, LA. Additionally, govWorks plans to provide the school and library staff with computer and Internet training. govWorks expects to roll out its Community Commitment program in 50 cities by the end of the year.
- NetDay and TechNet "One-Stop-Shop" for Educational Technology. The President will announce a commitment from NetDay and TechNet to develop an Internet-based "one-stop-shop" of information on educational technology, including technology planning, hardware, educational software, professional development, and sources of financial support. The database will be invaluable for principals, teachers, parent support groups, and community members.

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

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

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

Drew Altman, President and CEO, The Henry J. Kaiser Family Foundation

Henry Cisneros, CEO, Univision, Inc.

Darien Dash, Founder and CEO, DME Interactive Holdings, Inc.

Carly Fiorina, President and CEO, Hewlett-Packard Corporation

Rae Grad, CEO, PowerUP

Nick Grouf, Founder, Chairman and CEO, PeoplePC

Rosalind Hudnell, Vice President, Worldwide Community Education, Intel Corporation

Reverend Jesse Jackson, President and CEO, Rainbow/PUSH Coalition, Inc.

Irwin Jacobs, Chairman of the Board and CEO, QUALCOMM

Robert L. Johnson, Chairman and CEO, BET Holdings, Inc.

Roberta Katz, President, TechNet

Robert Knowling, CEO, Covad Communications

Kenneth McNeely, Vice President of Law and Government Affairs, AT&T

Jim Morgan, Chairman and CEO, Applied Materials, Inc.

John Morgridge, Chairman of the Board, Cisco Systems, Inc.

David Robino, Vice-Chairman, Gateway, Inc.

Eric Schmidt, Chairman of the Board and CEO, Novell, Inc.

Srinija Srinivasan, Vice President and Editor-In-Chief, Yahoo! Inc.

Kaleil Tuzman, Co-Founder, Chairman and CEO, govWorks, Inc.

George Vrandenberg, Senior Vice President for Global and Strategic Policy, America Online, Inc.

Raul Yzaguirre, President, National Council of La Raza

Draft 4/14/00 6:40pm

Lowell Weiss

for Will call to Action

PRESIDENT WILLIAM J. CLINTON
OPENING REMARKS ON SEIZING DIGITAL OPPORTUNITIES
EAST PALO ALTO, CA
April 17, 2000

Acknowledge: Costano Elem. School Choir; Mayor Sharifa Wilson; Plugged In Exec. Dir. Magda Escobar; Sec. Cuomo; FCC Chairman Bill Kennard; Magic Johnson; Rebecca Lobo; Rev. Jesse Jackson; Sen. Robert Bennett; Reps. John Conyers, William Jefferson, Barbara Lee, Zoe Lofgren, Silvestre Reyes, Stephanie Tubbs Jones; Gene Sperling; high-tech CEOs, civil rights leaders, and foundation directors; Julian Lacey, the manager of Plugged In Enterprises, who came to the White House to help us kick off this tour; VP Gore, whose vision has guided every step this Administration has taken to close the digital divide. I also want to thank AOL for broadcasting today's event live on the Internet.

This is a fortunate time for the United States. We have the strongest economy in our history; the lowest African American and Hispanic unemployment rates on record; the lowest female unemployment rate in 40 years. But we all know there are people and places that have been left behind. Over the last year I have traveled to many of these places – from hard-pressed rural areas in Appalachia and the Mississippi Delta, to the inner cities of Watts and Newark, to the Pine Ridge Indian Reservation in South Dakota. Each place I have gone, I have seen how we can combine forces with the private sector and community organizations to build new business, create new jobs, and make a real difference in people's lives.

corbby
On this New Markets tour, we are starting here in East Palo Alto and then traveling to a remote town in the Navajo Nation, to the influential Comdex trade show in Chicago, and to rural North Carolina. We are focusing on how we can help communities get access to the tools of the Information Age – and how we can help people understand how powerful these tools really are.

I wanted to start here in East Palo Alto because people around the country need to understand that even in Silicon Valley there are many people who could be left behind as we race forward in the Information Age. At the same time, I don't think there's a better place in America to show what can be done to reach out to those at risk of falling behind and help them share in the rewards of this incredible age. We can see that here at Plugged In, at the Silicon Valley Project, at the new Cisco-Sun Academy, where graduates are virtually assured jobs that pay \$55,000 to \$70,000 a year. And in a few minutes, I will announce many other ways the corporate leaders here today are prepared to help this "city on the move" move forward even faster. sure??

But before I do, I want to look at history to show what's really at stake here. A hundred and fifty years ago, when East Palo Alto got its start as Ravenswood, America was in the midst of a dramatic economic transformation. At the time, many people believed that this community was perfectly poised to take advantage of all the changes. After all, it looked like Ravenswood was going to become the last stop on the transcontinental railway, perhaps the most important route of commerce ever proposed. Unfortunately, the plans changed and the railroad bypassed Ravenswood altogether. It was a decision that had real repercussions for a century or more.

Today, we face another time of fundamental transformation, but we have a chance to do it very differently. Unlike the railroads of the Industrial Age, the trade routes of the Information Age

can run through every city, every town, every community in America. No one has to get bypassed this time around.

But let me be clear: The choice is in our hands: We can use these new technologies to extend opportunity to more Americans than ever before – or, if we're not careful, we could allow technology to heighten economic inequality and sharpen social divisions. By the same token, we can accelerate the most powerful engine of growth and prosperity the world has ever known – or allow that engine to stall. As every economics textbook will tell you, new technologies will continue to drive economic growth – but only if they continue to spread to all sectors of our economy and civic life.

These are the reasons why I have devoted this New Markets tour to bringing the attention of the nation to this crucial issue for our cities, our rural areas, and Indian Country. This is why I have made closing this digital divide a major priority in my budget – with \$2 billion in tax incentives for private sector efforts, with \$150 million for training all new teachers in how to use technology effectively in the classroom, and with \$100 million to help create 1,000 community technology centers across the country.

This is also why I have issued a National Call to Action for Digital Opportunity – to enlist the support of businesses, governments, community groups, foundations, schools, and volunteers. Together, we want to bring 21st century technology into every school and every community. Today, I want to highlight some of the remarkably generous and forward-thinking commitments we have already received.

Applied Materials has pledged \$1 million for projects such as a new high-tech job training center for the people of East Palo Alto, in partnership with this city and Jesse Jackson's Rainbow-PUSH Coalition. AT&T is committing \$1.25 million to support the new Academy of Information Technology in Oakland, dedicated to helping high school students prepare for high-paying jobs in the high-tech industry. Cisco will invest \$1.4 million to expand its Cisco Network Academy program to 10 more underserved communities.

PowerUp, a partnership that brings technology to young people in schools and community centers, will expand from 19 to 250 sites nationwide. AmeriCorps is a strong supporter of PowerUp's efforts and will assign 400 members to work in PowerUp sites. And AOL is going to provide 100,000 accounts for use at these PowerUp sites – a commitment worth \$26 million annually. And the Waitt Family Foundation is donating 50,000 Gateway computers to these sites.

HP will invest \$15 million in a new Digital Village initiative to help three underserved communities, starting with East Palo Alto. Novell will donate \$20 million in software for non-profit organizations devoted to helping under-served Hispanic organizations. Qualcomm is giving back to the city where it is based, with a \$25 million commitment – including \$7 million to improve math and science education in San Diego-area schools. Gateway will provide technology training to 75,000 teachers – including every single teacher here in East Palo Alto – to help them learn how to make the best use of technology in the classroom. People PC has agreed to donate 300 new multimedia computers to the East Palo Alto schools. I thank all of these corporations for all of these new commitments. And I thank Covad for leading an effort to increase minority participation in the high-tech industry.

Corporate and government commitments are only part of the equation. The other part – an enormous part – is motivation. And that's what I want all of us to focus on for the rest of this session. Because, frankly, all the computers and software and Internet connections in the world will do very little good if young people don't understand that access to new technology means access to new learning opportunities, new job opportunities, new entrepreneurial opportunities. In short, it means access to the new economy.

~~We got for the future of the future of the future~~

That's why I'm so pleased that the Kaiser Family Foundation will create a major public-service campaign to inspire young people to get on computers and get online. The ads will air on NBC, ABC, CBS, Fox, BET, Univision, MTV, the Cartoon Network, and other major channels. They will feature Magic Johnson and Rebecca Lobo, who will highlight that new technologies are not only fun – they can open a lot of doors in life. BET.com will also air their own PSAs encouraging African-Americans to use the Internet and participate in the digital economy.

As we've already heard, Plugged In is an incredible place for young people to go. And yet a lot of students have never come by and seen what it has to offer. I want people to know that places like Plugged In can change lives forever. You come in and learn how to design web pages or set up networks or just how to use the Internet as a powerful tool for discovery, and you're golden. You've got the power to control your future.

Just take a look at the classifieds from yesterday's *Merc*. There are 10,000 technology-related jobs in this paper. Ten thousand! The future is yours. We want to help you reach out and grab it. That's the best way we can all ensure that prosperity will not bypass this city ever again.

And now, I'd like to begin this discussion by asking a few questions...

[After the Q&A, you will close out the session with brief concluding remarks.]

###

These kids are looking at you.

Many kids look up to you and
think that their future ~~going to be~~
in professional sports. ~~what do you~~
say ~~to them about why~~ For kids
dreaming Magic Johnson Rebecca Lobb -
why should they worry about being techs.
literature.

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

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

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

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

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

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

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

national average.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

BACKGROUND ON INDIAN COUNTRY: THE NAVAJO NATION

APRIL 17, 2000

ECONOMIC CHALLENGES FACING NATIVE AMERICANS

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

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

NATIVE AMERICANS AND THE DIGITAL DIVIDE

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

- Households in rural areas are significantly less likely to access the Internet than are households in urban areas or central cities (Dept. of Commerce, 1999)
- Only 56 percent of Native Americans living on reservations have a telephone, compared to 94.1 percent of all American households (Bureau of Indian Affairs, 1997).

BACKGROUND ON THE NAVAJO NATION AND SHIPROCK, NEW MEXICO

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

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

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

Q.K.

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

April 17, 2000

- Access to computers and the Internet and the ability to effectively use this technology are becoming increasingly important for full participation in America's economic, political, and social life. In recent years, access to computers and the Internet has exploded. Unfortunately, there is strong evidence of a "digital divide" -- a gap between those individual and communities that have access to these Information Age tools and those who don't.

- Ensuring that more Americans have high-tech skills is important, since jobs in the IT sector pay almost 80 percent more than the private sector average. (Dept. of Commerce, Emerging Digital Economy II, June 1999).

Better-educated Americans are more likely to be connected.

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

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

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

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

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

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

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

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

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

BACKGROUND ON THE DIGITAL DIVIDE AND EAST PALO ALTO, CALIFORNIA

APRIL 17, 2000

THE DIGITAL DIVIDE: Access to computers and the Internet and the ability to use this technology effectively are becoming increasingly important for full participation in America's economic, political and social life. Unfortunately, unequal access to technology and high-tech skills by income, educational level, race, and geography could deepen and reinforce the divisions that exist within American society.

The Gap Between High and Low Income Americans is Increasing Urban households with incomes of \$75,000 or higher are more than twenty times more likely to have access to the Internet than rural households at lower income levels (Dept. of Commerce, 1999).

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

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

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

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

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

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

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

Poverty: Over 24 percent of local K-8 children live below the poverty line and over 80 percent are eligible for free or reduced-price lunches (Census Bureau, 1995; California Dept. of Education, 1999).

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

Housing: Although East Palo Alto has not shared equally in the region's phenomenal economic expansion, it suffers from Silicon Valley's skyrocketing housing prices. Since 1997, rents have increased by 29 percent in East Palo Alto to an average of \$1450 for a two-bedroom apartment. In part, these increases have been fueled by a lack of new housing development despite the city's growing population. Only 94 new housing units have been built in East Palo Alto since 1990 (Dept. of HUD, 1999).



Clifton G. Kellogg
04/14/2000 06:50:38 PM

Record Type: Record

To: Jamie H. Ginott/OPD/EOP@EOP, David Tseng/OPD/EOP@EOP, Elliott H. Baer/OPD/EOP@EOP, Melissa G. Green/OPD/EOP@EOP

cc: Sarah Rosen Wartell/OPD/EOP@EOP, Patrick M. Dorton/OPD/EOP@EOP

Subject: GS: POTUS cover to Treasury CRA

Barr feels strongly that the Treasury CRA report should go out Wednesday b/c

- they've cultivated Members and mayors to work for local press next week,
- they foresee other heavy press items on Thursday (WTO?) and
- Congress will be back in town the week following.

With the New Markets trip occupying NEC, and other issues preoccupying Treasury, I can't imagine anyone can focus on this until Wednesday.

Possible courses:

1. Tell Barr that Wednesday is impossible for a POTUS letter, and we insist that a POTUS letter be included. Therefore, he should release either on Thursday or the following Monday;
2. Let Treasury release on Wednesday and issue a separate POTUS statement that can be printed and bound in later print runs.

Any wisdom?



Clifton G. Kellogg
04/14/2000 10:55:53 AM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

Subject: GS REVIEW BEFORE 7 PM IF POSSIBLE: Revised POTUS letter to Treasury CRA study



Crawjc4.doc

Gene--

1. To avoid competition with the New Markets trip, Treasury would like to release their CRA study next Wednesday, April 19. Are you OK with this date, or are there other considerations that should delay them further?
2. Revised letter attached. Treasury would like to print at 7 pm TONIGHT, if possible.

The revision includes both the \$1 trillion figure and the \$600 billion. \$1 trillion figure is **loan commitments going forward, rather than loans actually made**. In addition, 90% of this total comes from 3 banks -- B of A/Nations, Citigroup, and Washington Mutual. The \$1 trillion figure does not appear in the report.

The revised letter also includes a stronger statement of success.

Thanks.

Message Sent To:

Jamie H. Ginott/OPD/EOP@EOP
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Statement of William Jefferson Clinton

Ensuring that all Americans have an opportunity to share in our nation's economic prosperity has been at the core of my Administration's domestic agenda. We have made progress, but there is much more that we can do to extend the benefits of the vibrant American economy, including our innovative financial markets, to all Americans.

The Community Reinvestment Act (CRA) is central to that goal. Early in my Administration, I asked the federal banking regulators to revise the regulations implementing CRA to focus on the performance of banks and thrifts in serving the credit needs of their local communities. Since 1993, banks and thrifts have pledged to make over \$1 trillion home mortgage, small business, and community development loans for low- and moderate-income neighborhoods and borrowers. This report documents that since then banks and thrifts have already made well over \$600 billion of these loans. Today, credit is more widely available than ever before for Americans who wish to borrow to buy a house, or start a business. Our success in democratizing access to credit under this Administration is one of my proudest achievements, but we cannot rest.

The financial modernization legislation that I signed into law last fall allows the integration of banking, insurance and securities industries. In itself, this modernization should benefit consumers due to enhanced competition and innovative products and services. However, we also took a strong stand on protecting CRA, and we insisted on retaining CRA as a key pillar in the new banking system. We would not agree with those who attempted to weaken the CRA obligations of banks and thrifts in this process. Our determination resulted in the new requirement that a bank or thrift must have at least a satisfactory CRA rating each and every time it expands into these newly authorized lines of business. This is the first time CRA will be taken into consideration outside traditional bank merger and branch opening activities.

We must remain watchful to ensure that, as we modernize our financial system, it works for all Americans. The Treasury Department's baseline report on CRA will serve as a useful guidepost in assessing how far we have come and what remains to be done. The report will also provide a benchmark against which to assess changes in access to credit and financial services as the industry continues to evolve in the years ahead.

William Jefferson Clinton

MYTHS ABOUT THE CHINA-WTO TRADE AGREEMENT

Byline: Amb. Barshefsky and GS

Draft Copy

Word Count: 1,200

3/20/00

No one doubts that the debate over whether China should be granted Permanent Normal Trade Relations (PNTR) will be a heated, emotional one. But to make it a more informed debate for the public, it will be better if we can untangle the myths from the facts.

First Myth: This agreement will create significant dislocation for our economy because the U.S. must open its markets in return for increased access to China's markets. Wrong.

While this agreement represents a "win-win" for both countries, it is a *one-way deal* when it comes to tariffs and market-opening. Unlike a free-trade agreement such as NAFTA, which commits both signatories to lower their tariffs, in this agreement only China opens its market. We agree merely to maintain the market access policies we *already* apply to China by granting it permanent NTR. So if our markets are already open, and this agreement only opens China's market, why would anybody oppose it? Good question.

Second Myth: A "no" vote on PNTR keeps China out of the WTO and freezes the status quo in our trade relations with the Chinese. Wrong. If Congress rejects PNTR, China will still accede to the WTO -- and extend the market-opening concessions we negotiated to other countries. The U.S. would be left behind. To name but one disadvantage our firms would face: China's exploding Internet and telecommunications market -- a sector in which U.S. firms lead the world -- would open wide to our Japanese and European competitors, but remain closed to

our businesses and workers. By rejecting PNTR, the U.S. would, in effect, commit unilateral economic disarmament vis-à-vis our competitors for the Chinese market.

Some claim that our 1979 bilateral trade agreement secures the United States all the benefits we negotiated in November, even if Congress refuses to grant China PNTR. That's not even half true. While we might receive some of the tariff reductions specified in the November agreement, we would lose virtually all market access we negotiated for services (including sectors such as telecommunications and Internet), key provisions to safeguard against injurious imports, and all WTO enforcement rights. Furthermore, we would lose *all* the distribution rights contained in the November agreement. What good are reduced auto tariffs, for example, if our firms lack the right to market autos throughout China, distribute them, provide financing to customers, maintain and repair the cars, and build customer loyalty? Only by passing PNTR do we guarantee these rights and benefits to our farmers, workers and businesses.

Third Myth: The agreement ignored the need to protect American workers. The needs of American workers stood at the *very top* of our agenda when we negotiated the final agreement in Beijing. Indeed, we held up completion of the agreement to secure an enhanced 12-year "China-specific" safeguard that strengthens our protections against injurious imports, allowing us to take measures focused *directly* on China in case of an import surge that threatens American jobs, and a 15-year special anti-dumping protection to shield American jobs from the impact of [unfairly traded] [below-cost] imports. Furthermore, this agreement includes strong measures to eliminate the types of practices -- including forced technology transfer, mandated offsets, and local content requirements -- that can drain American jobs and technology. With this agreement,

our firms can make products in the USA, export them from the USA, and then distribute them on Chinese soil. That keeps jobs here at home.

Fourth Myth: Congress must await conclusion of China's other WTO accession

negotiations – especially its bilateral talks with the EU – before considering the U.S.-China

agreement. There is no reason for Congress to wait to give the President authority to grant PNTR to China. While China must still finish bilateral negotiations with the EU and a few other nations, these negotiations cannot weaken the US-China agreement. They can only strengthen it. Why? Because the WTO accession process takes the best deals negotiated from each country and combines them to make the overall agreement. In other words, no one can weaken any market-opening provision we negotiated, but if they get something better, we get that benefit as well. And to be absolutely sure that we maintain leverage through all aspects of the “protocol” negotiations, the legislation that the President has sent to Congress requires him to certify that the terms and conditions of China's accession to the WTO *are at least equivalent* to those we accepted in November.

Fifth Myth: We can still retain an annual NTR review and achieve the full benefits of the

agreement. Wrong. The rules are crystal clear: in order for two members to get full WTO rights from each other, they may not discriminate against each other's products or services; that is, they must grant each other immediate and unconditional NTR status. The United States grants this NTR status to *all* the countries with which we share all the benefits of the WTO and we do so *without* the condition of annual review. Singling out China as the *only* member whose NTR status we review each year discriminates against Chinese products and thus fails the WTO

requirement of unconditional NTR. Everyone knows that if the Jackson-Vanik conditions on emigration policy were revoked, subjecting China to annual review would still violate the GATT by subjecting annual review to a panoply of conditions each year and creating business uncertainty that would clearly and impermissibly discriminate against Chinese products.

Sixth Myth: The agreement elevates economics over human rights.

No one disputes the authoritarian nature of the Chinese regime. We must and will continue to condemn its abuses of human rights while supporting those who struggle within China for greater freedom. The issue at stake, however, is whether this agreement will increase economic freedom in China and make political reform there more or less likely. By subjecting China's state-run industries to global competition, it will lessen the power of the State and strengthen the hand of reformers. By bringing China into a rules-based international system, it will enhance the rule of law within China and prod government decision-making into the sunlight. By allowing foreign banks to operate in China, it will direct more capital to more Chinese entrepreneurs. By opening China's telecommunications sector, it will bring in new ideas and information through the Internet and increase contact among Chinese and with the outside world. When one considers the impact of all these changes, one must ask the question: *will this agreement increase economic freedom in China and make reform there more likely?* We believe it will.

Seventh Myth: Supporters of a strong and free Taiwan should oppose China's accession to the WTO. Wrong. Supporters of a strong Taiwan need to understand that Taiwan wants to see China in the WTO. Despite strong tensions with Beijing, the people of Taiwan are deepening their economic ties with the PRC. They believe that the PRC's joining the WTO is a force for

positive change and is in Taiwan's own interest and will facilitate Taiwan's own entry into the WTO. A combination of Taiwan and PRC accessions to that organization will create opportunity for Taiwan to increase its economic influence in the PRC, build trust and confidence through expanded trade and investment, and lower barriers to a freer flow of ideas across the Strait. **[We should insert 3/22/00 LA Times quote of President-Elect Chen saying he wants PNTR and WTO Accession for PRC]**

April 14, 2000

NOTE TO: Gene

FROM: Sarah

RE: Bankruptcy Letter

As you review the bankruptcy letter, you should know that we are adding this weekend a couple of specific technical points:

- (1) We understand that there is serious consideration being given to adding a provision that could limit government's ability to avoid the automatic stay when in using its regulatory and police power. The specific concern is a case in which the government has recalled FCC licenses to a firm known as Nextwave, which is in bankruptcy. Hearings were held on the issue this week. If the law is changed in this case, it could cost the taxpayers billions. We will mention our concern about preserving the police and regulatory exception briefly.
- (2) Similarly, we understand there is consideration being given to adding an exception to the Fair Debt Collection Practices Act for check collectors. (Allegedly, this is sought by a relative of a key Senator.) We will note that this should not be done without a full and public exploration of the implications for consumers.
- (3) We will mention our opposition to a provision that previously went unnoticed in the Senate manager's amendment that would allow debtors to sign waivers of the existing law protection for their retirement assets in bankruptcy. (Organized Labor and DoL testified against the provision at a Senator Jeffords hearing this week.) Consumers could be compelled to waive the protection in the boiler plate when they sign up for a credit card, for example, and then later find that their retirement plan assets are available to creditors in bankruptcy.
- (4) Finally, we will add a suggestion that they clarify that certain unfair and deceptive practices protections are not preempted by the reaffirmation provisions. We may also note that an "even better approach" would be to add aspects of the reaffirmation proposal that we were unable to get from Senator Sessions during senate Negotiations. Much to our chagrin, consumer legal advocates continue to prefer the weak House bill to the protections we obtained in the Senate, arguing that we had to give up some protections in exchange that are valuable to them in litigation. (In short, this is a dispute about whether providing greater disclosures and court scrutiny for **most reaffs** (making coerced reaffs less likely) is worth the price of giving creditors defenses in the **rarer case** when coercion is uncovered and class action **litigation ensues**. Hyde's staff (and perhaps Gekas) want to do better (they say) but feel that if we defend the senate bill as is, they have no leverage to get more.

April __, 2000

The Honorable Orrin G. Hatch
Chairman, Committee on the Judiciary
United States Senate
224 Senate Dirksen Office Building
Washington, DC 20510-6275

Dear Chairman Hatch:

Although conferees have not yet been named, we understand that your staffs are discussing how to reconcile the House (H.R. 833) and Senate (H.R. 833 EAS) versions of bankruptcy reform legislation. To assist in this process, I share the Administration's views.

NON-RELEVANT AMENDMENTS

First, the Senate version of the bankruptcy bill includes non-relevant amendments on the subjects described below.

Minimum Wage and Tax Amendment. The President strongly supports an increase in the minimum wage of \$1 over two years. Working families across this country deserve this increase, which restores the real value of the minimum wage to what it was in 1982. All Americans should be able to share in our current economic prosperity. But the amendment to the Senate bill would delay the increase. The amendment also includes a provision that would repeal overtime protections for certain workers and a tax and pension package that would direct benefits away from working families and could lead to cuts in retirement benefits for moderate and lower-income workers, would not significantly increase plan coverage or national savings, and would weaken pension protections. Finally, we must establish a proper framework for paying down the debt, strengthening Social Security and Medicare, and funding key priorities before we consider major new tax cuts. If the Congress sends the President a bill delaying the minimum wage increase, repealing protections for certain workers, creating costly and unnecessary tax cuts that threaten fiscal discipline, direct benefits away from working families and potentially reduce their retirement benefits, and weakening pension protections, he will veto it.

Drug Amendment. The Administration also opposes the provisions that would reduce the current disparity between crack and powder cocaine sentences solely by increasing powder cocaine penalties dramatically instead of addressing both crack and powder cocaine penalties. Decreasing the threshold amount of powder cocaine that an individual must possess to receive 5- and 10-year mandatory minimum sentences may be counterproductive because it could significantly redirect Federal law enforcement resources from the most serious offenders. In addition, this amendment would actually exacerbate the disproportionate impact of cocaine sentencing on minorities because, according to U.S. Sentencing Commission statistics, approximately 31% of defendants sentenced at the Federal level for powder cocaine offenses in 1998 were African American, 48% were Hispanic, and only 19% were white. I would note,

however, that the Administration supports many of the provisions contained in the amendment to combat the spread and abuse of methamphetamine and hopes that the Congress will consider them outside of bankruptcy legislation.

Private School Vouchers Amendment. The drug amendment discussed above also contains an objectionable school voucher provision that is unrelated to the underlying bill. The Administration's opposition to private school vouchers is well known. Rather than improving and reforming public schools, private school vouchers drain scarce resources from public schools and are a distraction from the serious work of education reform. Instead, the President is committed to a comprehensive agenda to improve our schools by investing more in them and demanding more from them. The Administration also opposes the provision to require States to mandate the expulsion of students who bring a "felonious" quantity of drugs onto school property. A similar provision was defeated in a bipartisan House vote during consideration of the juvenile justice bill last year, and we oppose the inclusion of this type of measure in bankruptcy legislation. Finally, we object to the inclusion of any provisions affecting elementary and secondary education in the bankruptcy bill, as the Elementary and Secondary Education Act of 1965 (ESEA) is currently being reauthorized in the House and Senate. Congress should continue to address elementary and secondary education issues through the ESEA reauthorization process.

CONSUMER BANKRUPTCY PROVISIONS

The President supports balanced consumer bankruptcy reform that would reduce abuses of the bankruptcy system on the part of debtors and creditors alike and would require both to act responsibly. To meet the test of balance, the bill that emerges from conference should be consistent with the key principles set forth by the President. The President was disappointed that the House once again failed to produce balanced bankruptcy legislation that he could support. The bankruptcy provisions of the Senate bill generally do a better job of meeting the President's principles, although we have serious concerns about some provisions.

Means Test

Principle: Access to Chapter 7 should not be governed by an arbitrary means test, but by reasonable guidelines that take into account individual circumstances. The goal of the means test is to identify those debtors who genuinely have the capacity to repay a portion of their debts under a Chapter 13 plan. Many debtors who now enter Chapter 13 fail to complete their plans. By forcing additional debtors into Chapter 13, we will only increase the failure rate unless we ensure that their specific circumstances are considered in a meaningful way. Neither creditors nor debtors are helped by wasting scarce resources establishing and overseeing repayment plans that will quickly fail. The House bill fails to meet the President's principle (despite valuable efforts by Chairman Hyde to bring some balance to its provisions). Because it limits access to Chapter 7 through a tight, inflexible, and arbitrary means test, it would deny access to Chapter 7's discharge to many debtors who are unlikely to succeed under a Chapter 13 repayment plan. Specifically, the House bill would:

- allow exceptions to the means test only to those demonstrating "extraordinary circumstances" -- a nearly insurmountable burden of proof.

- not allow for expenses related to the long-term care of family members, including the elderly and disabled. Such assistance may be essential to enable these family members to avoid institutionalization and maintain their quality of life, yet may not qualify the family member as a legal dependent of the debtor.
- not allow for expenses that debtors may incur in protecting themselves against domestic violence. These expenses could include relocation expenses to move away from the violent spouse, transportation expenses to get to work from a new location or to work removed from the spouse's knowledge, legal costs to get and enforce a protective order, security costs, and income gaps associated with unavoidable absences from work.
- rigidly use IRS guidelines that were designed for a different purpose -- collecting taxes -- and are applied far more flexibly than the means test would allow. We urge the Conferees to adopt Chairman Hyde's proposal to authorize the creation of standards specific to bankruptcy, using the IRS guidelines as a starting point.
- not incorporate payments for arrearages on secured debt for necessary property, which must be paid under a Chapter 13 plan. Thus, the means test could leave some debtors in bankruptcy "no-man's land": unable to file under Chapter 7 and unable to get a Chapter 13 plan confirmed, because they cannot pay these arrearages.
- subjects many debtors to burdensome paperwork that is not needed for bankruptcy determinations, including the collection of back tax returns regardless of their relevance at a cost of millions per year.

The House bill does take into account required administrative expenses under a Chapter 13 plan in calculating whether the debtor has the capacity to repay. (This important provision, which is not in the Senate bill, should be retained in the final bill.) It also contains both essential safe harbors: (1) protecting below-median income debtors from 707(b) "abuse" motions by creditors that could be the basis for threats or coercion; and (2) protecting below-median income debtors from 707(b) means test motions by bankruptcy trustees. It includes a proposal by Chairman Hyde to allow adjustments for reasonable food and clothing expenses to take into account regional differences in costs. Finally, it clarifies sensibly the definition of household goods that a debtor can claim as exempt property (and thus upon which the debtor can void a non-purchase money, non-possessory lien), by limiting household goods to those "normally" found in or around a residence. These provisions should be retained.

The Senate bill uses a more reasonable means test, which provides more appropriate relief to debtors, although improvements could be made. The Senate bill would:

- allow exceptions to the means test to debtors who can show "special circumstances."
- use a more appropriate threshold for access to Chapter 7.
- provide a means test that includes expenses for the long-term care of elderly and other family members and to protect victims of domestic abuse and their families.

I would note, however, that certain of the provisions of the Senate bill are also problematic.

- The Senate bill also uses IRS guidelines for the means test, but includes a Congressional finding that the Treasury Secretary can modify the guidelines for bankruptcy purposes. Because this interpretation of existing Treasury authority is subject to legal challenge, we prefer Chairman Hyde's approach described above.
- The Senate bill's means test calculation includes arrearages on secured debt for necessary property; however, it does leave some debtors in bankruptcy "no-man's land" because it does not include the important provision, included in the House bill by Chairman Hyde, incorporating the required administrative expenses of a Chapter 13 plan in calculating the means test.
- The Senate bill avoids needless filing of back tax returns and streamlines the means test for debtors between 100% and 150% of median income. However, further reductions in the paperwork burden on low-income debtors could be achieved at no cost to the effectiveness of the means test.
- The Senate bill's motions safe harbor would protect below-median income debtors from 707(b) motions by creditors that could be the basis for threats or coercion. It fails, however, to provide a "safe harbor" for low-income debtors from means test calculations and paperwork or a full safe harbor from means test motions by United States trustees. Including both safe harbors would improve both the efficiency and fairness of the means test. If low-income debtors are abusing the process for other reasons, they would still be subject to general 707(b) motions by the court, the United States Trustee or chapter 7 trustee.
- The Senate bill's definition of household goods is so narrowly drawn that may be deprived of reasonable or even vital household items that would be exempt under the House bill's definition.

Finally, we note that both bills contain inconsistent references to median income standards (State, Regional, and National). Administration of the new law will be eased by use of consistent standards.

Homestead Exemption and Other Loopholes for the Wealthy

Principle: It is fundamentally unfair to ask low- and moderate-income debtors to devote future income to repay the debts that they can, while leaving loopholes that allow the wealthy to shield income and assets from their creditors. High or unlimited homestead exemptions allow people with expensive homes to avoid their responsibility to repay a significant portion of their debts. Similarly, some wealthy debtors can file under Chapter 11 where they can shield their future income from creditors.

- The House bill provides a \$250,000 cap on homestead exemptions, but allows the states to opt out of the cap. With the opt-out, the provision is effectively the same as having no cap at all. Moreover, the bill does nothing to close the Chapter 11 loophole for wealthy debtors.

The Senate bill provides a meaningful cap of \$100,000 on homestead exemptions. It also closes the Chapter 11 loophole for wealthy debtors. These provisions should be retained.

Protection Against Coercive Reaffirmations and Practices

Principle: We must ensure that there are appropriate safeguards against coercive creditor practices that compel debtors to forgo their rights and that disadvantage more scrupulous creditors. Debtors often reaffirm debt on unfavorable terms, sometimes when they demonstrably cannot afford the future payments. These new commitments put their future, as well as their payments to socially more important debts (e.g., child support, alimony, and taxes) at risk. These reaffirmations are frequently the result of insufficient or misleading information and sometimes the result of intimidation or outright coercion. Unfortunately, such practices have been uncovered all too frequently and the new legislation may increase the risk of such coercion by giving creditors new opportunities to challenge debtors' actions. In light of these new opportunities for abuse, we cannot countenance weakening existing protections; in fact, enhanced safeguards are essential.

- The House bill gives debtors the right to a hearing on a reaffirmation of wholly unsecured, non-credit union debt, but allows represented debtors to waive the hearing, which effectively does little to change current law and might inadvertently bolster arguments that courts have no authority to review agreements filed by represented debtors. The bill expressly provides a private right of action for failure to comply with reaffirmation agreement or willful violations of a discharge, but it precludes use of class actions to bring such claims. This eliminates the most effective approach – used in the Sears case among others -- to remedy widespread coercive practices. The private right of action should be retained, but the bar on class actions should be dropped.
- The Senate bill does not ban class action remedies. Moreover, it requires disclosure of the terms of debt being reaffirmed and creates a new presumption of undue hardship if the debtor does not have the capacity to repay debts that he or she is reaffirming. These mechanisms will go a long way to prevent debtors from reaffirming debts because of creditor threats or intimidation or because of simple confusion. The bill also provides that creditors who accept payments under a reaffirmation agreement in good faith need not be penalized if the agreement is subsequently found to be invalid. To avoid lengthy litigation, it should be clarified that the bill's intent is not to eliminate remedies available under current law, including disgorgement of funds collected under invalid agreements.

Improving Credit Card Practices

Principle: We must require that both debtors and creditors be responsible. Bankruptcy reform should be balanced by including provisions that address credit-card practices that may lead to bankruptcies. Creditors should give consumers the information they need to manage their credit card debt successfully. Doing so would allow more consumers to make informed decisions and give many households better control of their finances, reducing the number of bankruptcies.

- The House bill requires that consumers receive a generic description of the impact of making only minimum payments on the duration of the debt. It provides, however, no way for a

consumer to obtain more specific information about the impact of making the minimum payment in his or her own circumstance. The House bill requires conspicuous disclosures of teaser rates, but it does not require that the rates be labeled “introductory” or that the permanent interest rate be disclosed in close proximity to the teaser rate.

- The Senate bill could be further improved, but it provides more useful provisions. It requires most lenders to provide an 800 number for consumers who want specific information about the impact of minimum payments in their situation. (The information provided could be more valuable, if it included the cost as well as the duration of debt when only the minimum payment is made.) It also requires that consumers be given clear and conspicuous notice of teaser rates by labeling them as introductory each time they appear in a solicitation, as well as disclosure of the permanent interest rate in close proximity to the teaser rate. Lastly, the bill includes new disclosures on high loan-to-value home equity loans so consumers are not misled about their tax implications.

Non-Dischargeable Debts and Cram Downs

Principle: We must balance the goal of repaying creditors with the need to protect social priorities, such as payment of child support and alimony and taxes, and to preserve a meaningful opportunity for a fresh start. The Bankruptcy Code makes debts nondischargeable only where there is an overriding public purpose to protect those debts. To the extent that the bills make more credit-card debt nondischargeable and preserves secured claims regardless of the value of their collateral, these societal priorities will compete for scarce resources and the fresh start will become ephemeral.

- The House bill gives secured creditors unprecedented rights in bankruptcy to collect amounts in excess of the value of their collateral. It precludes “cramming down” debt to the collateral value for any debt secured by personal property purchased within five years of the bankruptcy filing. Were these provisions to become law, societal priorities would suffer, unsecured creditors would be placed at a disadvantage, and secured creditors would have less incentive to evaluate properly lending risk. The House bill also makes nondischargeable all cash advances above \$250 and all debts incurred to pay nondischargeable debts, both if within 90 days of bankruptcy. This rule endangers societal priorities and may trap debtors who are trying to feed their families or meet debt obligations before they realize that bankruptcy is inevitable.
- The Senate bill is preferable because it protects under-secured debt other than for automobiles for only six months before filing; nonetheless, the ban for car loans should be far shorter than five years. Similarly, the Senate bill has a shorter window before bankruptcy in which cash advances (with a higher threshold) and debts incurred to pay nondischargeable debts become nondischargeable. An even better approach would be to limit the new nondischargeability to provisions to above-median income debtors, as Senator Moynihan has proposed.

Barriers to Entry or Representation in the Bankruptcy System

Principle: We should not create inappropriate barriers to entry or effective representation in the bankruptcy system. Filing fees, fee-shifting provisions, and inflexible pre-filing hurdles

can unfairly deny access to the bankruptcy system to people who do not have the ability to repay their debts.

- The House bill would require mandatory credit counseling before a bankruptcy filing, but does not make clear that the requirement can be met by telephone or over the Internet, creating a barrier for those without convenient access to counseling. It also would require a debtor's attorney to pay a trustee's attorney's fees if the debtor is not "substantially justified" in filing for Chapter 7. Fear of such sanctions may deter attorneys from representing debtors with bona fide claims. However, the bill does allow courts to waive filing fees for debtors unable to pay, for the first time removing this important barrier to entry for indigent debtors.
- The Senate bill ensures that mandatory credit counseling can be provided by telephone or over the Internet. It also applies an appropriate and more reasonable standard to the effort to deter abusive use of Chapter 7, allowing the trustee to recover reasonable costs from the debtor's attorney if filing under Chapter 7 was "frivolous." It also would allow courts to waive filing fees for debtors. However, the Senate bill does require debtor's counsel to attest under oath to the accuracy of any adjustments to income and expenses that the debtor provides (also under oath). This requirement will chill even the most responsible and scrupulous of attorneys from representing financially distressed debtors.

Prevent Abuse of Bankruptcy To Facilitate Clinic Violence

Principle: We must stem abuses of the Bankruptcy system, including abuse by those who would use bankruptcy to avoid penalties for violence against family planning clinics. The Administration is deeply concerned by the incidents of violence, vandalism, and harassment committed against family-planning clinics, some of which have resulted in the deaths and maiming of innocent people. The Administration believes that these unlawful activities must not be tolerated, and that when they are committed, those found liable should be held accountable. In 1994, Congress made clear its intolerance for those who would use unlawful means to deny citizens access to legal clinic services by enacting the Freedom of Access to Clinic Entrances Act (FACE).

Unfortunately, we have seen evidence that those found liable have been making strategic use of bankruptcy to avoid the penalties for their actions established by Congress and the states. We cannot tolerate this abuse of the bankruptcy system to facilitate unlawful behavior. Senator Schumer's amendment, passed by the Senate by a margin of 80 – 17, would make court-ordered and other fines and debts resulting from family-planning clinic violence nondischargeable. The Administration opposes the expansion of categories of nondischargeable debt unless there is an overriding public policy objective and no other way to achieve that objective. The Schumer amendment meets that test, providing a necessary tool to ensure that bankruptcy is not used strategically to avoid the legal consequences of clinic violence and intimidation. It should be included in the final legislation.

Privacy Of Personal Financial Records In Bankruptcy

Principle: We must continue to protect the financial and personal privacy of those who seek protection in the bankruptcy system.

The electronic aggregation and availability of public and non-public bankruptcy information could serve at least two important purposes: (1) it could lower costs for participants in the bankruptcy system; and (2) it could improve our understanding of bankruptcy trends and the impact of policy changes. The Administration strongly supports these goals. At the same time, however, disseminating bankruptcy information electronically could threaten the security and privacy of debtors in bankruptcy by making sensitive information (including account numbers, social security numbers, balances, income sources, payment histories) widely available to curious neighbors, employers, marketers, and predators looking for those most likely to be lured by scams.

Far too little attention has yet been given to complicated questions such as: who needs what information and under what circumstances? Does new technology change our perception of what information should be in the public domain? And what kinds of information in bankruptcy records could be used to prey upon debtors and their families?

These questions have been raised as private trustees explore the development of a national database of bankruptcy information to answer creditor inquiries about the status of payments under Chapter 13 plans. The database may contain material obtained independently by the private trustees in the administration of the case, as well as records from the public court file. While such a database would provide creditors with one location to obtain information about their claims, important decisions have to be made about privacy and the commercial use of this information. The private trustees appear interested in performing this function responsibly, and the Executive Office for U.S. Trustees is working with the private trustees to explore ways to safeguard the privacy of this information. However, legislative language in both the Senate and House bills designed to facilitate efforts by the private trustees without taking into account privacy considerations is, at best, premature.

- The House bill would protect the private trustees from liability for dissemination of information unless a trustee has actual knowledge that the information is false. This provision provides no safeguards against misuse; and no compelling argument has been presented as to why the normal liability rules should not apply. We strongly recommend that this provision be removed from the final bill. In addition, the House bill also expresses the “sense of the Congress” that all public record data held by bankruptcy clerks shall be released in electronic form to the public, subject to privacy safeguards that the Judicial Conference may determine. The privacy issues regarding bankruptcy information should be fully explored before the Congress makes any determinations in this area.
- The Senate bill contains language (in a section regarding collection of child support) that would require Chapter 13 trustees to provide non-public information about their cases to any not-for-profit entity that shall provide such information to parties in interest. The bill also contains “sense of the Congress” language about dissemination of bankruptcy information. The possible implications of these provisions, in particular the risk to personal privacy, have not been adequately explored, so these provisions should be dropped.

OTHER ISSUES

Certain Contract for Electric Power Voided

The Senate bill contains a provision that would void a power supply contract between Hydro Quebec and a consortium of Vermont utilities. While the intent of this provision appears to be to protect Vermont utilities that may be facing bankruptcy, the legislative abrogation of a contract between two commercial entities raises troubling policy issues, as more fully set out in a letter, dated March 3, 2000, to Senator Jeffords from Assistant Secretary for Fossil Energy Robert W. Gee. The Department of Justice has also raised concerns that the provision could give rise to a "taking" of private property for which just compensation would be required under the Fifth Amendment of the Constitution. It is also possible that a claim for money damages could be brought to international arbitration under NAFTA on the theory that NAFTA affords comparable protections to investments through the investment chapter's expropriation provision (Article 1110).

Thank you for your consideration of the Administration's views on these bills. We would be happy to discuss any of these concerns with you or your staff.

Sincerely,

Jacob J. Lew
Director

Identical letters sent to the Honorable Patrick J. Leahy, the Honorable Henry J. Hyde, and the Honorable John Conyers, Jr.

TALKING POINTS FOR GENE SPERLING
PRESS CALL -- DIGITAL DIVIDE TRIP – 12 NOON SUNDAY, 757-2100, 7722

- Good morning. Chairman Bill Kennard of the FCC and I wanted to talk about the President's New Markets trip. I will give a brief trip overview, discuss a couple of private sector announcements in East Palo Alto, and Chairman Kennard will discuss one of the announcements in Shiprock.
- As you know, the President is traveling to East Palo Alto, California and Shiprock, New Mexico on April 17th and Chicago, Illinois on April 18th on his third New Markets Tour. On the first two, the President focused on equity investments in underserved communities and how more could be done to bring the benefits of free enterprise and empowerment (new businesses, new jobs, education and training) to underserved communities.
- This trip will focus on bridging the digital divide and bringing digital opportunity to every American. We have an important choice to make. We can allow unequal access to technology to polarize American society, or we could use technology to grow the economy and generate social equity at a faster rate than ever before. Access to computers, the Internet, and the skills needed to use this technology can provide more Americans with a chance to move themselves out of poverty.
- This Trip begins two weeks after the President issued his "National Call to Action" at the White House, with two major national goals that over 400 communities and community-based organizations have signed on to:
 - Provide 21st Century Learning Tools For Every Child In Every School. The ability to use technology to learn and succeed in the workplace of the 21st century has become a "new basic." To reach this goal, America needs a comprehensive approach to connect every classroom, provide all students with access to computers, train teachers to use and integrate technology into the curriculum, and to provide high quality educational content and software.
 - Create Digital Opportunity For Every American Family And Community. For all families and communities to benefit from the New Economy, we must ensure that all Americans have access to technology and the skills needed to use it. We must work to make home access to the Internet universal, bring technology to every neighborhood, empower all citizens with IT skills, and motivate young people to "get connected."
- As with other trips, the President will challenge the private sector to work with community-based organizations and government can work together to expand access to the new opportunities of the Information Age.

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

Message: Motivating Underserved Youth to "Get Connected."

- Perhaps no community exemplifies the Digital Divide than East Palo Alto. This is a low-income urban community in the heart of the Silicon Valley. Over 80 percent of the students in local K-8 schools are eligible for free or reduced priced lunches. The latest data available indicates that 24 percent of East Palo Alto school children live below federally designated poverty level. Many East Palo Alto residents lack the skills necessary to succeed in an increasingly technology-based economy.

- A stone's throw away are the Silicon Valley companies and high-tech workers who are the driving force of the digital revolution sweeping the globe. Their success has made this region has become one of the most prosperous communities in our nation:
 - Median family income has soared to \$87,000 per year – third highest in the country (Dept of HUD, 2000)
 - The median price of a house in the Silicon Valley is \$410,000, more than twice the rest of the country (California Real Estate Association, 1999)
- The President will speak and have an interactive discussion start at Plugged In, a Community Technology Center in East Palo Alto, CA where he will provide brief remarks to an audience composed primarily of teenagers from East Palo Alto. He will be accompanied on stage by Magic Johnson, Rebecca Lobo, and a number of major high-tech CEOs that have made commitments to bridge the digital divide and civil rights leaders such as the Rev. Jesse Jackson.
- CEOs attending include Carly Fiorina, Hewlett-Packard; John Morgridge, Chairman of Cisco Systems; Eric Schmidt, Chairman of the Board and CEO, Novell, Inc. Dr. Irwin Jacobs, Qualcomm, Henry Cisneros, Univision; Robert Knowling, Covad Communications, Drew Altman, President and CEO of the Kaiser Family Foundation, Darien Dash, CEO and founder of DME Interactive Holdings, Inc, Rae Grad, CEO of PowerUP, Jim Morgan, Chairman and CEO of Applied Materials, Inc., Jim Martin, Senior Vice President, America Online; Raul Yzaguirre, NCLR.
- **A FEW KEY ANNOUNCEMENTS AT THE FIRST STOP:**
- **PowerUP Commits to Expanding to 250 Sites Across the Country Up From 19 Current Sites.** The PowerUp organization will announce a major expansion of its successful program to give underserved youth access to technology and guidance on how to use it. PowerUP will have 250 new, fully-equipped and staffed sites by the end of 2000. 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. Partners that have contributed to the launch of the first 250 sites include America Online, Gateway, Hewlett-Packard, Microsoft, Sun Microsystems, America's Promise, the Steve Case Foundation, the Waitt Family Foundation, Americorps*Vista, Boys & Girls Clubs, Communities in Schools, National Urban League, Save the Children, YMCA and the Department of Education. Very impressive coalition.
- **American Online Pledges 100,000 free AOL Accounts to Students at PowerUP Sites, Waitt Family Foundation Providing 50,000 Computers Worth \$30 Million.** The expansion of the PowerUP is made possible because of commitments from a number of organizations -- including a pledge by AOL to provide 100,000 AOL accounts to PowerUP sites valued at \$26 million annually, and a donation of 50,000 Gateway computers by the Waitt Family Foundation.

[Gene: These commitments were on the PowerUP web site - but they explain how PowerUP will be able to scale up so rapidly.]

- **Gateway Commits to Train 75,000 Teachers.** Gateway has pledged to provide 75,000 teachers with technology training under the Teach America! Program. All 244 of East Palo Alto's teachers will be trained in the Teach America! program on ways to effectively utilize technology in the classroom.
- **Novell Donates \$20 Million in Software to Non-profits Devoted to helping Underserved Hispanic Populations..** This is very important because non-profits are lagging the private sector in the adoption of new technologies.

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

Message: Providing Digital Opportunity to Native Americans.

- As you remember, President Clinton was the first President to visit Indian Country since President Franklin Roosevelt.
- Native American communities continue face major economic and social challenges. This stop in Shiprock, the President will discuss how private and public sector investments can help bring digital opportunity to Native Americans. He will focus on access to technology as a vehicle for economic development, education and employment opportunities to Native Americans. New technologies could create “leapfrog” opportunities for Native American communities.
- The President will address an outdoor crowd of thousands of people at the Boys and Girls Club (a PowerUP site) to announce the commitments that have been for Native American communities. He will then travel to the Diné Tribal College to participate in a live Internet videoconference with 7th and 8th grade students from the Lake Valley School located 1 hour and 45 minutes away from where he will be.
- **We will have several private and public sector announcements in Shiprock – FCC Chairman Kennard will be discussing one of them in a moment.**

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

- ✓ The President will address the Comdex Conference that is a large computer conference in the U.S. and will be attended by representatives of every major computer and Internet company in America. This event will provide him with an opportunity to challenge the high-tech industry to work to bridge the digital divide. The President will also start with a tour of one of the exhibits on the floor of the Comdex trade show.

THIS TRIP BUILDS ON THE PRESIDENT’S LONGTIME COMMITMENT TO CLOSING THE DIGITAL DIVIDE:

- In 1994, President Clinton and Vice President Gore set the goal of connecting every classroom and library to the Internet. In 1996, President Clinton unveiled his Technology Literacy Challenge -- and has made a major commitment of resources to connect every classroom to the Internet, expand access to modern, multimedia computers; make high-quality educational software an integral part of the curriculum; and enable teachers to effectively integrate technology into their instruction
- **President Clinton Succeeded in Increasing Educational Technology Funding by Over 3,000 Percent -- From \$23 Million in FY94 to \$766 million in FY2000.**
- **We’ve established the \$2.25 billion "E-rate" to Connect Schools and Libraries to the Internet.** The e-rate is providing 20 percent – 90 percent discounts to connect schools and libraries to the Internet, with the deepest discounts going to the poorest schools that need it most. By the end of 2000, the e-rate will have funded \$6.25 billion of telecommunications infrastructure and services to schools and libraries. In 1999, 82 percent of public schools (over 78,000) and 51 percent of public libraries received public funding.

[Gene: FCC and Vice President Gore just announced beginning of year 3 of e-rate funding.]

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

- The number of classrooms connected to the Internet has increased from 3 percent in 1994 to 63 percent in 1999.
- The number of schools connected to the Internet has increased from 35 percent in 1994 to 95 percent in 1999.
- Grants supported by the Department of Education are training 400,000 new teachers to use technology effectively in the classroom.

We have a number of New and Expanded Proposals in our budget this Year.

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

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

- **Expand access to technology for people with disabilities.** President Clinton and Vice President Gore have been strong supporters of efforts to make technology more accessible for people with disabilities. Recent actions by the Federal Communications Commission will help ensure that telecommunications equipment, such as cellular phones, is designed to be accessible for people with disabilities.
- **Expand access to technology in under-served communities.** In addition to the Department of Education's Community Technology Center program, which provides computer access and educational services to communities around the country, the Department of Housing and Urban Development has created approximately 500 Neighborhood Network learning centers that bring state of the art technology to publicly-assisted housing across America. HUD's Neighborhood Networks are innovative private/public partnerships that establish computer-based multi-service centers to help people in publicly-assisted housing learn critical computer skills and prepare for 21st century jobs.

April 11, 2000

MEMORANDUM FOR GENE SPERLING/LAEL BRAINARD

FROM: ROBERT WESCOTT

Subject: Globalization of the U.S. Economy—Background for Your USA Today Interview

Susan Page of the USA Today wants to interview you, Gene, about how a political consensus has developed about the role of the U.S. in the global economy. Here are some points you may want to consider making:

I. Engagement with Rest of World Has Been Good for United States

- Yes, it is true that a general consensus has emerged that integration with the world economy has been good for the United States. In fact, many would say that America has a natural role to play in showing economic leadership these days, the way we showed military leadership in earlier times.
- Take U.S. participation in the G-7/G-8 process. The G-7 has offered a constructive process of dialogue, joint action that has greatly helped the United States. U.S. has shown strong leadership under both Republican and Democratic Administrations.
 - A long string of constructive outcomes—from currency stabilization actions (Plaza Accord in 1985, for example), to joint agreement on how to reduce the risks of financial contagion under President Clinton's leadership of the G-7 group in the autumn of 1998 after the Russian crisis.
 - Remember, that was a team approach—the Treasury helped with leadership of the IFIs, the Federal Reserve helped with a set of interest rate cuts to boost confidence.
 - Shows Americans can cooperate—do what is right for America, regardless of political affiliation of some of the actors. Actions just plain made sense—were in America's best interest.

II. Consensus on Need for Effective Crisis Response

- Think about the U.S. response to the Mexican crisis in late 1994 and the East Asian financial crisis in 1997-98. The U.S. showed leadership—pressed IMF and World Bank for action, also offered up some of its own money directly via the Treasury's Exchange Stabilization Fund.
 - Some differences of opinion about exact details of these programs. But I would argue that strong U.S. leadership has been very good for the United States. Mexico has

come back and is taking an ever larger share of our exports. Asian countries now recovering—some extremely rapidly. Our exports to these regions picking up.

- It is important to think about the bad things that did not happen—no sharply negative effect on the U.S. macroeconomy, our growth was maintained (we did not suffer a sharp recession like we could have), our unemployment rate did not zoom up to 10 percent—in fact, it kept going down.
- Experience of the past 10 years clearly demonstrates the benefits to the U.S. of active engagement with the rest of the world.
- Effective U.S. and IFI response at the start of the Brazilian financial crisis in January 1999 helped to greatly minimize the damage that could have been done.
 - Interest rates declined rather quickly after situation was stabilized. Growth returned by the end of the year. Budget performance exceeded expectations.
 - As a result, U.S. exports to Brazil only fell from about \$15 billion to about \$13.2 billion in 1999. Without an effective crisis response, they could have fallen in half.

III. Trade and Investment Openness

- The U.S. economy has had excellent overall performance for most of the past 30-40-50 years. Over this same time the importance of global trade and global capital flows have increased dramatically. Most economists think there is a solid linkage—that openness to competition strengthens the U.S. economy.
- Indeed, it is not a coincidence that the lowest unemployment rate in 30 years, some of the lowest inflation in 30 years, and arguably the most competitive U.S. industries in a generation, are all occurring at a time of the greatest openness of the U.S. economy.
- Consider these statistics:
 - In 1960, exports plus imports were about 9 percent of U.S. GDP.
 - In 1970, exports plus imports were about 11 percent of U.S. GDP.
 - By 1999, exports plus imports had jumped to 24.3 percent of U.S. GDP.
- Increasingly, our economy is linked with emerging market countries. In the early 1990s, about 1/3 of our exports went to developing countries. Now, in 2000, about 40 percent of our exports go to developing countries.
- Financially, we are much more linked with the rest of the world.
 - In the 1970s, virtually no U.S. pension assets were invested overseas.

- By the mid 1990s, about 7-8 percent of U.S. pension assets were invested overseas.
- Many pension managers are targeting 15-20 percent to ultimately be invested abroad.

IV. Successful Developing Countries Realize there is No Turning One's Back on Globalization

- Many countries are realizing the benefits of an open trade stance—as a way of encouraging economic growth. Take Mexico as an example.
 - Over 5 years ago, Mexico entered into the NAFTA free trade agreement with us and Canada.
 - Recently Mexico has just concluded a free trade agreement with the European Union.
 - Now, it was just in the paper on Monday, that Mexico is pursuing a free trade agreement with Japan.
 - Free trade agreements are never easy--they force an economy to be competitive. Sectors of an open economy cannot be hidden from economic pressures.
 - But that is the way to build a modern economy, that creates higher paying jobs and rising living standards.

April 14, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING

SUBJECT: NEC WEEKLY REPORT

Joint Budget Resolution Passed Congress: The House passed the budget resolution 220-208 on a largely party line vote. In the Senate the vote was 50-48, with every Democrat present opposing the resolution along with GOP Senators Chafee, Jeffords, McCain, and Specter. These Senators all opposed the large tax cuts in the resolution.

The budget resolution only covers five years. CBO's five year surplus, assuming discretionary funded at inflation, is \$171 billion. The main Congressional proposals are:

- \$175 billion in tax cuts: \$150 billion in reconciled tax cuts and a reserve fund for an additional \$25 billion in tax cuts (your budget has \$55 billion in net tax cuts);
- \$40 billion for Medicare prescription drugs and "reform";
- \$99 billion in non-defense discretionary cuts (compared to \$7 billion in gross NDD increases in your budget, although these are more than paid for with \$16 billion of mandatory and revenue offset);
- \$17 billion in defense increases (compared to \$12 billion in defense increases in your budget);
- \$9 billion in farm payments (compared to \$10 billion in your budget).

In addition, the budget resolution has several enforcement procedures that are designed to squeeze discretionary spending:

- The Social Security surpluses lockbox would require a balanced on-budget in any year, with exception for a time of war or slow GDP growth;
- New points of order to limit advanced appropriations and delayed obligations, both of which were helpful in securing additional non-defense discretionary spending last fall;
- A point of order in the Senate requiring a supermajority to approve emergency spending outside of defense;
- Scorekeeping conventions that would disallow the use of Federal Reserve transfers as an offset; this was used in last year's budget agreement and was proposed again in the Administration's budget this year.

We have coordinated with Democrats in Congress in emphasizing several points about the budget resolution:

- The 5-year budget resolution hides the true cost of their exploding tax proposals;
- The budget resolution does not add a single day to the solvency of Social Security or Medicare;
- The House has already passed tax cuts costing, with interest, \$458 billion over 10 years;
- The budget resolution puts non-defense discretionary spending at \$289 billion in 2001 – \$7 billion below a freeze and \$20 billion below the amount necessary to keep up with inflation. If NIH, veterans' health, and some educational programs are protected, this would bring the average cut in all other non-defense discretionary spending to about 10 percent;
- If the spending cuts in the budget resolution do not materialize, the tax cuts in the budget resolution would spend \$23 billion of the Social Security surplus over 5 years. With Medicare, the use of the surplus would rise to \$67 billion.

New Markets Initiative: On Wednesday, the House Banking Committee voted out the APICs bill, 33-14, with leadership from Reps. LaFalce, Leach and Lazio. Compared to the Administration version, the marked-up bill adds an amendment to sunset HUD's APICs authority after 5 years, and an amendment to expand eligible areas to include areas affected by closed military bases. We are now awaiting response from the Speaker to our Tuesday offer that combines the major elements of our New Markets initiative, plus Empowerment Zones (creating 10 Round 3 zones, leveling tax incentives across all three rounds, and extending all of them to 2009), Renewal Communities (the Watts-Talent proposal, HR 2488), the Low Income Housing Tax Credit, and extending tax incentives in the District of Columbia. We have worked to equalize the Republican and Democratic parts of the deal, and separate out the less controversial proposals such as the Low Income Housing Tax Credit. We are awaiting a Republican response, and expect active discussions in the coming week. We may ultimately need to consider alternatives, including the number of Renewal Communities, the treatment of capital gains, and New Markets tax deductions in lieu of credits. With the APICs bill moving forward, we expect that the negotiations with the Speaker will be the means for reaching agreement on the tax incentives, and the New Markets Venture Capital firms.

Africa/CBI Trade Bill: An agreement on the major textile and apparel issues in the Africa/CBI trade bill was reached by leaders and key Members on Thursday night. These issues have been the principal obstacle to enactment of this legislation in recent years. We are now hopeful that the remaining outstanding issues in the bill can be resolved over the Congressional recess in time to permit a vote in both the House and the Senate the first week thereafter, sufficiently before consideration of China PNTR. On Africa, the deal places limits on the growth and overall level of duty-free access to our market for apparel made from African fabric. However, this limit (1.5% of US imports rising to 3.5% over 8 years) is sufficiently above current exports of these products that it would allow for very substantial growth. In addition, apparel made from yarns not available in the US (e.g., silk, cashmere) and from US fabric would not be subject to any limits. Finally, least developed countries would be permitted to use Asian or European fabric for the first four years of the program and still qualify for duty-free treatment.

All in all, while the deal is less than the unlimited growth potential for duty-free exports that we and the House sought, we estimate it would still permit over 30% sustained annual growth in tariff-free shipments to the US --- a very significant incentive for investment in job-creating apparel assembly operations. Tariffs are typically 15% to 20% on imported apparel. Our immediate challenge is to convey this sense of possibility to and firm up some of the supporters of the bill in Congress and the private sector, who would have preferred no limits. On CBI, the main issue was the extent of garments made with CBI regional fabric that would receive the same duty-free treatment as garments made with US fabric. A quantity was agreed upon that essentially grandfathers existing levels of exports to the US made from such fabric.

China/ PNTR:

- **Levin Proposal on Enforcement and Other Issues.** As you know, we have been leading an interagency group that has developed an Administration response to Rep. Levin's PNTR proposals. This week, we met with Rep. Levin to determine what the Administration can accept -- as well as the support that Levin's proposal will generate. Substantively, we narrowed, but did not close, our differences with Levin.
 - On a joint Executive-Congressional Commission to monitor human rights: We made it clear that we would not accept recommendations for sanctions from a proposed commission. In addition, Levin agreed that the President could appoint Administration representatives whether they are from cabinet departments or outside of government. It is obviously important that Administration officials not be put in a position where they would be part of a group acting in a manner inconsistent with the Administration.

On legislation implementing China's country-specific safeguard, we agreed to language

- slightly narrowing the President's discretion once the ITC finds injury. Levin agreed, however, to insert an exemption for national security situations.
- Finally, Levin made the broader point that his package is essential to build Democratic support, and that we also need to be perceived as discussing changes to Section 201.

In a broader discussion with Levin, Matsui and other Democrats, we all agreed it makes no sense to close and announce a package at this time.

- **Congressional Resource Book.** For the last several months, we have been coordinating interagency economic policy positions on the tough issues such as labor, environment, the need for PNTR, and other issues. This week, 2-inch thick Resource Books containing all of our major policy arguments were sent to key Congressional Members. We will continue to supplement these position papers and Qs&As as we near the vote.

H-1B Visas: Legislation increasing the cap on the number of high-skilled temporary workers brought into the country appears likely to pass this year. On March 21, the INS stopped accepting petitions for H-1B visas because the cap has already been reached for this fiscal year. The cap was lifted by legislation in 1998, from 65,000 a year to 115,000 in FYs 1999 and 2000, and 107,500 in FY 2001, while authorizing protections against abusive job shops and a \$500 fee to raise \$250 million for regional training alliances, low-income scholarships, and administration. This year, we have said that we are ready to support a reasonable increase, not an unlimited increase, in the number of H-1B visas as long as it reflects a balanced approach that protects and prepares the U.S. workforce. We are working behind the scenes to encourage House Democrats (Conyers, Lofgren, Moran and Dooley) to develop a bill that would target visas to workers with the highest skills, increase the fee in order to expand job training and enhance INS and DoL administration and enforcement, and include the Administration's proposals to provide parity to Central Americans and Haitians under NACARA and legalize long-term migrants.

Vaccine Initiatives: Secretary Summers, Secretary Shalala and I, among others, met on Thursday with about 20 representatives of health-delivery NGOs to explain our vaccine initiatives and encourage their support. Among those represented were the Global Health Council, Catholic Relief Services, CARE, Save the Children, and the Church World Service. We briefly summarized our goals of securing the \$50 million for GAVI in FY2001, increased NIH funding for vaccine research, etc., but we stressed that our key objective in the next couple of weeks was to gain Congressional support for our 10-year \$1 billion-plus tax credit to encourage the development of new vaccines for diseases such as AIDS, TB, and malaria. We told the NGOs that the best chance for early passage would be via attachment to the Africa/CBI Trade Bill. Virtually all of the attendees praised the Administration's efforts and a number of the groups stated that they would work aggressively to spread the word to Congress that their groups were strongly behind the vaccine tax credit proposal. We believe that the first week after Congress reconvenes will be a critical time to lock up support for Africa/CBI with the vaccine tax credit.

Internet Tax: Deputy Treasury Secretary Eizenstat and I met with Gephardt and 10 other Democratic Members of Congress to discuss the Internet tax issue. It is clear that Congressional Republicans intend to use this issue to try to paint Democrats as "pro-tax." There is a growing coalition on the other side -- including a bipartisan group of 36 Governors that blasted the recommendations of Governor Gilmore, and "bricks and mortar" merchants. We need to make the point that restricting the ability of states to ever impose taxes on remote sales either undermines their capacity to fund critical services (you can't put out fires with a virtual fire engine) -- or is a prescription for raising property and income taxes. We agreed to work closely with the House in developing any Administration position on Internet tax legislation under consideration by the Congress.

Predatory Lending: Community groups and the media have drawn lots of attention, of late, to concerns about abusive lending practices, especially where vulnerable elderly or minority homeowners are coerced into putting home equity at risk in loans they will never be able to repay. In 1998, a HUD report recommended certain legislation; in May 1999, you endorsed those and other proposals as part of your Financial Privacy and Consumer Protection Plan. But industry and consumer groups could never agree on specific legislative language, so Senator Sarbanes urged us last year not to advance specific legislation that would only be watered down by the Republican Congress. Recently, however, Senator Mukulski pressed Secretary Cuomo to develop a plan to deal with the issue in Baltimore, so he announced the creation of a National Task Force with mayors, consumer groups, and industry to hold hearings in four cities. Before the first TF meeting (and without interagency clearance), he announced his support for legislation to prohibit Fannie Mae and Freddie Mac from purchasing loans with certain terms and conditions he thought to be predatory. Meanwhile, Treasury was reviewing new legislation that Senator Sarbanes and LaFalce were about to introduce. At John Podesta's request, I convened a meeting with HUD, Treasury, and DoJ to discuss the issues and how to proceed. Each agency agreed to coordinate their future efforts through the NEC working group, which will work over the next six weeks so that we are ready with Administration-wide recommendations when the Task Force completes its work. Cuomo also invited Summers to Co-Chair the Task Force.

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

April 17, 2000

- Access to computers and the Internet and the ability to effectively use this technology are becoming increasingly important for full participation in America's economic, political, and social life. In recent years, access to computers and the Internet has exploded. Unfortunately, there is strong evidence of a "digital divide" -- a gap between those individual and communities that have access to these Information Age tools and those who don't.
- Ensuring that more Americans have high-tech skills is important, since jobs in the IT sector pay almost 80 percent more than the private sector average. [Department of Commerce, Emerging Digital Economy II, June 1999.]

Better educated Americans are more likely to be connected.

- 69 percent of households with a bachelor's degree or higher have computers, compared to 16 percent of those households that have not completed high school. [Department of Commerce, "Falling Through The Net," July 1999]
- 45 percent of households with a bachelor's degree or more have Internet access in the home, compared to 4 percent with no high school education. [Department of Commerce, "Falling Through The Net," July 1999.]

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

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

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

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

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

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

People with disabilities are less likely to have access to technology

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

Participants in Greet After the CEO Roundtable in East Palo Alto, CA

Larry Irving, Irving Communications
John Doerr, Kleiner Perkins
Kim Smith, New Schools Venture Fund
Matt James, Kaiser Family Foundation
Vicki Rideout, Kaiser Family Foundation
Wade Randlett, Red Gorilla
Beth Inadomi, Podesta Associates
Garrett Gruener, Alta Partners

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

April 17, 2000

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

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

- \$425 million for the Technology Literacy Challenge Fund which helps states and local communities meet all four "pillars" of the President's educational technology initiative (computers, Internet access, teacher training, educational software).
- \$197 million for partnerships between local school districts and the private sector to develop innovative approaches to using technology in the classroom.
- \$75 million to help train all new teachers to use technology.

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

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

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

- The number of classrooms connected to the Internet has increased from 3 percent in 1994 to 63 percent in 1999.
- The number of schools connected to the Internet has increased from 35 percent in 1994 to 95 percent in 1999.
- Grants supported by the Department of Education are training 400,000 new teachers to use technology effectively in the classroom.

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

- \$2 billion over 10 years in tax incentives to encourage private sector donation of computers, sponsorship of community technology centers, and technology training for workers.

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

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

- **Expand access to technology for people with disabilities.** President Clinton and Vice President Gore have been strong supporters of efforts to make technology more accessible for people with disabilities. Recent actions by the Federal Communications Commission will help ensure that telecommunications equipment, such as cellular phones, is designed to be accessible for people with disabilities.
- **Expand access to technology in under-served communities.** In addition to the Department of Education's Community Technology Center program, which provides computer access and educational services to communities around the country, the Department of Housing and Urban Development has created approximately 500 Neighborhood Network learning centers that bring state of the art technology to publicly-assisted housing across America. HUD's Neighborhood Networks are innovative private/public partnerships that establish computer-based multi-service centers to help people in publicly-assisted housing learn critical computer skills and prepare for 21st century jobs.
- **Ensure that the Administration makes closing the Digital Divide a top priority.** In December, 1999, President Clinton directed members of his Cabinet (Secretaries of Commerce, Education, Health and Human Services, Housing and Urban Development, and Labor) to take specific steps to close the Digital Divide, including:
 - ✓ Continuing to measure the nature and extent of the digital divide by examining the importance of income, education, race, gender, geography and age to Americans' access to Information Age tools;
 - ✓ Expanding the network of Community Technology Centers to provide access to technology for those American who can't afford it;
 - ✓ Promoting applications of the Internet that will empower low-income families, such as the ability to start their own business; and
 - ✓ Upgrading the IT skills of workers in low-income communities.

TO DO BEFORE YOU LEAVE:

PALO ALTO STAFF OFFICE

VOICE: 650-493-0921

FAX: 650-493-2319

1. NEW MARKETS PAPER

- **Sign off on press paper**
- **Review Palo Alto and Shiprock Speeches**
- **Discuss Meet and Greet Attendees (Post-Palo Alto Event) with Gigi**
- **Call Jackie Lawing and Maria, Re: Cuomo and His Role**
- **Discuss Press Strategy with Patrick**

2. TAXES

- **File Tonight**
- **File for Extension**

3. PACK

- **Talk to Jamie, re: Dress Code for Events**

4. WEEKLY

5. SUSAN PAGE CALL 202-337-3086 (h); 703/276-5897 (w)

6. BANKRUPTCY

- **Read SRW's memo and Bankruptcy Letter**
- **Discuss with Sarah**

7. NEED SIGN OFF ON CRA LETTER—TR WANTS TO RELEASE IT WEDNESDAY

8. TALK TO LAEL; RE: Status of International Issues and Post-Recess Strategy—1. China; 2. Africa/CBI; 3. HIPC-Debt Relief, and other issues—IMF, Hushkits, Biotech, G-7/G-8, Child Labor

9. Personnel—Make Decision on Dan Rosen

10. * * * * ANY FOLLOW UP WITH PODESTA

11. CHINA—REVIEW OP-ED WITH CB

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