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THE WHITE HOUSE
WASHINGTON

November 2, 1993

MEMORANDUM FOR

DPC (Bruce Reed)
Media Affairs (Jock Gill)
OFL (Melanne Verveer)
OMB (Chris Edley, Sally Katzen)
OPL (Doris Matsui)
OSTP (Mike Nelson, David Lytel)
OVP (Kumiki Gibson, Greg Simon)
Staff Secretary (John Podesta)
Commerce (Larry Irving, Arati Prabhakar, Johnathan Sallet)
Council for Sus. Development (Johnathan Lash)
Education (Linda Roberts)

FROM: Tom Kalil TAK

SUBJECT: Meeting with Foundations on NII

On Friday, November 12th, from 2:00 p.m. to 4:00 p.m., I would like to hold a meeting between Administration officials and foundation executives on the National Information Infrastructure (NII). The meeting will be held in Room 474, OEOB. Please RSVP with Sandy Mancini at 456-2801.

As you may know, foundations are increasingly interested in the NII and its applications in education, health care, government information, sustainable development, delivery of government services, and participatory democracy. Executives representing foundations with combined assets of \$22 billion (including Ford, Rockefeller, MacArthur, Pew, Bauman and Benton) have agreed to participate.

I would like to discuss:

1. The Administration's vision of the NII.
2. The NII and its impact on foundation missions.
3. Next steps.

Prior to the meeting, I will circulate a list of participants and a more complete agenda. Attached is a draft discussion paper on potential areas of partnership between the Administration and the foundations on the NII which I would like to circulate to the foundation executives prior to the meeting. Please call me at 456-2801 if you have any questions on the event or comments on the paper.

The NII and the Public Interest (Draft 11/2)

1. The Information Technology Revolution

The Clinton-Gore Administration believes that the emerging "National Information Infrastructure" will have an impact on virtually every impact on America's economic and social life. The NII will enable Americans to access information and communicate with each other using voice, video, data, or images at any time, anywhere. The rate of technological change and the rapid diffusion of that technology is astounding:

- Productivity in the information technology sector is increasing at a rate of at least 25 to 30 percent per year, as opposed to the 1-2 percent rate of the U.S. economy as a whole. As a result, today's \$1,000 personal computer is more powerful than a 1970's mainframe.
- By the year 2000, U.S. companies will be able to manufacture semiconductors with hundreds of millions of transistors on a finger-nail-sized piece of silicon, leading to the advent of a "supercomputer on a chip."
- U.S. companies are developing fiber optic technology capable of transmitting terabits (trillions of bits) of information per second.
- The Internet now connects 10-20 million users and is growing at a rate of 7 percent per month.

2. Civic Applications of the NII

Although the media has focused on entertainment and home-shopping as the major applications of the "information superhighway", the Administration believes that the NII can also be used as a tool for tackling some of our toughest economic and social challenges, including:

- Improving our education and training system;
- Reducing the administrative costs associated with our health care system while improving access and quality;
- Increasing public access to government information;
- Fostering economic development in distressed rural and urban areas;
- Monitoring the environment;
- Expanding opportunities for Americans with disabilities through

assistive technologies;

- Energy efficiency (telecommuting, demand-side management);
- Promoting participatory democracy at all levels of government; and
- "Reinventing" government and improving the delivery of government services.

3. Potential roles for the Foundation Community

Recently, the President announced a partnership between the federal government and the auto industry to develop a "Clean Car" with three times greater fuel efficiency by the year 2000. To promote the civic dimension of the NII, the Administration believes that a partnership between the federal government, the foundation community, and public interest groups is necessary.

Below are some concrete ways in which foundations could promote the NII:

1. **NII pilot projects** in areas such as education, health care, libraries, civic networking, and government services/information, possibly in partnership with the federal government and other stakeholders.
2. **Research** (broadly defined) on the NII and its applications:
 - Policy development on issues such as universal service and privacy;
 - Evaluation and assessment of pilot projects; and
 - Strategies for "scaling up" pilot projects to the national level.
3. **Clearinghouses** for state and local NII initiatives so that practitioners and policy-makers can learn from one another.
4. **Training** to enable end-user communities to use these technologies.
5. Formation of an **NII Foundation**, analogous to the Energy Foundation, to enable the foundation community to pool their resources.
6. **Distribution** of donated hardware.

Potential next steps:

1. Formation of **affinity group** to explore role of foundations in NII, and potential partnerships/common interests with federal government.
2. Further meetings on more specific topics (e.g. education, sustainable development).
3. Selection of topics for pilot projects.

DISTRIBUTION LIST
MEETING WITH FOUNDATIONS ON NII

<u>BRUCE REED</u>	DPC
<u>JOCK GILL</u>	MEDIA AFFAIRS
<u>ANNE BARTLEY</u>	OFL
<u>CHRIS EDLEY</u>	OMB
<u>SALLY KATZEN</u>	OMB
<u>DORIS MATSUI</u>	OPL
<u>MIKE NELSON</u>	OSTP
<u>DAVID LYTEL</u>	OSTP
<u>KUMIKI GIBSON</u>	OVP
<u>GREG SIMON</u>	OVP
<u>JOHN PODESTA</u>	STAFF SECRETARY
<u>LARRY IRVING</u>	DOC
<u>ARATI PRABHAKAR</u>	DOC
<u>MOLLY OLSON</u>	COUNCIL FOR SUS. DEV.

FROM: TOM KALIL, NEC

The National Information Infrastructure and the Public Interest
November 12, 1993
2:00 p.m. to 4:00 p.m.
Room 476, OEOB

Agenda:

1. Introductions
2. The Administration's Perspective:
 - Administration's vision of the NII
 - Telecommunications policy and the NTIA grant program
 - Information policy
 - Opportunities for collaboration
3. The Foundations' Perspective
 - The role foundations can play
 - Reactions to Administration's view of collaboration
4. Next Steps
 - Improving communication between foundations and Administration
 - Discussion of specific collaborative efforts

Empowerment Zones -

HRC + Collaboration. Iris Matsui. Christine V.; Bruce Reed. 9/14 meeting.

The NII and the Public Interest

Discussion Paper for November 12 meeting

1. The Information Technology Revolution

The Clinton-Gore Administration believes that the emerging "National Information Infrastructure" will have an impact on virtually every impact on America's economic and social life. The NII will enable Americans to access information and communicate with each other using voice, video, data, or images at any time, anywhere. The rate of technological change and the rapid diffusion of that technology is astounding:

- Productivity in the information technology sector is increasing at a rate of at least 25 to 30 percent per year, as opposed to the 1-2 percent rate of the U.S. economy as a whole.
- By the year 2000, U.S. companies will be able to manufacture semiconductors with hundreds of millions of transistors on a finger-nail-sized piece of silicon, leading to the advent of a "supercomputer on a chip."
- U.S. companies are developing fiber optic technology capable of transmitting terabits (trillions of bits) of information per second.
- The Internet now connects 10-20 million users and is growing at a rate of 7 percent per month.

The development of the NII is a top Administration priority. On September 15, 1993, Vice President Gore and Secretary of Commerce Ron Brown issued an Agenda for Action, providing nine core principles to guide the development of the National Information Infrastructure. The Administration recognizes the potential of the NII for increasing economic growth, empowering citizens, improving democratic participation, and, generally, enhancing the quality of life. In the broadest sense, these nine principles are intended to promote greater commerce as well as citizenship.

2. Civic Applications of the NII

Although the media has focused on entertainment and home-shopping as the major applications of the "information superhighway", the Administration believes that the NII can also be used as a tool for tackling some of our toughest economic and social challenges, including:

- Improving our education and training system;

- Reducing the administrative costs associated with our health care system while improving access and quality;
- Increasing public access to government information;
- Fostering economic development in distressed rural and urban areas;
- Monitoring the environment;
- Expanding opportunities for Americans with disabilities through assistive technologies;
- Energy efficiency (telecommuting, demand-side management);
- Promoting participatory democracy at all levels of government; and
- "Reinventing" government and improving the delivery of government services.

3. Potential areas for collaboration

The Administration firmly believes that the success of the NII hinges on developing meaningful collaboration with different sectors, including business, philanthropy, nonprofits, and others. The Administration is eager to develop a partnership with the philanthropic community, and believes that such a partnership has advantages for both parties.

For purposes of discussion, we have suggested some possible areas for collaboration, including:

1. **Support for NII pilot projects** in areas such as education, health care, libraries, civic networking, sustainable development, community involvement in government decision-making (e.g., electronic rulemaking, town hall meetings on substantive issue areas, etc.) and delivery of government services and information, possibly in partnership with the federal government and other stakeholders.
2. **Research** (broadly defined) on the NII and its applications:
 - Policy development on issues such as universal service and privacy;
 - Evaluation and assessment of pilot projects; and

- Strategies for "scaling up" pilot projects to the national level.
3. Sponsorship of **clearinghouses** for state and local NII initiatives so that practioners and policy-makers can learn from one another.
 4. **Training** to enable end-user communities to use these technologies.
 5. Formation of an **NII Foundation** to enable the foundation community to pool their resources.
 6. **Distribution** of donated hardware.
 7. Support for **NII Fellows** to increase the ability of nonprofit organizations to participate in the development of the NII.

The Administration is not interested in attempting to control the types of activities that foundations fund, nor the types of grantees that foundations support. Rather, we are more interested in developing an ongoing communications channel that may lead to improved planning for complimentary initiatives. This could result in more strategic use of resources.

Potential next steps:

We hope that our November 12 meeting serves as a first step in developing a long-term collaboration in fulfilling the ultimate goals of the NII. We would suggest the following next steps:

1. The foundations could establish a mechanism for the foundation community to communicate with one another and with the Administration around NII issues. The Administration would be prepared to identify a liaison to work with a foundation-led liaison in order to pursue more defined agendas. Such a liaison could serve as a clearinghouse vehicle for sharing activities being pursued by each partner.
2. Further meetings between the Administration and the foundations on more specific topics (e.g. education, sustainable development).
3. Selection of topics for pilot projects.

The Feasibility and Societal Implications of Universal Email Access in the US

A two-year study sponsored by The Markle Foundation

**Principal Investigators: Robert Anderson, Tora Bikson,
Richard Hundley, Bridger Mitchell**

**RAND
P.O. Box 2138
1700 Main Street
Santa Monica CA 90407-2138**

**tel: (310) 393-0411
fax: (310) 393-4818
net: firstname_lastname@rand.org**

Key Questions

Should universal access to email be provided?

- *Social* issues:
 - What are the potential benefits to individuals, organizations and society?
 - What are potential negative consequences of universal access?

Could universal access to email be provided?

- *Technical* issues: universal addressing, directories, confidentiality, filtering, independence from mode of delivery
- *Regulatory and economic* issues: market structure, financing, pricing, obligations to serve

Who would provide what to whom?

- Standards, backbone connectivity, services, ...

Motivations For Universal Email

A Broad Spectrum -- From the Utilitarian to the Idealistic

- **At the Utilitarian End -- *Efficiency & Economic Competitiveness***
 - Email uses information and communications technologies to provide a faster and more efficient means of conveying point-to-point information
 - The potential commercial and economic benefits could contribute to increased U.S. economic competitiveness
- **At the Idealistic End -- *Increased Social Participation***
 - Email makes possible more dialogue among individuals and groups, possibly leading to:
 - New social and political linkages within U.S. society
 - Reduced feelings of alienation and a new sense of “community” on the part of many individuals
 - Revitalized involvement of common citizens in the political process
 - In general, strengthened social and intellectual engagement in U.S. society

Working Definition of Email

“An Electronic Mail System:

- (1) Permits the asynchronous electronic interchange of information between persons, groups of persons, and functional units of an organization; and**
- (2) Provides mechanisms supporting the creation, distribution, consumption, processing and storage of this information...”**

– from RAND N-3017-IRIS, "The Design of the MH Mail System"
by Anderson, Shapiro, Bikson and Kantar (December 1989)

Two-Year Plan of Work

Five tasks:

1. Conduct a comparative review of existing widespread email systems (Tora Bikson)
2. Create several notional alternative designs for a universal U.S. email system (Bob Anderson)
3. For promising system designs, sketch possible policy and regulatory strategies and their economic implications (Bridger Mitchell)
4. Assess the possible social consequences and effects of these alternatives (Tora Blkson)
5. Dissiminate conclusions and recommendations, hold a workshop, and incorporate feedback (Dick Hundley)

Task 1: Conduct a comparative review of existing widespread email systems

- **Review extant information about networks (e.g., email, bulletin boards, conferences, newsgroups)**
 - **Develop a categorizing schema based on distinguishing dimensions, e.g.:**
 - **geographically local vs. widespread use**
 - **residential vs. business access**
 - **specific vs. general focus**
 - **commercial vs. free services**
 - **Query a sample of network administrators about, e.g.:**
 - **usage patterns over time**
 - **functions served**
 - **developing problems, solutions**
 - **the projected future**
 - **Probe for consequences (e.g., changing demands and benefits for users; changes in the nature and structure of organizations; proximity redefined)**
-

Task 2: Create several notional alternative designs for a universal U.S. email system

Some design dimensions:

- **Addressing (extension of Internet; telephone nos; personal identification numbers?)**
- **Directories (X.500? others?)**
- **Choice of standardized mail header and format (or does it matter?)**
- **Interconnection issues: logical transparency across vendors and protocols**
- **Provision of confidentiality, integrity, and authenticity in messages**
- **Types of interactions (bulletin board systems, support for financial transactions, ...)**
- **Tools (options for broadcasting, effective filtering of junk mail, ...)**
- **Functionality of a minimal access device**
- **Starter set of services to make a system attractive**

Task 3: For promising system designs, sketch possible policy and regulatory strategies and their economic implications

- **Organization of the service**
 - public monopoly; private monopoly; competition
- **Organizing infrastructure: what additional resources are needed?**
 - physical; software; administrative/legal
- **Financing: how to pay for universal access?**
 - internal cross-subsidies; excise taxes; general tax revenues; pricing email services
- **Providing access: whose obligation?**
 - Will competitive markets fail in some areas?; What requirements for each franchise/license? Who is eligible for subsidized access?
- **Some policy options:**
 - *regulatory*: standardize protocols and interfaces; legally protect email comm.; open infrastructure markets
 - *economic/financing*: public monopoly on basic service; laissez-faire competition; tax/subsidy transfers to users; operate last-resort supplier

Task 4: Assess the possible social consequences and effects of these alternatives

Trends and Uncertainties (surfaced by an earlier workshop)

- Increased reliance on network of relationships, within and among companies
- Flattened hierarchy
- Changing nature of governance, through many-to-many communication
- “Borders” more permeable

Implications and Research Themes

- New structures of governance possible (but what forms of electronic participation are useful, effective, dangerous, possible?)
- Redefined concepts: company, citizen (linkages and loyalties are subject to change)

RAND Research Background and Findings

Prior RAND Research

- IT impact in manufacturing and service (26 firms)
- How networks influence UN agencies
- Managing public information resources (five nations)
- Information technology planning in Dutch agencies
- Effects of new tools (mfg. HQ, Forest Service, OECD)
- How email shapes social links (retirees and employees)
- Making email official (UN HQ, World Bank, UNDP)
- Low-income telephone assistance programs

Some Lessons Learned

- All groups *can* benefit: age, education, demographics are not major barriers; low-cost equipment, training, and support are critical
- Implementation determines impact: the entire sequence matters (from decisionmaking to use); hardware, software issues are secondary
- Institutional barriers confound the impact: in governmental and business processes, new media operate in policy vacuum

The Importance of Boosting Positive and Ameliorating Negative Impacts of Universal Email

From its earliest beginnings, when it was still dependent on water power, the Industrial Revolution was terribly cruel to those whose lives and livelihood it overturned.

Revolutions are cruel -- it is their nature, because by definition revolutions move too fast for those whom they strike.

**J. Bronowski, *The Ascent of Man*,
Little, Brown and Company, Boston,
1973, p. 286**

Date: Thu, 11 Nov 1993 13:52:55 GMT
From: Kallen E. Tsikalas@demosthenes.ilt.tc.columbia.edu
To: ttate@esusda.gov, jgill@eop.gov
Subject: Looking for Keynote Speaker for NYC Conference

Hi Tom and Jock...

I'm on the ACE e-mailing list, and so although you don't know me, I am familiar with you. :o)

I'm on the planning committee for the annual NYC Conference on Computers for Social Change. This is the 8th year of this conference, and it usually draws 250-300 people from the non-profit sector. Participants include directors and service providers from a variety of community based organizations (health, social services, education, environment...).

This year's theme is "Building Community Through Technology," and we are searching for a keynote speaker. The conference will be held in early June.

Given the focus of ACE, I thought it might be appropriate to have someone from that organization come speak. Are either of you interested or could you suggest others who might fit the bill? Thanks! :o)

I must inform you, however, that we don't have many funds available for the conference. We have received one small grant and a donation from CPSR to organize it. Hunter College School of Social Work provides the space for free. It looks like we would have \$250 at most for a keynote speaker, so the work would be essentially pro bono. :o)

Thanks again....

--Kallen Tsikalas
ket@ilt.columbia.edu
ket2@columbia.edu

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1. CD-Roms of Bills, President's speeches etc.
1. Santa Fe Institute
1. Ace Centers
1. Self-Governance +
new Technologies
1. Sim Health

720-6643

Benton-Foundation: lead org. (woody)

Agenda for Change: 9-15-93 good, but not always in sync.
implied by not as visible =
Some they want to underline some areas.

> problems of content protection.

Public TV analog is missing < into Commons >

> universal Service & Access

> diversity

> jobs equitably distributed, quality

> involving the public in thinking thru.

> Great feeling of promise -

> Access to government info:

> Pilot projects.

> Policy Research.

> IIA Marketing to Foundation Community.

> Business + non-profit + Foundation ← private industry as engine.
and Government < Alberta >

> empowers more speakers

> market structures = what will they look like.

> everyone a producer/consumer

> Brian Arthur is brilliant < Mike Nelson 4-12-93

> Foundation Research agenda - may not map 1:1

> Pooling of resources. rare.

Molly Olsen: Sustainable

NOV 12- 1993

Nil and the Foundations

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Keith McKeown	Pew Charitable Trusts	(215) 575-4810
Victoria Weisfeld	Robt. Wood Johnson Fdn	(609) 243-5926
ANDREW BLAU	Benton Foundation	202-638-5770
Tim Gunn	National Video Resources	212-274-8080
Larry Inuy	NTIA	202-482-1840
ROANNE ROBINSON	NTIP	202-482-1551
Jonathan Sallet	DOC	202-482-4127
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Tom FREEBAIRN

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OMB

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234-8494

401-1000

395-5897

456-2930

395-4504

David Lytel, OSTP
395-6175

Finally, people using accounts on computers on the Internet should change their passwords the next time they use their accounts.