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DIGITAL DIVIDE NEW MARKETS TRIP NORTH CAROLINA 4/26/2000 [1]

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**DIGITAL DIVIDE
NEW MARKETS TRIP**

**NORTH CAROLINA
APRIL 26, 2000**

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Divider Title: _____ 1

THE WHITE HOUSE
WASHINGTON

April 24, 2000

DEMONSTRATION AT REMOTE DATA SYSTEMS IN WHITEVILLE, NC

Date:	April 26, 2000
Time:	12:40-12:55 pm
Location:	Warehouse Remote Data Systems 163 Brunswick Electric Road Whiteville, NC
From:	Gene Sperling

I. PURPOSE

The purpose of this event is to highlight ways that access to broadband can help companies in rural areas grow and gain entry to new markets – by, for example, being able to sell products online, having the capacity to expand their services to clients, and providing distance learning opportunities for their employees.

You will see a demonstration of how a computer with high-speed Internet access can download information and images at much faster rates. You will view two computer screens placed side-by-side, one with narrowband capacity (Internet access through a regular phone line) and the other with broadband capacity (high speed Internet access). Each computer will begin downloading the same image. You will see that the image on the computer with broadband access will appear almost instantly, while the narrowband computer image will take several minutes to download.

QUALCOMM will provide the broadband network for this demonstration and QUALCOMM CEO Dr. Irwin Jacobs will conduct the presentation. QUALCOMM has also made a commitment to provide free high-speed Internet access for schools, libraries, and community technology centers in 8 rural communities. You will make this announcement in your remarks later in the day.

You will also have an opportunity to view the environmental monitoring instruments that are manufactured by Remote Data Systems. These instruments are primarily used to determine whether or not a given land is a "wetland" or not.

II. BACKGROUND

Remote Data Systems (RDS) is a small 11-person company located in Whiteville, in Columbus County, North Carolina. RDS produces equipment used for environmental monitoring. The company's President is Ben Frink and its Chief of Operations and Treasurer is Bill Applewhite. Both Frink and Applewhite are natives of North Carolina and started RDS in 1993. The company currently has sales of just over \$1 million.

At this time, RDS only has a narrowband connection to the Internet because broadband is too expensive. The current cost per month for broadband Internet access in Columbus County is \$1750, in contrast to urban areas in North Carolina such as Raleigh, where monthly costs are as low as \$250 – a \$15,000 difference per year. If RDS had a broadband connection, it would be able to expand its business by analyzing the data that is collected using its instruments. In addition, its engineers would be able to take web-based courses over the Internet as opposed to driving 2 hours to North Carolina State.

You should know that RDS has a patent dispute with the Department of Energy, but its President will not raise this issue during your visit.

You will be joined at the demonstration by Governor Jim Hunt, Erskine Bowles, Congressman Mike McIntyre, Ben Frink, and Dr. Irwin Jacobs, CEO of QUALCOMM.

III. PARTICIPANTS

YOU

Erskine Bowles

Ben Frink, President, Remote Data Systems, Inc.

Governor Jim Hunt

Dr. Irwin Jacobs, CEO, QUALCOMM

US Representative Mike McIntyre (D-NC)

IV. SEQUENCE OF EVENTS

- YOU will arrive at Remote Data Systems.
- YOU will view the demonstration accompanied by Ben Frink, Governor Hunt, Erskine Bowles, Representative McIntyre, and Dr. Irwin Jacobs.
- YOU will proceed into the Remote Data Systems assembly room for the roundtable, where the remaining participants will already be seated.

V. PRESS

This event is POOL PRESS.

VI. ATTACHMENTS

None.

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THE WHITE HOUSE
WASHINGTON

April 24, 2000

ROUNDTABLE WITH CEOs

Date: April 26, 2000
Time: 1:00-1:55pm
Location: Assembly Room
Remote Data Systems
163 Brunswick Electric Road
Whiteville, NC
From: Gene Sperling
Mary Beth Cahill

I. PURPOSE

You are meeting with CEOs and senior executives of the nation's leading information and communications technology companies, as well as representatives of smaller North Carolina based businesses, to highlight the need for high-speed (broadband) Internet access in rural America. Governor Hunt and Erskine Bowles (who chaired his Rural Prosperity Task Force) have made this issue a top priority for North Carolina.

This event, and the speech that follows, is a continuation of your third New Markets trip. Unlike previous New Markets trips, this trip has focused specifically on one issue -- the need to bridge the digital divide and to create digital opportunity for more Americans.

II. BACKGROUND

This roundtable is an opportunity to discuss the importance of broadband Internet access in rural communities, and to demonstrate that high-speed Internet access is critical to economic prosperity, educational opportunity and the quality of life in rural America. Many rural Members of Congress and interest groups fear that without a concerted effort, rural communities will lag years behind in broadband access -- to their serious detriment in terms of economic development.

Because broadband services are either not available in rural communities or are much more expensive than in urban areas, communities like Columbus County find it difficult to participate fully in the digital economy. For example, the monthly cost of a high-speed telecommunications connection used for Internet access can vary dramatically – from less than \$250 per month in urban centers such as Raleigh to more than \$2500 in rural areas. The monthly cost for Columbus County, which you will be visiting, is approximately \$1750 per month.

Under the leadership of Governor Hunt and Erskine Bowles, North Carolina has made broadband access one of the State's top issues for rural economic development, most significantly with the recent release of its Rural Prosperity Task Force Report. The Task Force was created as a response to increases in layoffs in the textile, apparel, tobacco, lumber and furniture sectors, and a worldwide depression in agricultural commodity prices.

Shortly after the Task Force was formed, North Carolina was hit by expansive floods in the eastern portion of the State. The report developed a comprehensive strategy for increasing economic growth and incomes in North Carolina. A key component of this strategy was the identification of two goals to promote the availability and affordability of high-speed information technology and the ability to use it:

1. To provide, at affordable rates, high-speed reliable Internet access to the homes and businesses of rural North Carolina.
2. To ensure that people across rural North Carolina have the skills and knowledge necessary to take advantage of high-speed information technology.

You should know that the local telephone companies have not yet endorsed the recommendations of the report. The report calls for an eight cent per month phone tax to help subsidize the cost of high-speed access for the poorest 27 counties. The report also states that if local phone companies do not provide broadband access, the state will consider allowing Internet Service Providers to use the state broadband network (the North Carolina Information Highway).

You should also know that the issue of local telecommunications rates in North Carolina may be in the news on Wednesday. The state regulatory commission will disclose that Bell South has earned a 23 percent rate of return -- which is considered high for a regulated phone company.

The Governor's office has been talking to local phone companies, and they may be prepared to provide high-speed access to all parts of the state within three years. We will provide you with additional information on this prior to the event.

III. PARTICIPANTS

See attachment.

IV. SEQUENCE OF EVENTS

- As YOU proceed into the Assembly Room for the roundtable discussion, YOU will greet the eleven staff members of Remote Data Systems (RDS).
- YOU will proceed into the RDS assembly room and be seated.
- Erskine Bowles will welcome participants and make a brief opening statement. He will then introduce Governor Hunt.
- Governor Hunt will make brief welcoming remarks and introduce YOU.
- YOU will give brief remarks and then will return the floor to Erskine Bowles who will begin moderating the discussion. [Note: You should take over and moderate as much or as little as you feel comfortable.]
- After an hour of discussion, Erskine Bowles will end the roundtable by thanking YOU.

V. PRESS

This event is PRINT REPORTERS ONLY.

VI. ATTACHMENTS

List of Roundtable Participants
Roundtable Seating chart
Summary of Rural Prosperity Task Force Report
Background memo on broadband technology
Proposed discussion points

CEO ROUNDTABLE PARTICIPANTS

YOU

Rex Adams, Dean, The Fuqua School of Business, Duke University
Dwight Allen, President, Mid-Atlantic Operations, Sprint
Bill Applewhite, President, Remote Data Systems, Inc.
Hazen Blodgett, City Manager, Whiteville, NC
Erskine Bowles
Melody Campbell, Executive Director, Carolina Home Healthcare, Whiteville, NC
US Representative Eva Clayton (D-NC)
Patsy Eason, President, Calibrations, Whiteville, NC
US Representative Robert Etheridge (D-NC)
William Friday, President Emeritus, University of North Carolina
Governor James B. Hunt, Jr.
Dr. Irwin Jacobs, Chairman and CEO, QUALCOMM
FCC Chairman William Kennard
Buddy Lemons, President, Baker Limestone, Inc., Siler City, NC
Brian Maillian, Chairman and CEO, Whitestone Capital Group
US Representative Mike McIntyre (D-NC)
James Newby, Senior Policy Advisor for Rural Development, USDA
Clark Plexico, Senior Vice President, AT&T
J. Billie Ray, Jr., President, North Carolina Bell South
Gregory Rohde, Assistant Secretary for Communications and Information, National
Telecommunications and Information Administration, Department of Commerce
Jonahtan Sallet, Vice President for Policy, MCI Worldcom
Robert Sullivan, Dean, Kenan-Flagler Business School, University of North Carolina, Chapel Hill
Jill Long Thompson, Undersecretary for Rural Development, USDA
Don Watson, Controller, House Autry Mills, Newton Grove, NC
Woodrow Williams, Regional President, GTE
Robert Young, Co-Founder and Chairman, Red Hat, Inc.

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THE WHITE HOUSE
WASHINGTON

April 24, 2000

**REMARKS TO WHITEVILLE COMMUNITY AT
THE WHITEVILLE TRAIN DEPOT**

Date: April 26, 2000
Time: 2:25-3:25 pm
Location: Whiteville Train Depot
Whiteville, NC
From: Gene Sperling

I. PURPOSE

The combination of the day's events in North Carolina allows you to hold a substantive discussion on broadband issues and deliver a broader speech to the community of Whiteville. After seeing the demonstration and holding a roundtable at Remote Data Systems, you will have an opportunity to speak directly to 1,000 to 2,000 Whiteville residents in front of the Whiteville Train Depot.

Your speech will focus on the importance of bringing "digital opportunity" to rural America -- with an emphasis on the need to provide rural communities with access to affordable, high-speed Internet access. You will highlight the goals you outlined in the National Call to Action:

- 21st Century learning skills for every child in every school; and
- Creating digital opportunity for every American family and community.

In addition, you will emphasize how important these goals are for economic prosperity and educational opportunity for rural areas like Whiteville, NC.

You will also announce significant public and private sector commitments designed expand access to broadband Internet services in rural areas.

II. BACKGROUND

This event will emphasize your commitment to ensuring that rural communities like Whiteville are full participants in the digital economy. There is a pervasive sense among rural communities that they may be the last to benefit from new information and communications technologies, even though overcoming the "tyranny of distance" is particularly important in rural areas.

Whiteville is a rural town with a population of 5,000. It is located in Columbus County, which has a current unemployment rate of over 12 percent. Rural communities like Whiteville are lagging behind in their ability to take advantage of the educational and economic opportunities that come with greater access to information technology. The advanced telecommunications service used by business for high-speed Internet access costs \$1750 per month in Columbus County, compared to \$250 per month in urban areas such as Raleigh.

The Whiteville Train Depot, which will serve as the backdrop for your speech, was built in the 1870s. The Depot has been vacant since 1968. It is located in the downtown section of Whiteville, an area that has struggled since the early 1980s with the growth of big box retail and strip malls on the outskirts of the community. Within the next three years, the Depot will undergo a major renovation and conversion into a community recreation center. This effort is a collaboration of Federal (Department of Transportation), state and local entities, in cooperation with the Whiteville business community.

This event will allow you to highlight the Administration's FY2001 proposals to help close the digital divide for rural America, and to make the following announcements of public and private sector commitments:

- For the First Time, the Rural Utilities Service (RUS) Will Expand Its \$670 Million Telecommunications Loan Program To Companies that Provide High-Speed Internet Access to Rural America. Currently, the RUS can only lend to companies providing basic phone service in rural America. Under the new policy, the RUS will be able to expand its \$670 million loan program to companies that are providing high-speed Internet access in rural America. The RUS will be able to accomplish this through a change in its regulations.
- A \$1 Million Investment by QUALCOMM, Inc. in Internet Access Technology for Rural America. QUALCOMM will invest in efforts to provide rural and underserved areas with access to the Internet, using wireless technology called High Data Rate (HDR). Working with telecommunications carriers, QUALCOMM will deploy its new broadband wireless technology in at least eight rural and underserved communities, and will work with other telecommunications companies to make Whiteville a test site for this technology. Each of these deployments will serve a minimum of 10 square miles and provide broadband wireless access for a minimum of 100 PCs.

- A \$10 Million National Science Foundation Commitment for Next Generation Broadband Technologies for Rural America. The National Science Foundation (NSF) will increase its FY2001 research investment in broadband technologies by \$10 million, with particular focus on the needs of rural America. Since NSF supports university-based research, this initiative will also increase the supply of undergraduate and graduate students in technical fields with insights into the challenges of providing broadband telecommunications to rural areas.
- A \$2 Million Multi-Year MCI/WorldCom Commitment to Rural America. MCI/WorldCom will provide a \$2 million investment in increasing wireless high-speed Internet access in Raleigh, NC and three rural communities; Hattiesburg, MS; Houma, LA; and Dothan, AL.
- A Commitment by Red Hat to Provide Software and Training to North Carolina Communities. Software provider Red Hat will donate 500 copies of its Linux web server software to organizations in rural North Carolina. In addition, Red Hat will provide free training and certification to the employees of 100 rural small businesses.
- A \$1.2 Million AT&T Pledge to the Education Alliance. AT&T will announce a \$1.2 million multi-year investment to develop information technology curricula and provide training in network management technology for higher education students with North Carolina State University, North Carolina AT&T University, Ohio State University, Miami University of Ohio, and Steven's Institute of Technology.
- Release of the Department of Commerce's National Telecommunications and Information Administration (NTIA) Report on the Challenges of Broadband Access in Rural America. The NTIA will release its latest report, "*Advanced Telecommunications in Rural America*," which addresses the barriers to accessing information technology in remote communities. The report also outlines recommendations for supporting advanced services to rural areas to ensure that they have greater access to telecommunications and information services.

III. PARTICIPANTS

YOU

Erskine Bowles

Craig Turner, Corporate Secretary of the Board of Directors, Remote Data Systems, Inc.

Governor Jim Hunt

FCC Chairman William Kennard

US Representative Mike McIntyre (D-NC)

Whiteville Mayor Ann Jones

Jill Long Thompson, Undersecretary for Rural Development, USDA

IV. SEQUENCE OF EVENTS

- Upon arrival at the Whiteville Depot, YOU will be greeted by Mayor Pro Tem Betty Lou Memory and Deputy City Manager Susan Rhodes, and led to the offstage position.
- Offstage announcement of Mayor Jones, Chairman Kennard, and Undersecretary Long-Thompson.
- YOU are announced offstage, accompanied by Erskine Bowles, Craig Turner, Congressman McIntyre and Governor Hunt.
- Congressman McIntyre makes brief remarks and introduces Craig Turner.
- Craig Turner makes brief remarks and introduces Erskine Bowles.
- Erskine Bowles makes brief remarks and introduces Governor Hunt.
- Governor Hunt makes brief remarks and introduces YOU.
- YOU give remarks, work a ropeline and depart.

V. PRESS

This event is OPEN PRESS.

VI. REMARKS

To be provided by Speechwriting.

VII. ATTACHMENTS

None.

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Draft April 20, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING
TOM KALIL

SUBJECT: BACKGROUND ON BROADBAND ISSUES

Summary

Given that your April 26th "New Markets trip" in North Carolina will focus on the issue of broadband in rural America, we thought that it might be useful for you to have some background on the technology and public policy dimensions of broadband Internet access.

Definition of broadband

- There is no one universally accepted definition of broadband - but generally it refers to a network capable of sending and receiving data **at much higher speeds** than today's ordinary phone lines.
- Network speeds (or bandwidth) is measured in "bits per second." Today, most people connect to the Internet using an ordinary phone line and a modem with a bandwidth of 28 to 56 kilobits per second. A broadband connection to the Internet might provide speeds of hundreds of kilobits per second or even megabits (millions of bits) per second.
- Large businesses have been able to purchase broadband connections to the Internet for a while. It has only been within the last few years that cable companies and telecommunications companies have started to market broadband services to the home at a price that is affordable for more consumers and small businesses.

The Importance of broadband

Broadband is important for a number of reasons:

- Broadband networks can support a wider range of applications -- such as video-conferencing, CD-quality audio, 3-D graphics, and lightning-fast download of software programs and computer files. Trying to do these applications over a "narrowband" connection to the Internet is painful or impossible. Video is likely to be jerky or the size of a postage stamp. Downloading a large image is like watching paint dry -- a phenomena known as the "World Wide Wait."

- Broadband is important for business. If broadband is either not available or prohibitively expensive in a particular region of the country, businesses will find it difficult to compete. Businesses need higher speed connections to connect to their customers and suppliers. For example, the Big 3 auto companies will do more and more business with their parts suppliers electronically. Those companies that do not have high-speed connections to the Internet will lose business.
- Widespread deployment could have broader social benefits as well -- supporting applications such as telemedicine, distance learning, and telecommuting.
- Broadband is particularly important in rural areas because it can help overcome vast distances, provide access to the same universe of knowledge even in the most remote one-room rural school-house, and help spur rural economic development.

Current level of price and access to broadband

- The FCC estimates that of the 105 million households in the U.S., 50 million households can purchase broadband from at least one provider (typically a cable company or a local phone company).
- As of the end of 1999 - an estimated 1-2 million households had actually purchased broadband Internet access.
- Estimates of how quickly demand for broadband access will increase range from 16.6 to 28.6 million high-speed Internet subscribers by 2004.
- Telecommunications companies are trying to charge lower prices for broadband to residences (\$40 - \$50/month) -- while maintaining much higher prices for businesses (\$200 - \$2,000/month). Obviously, as the market becomes more competitive, it will be more difficult to do that.

The challenge of providing high-speed Internet access to rural America

Broadband access in rural areas is either not available or more expensive than it is in urban areas. For example, the State of North Carolina estimates that there can be as much as a 10:1 price differential between urban and rural prices for broadband service -- although the local phone companies in North Carolina dispute this. There are two major challenges:

- Broadband can be less economical to deploy because the density of possible customers is much lower. It will be more difficult for a company to recover their investment in providing broadband networks over a smaller customer base.
- Some of the technology doesn't work in rural areas because of distance or other limitations.

Different kinds of broadband

There are a variety of different technologies used to provide high-speed Internet access -- including digital subscriber line, cable modems, wireless, and satellite.

1. Digital subscriber line (DSL)

- This technology uses the existing copper phone lines that are now used to carry voice traffic.
- It is typically deployed by the local phone companies (Bell South, Bell Atlantic) - and the competitive local exchange carriers (CLECs) like Covad that compete against them.
- Major disadvantage is that not all phone lines are capable of handling DSL. For example, a phone line that is longer than 12,000 - 18,000 feet from the residence to the "central office" (the place where telecommunications companies locate their equipment) can't be used to provide DSL. Obviously, this is particularly a problem for rural areas.

2. Cable modem

- Uses the cable network to deliver high-speed Internet access.
- Advantage is that cable networks pass most American households -- and that by 2001 -- up to 71 million households will be passed by cable systems that are "two-way capable." Cable companies had to upgrade their networks to support high-speed Internet access.

3. Wireless and satellite

- There are a variety of wireless and satellite alternatives as well. They are not expected to penetrate the market as quickly as DSL and cable modems, although they could be important in some rural markets.
- ✓ MCI and Sprint are beginning to do trials of a wireless service called MMDS (Multichannel Multipoint Distribution System). MMDS is a fixed service -- as opposed a mobile service like cell phones. It uses a tower -- and has a maximum range of 35 miles in all directions.
- ✓ Qualcomm is developing a technology called HDR (High Data Rate) that also provides high-speed Internet access. [Note: Qualcomm and Motorola are major competitors.]
- ✓ Some satellite companies are beginning to deploy two-way broadband services, which could provide access even to the most remote rural community.

4. Fiber-to-the-home

- The ultimate in broadband would be running optical fiber all the way to the home. There are not many companies deploying fiber-to-the-home systems at this point because of the expense, although large businesses typically have a fiber connection.

Public policy issues

1. Background

Although there is general agreement that widespread deployment is a worthy policy objective, there is a lot less agreement about how to achieve this goal. Different segments of the industry and members of Congress have different proposals. This issue does not split along party lines.

- The **local phone companies** (e.g. Bell Atlantic, Bell South, SBC, GTE) believe that they should be deregulated. They are pushing for legislation that allows them to provide high-speed Internet access without having to first open up their market to competitors.
- The **long-distance companies and the competitive telecommunications companies** (e.g. AT&T, MCI/Worldcom, Covad) believe that the Telecommunications Act is beginning to work and should not be re-opened, and that the emphasis should be on enforcing the pro-competitive provisions of the Act.
- **Rural members of Congress** believe that market forces may not be sufficient to ensure widespread availability of high-speed Internet access in rural areas - and that rural broadband access should be subsidized through tax credits, low-interest loans, or an expansion of the Universal Service Fund.
- The **computer industry** would probably not oppose on-budget subsidies for rural broadband -- but they are worried about expanding the definition of universal service because of fears that it could lead to more regulation of the Internet.

2. Promoting competition for broadband services using the Telecommunications Act of 1996

- Passage of the Telecommunications Act of 1996 is helping to spur competition in the market for broadband services because it imposed certain requirements on the local phone companies like Bell Atlantic, SBC, and US West known as ILECs (incumbent local exchange carriers). ILECs are required under the Telecommunications Act to allow their competitors to rent pieces of their network, and to take other steps that will make it easier for competitors to enter the market.
- All of this spurred the development of competitive local exchange carriers (CLECs) -- who are able to provide high-speed Internet access without building out a whole new network. Some of these companies literally would not exist were it not for the Telecommunications Act of 1996.
- The Administration has been a supporter of the Telecommunications Act and its continued enforcement.

3. Deregulation of local telephone companies

- The central bargain of the Telecommunications Act of 1996 is that ILECs would be allowed to enter the long distance market after they took steps to open up their own (local) market.
- So far, only one ILEC (Bell Atlantic) and has received permission from the FCC to provide long distance in one state (New York). Even this is not going smoothly, because Bell Atlantic is finding it difficult to transfer customers from Bell Atlantic to AT&T and other long distance companies that are trying to enter the local market.
- Because Internet traffic crosses long-distance boundaries, the ILECs can't be Internet Service Providers without teaming up with another Internet Service Provider.
- ILECs are arguing before the Hill that they should be allowed to provide Internet access, and that the restrictions on their ability to provide long-distance service should not apply to the Internet.
- Long-distance companies and CLECs have argued that if ILECs are allowed to provide Internet service before opening up their local market -- they will have no incentive to open up their market in the future. The Administration has generally found the argument of the long-distance companies and CLECs to be more persuasive.

4. Legislation to provide special support for rural broadband

- Senators Rockefeller and Snowe introduced the "Rural Telecommunications Modernization Act of 2000" on March 29th. The legislation provides an investment tax credit of 10-15 percent (depending on the bandwidth of the facility) for companies that invest in broadband networks for rural subscribers.
- Senators Dorgan, Daschle, Baucus, Johnson and Harkin introduced the "Rural Broadband Enhancement Act" on March 28th. The legislation:
 - ✓ Requires the FCC to provide Federal universal service support for broadband within 240 days. Under the current Telecommunications Act, the FCC is supposed to update the definition of universal service, but is not required to immediately include broadband services. This would presumably require an increase in charges on long-distance rates in order to finance.
 - ✓ Authorizes the Rural Utility Service to provide \$3 billion in low-interest loans (2 percent) to finance broadband networks in rural areas where they are currently not available.

Glossary of Terms

Backbone: The very high-speed portion of a network, usually fiber optics, that connects major cities.

Bandwidth: The capacity of a network to send and receive information -- measured in bits of information per second.

Broadband: Network capable of providing high-speed Internet access and handling applications like video-conferencing.

Cable modem: High-speed Internet service provided by cable companies.

CLEC (pronounced "see-lec"): Competitive Local Exchange Carrier. Companies like Covad that compete against local phone companies -- often by using the provisions of the Telecommunications Act to lease pieces of their network.

DSL: Digital Subscriber Line. A broadband technology that uses the existing phone lines, but requires special equipment.

ILEC: Incumbent Local Exchange Carrier. Local phone companies like Bell South, SBC, Bell Atlantic, etc. that have special obligations under the Telecommunications Act because of their market power in local telecommunications markets.

Last mile: The telecommunications network from a home or business to the facilities of a telecommunications company. This is where the bottleneck is in terms of speed.

LATA: Under the Telecommunications Act, local telephone companies are not allowed to transmit voice or data traffic across these "LATA" boundaries until they demonstrate that they have opened up their local market to competition.

Narrowband: The kind of Internet access that people get over a regular phone line.

Open access: Argument made by AOL and others that that cable companies should be forced to open up their networks. AOL stopped making this argument once they announced plans to merge with Time-Warner, a cable company.

T1 (pronounced "tee-one"): A particular high-speed service often purchased by business. Can send and receive 1.5 megabits (millions of bits) per second, which is about 30 times faster than a regular modem.

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Thomas A. Kalil

04/19/2000 10:23:23 AM



Record Type: Record

To: Elliott H. Baer/OPD/EOP@EOP

cc: Gigi E. Georges/OPD/EOP@EOP, Kendra P. Goldbas/OPD/EOP@EOP

Subject: Possible back-up site for NC

Pls print this off and give it to Gene ASAP
for Erskine call

Remote Data Systems
Whiteville, North Carolina
Columbus County
7th Congressional District (McIntyre D)
www.rdsys.com

* TIER I COUNTY
FLY INTO
FORT BRAGG

Remote Data Systems is a successful small business in eastern North Carolina that manufactures equipment made in wetland studies. It is difficult to get internet access in Columbus County. They have had only one phone line and in order to use the internet they would miss incoming calls. They paid \$7,000 out of pocket to have phone and data services put into their site, but this is as much as they can do and still is not sufficient. In addition, they are paying \$100 - \$250 a month in internet access. They believe that in order for their business to remain success, they must be more efficient in e-commerce. Operating out of such a remote area, e-commerce is the only way to expand their business.

→ 12% UZ

• Leslie Bonney
919-715-9783

RUS - expand local authority

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About Our Company

Remote Data Systems, Incorporated (RDS) was established in 1993. The initiation of RDS was largely inspired by a small group of professional environmental and soil scientists who were searching for a low cost alternative to measure and monitor ground water levels in wetlands and other shallow ground water applications. Our initial product, the WL-Series, is designed to continuously measure shallow ground water levels on timed sequential intervals, while providing a means of storing as well as retrieving the collected data practically and efficiently. The driving force behind the production and development of the WL-Series was to accommodate the growing regulatory demand placed on professional consultants to monitor ground water conditions in natural and constructed wetlands, and mitigation banks and to help perform general assessments of wetland hydrology.

Developing Technology for Environmental Science

fly into Wilmington (2 hrs down)
Helo from there (30-45 min)
NO SPEECH AT SHAW

Background data (w/cites)
on technology
in NC

→ Internet Home Access

→ Economic indicators etc.



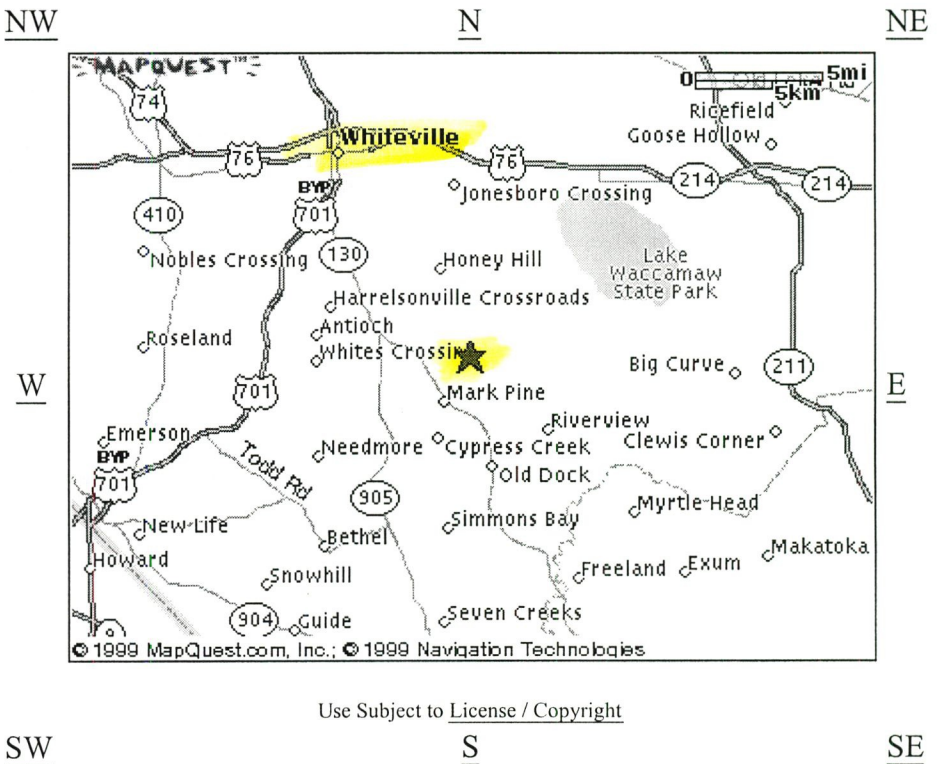
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COLUMBUS COUNTY GOVERNMENT

VISIT #

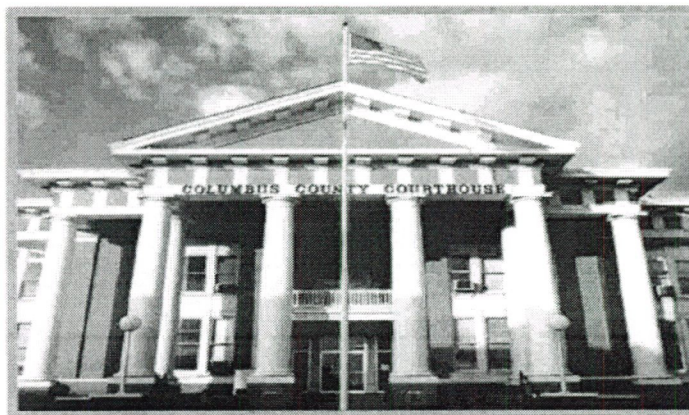
00101756

111 WASHINGTON ST. WHITEVILLE, NC 28472 PHONE#910-640-6600
FAX#910-642-2386

EMAIL:columbus@intrstar.net

DISCOVER GREAT GOVERNMENT!

Columbus County was established in 1808. Columbus County, named after Christopher Columbus, is located along the North Carolina/South Carolina border in one of the southernmost sections of the state. Its relatively close proximity to the Atlantic Ocean places Columbus County in the fertile lowlands of the coastal plain. The County is bordered by Brunswick County to the east, Robeson County to the west, and Bladen and Pender Counties to the north. Columbus County's southern border is the state line. Columbus County consists of 945 square miles and has a population of 50,198. Columbus County is dominated by its watery terrain. Among its major geographic features are Lake Waccamaw, the largest natural lake between New York and Florida; the Green Swamp, the Waccamaw River, the Lumber River, and the Cape Fear River. The Board of Commissioners, a policy-making body deriving its authority pursuant to the N.C. General Statutes, levies taxes, directs the development of the budget and the fiscal policy of the County under the provisions of the Local Government Budget and Fiscal Control Act. The Commissioners appoint the County Administrator, County Attorney, Clerk to the Board, Tax Administrator, and numerous county, municipal and public corporation boards, commissions and committees. These seven (7) board members are elected by districts on a partisan basis for 4-year staggered terms. The chairman and vice-chairman are selected each year on the first Monday in December.



GOVERNING BODY

From: Melissa G. Green on 04/19/2000 11:13:31 AM

Record Type: Record

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

cc:

Subject: Call Today with Bowles

please only the following people:

Kalil
Echaveste
Dunn
Ucelli
Georges
Weiss

3:00pm (per erskine, sorry time not flexible) 757-2104, 3939

Others on call:

Erskine Bowles

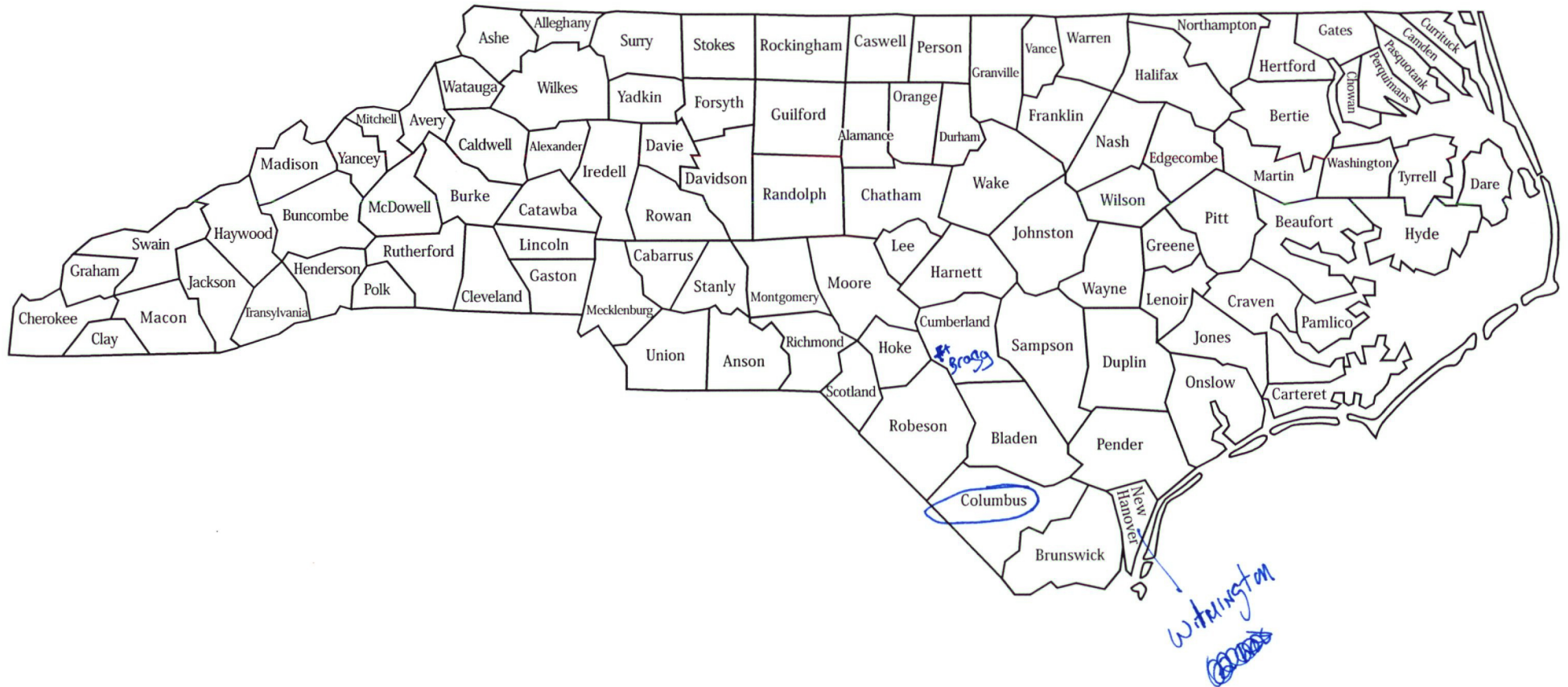
Rick Carlyle, Secretary of Treasury for State of North Carolina

Leslie Boney, Secretary of Commerce

Message Sent To:

Leslie Bernstein/WHO/EOP@EOP
Lindsay R. Drewel/WHO/EOP@EOP
Gigi E. Georges/OPD/EOP@EOP
Jackson T. Dunn/WHO/EOP@EOP
Thomas A. Kalil/OPD/EOP@EOP
Lowell A. Weiss/WHO/EOP@EOP

T



MEMORANDUM

To: Tom Kalil
 Fr: Kate Howard
 Re: Whiteville/Roundtable-Exhibition Site - The Whiteville Business Development Center
 Dt: April 21, 2000

Tom, David asked me to fax you information on the roundtable event site that may be of interest.

WHITEVILLE BUSINESS DEVELOPMENT CENTER OTHER BUSINESSES:

In addition to Remote Data Systems Inc. (which produces the wetlands water monitoring device), the site also houses other businesses of possible interest/would benefit from better access to internet technology that you may want to be aware of:

1. **Carolina Home Healthcare** provides home healthcare services. It is owned and operated by an African-American woman and employs approximately 90 part-time health care professionals.
2. **Calibration's** is a female owned company that calibrates electric meters and ships nationwide.
3. **Ambu-Med Billing Services**, is a female owned company that will open for business in early May. It will provide nation-wide billing service for ambulance and medical billing.

Judy Morris, the Center's manager and Southeastern Community's College's representative at the Center indicated that these companies would benefit from access to the web/internet technology. Judy will provide a complete list of the Center's businesses and their need for internet technology by COB today.

NOTE: These businesses have not been vetted.

NAFTA'S IMPACT ON THE COMMUNITY:

Nafta was mentioned several times. Specifically, the business and community leaders have mentioned that the county has lost several textile factories since the passage of the NAFTA agreement in 1993 and has an unemployment rate of 12%. They are thrilled about the presidential visit but ask practical questions about what happens after he leaves. Specifically, they would like to know what, if any, deliverables are available to provide transition assistance or to develop the technology needed to bridge the digital divide such as USDA's Rural Utility Programs or NAFTA adjustment assistance programs out of Commerce.

BRUNSWICK ELECTRIC MEMBERSHIP CORPORATION:

The Whiteville Business Development Center rents space rates from the Brunswick Electric Membership Corporation. Brunswick Electric, a rural cooperative, is interested in the roundtable discussion. The rural electric cooperative provides (often in partnership with USDA Rural Development loan and grant programs) its community with access to electric power; acts as an economic development investor in the community; develops distance learning programs; and works to provide the infrastructure necessary for the community to attract new business.

USDA CONTACTS:

Carl Whilock, White Liaison, USDA, (202) 720-2406
 Clyde Williams, Deputy Chief of Staff, Office of the Secretary at (202) 720-3631

QUALCOMM's DEMONSTRATION:

The Qualcomm demonstration will display the technical aspects of how 1xHDR can provide enhanced Internet access for rural businesses. Qualcomm is developing 1xHDR, a "Fast to Market" wireless broadband technology. This technology is primarily designed for Cellular and PCS Operators. (e.g. Sprint, PrimeCo, Bell Atlantic...) It will allow the Sprints of this world to access in the Rural and Urban Internet markets with a high speed and low cost service.

Please let me know if you would like further information or any item vetted.

* 3 more for roundtable

*Name:

Ph:

7 Year old from Columbia (Tyrell county) who doesn't have access to a library (but with high speed Internet access would be able to access the Library of Congress)

** We will have name and contact information by Monday.

***Name: Larry Keck of Montage Data Systems**

Ph: 828-265-2407, hm: 828-264-6673;

email: lkeck@montagedata.com

Owner of Montage Data Systems and its subsidiary NewRiverNet.com. located in Western North Carolina. NewRiverNet.com provides clients with Internet applications and services that help them with e-commerce. By offering a low cost package that includes web site design as well as other tools necessary for e-commerce, they help their rural customers save time, money and increase overall website effectiveness.

Larry moved his business from Durham to Boone to have access to recent Appalachian State graduates to work for his company. His cost for Internet access went from \$800 per month to \$2000 per month.

Name: Marion Sofield, Economic Development Director for Boone Area Chamber of Commerce, Watauga County;

Ph: 828-264-3082; email: wccdc@boone.net.

Marion is an economic development director who deals regularly with connectivity issues in trying to locate companies to Watauga County. She has worked with Larry Keck and Montage Data Systems extensively and is well-versed in technology related fields.

***Name: Buddy Lemons, Baker Limestone**

Ph: 919-742-4881

His company, Baker Limestone, went on-line to sell farm equipment and quintupled sales in the first year – from \$1 million to \$5 million. *** Because his company was one of the sites considered by the White House, no one from the Dept. of Commerce has contacted him. We didn't know what the White House had already told him regarding the potential visit.

***Name: Wally Bowen, Mountain Area Information Network**

Ph: 828-255-0182

home: 828-252-0600

cell: 828-777-6130.

Tess is assistant to Wally - 828-255-0182;

her home: 828-689-4633

His company, Mountain Area Information Network, used \$800,000 federal grant money to bring together 13 rural mountain counties. He has 4,000 paying users paying \$150 per

year. Successes include a couple from Burnsville that uses its website to sell Buddhist prayer cushions internationally.

Name: WH Cole, President, Image Design, Bladen County

Ph: 910-872-1046

This company has had and is having multiple problems with connectivity. This company is involved with every step of the graphic design process, from designing advertising, logos, signs, etc., to manufacturing to distribution of the finished product. Their business has become increasingly reliant on Internet technology. In order to compete with other graphic design companies, they have to be able to show customers, or potential customers, examples of the finished product. The Color Image files that they deal with are very large and can only be handled with high speed access. Currently they rely on Fed Ex and the US Mail while their competitors are able to download and email files in minutes.

*** Rep. McIntyre's office has been contacted about this company, and he has in turn been in contact with the White House and the Dept. of Commerce to try to get the President to visit their site. Because their site was not chosen, I think it would be a good idea to include them in the roundtable, to appease both them, and Rep. McIntyre.

Name: Don Watson, House Autry Mills, Sampson county

Ph: 910-594-0802

House Autry Mills, a producer of corn meal breaders and mixers, has no local internet access and currently use AOL as their internet service provider, which means they have to dial up Raleigh, Fayetteville, or Wilmington – all long distance calls - each time they need to be online. Furthermore, as more of their customers are requiring them to be on line more, their IT related costs are rising.

Furthermore, most of House Autry's sales reps are located in surrounding states and on-line communications are increasingly important for internal communications, downloading files, retrieving information, etc. Because the company is going to open up a new facility later this year, which will increase the need for internal on-line communications.

Having faster access is also an issue. In the near future, House Autry is looking to manage inventory with grocery store warehouses on-line, but downloading inventory information directly from a warehouse, determining their supply of House Autry products and re-supplying them as needed. Because this will require the downloading of detailed information, they will need higher speed access, and again, lower costs before that can be fully implemented.

Name: Steve Runyon, Manager of Resource Planning for Clifton Precision, Murphy, NC

Ph: 828-837-5115 ext. 276

Steve Runyon is the manager of Resource Planning for Clifton Precision in Murphy, which makes fractional horsepower motors and employs 350 people. Clifton Precision

does much of its work on line including inventory, sales and marketing and financial analysis. But to do that in Murphy costs \$4800 a month, compared to the \$1800 the company's sister plants and headquarters spend. Over time, this makes his plant less profitable, and puts the 350 people who work there at risk if business slows down.

*** Steve was a part of the Rural Prosperity Task Force report presentation to the Gov. in January. Although he didn't give a formal speech at that event, he did talk to reporters afterwards and was found to be well spoken, intelligent and sincere.

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Jackson T. Dunn
04/05/2000 08:30:58 PM

NC

Record Type: Record

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

cc:

Subject: Possible North Carolina Sites

Went home right

Rural North Carolina

On April 26th, the President will travel to eastern North Carolina to discuss the digital divide and rural broadband.

Possible locations include:

House Autrey Mills
Newton Grove, North Carolina

2nd Dist. (Etheridge)

House Autrey Mills is a small business (48 employees) that produces corn-meal breaders mixers. It has no local internet access and currently uses AOL as their internet service provide, which means they have to dial up Raleigh, Fayetteville or Wilmington -- all long distance calls -- each time they need to be online.

Their customers primarily consist of grocery stores and restaurants throughout the southeast, the northeast and mid-Atlantic. Most of these companies do purchasing on line, and as their customers need House Autrey Mills to be on line, their IT costs are rising. Although House Autrey Mills is a successful company, but in the near future, they will need broadband wireless in order to stay competitive with other companies in urban areas.

Baker Limestone, Inc & Farms.com
Siler City, North Carolina

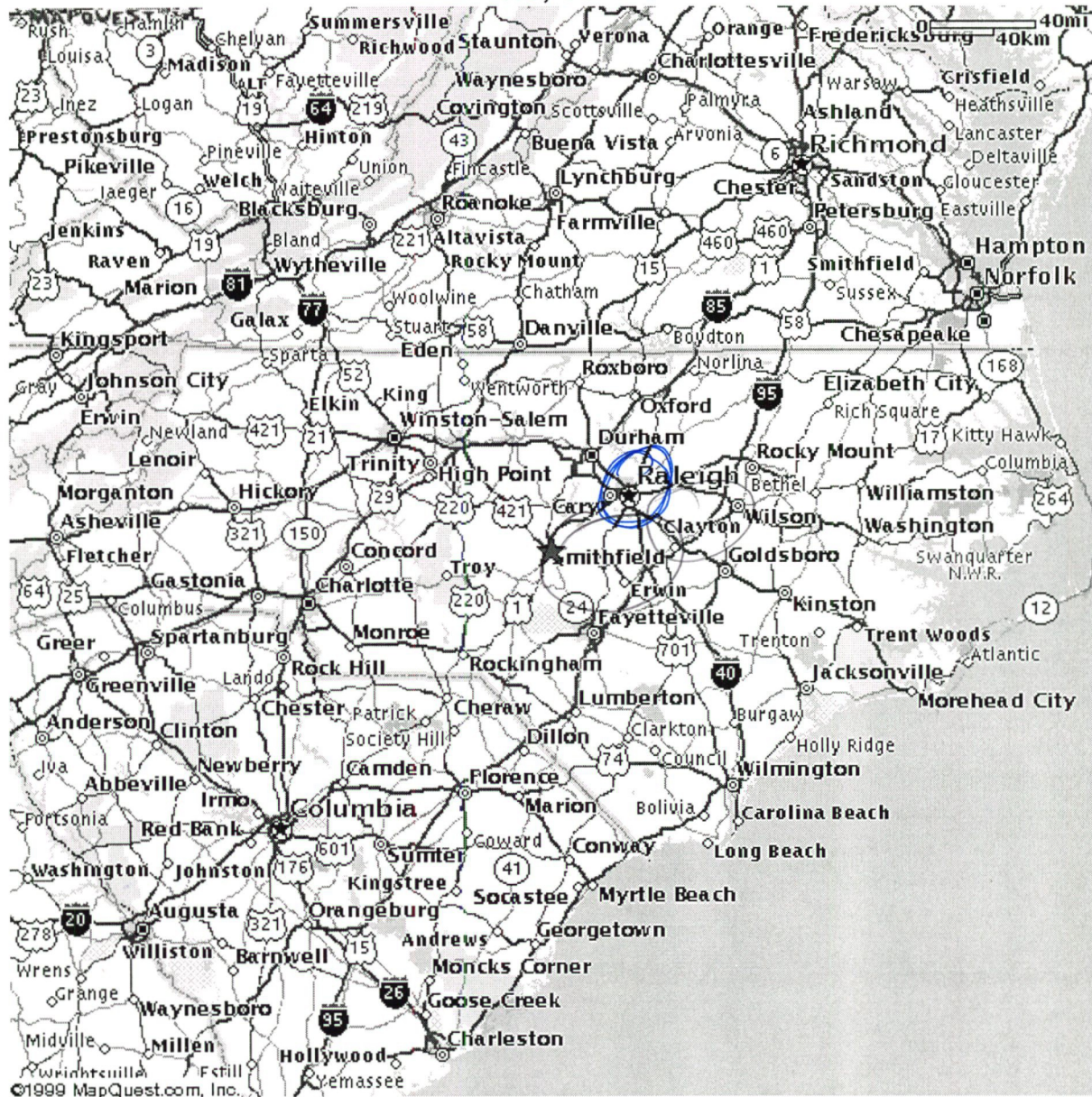
Etheridge
Signature
Either 2nd or 7th / Based out of 4th office

Baker Limestone is a small farm supply dealer located near Siler City. The business was built primarily on selling agricultural lime, fertilizer, seed and feed to farmers. Faced with increasing local competition, Baker's owner Buddy Lemmons and his wife Joanne decided to diversify into e-commerce market. He realized that farmers, with less dollars to pay employees, were having to do more of the work themselves and finding less time to shop for the supplies they needed. He has set up a website and now sells agricultural chemicals all over the United States. Buddy joined with other farmers in North Carolina and began Farms.com. Using the internet has allowed farmers to have products delivered to them without having to travel great distances to shop. It has allowed Baker Limestone to expand its customer base beyond the 40,000 people living in their county. In 1998, Baker Limestone had \$1 million in sales; in 1999, Baker Limestone had \$5 million in sales.



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County Data

	JAN	FEB	MAR	APR	2000 MAY	JUN	JUL	AUG
	ALAMANCE COUNTY							
LABOR FORCE	65980	66270	0	0	0	0	0	0
EMPLOYMENT	64020	64270	0	0	0	0	0	0
UNEMPLOYMENT	1960	2000	0	0	0	0	0	0
RATE %	3.0%	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	JAN	FEB	MAR	APR	2000 MAY	JUN	JUL	AUG
	ALEXANDER COUNTY							
LABOR FORCE	16740	16880	0	0	0	0	0	0
EMPLOYMENT	16410	16500	0	0	0	0	0	0
UNEMPLOYMENT	330	380	0	0	0	0	0	0
RATE %	2.0%	2.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	JAN	FEB	MAR	APR	2000 MAY	JUN	JUL	AUG
	ALLEGHANY COUNTY							
LABOR FORCE	5320	5470	0	0	0	0	0	0
EMPLOYMENT	5040	5050	0	0	0	0	0	0
UNEMPLOYMENT	280	420	0	0	0	0	0	0
RATE %	5.3%	7.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	JAN	FEB	MAR	APR	2000 MAY	JUN	JUL	AUG
	ANSON COUNTY							
LABOR FORCE	10450	10430	0	0	0	0	0	0
EMPLOYMENT	9750	9800	0	0	0	0	0	0
UNEMPLOYMENT	700	630	0	0	0	0	0	0
RATE %	6.7%	6.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	JAN	FEB	MAR	APR	2000 MAY	JUN	JUL	AUG
	ASHE COUNTY							
LABOR FORCE	10700	11090	0	0	0	0	0	0
EMPLOYMENT	9790	10020	0	0	0	0	0	0
UNEMPLOYMENT	910	1070	0	0	0	0	0	0
RATE %	8.5%	9.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	JAN	FEB	MAR	APR	2000 MAY	JUN	JUL	AUG
	AVERY COUNTY							
LABOR FORCE	7520	7580	0	0	0	0	0	0
EMPLOYMENT	7190	7190	0	0	0	0	0	0
UNEMPLOYMENT	330	390	0	0	0	0	0	0
RATE %	4.4%	5.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	JAN	FEB	MAR	APR	2000 MAY	JUN	JUL	AUG
	BEAUFORT COUNTY							
LABOR FORCE	19310	19580	0	0	0	0	0	0
EMPLOYMENT	17640	17790	0	0	0	0	0	0
UNEMPLOYMENT	1670	1790	0	0	0	0	0	0
RATE %	8.6%	9.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	JAN	FEB	MAR	APR	2000 MAY	JUN	JUL	AUG
					BERTIE COUNTY			
LABOR FORCE	8480	8640	0	0	0	0	0	0
EMPLOYMENT	7980	8070	0	0	0	0	0	0
UNEMPLOYMENT	500	570	0	0	0	0	0	0
RATE %	5.9%	6.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	JAN	FEB	MAR	APR	2000 MAY	JUN	JUL	AUG
					BLADEN COUNTY			
LABOR FORCE	19370	19660	0	0	0	0	0	0
EMPLOYMENT	18190	18540	0	0	0	0	0	0
UNEMPLOYMENT	1180	1120	0	0	0	0	0	0
RATE %	6.1%	5.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	JAN	FEB	MAR	APR	2000 MAY	JUN	JUL	AUG
					BRUNSWICK COUNTY			
LABOR FORCE	31690	31600	0	0	0	0	0	0
EMPLOYMENT	29720	30020	0	0	0	0	0	0
UNEMPLOYMENT	1970	1580	0	0	0	0	0	0
RATE %	6.2%	5.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	JAN	FEB	MAR	APR	2000 MAY	JUN	JUL	AUG
					BUNCOMBE COUNTY			
LABOR FORCE	99470	100700	0	0	0	0	0	0
EMPLOYMENT	96810	97720	0	0	0	0	0	0
UNEMPLOYMENT	2660	2980	0	0	0	0	0	0
RATE %	2.7%	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	JAN	FEB	MAR	APR	2000 MAY	JUN	JUL	AUG
					BURKE COUNTY			
LABOR FORCE	42100	42320	0	0	0	0	0	0
EMPLOYMENT	41150	41380	0	0	0	0	0	0
UNEMPLOYMENT	950	940	0	0	0	0	0	0
RATE %	2.3%	2.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	JAN	FEB	MAR	APR	2000 MAY	JUN	JUL	AUG
					CABARRUS COUNTY			
LABOR FORCE	65950	66040	0	0	0	0	0	0
EMPLOYMENT	64430	64600	0	0	0	0	0	0
UNEMPLOYMENT	1520	1440	0	0	0	0	0	0
RATE %	2.3%	2.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	JAN	FEB	MAR	APR	2000 MAY	JUN	JUL	AUG
					CALDWELL COUNTY			
LABOR FORCE	39890	40090	0	0	0	0	0	0
EMPLOYMENT	38980	39200	0	0	0	0	0	0
UNEMPLOYMENT	910	890	0	0	0	0	0	0
RATE %	2.3%	2.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

2000

3 of 143 of 143 of 143 of 143 of 14

CLAY COUNTY

LABOR FORCE	4030	4110	0	0	0	0	0	0
EMPLOYMENT	3860	3900	0	0	0	0	0	0
UNEMPLOYMENT	170	210	0	0	0	0	0	0
RATE %	4.2%	5.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

2000

JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG
-----	-----	-----	-----	-----	-----	-----	-----

CLEVELAND COUNTY

LABOR FORCE	44800	44770	0	0	0	0	0	0
EMPLOYMENT	42020	42400	0	0	0	0	0	0
UNEMPLOYMENT	2780	2370	0	0	0	0	0	0
RATE %	6.2%	5.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

2000

JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG
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COLUMBUS COUNTY

LABOR FORCE	22980	22980	0	0	0	0	0	0
EMPLOYMENT	20130	20190	0	0	0	0	0	0
UNEMPLOYMENT	2850	2790	0	0	0	0	0	0
RATE %	12.4%	12.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

2000

JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG
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CRAVEN COUNTY

LABOR FORCE	34860	35160	0	0	0	0	0	0
EMPLOYMENT	33460	33660	0	0	0	0	0	0
UNEMPLOYMENT	1400	1500	0	0	0	0	0	0
RATE %	4.0%	4.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

2000

JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG
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CUMBERLAND COUNTY

LABOR FORCE	115120	116650	0	0	0	0	0	0
EMPLOYMENT	110280	111430	0	0	0	0	0	0
UNEMPLOYMENT	4840	5220	0	0	0	0	0	0
RATE %	4.2%	4.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

2000

JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG
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CURRITUCK COUNTY

LABOR FORCE	8970	9020	0	0	0	0	0	0
EMPLOYMENT	8570	8630	0	0	0	0	0	0
UNEMPLOYMENT	400	390	0	0	0	0	0	0
RATE %	4.5%	4.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

2000

JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG
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DARE COUNTY

LABOR FORCE	15480	15550	0	0	0	0	0	0
EMPLOYMENT	13260	13490	0	0	0	0	0	0
UNEMPLOYMENT	2220	2060	0	0	0	0	0	0
RATE %	14.3%	13.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

2000

JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG
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DAVIDSON COUNTY

LABOR FORCE	78860	79360	0	0	0	0	0	0
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EMPLOYMENT	76840	77140	0	0	0	0	0	0
UNEMPLOYMENT	2020	2220	0	0	0	0	0	0
RATE %	2.6%	2.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	JAN	FEB	MAR	APR	2000 MAY	JUN	JUL	AUG
					DAVIE COUNTY			
LABOR FORCE	17760	17690	0	0	0	0	0	0
EMPLOYMENT	17000	17060	0	0	0	0	0	0
UNEMPLOYMENT	760	630	0	0	0	0	0	0
RATE %	4.3%	3.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	JAN	FEB	MAR	APR	2000 MAY	JUN	JUL	AUG
					DUPLIN COUNTY			
LABOR FORCE	20890	21140	0	0	0	0	0	0
EMPLOYMENT	19860	20100	0	0	0	0	0	0
UNEMPLOYMENT	1030	1040	0	0	0	0	0	0
RATE %	4.9%	4.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	JAN	FEB	MAR	APR	2000 MAY	JUN	JUL	AUG
					DURHAM COUNTY			
LABOR FORCE	116280	118010	0	0	0	0	0	0
EMPLOYMENT	113550	115130	0	0	0	0	0	0
UNEMPLOYMENT	2730	2880	0	0	0	0	0	0
RATE %	2.3%	2.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	JAN	FEB	MAR	APR	2000 MAY	JUN	JUL	AUG
					EDGECOMBE COUNTY			
LABOR FORCE	24080	24200	0	0	0	0	0	0
EMPLOYMENT	22070	22340	0	0	0	0	0	0
UNEMPLOYMENT	2010	1860	0	0	0	0	0	0
RATE %	8.3%	7.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	JAN	FEB	MAR	APR	2000 MAY	JUN	JUL	AUG
					FORSYTH COUNTY			
LABOR FORCE	152850	153710	0	0	0	0	0	0
EMPLOYMENT	148800	149380	0	0	0	0	0	0
UNEMPLOYMENT	4050	4330	0	0	0	0	0	0
RATE %	2.6%	2.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	JAN	FEB	MAR	APR	2000 MAY	JUN	JUL	AUG
					FRANKLIN COUNTY			
LABOR FORCE	23270	23660	0	0	0	0	0	0
EMPLOYMENT	22700	23010	0	0	0	0	0	0
UNEMPLOYMENT	570	650	0	0	0	0	0	0
RATE %	2.4%	2.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	JAN	FEB	MAR	APR	2000 MAY	JUN	JUL	AUG
					GASTON COUNTY			
LABOR FORCE	101130	101520	0	0	0	0	0	0
EMPLOYMENT	96290	96530	0	0	0	0	0	0
UNEMPLOYMENT	4840	4990	0	0	0	0	0	0

RATE %	4.8%	4.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
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	2000							
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG

GATES COUNTY

LABOR FORCE	4460	4480	0	0	0	0	0	0
EMPLOYMENT	4340	4340	0	0	0	0	0	0
UNEMPLOYMENT	120	140	0	0	0	0	0	0
RATE %	2.7%	3.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	2000							
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG

GRAHAM COUNTY

LABOR FORCE	3630	3630	0	0	0	0	0	0
EMPLOYMENT	3170	3220	0	0	0	0	0	0
UNEMPLOYMENT	460	410	0	0	0	0	0	0
RATE %	12.7%	11.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	2000							
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG

GRANVILLE COUNTY

LABOR FORCE	22340	22460	0	0	0	0	0	0
EMPLOYMENT	21620	21770	0	0	0	0	0	0
UNEMPLOYMENT	720	690	0	0	0	0	0	0
RATE %	3.2%	3.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	2000							
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG

GREENE COUNTY

LABOR FORCE	8620	8660	0	0	0	0	0	0
EMPLOYMENT	8240	8290	0	0	0	0	0	0
UNEMPLOYMENT	380	370	0	0	0	0	0	0
RATE %	4.4%	4.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	2000							
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG

GUILFORD COUNTY

LABOR FORCE	218220	219640	0	0	0	0	0	0
EMPLOYMENT	212160	212980	0	0	0	0	0	0
UNEMPLOYMENT	6060	6660	0	0	0	0	0	0
RATE %	2.8%	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	2000							
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG

HALIFAX COUNTY

LABOR FORCE	21700	22090	0	0	0	0	0	0
EMPLOYMENT	20000	20080	0	0	0	0	0	0
UNEMPLOYMENT	1700	2010	0	0	0	0	0	0
RATE %	7.8%	9.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	2000							
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG

HARNETT COUNTY

LABOR FORCE	36050	36470	0	0	0	0	0	0
EMPLOYMENT	34660	35110	0	0	0	0	0	0
UNEMPLOYMENT	1390	1360	0	0	0	0	0	0
RATE %	3.9%	3.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%



Thomas A. Kalil

04/19/2000 10:16:48 AM



Record Type: Record

To: Elliott H. Baer/OPD/EOP@EOP

cc: Gigi E. Georges/OPD/EOP@EOP, Kendra P. Goldbas/OPD/EOP@EOP

Subject: Possible North Carolina Sites

Gene:

In addition to some sites - it would be good to ask him a few other questions:

1. People that he would like to have included in the roundtable -- if we decide to have one.
2. Someone we can follow up with on his staff if we have additional questions
3. Other NC companies that might be willing to announce deliverables
4. Any aspects of his report that have been controversial with the private sector -- e.g. using the state network to provide broadband services to rural areas.

We're checking out one other site that I'm trying to get information on ASAP.

Rural North Carolina

On April 26th, the President will travel to eastern North Carolina to discuss the digital divide and rural broadband.



Baker Limestone, Inc & Farms.com
Siler City, North Carolina

Baker Limestone is a small farm supply dealer located near Siler City. The business was built primarily on selling agricultural lime, fertilizer, seed and feed to farmers. Faced with increasing local competition, Baker's owner Buddy Lemmons and his wife Joanne decided to diversify into e-commerce market. He realized that farmers, with less dollars to pay employees, were having to do more of the work themselves and finding less time to shop for the supplies they needed. He has set up a website and now sells ~~agricultural chemicals all over the United States~~. Buddy joined with other farmers in North Carolina and began Farms.com. Using the internet has allowed farmers to have products delivered to them without having to travel great distances to shop. It has allowed Baker Limestone to expand its customer base beyond the 40,000 people living in their county. In 1998, Baker Limestone had \$1 million in sales; in

1999, Baker Limestone had \$5 million in sales.

Whole county only had 40,000 people in it -- so it is pretty rural.

Note: This is the county where county commissioner made anti-immigrant comments - followed by David Duke rally.

House Autrey Mills
Newton Grove, North Carolina

Handwritten signature

(Note: company has an EPA violation -- we're checking to see how serious it is)

House Autrey Mills is a small business (48 employees) that produces corn-meal breaders mixers. It has no local internet access and currently uses AOL as their internet service provide, which means they have to dial up Raleigh, Fayetteville or Wilmington -- all long distance calls -- each time they need to be online.

Their customers primarily consist of grocery stores and restaurants throughout the southeast, the northeast and mid-Atlantic. Most of these companies do purchasing on line, and as their customers need House Autry Mills to be on line, their IT costs are rising. Although House Autrey Mills is a successful company, but in the near future, they will need broadband wireless in order to stay competitive with other companies in urban areas.