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P1 National security classified information [(a)(1) of the PRA].
P2 Relating to appointment to Federal office [(a)(2) of the PRA].

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PRM Personal records misfile defined in accordance with 44 USC 2201 (3).

RESTRICTIONS

B1 National security classified information [(b)(1) of the FOIA].
B2 Release could disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA].
B3 Release would violate a Federal statute [(b)(3) of the FOIA].
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B9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA].

April 10, 1997

*Great job
Jim!
Frank*

MEMORANDUM FOR THE VICE PRESIDENT

FROM: JIM KOHLENBERGER

SUBJECT: CONNECTING EMPOWERMENT ZONE SCHOOLS

Last year at the Empowerment Zone conference you announced an effort to connect Empowerment Zones schools to the Internet with at least one connection per school. Following is a status report on that effort.

What Has Been Accomplished

This has been a very successful effort. Some of the nation's largest information industry companies have answered your challenge and provided a host of free equipment, services and training including Internet access, computers, teachers training and much more. Some of the national leaders that have contributed to the effort include AT&T, America Online, MCI, Microsoft, PacBell, BellSouth, WorldCom, SouthWestern Bell, Tech Corps, Global Communications, RTEC, the McGowan Foundation, the East-West Foundation, the Detweiler Foundation, the Institute for Learning Technologies, Corning, DSC Communications, ComputerWorld, Bell Atlantic the AFL-CIO, CWA and IBEW. Still other companies made commitments to their local Zone.

The CyberEd truck that you launched from the White House last April trained 4500 teachers administrators and parents from the zones in the use of the Internet while catalyzing local efforts to support your initiative.

The private sector commitments are in addition to more than 2500 computers that the federal government donated to Empowerment Zone schools as a result of the Executive Order you announced last year on computers to schools -- that is enough computers to (on average) ensure that every EZ school has at a minimum a computer lab.

Now nearly 400 schools in the Empowerment Zones have some kind of access to the Internet because of this challenge and a stunning response from the private sector.

What Is Left to Do.

There are some schools, however, who chose not to take advantage of the free offers for a variety of reasons, but usually because they had their own technology plan or were suspicious of the corporate giveaways. While we can bring together industry and labor leaders, make computers, training and Internet access freely available, we cannot and should not force schools

to adopt our technology solutions. Some of the schools who chose not to take advantage of the private sector technology offers are in Detroit. For these schools we are leapfrogging the process by moving aggressively with the help of the AFL-CIO, CWA and IBEW who are providing the manpower and partnering with the local Bells to wire the classrooms through Netdays. Such is the case in Detroit, Rio Grande Valley and Los Angeles where this Saturday huge efforts are taking place to connect classrooms in EZ schools. Our Netday organizers tell us that Detroit's Netday is one of the more aggressive and best organized efforts in the country.

Next Steps

While you can safely say that we have connected every EZ school that has wanted to be connected, we should not announce the completion of the effort yet or risk confusing other significant efforts underway for Zone schools. Those continuing efforts include the efforts of the labor unions and others to provide more robust internal connections through EZ Netdays, more computers through TechDays and two upcoming announcements. We will announce further gains in just a few months when 1) the FCC approves the e-rate which will give every EZ school a 90% discount (the deepest discount) for advanced telecommunication services, and 2) when the Corporate Commission on Educational Technology (the Summer Redstone Group) announces its efforts which will provide thousands more state of the art Pentium multimedia computers for EZ schools.

Attached is a more detailed breakdown of what has been accomplished in the Zones to date.

Empowerment Zone Connection Status

City	# of schools	# of schools connected	Connection Status	Description
Atlanta	18	18	Complete according to AOL	AOL reports that 18 of 18 schools in the EZ are connected.
Baltimore	36	36	Complete according to AOL	AOL reports that 36 of 36 schools are connected.
Boston	17	17	Complete	
Chicago	64	40		Several schools in Chicago chose not to take advantage of the offers. We continue to work with WorldCom to explore high speed connections for Chicago EZ schools.
Cleveland	32	11		Several schools in Cleveland chose not to take advantage of the offers. They have a technology plan in place.
Detroit	39	18		Major Detroit Netday effort to connect schools on Saturday April 19th. The city has a tech plan which will not be completed until the end of 1997.
Houston	34	34	Complete	
Kansas City	18	18	Complete	
Kentucky	18	18	Complete	
Los Angeles	38	38	Complete as of 4/19/97	AFL-CIO, CWA, IBEW and PACBELL are working together to wire the schools on Netday April 19th. PacBell's Education First Program provides 9 ISDN lines per school free for a year and reduced fees thereafter.
Mississippi Mid-delta	13	13	Complete	BellSouth recently decided to provided 38 modems and 38 phone lines to complete the zone.
New York	52	52	Complete per AT&T commitment	AT&T has a major commitment in NY. Asbestos is a problem.
Oakland	33	33	Complete.	Pacbell has wired all schools through Netday and with ISDN connections
Philadelphia/ Camden	23	23	Complete	Bell Atlantic recently committed 9 phone lines completing the effort.
Rio Grande Valley, Texas	20	3		SBC and the unions are doing a major Netday effort on April 19th.

Connecting Classrooms in the Empowerment Zones

AN HISTORIC EFFORT TO CONNECT EMPOWERMENT ZONE SCHOOLS TO THE INTERNET. In February, 1996 Vice President Gore announced a historic effort to connect every school in each of the 15 Urban and Rural Empowerment Zones to the Information Superhighway.

- **Bringing Technology Training To 4500 People In The Empowerment Zones.** Already the CyberEd truck, an information age bookmobile made possible when MCI, Microsoft and a group of other foundations answered the Vice President's challenge, has traveled 25,000 miles to each of the 15 empowerment zones. Since CyberEd left on its journey from the White House, Tech Corps, a private non-profit organization dedicated to educational technology that the President announced last-year, has traveled with CyberEd training more than 4,500 people, including 1,350 Empowerment Zone teachers on the use of the Internet. At each stop, an administration official carried the Vice President's vision for bringing the Empowerment Zones into the information age.
- **2500 Federal Computers to the Empowerment Zones Thus Far.** Because of the Executive Order that the President signed as part of this effort to help target federal surplus computers to the Empowerment Zones, this administration has donated more than 2500 computers to Empowerment Zone schools thus far.
- **TechDays.** Various federal agencies, computer recycling efforts and local communities have come together in efforts known as TechDays where they recycle hundreds of federal surplus and excess computers made available through an Executive Order announced as part of this effort. So far Baltimore and the Rio Grande Valley Zones have held TechDays with one scheduled for the Kentucky Highlands Zone.
- **Connecting Every School.** With the help of early commitments from AT&T and America On Line to provide free Internet access to each of the Empowerment Zone schools, any school in every Empowerment Zone can, if they choose, have access to the Internet. Already, nearly 400 schools are connected to the Information Superhighway.
- **Early Successes.** As a result of the effort thus far, children have access to a whole new world of opportunity and empowerment. For example, school kids in South Central Los Angeles will be able to download the latest images from the Hubble Space telescope, children in Harlem can, as one resident put it "Tech-out of the hood". And in the Kentucky highlands, children who may have never been able to make it to the next town over during their life can now visit the Pyramids in Egypt.

LOCAL SOLUTIONS

As the CyberEd truck visits each Empowerment Zones, it brings community leaders, educators, private sector leaders, and community activists together to catalyze local solutions for educational technology. As a result, many Zones have met the challenge in their own way.

For Example:

- **In New York,** AT&T has committed 5% of its New York regional calling revenues on behalf of customers for the month of June to the Fund for New York City Public Education to help support EZ schools. *As a result,* AT&T's will provide the 50 schools in the EZs (Harlem and the Bronx) with two years of free access to the Internet via AT&T WorldNet Service; technical assistance and training for teachers; grants of up to \$500 for teachers to use for technology-related projects in the classroom; and two computers for each of the 50 EZ schools
- **In Baltimore,** the Office of the Vice President created TECH Day II working with several Baltimore community groups. On August 3, 1996, the pilot project for the implementation of Executive Order 12999 brought six federal agencies together to give more than 400 recycled computers to the Empowerment Zone schools. On TechDay itself, 150 students, parents, teachers, and community volunteers from 20 different

schools and Village Centers in the Baltimore Empowerment Zone came out to test the computers, check for viruses, and load software.

- **In Oakland**, every school in the Empowerment Zone has had a Netday where classrooms have also been connected to a network. PacBell, through its education first program has provided high-speed digital connections to each of 9 classrooms per school at no charge.

Background:

CyberEd: The CyberEd tour was a five-month, 15-city tour initiated by President Clinton and Vice President Gore, which visited each of the Empowerment Zones to: provide hands-on Internet experiences to teachers, administrators, community leaders, parents and students; and to serve as a catalyst for local commitment to educational technology. CyberEd logged more than 25,000 miles, trained more than 4,500 people, including 1,350 teachers on the Internet.

America Online National Commitment: America Online has offered five free accounts to every school in every Empowerment Zone.

AT&T National Commitment: AT&T has offered free Internet to Empowerment Zones schools as part of their Learning Network program. In addition to participating in nearly all of the CyberEd stops, AT&T has encouraged EZ schools to register to participate in AT&T's Learning Network program.

Presidential Executive Order: Presidential Executive Order 12999 signed in April by President Clinton, streamlines the process by which federal agencies can transfer excess computer equipment to America's schools, and prioritizing donation to Empowerment Zones. In conjunction with CyberEd, the federal government donated more than 2500 computers to Empowerment Zone schools.

Those trained during the CyberEd sessions include:

1,350	Teachers
641	Administrators
457	Parents
719	Students
369	Community Members
979	Participated in Family Days (Saturdays)

4,515 total participated in the CyberEd truck.

Zone by Zone Specifics

All Zones have benefitted by the Vice President's announcement

In addition to the:

- ✓ Free Internet access for every school
- ✓ The CyberEd visit and training
- ✓ Commitments made as a result of the CyberEd visit to local zone schools and individual schools by local companies.

There are a number of things unique to each Zone.

- *In New York*, AT&T has committed 5% of its New York regional calling revenues on behalf of customers for the month of June to the Fund for New York City Public Education to help support EZ schools. *As a result*, AT&T's will provide the 50 schools in the EZs (Harlem and the Bronx) with two years of free access to the Internet via AT&T WorldNet Service; technical assistance and training for teachers, grants of up to \$500 for teachers to use for technology-related projects in the classroom; and two computers for each of the 50 EZ schools. Additionally, Columbia University and the Institute for Learning Technologies will be helping coordinate hooking up schools in the New York Zone with robust internal connections. On September 21 and October 19th, the administration will join with thousands of other volunteers in New York to wire schools in the New York Empowerment Zones and throughout the state.
- *In Baltimore*, the Office of the Vice President created TECH Day II working with several Baltimore community groups. On August 3, 1996, the pilot project for the implementation of Executive Order 12999 brought six federal agencies together to give more than 400 recycled computers to the Empowerment Zone schools. On TechDay itself, 150 students, parents, teachers, and community volunteers from 20 different schools and Village Centers in the Baltimore Empowerment Zone came out to test the computers, check for viruses, and load software. Additionally, Education Secretary Richard Riley visited the Baltimore Empowerment Zone with the CyberEd truck to help bring educational technology to Baltimore's EZ school and highlight the administration's commitment. America Online reports that every school in the Baltimore Zone has Internet capability.
- *In Camden, New Jersey/ Philadelphia*. Housing Secretary Henry Cisneros joined CyberEd in Camden New Jersey to help bring technology to the area schools on the very same day the President Clinton, in a commencement speech at Princeton, announced a Netday effort for New Jersey to connect 1,000 New Jersey schools starting with the Empowerment Zone. Netdays are scheduled in New Jersey and Pennsylvania for every Saturday in October. AT&T will train more than 350 New Jersey teachers on using the Internet in the classroom during a one-day training session. Bell Atlantic recently provided 9 phone lines to connect the remaining schools in Philadelphia.
- *In Kansas City, KS/MO*. President Clinton's Science Advisor, Jack Gibbons, joined the CyberEd truck in Kansas City to help bring educational technology to the area schools and reinforce the administration's commitment to this effort. AT&T provided a grant to a local community college to provide scholarships to 100 teachers in the EZ to attend Internet training. On July 31, 1996, in conjunction with CyberEd's visit, the Department of Defense gave approximately 50 286 and 386 machines to Kansas City's Empowerment Zone schools.
- *In Cleveland*. President Clinton's Science Advisor, Jack Gibbons, joined the CyberEd truck in Cleveland to help bring educational technology to the area schools and reinforce the administration's commitment to this effort. On June 19, 1996, in conjunction with CyberEd's visit, NASA gave approximately 100 386 machines to Cleveland's Empowerment Zone schools.

- ***In Atlanta.*** On June 26, 1996, in conjunction with CyberEd's visit, GSA gave several machines to Atlanta's Empowerment Zone schools and promised more in the fall. Global Communications Company, with the help of the Mayor's office, has agreed to help raise money to ensure model educational technology in Atlanta. Atlanta received a TIAP grant from the department of Commerce for about \$300,000 to leverage \$740,000 to for the public schools use of information technology in the Atlanta Empowerment Zone. America Online reports that every school in the Atlanta Zone has Internet capability.
- ***In Mid-Delta Region, Mississippi.*** Jill Long Tompson, Undersecretary for Rural Development at the Department of Agriculture, joined the CyberEd truck in bringing educational technology to the Mid-Delta region. On July 10, 1996, in conjunction with CyberEd's visit, the Department of Agriculture gave approximately 50 386 machines to the Mid-Delta Region's Empowerment Zone schools. Separately, Microsoft is bringing model educational technology to the schools in the poorest counties in Mississippi. BellSouth recently decided to provide 38 modems and 38 phone lines to the Mid-Delta Zone thus giving every zone school a connection to the Internet.
- ***In Houston.*** On July 17, 1996, in conjunction with CyberEd's visit, NASA gave approximately 60 386 and 486 machines to Houston's Empowerment Zone schools. The Zone reports that all 34 of Houston's schools now have access to the Internet.
- ***In Rio Grande Valley Texas.*** On July 24, 1996, in conjunction with CyberEd's visit, the Department of Agriculture gave approximately 50 386 machines to the Rio Grande's Empowerment Zone schools. The Vice President's office worked closely with federal agencies and convened a second Tech Day project to bring surplus computers to the Rio Grande Valley Empowerment Zone schools. On that day nearly 400 computers went to the Rio Grande's EZ schools.
- ***In Los Angeles.*** Los Angeles schools have Internet access through the LA Unified school district. On Netday, April 19th, a major effort to connect the rest of the Zone schools with inside wire and ISDN access will be underway. Larry Irving, Assistant Secretary of Commerce, joined the CyberEd truck to bring educational technology to area schools and highlight the administration's commitment to this effort. On August 14, 1996, in conjunction with CyberEd's visit, the Department of Defense gave approximately 50 286 and 386 machines to the Los Angeles Empowerment Zone schools. As part of California's successful Netday where the President and Vice President joined in a volunteer effort to connect California schools and where our goal was to connect 20% of California schools, volunteers signed up for 30% of the schools in the Los Angeles Zone. On September 26, the administration joined in kicking-off Netday II in South Central LA.
- ***In Detroit.*** Detroit was the very first Zone that the CyberEd visited. The city has a technology plan which will not be completed until the end of 1997. However, on Netday, April 19th, there is a major Netday effort to connect the classrooms in schools in Detroit through this volunteer effort. Also WorldCom has decided to do very high speed Internet access demonstration at a Detroit EZ school.
- ***In Oakland.*** Through Netdays and PacBell's Education first initiative, every school in the Oakland Zone has inside wiring with ISDN access. Larry Irving, Assistant Secretary of Commerce, joined the CyberEd truck to bring educational technology to area schools and highlight the administration's commitment to this effort. On August 20, 1996, in conjunction with CyberEd's visit, the Department of Defense gave approximately 75 286 and 386 machines to Oakland's Empowerment Zone schools. As part of California's successful Netday where the President and Vice President joined in a volunteer effort to connect California schools and where our goal was to connect 20% of California schools, volunteers signed up for nearly 50% of the schools in the Oakland Zone.
- ***In Chicago.*** Sharon Robinson, Assistant Secretary at the Department of Education, joined the CyberEd in bringing model technology to the Chicago region. The Chicago Chamber of Commerce joined with Zone leaders to hold a one day conference attended by 60 business leaders, educational leaders and community activists to explore bringing educational technology the Chicago Zone.

- *In Boston.* Kay Casstevens, Assistant Secretary of Education and Mayor Morino joined the CyberEd truck in helping to bring educational technology to Boston areas schools and highlight the administrations effort. Bill Clinton and Al Gore are supporting Massachusetts Netday to wire classrooms in the Boston Empowerment Zone and throughout Massachusetts on October 26th. The Boston Public Schools and the Boston Enhanced Enterprise Community will soon receive a TIAP grant from the Department of Commerce to bring information technology to the areas schools focussing to improve school to career programs. The grant, worth \$650,000 with leverage almost \$2 million dollars for the total project.
- *In The Kentucky Highlands.* The Center for Rural Development in Kentucky will soon receive a \$383,000 TIAP grant from the Dept. Of Commerce for a dedicated network connecting four regional community colleges and through the network develop educational and training opportunities in these communities.

PHONE INTERVIEW WITH *USA TODAY*

West Wing Office

1:30 - 1:50 PM

Thursday, April 17, 1997

Phone Call requested by Ginny Terzano.

Briefing prepared by Roger Salazar, Jim Kohlenberger, Don Gips.

EVENT

You will be doing a 15 minute phone interview with *USA Today* technology reporter Kevin Maney. This is an opportunity for you to discuss Net Day and other education technology accomplishments. This also is an opportunity for you to discuss your strong record in promoting the growth of the Internet and other technology-related accomplishments.

LOGISTICS

- From 1:30-1:35 pm you will be briefed in your West Wing Office by Don Gips, Jim Kohlenberger, Roger Salazar, and Ginny Terzano.
- From 1:35-1:50 pm you will be interviewed, via phone, by Kevin Maney of the *USA Today*. Mr. Maney is on assignment in New York and will be at USA Today's New York Bureau. (212) 715-5477; back-up (212) 715-5329.

PROGRAM NOTES

- Kevin Maney is the technology writer for the *USA Today*. He was a participant at the media roundtable you conducted on the first anniversary of the Telecommunications Reform Act in February. He will likely ask you questions about Net Day, the Information Superhighway, Digital Television, and the Next Generation Internet Initiative.
- You will likely be doing a Net Day event with President Clinton on Saturday.
- Talking points are attached.

ATTACHMENTS

- Talking Points
- Recent articles by Kevin Maney.

##

Talking Points

- In February of last year, the President and I launched a new national effort to ensure that all children have access to the Internet and are technologically literate by the dawn of the 21st century. We knew that such a bold effort would take the help of everyone so we called on parents, teachers, leading CEOs and others to help make this a reality.
- And we have been making great progress. 65% of our schools are now connected to the Internet. That is almost double the number of schools in 1994. But it is not enough to connect every school; we must connect every classroom and library as well. Since 1994, we have more than quadrupled the number of classrooms with a direct link to the Internet. But the vast majority still do not have access.
- This Saturday is Netday where parents, teachers, business people, union members, and volunteers from all walks of life are connecting tens of thousands of schools, classrooms and libraries to the Internet. Its an electronic barnraising for our children's future. In one day, we will forever change how our children learn as we put the information age at their fingertips.
- But Netday is just one part of our educational technology strategy. We are working to ensure that every school can afford the Internet. The FCC is now considering a plan that could cut in half the cost that most schools pay for access. Internet connections for the poorest schools will be almost free. And we are doubling our commitment to educational technology in the our budget. By doubling our investment in educational technology, by mobilizing Americans across the country to help wire schools, and by dramatically lowering Internet rates -- we will achieve our goal of connecting every classroom to the Information Superhighway by the year 2000.
- Educational technology is just one example of how this administration is ensuring that we as a country are prepared for the 21st century.
 - Last October, the President and I announced a Next Generation Internet initiative -- to connect 100 universities and national labs at speeds that are 100 to 1,000 times faster than today's Internet. This partnership between industry, government, and academia will ensure that America stays at the cutting- edge of new technologies.
 - We've worked with the industry to develop a set of rules which will shortly lead to introduction of the first entirely new television technology for a generation.
 - And we are applying advanced technology to systems that can save lives. For instance, a new air traffic control system which will build on advances in global positioning satellites, advanced digital communications, and powerful computers in air, space and ground equipment will replace our aging air traffic system to meet exploding demands for air travel while making air travel safer.

I have been having a series of discussions with a group of high tech CEOs to stay on top of this rapidly changing field. In fact, I just met with a group this morning.

We came to office with the clear understanding that technology is the engine of economic growth. But we have learned something much more profound -- that technology means something to families too. Technologies like the v-chip can help give parents the tools they need to control what comes into their living room. Educational technology can help parents rest assured that their children are getting a world class education. And tools like telecommuting can give children more time with their parents.

October 10, 1996

Background on Clinton-Gore Administration's Next-Generation Internet Initiative

The Internet is the biggest change in human communications since the printing press. Every day, this rapidly growing global network touches the lives of millions of Americans. Students log in to the Library of Congress or take virtual field trips to the Mayan ruins. Entrepreneurs get the information they need to start a new business and sell their products in overseas markets. Caregivers for people with Alzheimer's Disease participate in an "extended family" on the Cleveland FreeNet. Citizens keep tabs on the voting records and accomplishments of their elected representatives.

We must invest today to create the foundation for the networks of the 21st Century. Today's Internet is an outgrowth of decades of federal investment in research networks such as the ARPANET and the NSFNET. A small amount of federal seed money stimulated much greater investment by industry and academia, and helped create a large and rapidly growing market. Similarly, creative investments today will set the stage for the networks of tomorrow that are even more powerful and versatile than the current Internet. This initiative will foster partnerships among academia, industry and government that will keep the U.S. at the cutting-edge of information and communications technologies. It will also accelerate the introduction of new multimedia services available in our homes, schools, and businesses.

Economic benefits: The potential economic benefits of this initiative are enormous. Because the Internet developed in the United States first, American companies have a substantial lead in a variety of information and communications markets. The explosion of the Internet has generated economic growth, high-wage jobs, and a dramatic increase in the number of high-tech start-ups. The Next Generation Internet initiative will strengthen America's technological leadership, and create new jobs and new market opportunities.

The Administration's "Next Generation Internet" initiative has three goals:

1. Connect universities and national labs with high-speed networks that are 100 - 1000 times faster than today's Internet: These networks will connect at least 100 universities and national labs at speeds that are 100 times faster than today's Internet, and a smaller number of institutions at speeds that are 1,000 times faster. These networks will eventually be able to transmit the contents of the entire Encyclopedia Britannica in under a second.
2. Promote experimentation with the next generation of networking technologies: For example, technologies are emerging that could dramatically increase the capabilities of the Internet to handle real-time services such as high quality video-conferencing. There are a variety of research challenges associated with increasing the number of Internet users by a factor of 100 that this initiative will help address. By serving as "testbeds", research networks can help accelerate the introduction of new commercial services.
3. Demonstrate new applications that meet important national goals and missions: Higher-speed, more advanced networks will enable a new generation of applications that support scientific research, national security, distance education, environmental monitoring, and health care. Below are just a few of the potential applications:

Health care: Doctors at university medical centers will use large archives of radiology images to identify the patterns and features associated with particular diseases. With remote access to supercomputers, they will also be able to improve the accuracy of mammographies by detecting subtle changes in three-dimensional images.

National Security: A top priority for the Defense Department is "dominant battlefield awareness," which will give the United States military a significant advantage in any armed conflict. This requires an ability to collect information from large numbers of high-resolution sensors, automatic processing of the data to support terrain and target recognition, and real-time distribution of that data to the warfighter. This will require orders of magnitude more bandwidth than is currently commercially available.

Distance Education: Universities are now experimenting with technologies such as two-way video to remote sites, VCR-like replay of past classes, modeling and simulation, collaborative environments, and online access to instructional software. Distance education will improve the ability of universities to serve working Americans who want new skills, but who cannot attend a class at a fixed time during the week.

Energy Research: Scientists and engineers across the country will be able to work with each other and access remote scientific facilities, as if they were in the same building. "Collaboratories" that combine video-conferencing, shared virtual work spaces, networked scientific facilities, and databases will increase the efficiency and effectiveness of our national research enterprise.

Biomedical Research: Researchers will be able to solve problems in large-scale DNA sequencing and gene identification that were previously impossible, opening the door to breakthroughs in curing human genetic diseases.

Environmental Monitoring: Researchers are constructing a "virtual world" to model the Chesapeake Bay ecosystem, which serves as a nursery area for many commercially important species.

Manufacturing engineering: Virtual reality and modeling and simulation can dramatically reduce the time required to develop new products.

Funding: The Administration will fund this initiative by allocating \$100 million for R&D and research networks to develop the Next Generation Internet. This increase in FY98 funding will be offset by a reallocation of defense and domestic technology funds. As with previous networking initiatives, the Administration will work to ensure that this federal investment will serve as a catalyst for additional investment by universities and the private sector.

Implementation: The principal agencies involved in this initiative are the National Science Foundation, the Defense Advanced Research Projects Agency, the Department of Energy, NASA, and the National Institutes of Health. Other agencies may be involved in promoting specific applications related to their missions.

October 10, 1996

Qs and As on Next-Generation Internet Initiative

Q 1. Why does the government need to do this, given that the commercial Internet industry is growing so explosively?

The U.S. research community and government agencies have requirements that can not be met on today's public Internet or with today's technology. For example, the Department of Defense needs the ability to transmit large amounts of real-time imagery data to military decision-makers to maintain "information dominance." Scientists and engineers at universities and national labs need reliable and secure access to remote supercomputers, scientific facilities, and other researchers interacting in virtual environments. The productivity of the U.S. research community will be increased if they have access to high-speed networks with advanced capabilities. These new technologies will also help meet important national missions in defense, energy, health and space.

An initiative of this nature would not be undertaken by the private sector alone because the benefits can not be captured by any one firm. The Administration believes that this initiative will generate enormous benefits for the Nation as a whole. It will accelerate the wide-spread availability of networked multimedia services to our homes, schools and businesses, with applications in areas such as community networking, life-long learning, telecommuting, electronic commerce, and health care.

Q 2. What are some of the capabilities that the "Next Generation Internet" will have that today's Internet does not?

Below are just a few of the possibilities. Many new applications will be developed by those using the Next Generation Internet.

- An increased ability to handle real-time, multimedia applications such as video-conferencing and "streams" of audio and video -- very important for telemedicine and distance education. Currently, the Internet can't make any guarantees about the rate at which it will deliver data to a given destination, making many real-time applications difficult or impossible.
 - Sufficient bandwidth to transfer and manipulate huge volumes of data. Satellites and scientific instruments will soon generate a terabyte (a trillion bytes) of information in a single day. [The printed collection of the Library of Congress is equivalent to 10 terabytes.]
 - The ability to access remote supercomputers, construct a "virtual" supercomputer from multiple networked workstations, and interact in real-time with simulations of tornadoes, ecosystems, new drugs, etc.
 - The ability to collaborate with other scientists and engineers in shared, virtual environments, including reliable and secure remote use of scientific facilities.
-

Q 3. Is it still Administration policy that the "information superhighway" will be built, owned, and operated by the private sector?

Absolutely. The Administration does believe that it is appropriate for the government to help fund R&D and research networks, however.

Partnerships with industry and academia will ensure that the results of government-funded research are widely available.

Q 4. Will this benefit all Americans, or just the research community?

By being a smart and demanding customer, the federal government and leading research universities will accelerate the commercial availability of new products, services, and technologies. New technologies have transitioned very rapidly from the research community to private sector companies. For example, Mosaic, the first graphical Web browser, was released by the National Center for Supercomputing Applications in 1993. By 1994, Netscape and other companies had formed to develop commercial Web browsers. Today, millions of Americans use the Web.

The public will also benefit from the economic growth and job creation that will be generated from these new technologies, the new opportunities for life-long learning, and research breakthroughs in areas such as health.

Q 5. What, if anything, will it do about "traffic jams" on the Internet, or the ability of the Internet to continue its phenomenal rate of growth?

The lion's share of the responsibility for dealing with this problem lies with the private sector. Internet Service Providers will have to invest in higher capacity, more reliable networks to keep up with demand from their customers.

However, this initiative will help by investing in R&D, creating testbeds, and serving as a first customer for many of the technologies that will help the Internet grow and flourish. One of the goals of the initiative is to identify and deploy technologies that will help the Internet continue its exponential rate of growth. Examples include:

- Ultra-fast, all-optical networks
- Faster switches and routers
- The ability to "reserve" bandwidth for real-time applications
- A new version of the Internet Protocol that will prevent a shortage of Internet addresses
- "Multicast" technology that conserves bandwidth by disseminating data to multiple recipients at the same time
- Software for replicating information throughout the Internet, thereby reducing bottlenecks
- Software for measuring network performance
- Software to assure reliability and security of information transmitted over the Internet

Q 6. How does this initiative relate to existing government programs, such as the High Performance Computing and Communications Initiative? Will this be a totally new network?

The initiative represents an increase in the HPCC budget. The initiative will include both: (1) an expansion and augmentation of existing research networks supported by NSF, the Department of Defense, the Department of Energy, and NASA; (2) new networks; and (3) development of applications by agencies such as the National Institutes of Health.

Q 7. Are more technical details on the initiative available?

The Administration intends to consult broadly with the research community, the private sector, and other stakeholders before developing the final technical details for this initiative.

 **High-tech**

02/06/97 - 09:55 AM ET - Click reload often for latest version

The high-tech world according to Gore

WASHINGTON - A computer in every home? Vice President Gore says it's inevitable. A competitive communications industry? He says be patient, it's coming.

Gore talked technology with a group of reporters Wednesday, a day after President Clinton peppered his State of the Union address with technology references and one year after Congress passed telecommunications deregulation, which Gore championed.

Gore, in a buoyant mood and sipping tea, expanded on some of Clinton's points and defended the telecom law. Some of his comments:

A wired nation

In the State of the Union, Clinton talked of wiring every classroom, library and hospital to the Internet by 2000. Gore says the effort "has taken great strides forward." The administration will push to get children's hospitals linked first, expanding quickly to every hospital, Gore says. Fees now paid by communications companies into a fund to guarantee universal phone service will provide \$2.3 billion annually toward the effort.

In his address, Clinton also called for "a computer in every home" over the next decade - a stunner to the personal computer industry, which is having trouble pushing PCs into more than one-third of homes. So is there a government-backed PC subsidy program coming?

Apparently not. Gore talks of a natural evolution toward a computer in every home. He half-joked that while that sounds like a boom for Microsoft, the evolution might not involve only typical PCs but include WebTV, which turns a TV set into an Internet browser, and cheap Java-based network computers. "Down the road," Gore says, "most people see a future with data processing in every home."

Coming competition

Critics of the telecommunications law say it hasn't worked. Cable TV rates are up. Some cable companies have backed off plans to compete against local phone companies.

Gore says take the long view. "This is the first year of a process of change that will take quite some time," he says. New competition from the likes of DirecTV will keep rates from going higher until even more competition comes, Gore says.

As for cable companies backing off investments in new high-tech systems, which could offer phone service and cable-modem Internet access. Gore says: "I am a little surprised by that." He adds that such companies will fall behind, while, "Those that invest will be rewarded."

Digital TV

As digital television rolls out starting in 1998, broadcasters will be awarded additional air space to send out the digital signals. Gore clearly wants broadcasters to then be required to air public interest programming, such as children's or community shows.

To get there, the White House will form a "special advisory group" to study the issue and report to Clinton in one year. The group will probably be made up of broadcasters, educators and others. Once the



group makes recommendations on what should be required of broadcasters, the White House will pass the recommendations to the Federal Communications Commission, which will then vote on a ruling.

By Kevin Maney, USA TODAY

- [Go to High-tech index](#)
 - [Go to Life Front](#)
 - [Go to Lifeline](#)
 - [Go to Money Front](#)
 - [Go to Moneyline](#)
 - [Go to News Front](#)
 - [Go to Nationline](#)
-

- [Go to Web Traveler](#)

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Kevin Maney

Discussion and E-Rate Announcement

National Geographic Building, 1145 17th Street
12:50 p.m. - 1:40, Wednesday, May 7, 1997

Meeting requested by Don Gips and Jim Kohlenberger.
Briefing prepared by Jim Kohlenberger and Toby Donenfeld.

EVENT

You will participate in a two-part event to highlight the FCC's decision to provide \$2.2 billion per year to connect classrooms and libraries across the country to the Internet. First, you will take a virtual field trip to Yellowstone national park with students at this site and across the country who are participating in the Jason Project. This event is being carried both live over the Internet and live via satellite to 30 sites. Second, you will join with Reed Hundt, Secretary Riley, Senators Snowe and Rockefeller (pending votes) to hail today's FCC decision on the e-rate and to announce \$13.5 million in educational technology grants to six states.

The audience for the Jason Project is primarily students from around the country. The audience for the e-rate announcement is made up of the leadership of EDLINC, a coalition of education and library groups that have been working together to ensure effective implementation of the Snowe-Rockefeller provision. This event is open press.

LOGISTICS (As of this writing, subject to change)

- At 12:55 p.m., You will be introduced on stage by a scientist tbd.
- You will greet the participants seated on the stage.
- You will make brief informal introductory remarks to the students.
- At 1:00 p.m. Jason Project introduction begins.
- Dr. Ballard will appear live on the screen from Yellowstone and begin the program.
- Dr. Ballard will introduce you and Secretary Riley and say hello from Yellowstone. (this event is being carried both live over the Internet and live via satellite to 30 sites).
- You make brief remarks greeting all participants and Dr. Ballard You must ask Dr. Ballard "How does all this (the Jason Project) work?"
- A student will explain the Jason Project network.
- Dr. Ballard asks you how this technology and the Internet will be used in schools.
- You briefly explain the potential educational applications of linking schools and libraries to the Internet.
- A student asks Secretary Riley a question. Secretary Riley answers.
- Program continues with explanation of geysers and volcanos.
- Dr. Ballard cues you to introduce a student (Advance will supply student's name and location), who will be online and operating remotely a skycam mounted on top of Old Faithful Lodge.

- You will ask the student to remotely move the camera left and right and zoom in on the Old Faithful geyser or another geyser. (Ask him to find something).
- You will deliver your concluding remarks, highlighting the importance of and the power of this type of technology.
- You depart the stage and proceed to hold (while press move).
- You proceed to second floor auditorium.
- You, accompanied by Secretary Riley, Senator Rockefeller and Senator Snowe will be announced to the podium by Chairman Reed Hundt.
- Chairman Hundt will introduce Senator Snowe.
- Senator Snowe will deliver brief remarks and introduce Senator Rockefeller.
- Senator Rockefeller will deliver brief remarks and introduce Secretary Riley.
- Secretary Riley makes brief remarks and introduces you.
- **You deliver brief remarks and depart.**

YOUR ROLE/CONTRIBUTION

- This event provides you with the opportunity to hail the FCC's ruling on the e-rate and explain how this answers your call to connect all classrooms and libraries across the country to the Internet.

PROGRAM NOTES

E-Rate

- The e-rate, mandated by the 1996 Telecommunications Act, extends universal service to schools and libraries. It is an opportunity to ensure that all schools and libraries have affordable access and that no one is denied access because of an inability to pay. On November 7, 1996, the Federal Communications Commission's Federal-State Joint Board on Universal Service recommended that K-12 public and private schools and libraries receive discounts for telecommunication services, Internet access, and connecting classrooms (E-Rate). This bipartisan and unanimous recommendation to provide schools and libraries with affordable and universally available access to telecommunications will have been approved earlier in the day. You and the President have called for this on many occasions starting with your January 11, 1994 Speech at UCLA when you set a goal of connecting every classroom and library to the Internet by the year 2000.

Key Elements of the E-Rate include:

- Up to \$2.25 billion for funding the discounts will be available annually for public and private K-12 schools and libraries.
- All commercially available telecommunications services are eligible for discounts.
- Internet access for schools and libraries is subject to the discounts.

- Internal wiring or networking is included and subject to discounts.
- Discounts ranging from 20%--to--90% on a sliding-scale formula. The level of discounts for schools are determined by a combination of two factors -- percentage of students eligible for Free or Reduced Priced Lunch and geographic location. The average discount will be about 60% and one-third of all schools will receive discounts of 80%--to--90%.

Technology Literacy Challenge Grants

- The **Technology Literacy Challenge grants** help to make clear that our commitment to educational technology goes beyond connections to the Internet and include: high quality computers, educational software and professional development for teachers. These grants will be used to achieve all educational technology goals.
- Technology Literacy Challenge Grants you are announcing today:

Arkansas	\$2,113,832
Colorado	\$1,872,235
New Jersey	\$3,954,548
North Dakota	\$1,000,000
Oregon	\$1,894,570
South Carolina	\$2,596,840
Totaling:	\$13,432,025

ATTACHMENTS

- Your remarks.
- Background on the Jason Project.
- Q&A on the E-Rate.

JASON PROJECT

The JASON Project was founded in 1989 by Dr. Robert D. Ballard following his discovery of the wreck of the RMS Titanic. Dr. Ballard will be center screen today from Yellowstone. After receiving thousands of letters from children who were excited by his discovery, Dr. Ballard and a team of associates dedicated themselves to developing ways that would enable teachers and students all over the world to take part in global explorations using advanced interactive telecommunications. The JASON Foundation for Education, which was founded to administer the project, sponsors an annual scientific expedition which is the focus an original curriculum developed for grades 4 through 8. During the expedition, students can take part in live, interactive programs which are broadcast using state-of-the-art technology to a network of educational, research, and cultural institutions in the United States, Mexico, Bermuda, and the United Kingdom.

This year's expedition is "Jason VIII: Journey From the Center of the Earth," and explores two of the earth's geologically unique locations, Iceland and Yellowstone. Students around the world participate in the exploration by conducting local investigations that parallel the work of JASON scientists. JASON VIII addresses three questions: 1. What are the earth's physical systems? 2. How do these earth systems affect life on earth? 3. What technologies do we need to study these systems and why? Through the JASON project web site, students can follow the progress of experiments conducted jointly by students and teachers in both Yellowstone and Iceland by reading their expedition journals, taking part in scheduled live online chats and taking virtual tours of the expedition sites. Teachers can find curriculum tips and online projects for their classes.

The JASON Project is a great example of the kind of virtual field trip that classes can take when they have access to the Internet, made possible by the e-rate.

As an educational program, the JASON Project emphasizes an advanced approach to teaching and learning in which teachers become "facilitators" or "managers" of the learning process for their students. The JASON Project integrates multiple program components that help teachers to understand and connect with the National Education Goals. These key educational components include distance learning technologies, innovative curricula, online systems, community based partnerships and teacher professional development programs. The JASON Project is sponsored by Electronic Data Services (EDS), the National Geographic Society, Bechtel, Sprint, Sun Microsystems, Eastman Kodak Company, ICI and the National Science Center Foundation, Inc.

E-Rate Q&A

Q. Why is Technology so important for teaching and learning?

A. The importance of education to the well-being of this country is beyond debate. Few would deny the proposition that educational curriculum effectively integrated with technology are two fundamental keys to our participation in the Information Age. In fact, technology is to today's classroom what paper and pencil were to yesterday's classroom. In fact, technology is the paper, pencils, encyclopedia, dictionary, thesaurus, and library all rolled into one.

Also, connections to experts, real data, learning tools, and extensive libraries, have only been available to a few schools. Now, with telecommunications, every classroom from the most rural to the most disadvantaged can connect with and access these important resources.

Q. Do you think that the American Public supports the E-Rate?

A. Yes. Most Americans believe that telecommunications discounts for schools and libraries is prudent public policy. According to a 1996 poll by the National School Board Association, 81 percent specifically express support for the concept. Affordable communications costs, classroom connectivity to on-line resources, technology training and support for teachers, and effective integration of technology and curriculum objectives in combination promise to propel this nation into the next century with the skills and capabilities needed to remain a world leader.

Q. Will the FCC decision to provide schools and libraries with up to \$2.25 billion a year worth of Universal Service support lead to higher telephone rates?

A. No, not if part of a comprehensive restructuring of the universal service mechanism. As part of the 1996 Telecommunications Act the FCC must take action to reform access charges. As you know, access charges are what long distance companies are charged by local telephone companies to originate and complete long distance calls. By lowering the amount that long distance companies pay in access charges, the long distance industry will be able to provide the funds to cover universal service for schools and libraries as well as lower their rates for long distance calls. Moreover, over the long run, the creation of an effectively competitively local telecommunications service market will lead to lower prices for consumers.

Q. Will \$2.25 billion be the actual level of support?

A. Yes. The Federal-State Joint Board on Universal Service recommended \$2.25 billion in annual support for schools and libraries. The FCC continues to be committed to that level of funding. In addition, let's remember that the average discount is about 60 percent. This means that schools and libraries will have to supplement these discounts with state and local funds.

Q. Will there be delays in implementing this fund and making it a reality for the next school year?

A. We hope not. The Administration is working hard to ensure that there is an administration mechanism in place and technical assistance available for schools and libraries. What can happen is that in the first six months of the fund, that is January through June, only about half of the \$2.25 billion is available. That makes sense because we are only covering half a school year. Thereafter, up to \$2.25 billion in discounts would become available on an annual basis.

July 24, 1997

RECOMMENDED PHONE CALL

TO: Senator Rockefeller

RECOMMENDED BY: Don Gips
Jim Kohlenberger

PURPOSE: Senator Rockefeller has called you concerning a proposal by Congress to adjust the Universal Service payment schedule to make up budget shortfalls in the reconciliation bill. This budget gimmickry, which we oppose, could dramatically effect payment of the e-rate to schools and libraries and could possibly lead to higher rates.

BACKGROUND: Key budget conferees are working to delay universal service payments from FY 2002 to FY 2003 to close a \$2 to \$4 billion budget shortfall.

Where the problem comes from. The shortfalls in the bill is the result of deviations from the budget agreement on specific policy proposals. In particular, the current draft of the bill does not include a firm date for the return of analog spectrum made available as a result of the transition to digital broadcasting. CBO has reduced scoring by \$1.8 billion as a result of lower expected values due to uncertainty of the return.

We believe that a firm date is good policy. The broadcasters received second channel digital spectrum at no charge which has been estimated to be worth between \$12-70 billion. In exchange for receiving this spectrum at no charge, they agreed to a rapid build-out of digital technology and to return spectrum freed up by the increased efficiency of the new technology. The broadcasters have successfully convinced the conferees to include a mandated extension of the analog return, calling into question whether this spectrum will ever be returned.

Possible Compromise Language. OMB has discussed language with the Budget Committee staff that would increase payments into the fund in 2001 by providing an appropriation to the fund, thus allowing carriers to hold on to \$2B of their collections. The \$2 billion appropriation would be repaid through a transfer of

funds in 2002. Carriers would deposit the \$2 billion they withheld in 2001 in 2002. CBO has indicated that this would create the desired scoring effect of additional revenues in 2002, but would not have any impact on the revenues coming into or being paid by telecommunications carriers.

TOPICS OF DISCUSSION: Talking Points Attached.

CONTACT PERSON AND
TELEPHONE NUMBER(S):

DATE OF SUBMISSION: July 24, 1997

ACTION: _____

Universal Service Fund Gimmick: Talking Points

It is our understanding that the Congress is considering adjusting the Universal Service payment schedule to make up budget shortfalls in the reconciliation bill. We share your concerns regarding this proposal.

The Administration did not initiate this proposal. We view it as a gimmick and believe that good policy should be implemented instead.

If forced to accept adjustment to Universal Service payments, the Administration could only accept a proposal that did not in anyway undermine telecommunications carriers ability to provide universal access to telecommunications services. The Administration could not support any deferral of payments which would in essence force telecommunications carriers to provide an interest free loan to the government, to terminate services, or to raise rates.

And you know how important the funds made available through Snowe-Rockefeller are to me and to meeting our goal of connecting every school and library by the year 2000.

We are still fighting for the analog give back. This would solve the problem but it is probably an uphill battle.

There may be some language that I am told OMB has discussed with Budget staff that helps to make up for the budget shortfall while not having an impact on the revenues coming into or being paid by telecommunications carriers.

United States Senate

WASHINGTON, DC 20510

DRAFT

Dear Colleague:

We are writing to inform you about a particularly outrageous provision that is contained in the Conference Report on the budget reconciliation bill that seriously undermines one of the foundational principles of the Telecommunications Act, namely, that universal service be preserved. It is our understanding that the Conference Report will include a modified version of a House-passed provision that uses universal service funds to balance the budget. This is totally outrageous in our judgement and this budget gimmick ought to be deleted from the bill.

For the first time, universal service support – which does not in any way touch the Federal Treasury – will be manipulated by federal law in such a way that rural and high cost areas will lose billions of dollars in support that is necessary to keep telecommunications services affordable. This unprecedented raid on universal service will not only drive local phone rates up but it will also renege on the commitment made under the Telecommunications Act to provide schools, libraries, and rural health facilities with discounted services.

According to the language in the Conference Report, universal service expenditures would be limited by billions of dollars less than what is collected in the year 2002. While the provision would permit the universal service funds collected to be carried over after 2002, this could create a serious problem in 2002 that could force phone rates up (because high cost funds would not be available) and it could mean that many qualifying schools and libraries would not receive the discounts that were mandated under the Telecommunications Act.

This provision marks a very dramatic change in universal service policy and will for the first time, require the warehousing of universal service funds for the purpose of achieving "budget savings." While this is a gimmick, it will have an actual affect on universal service support in 2002 and could result in an increase in phone rates in rural, high cost areas that rely upon the high cost fund.

This gimmick is the plug designed to fill the gap for shortfalls in the revenue projections from other provisions in the reconciliation bill. What is really outrageous about this is that universal service revenues never touch the federal treasury, yet this support system would be used to reach a balanced budget through an interest-free loan to the federal government. When Congress directed reforms in universal service under the

Page Two
DRAFT

Telecommunications Act it never envisioned that these support mechanisms would be manipulated by the federal budget process. In our judgement, this provision in the reconciliation bill contradicts the federal law that requires that universal service support mechanisms be sufficient to preserve and support universal service [cf: 47 U.S.C.(b)(5)].

We urge you to contact the Senate Conferees and express opposition to the universal service provisions in the budget reconciliation bill.

Sincerely,

Byron L. Dorgan
U.S. Senate

John Rockefeller
U.S. Senate

Robert J. Kerrey
U.S. Senate

Olympia J. Snowe
U.S. Senate

Under the appropriations bill approved July 23, spending from the transportation trust funds would increase significantly, from \$26 billion this year to almost \$30 billion in FY 1998. But adding the revenues from the 4.3 cents would mean that the balance in the Highway Trust Fund would begin to grow steadily and steeply in the next few years, adding pressure on Congress to either allow significantly increased spending on the programs or take the trust fund off budget, as House Transportation and Infrastructure Committee Chairman Bud Shuster (R-Pa) has proposed.

Shuster, who has supported shifting the 4.3 cents to the trust fund, may include his legislation (HR 4) to take the trust fund off budget in the ISTEA reauthorization bill that he plans to move in September, according to Rep. Nick Rahall (D-WV), the ranking Democrat on the Surface Transportation Subcommittee. "It's been mentioned privately," Rahall told BNA.

However, if conferees shift the tax to the trust fund without also creating a spending mechanism, other officials said the Transportation Committee may include their own in the ISTEA rewrite. But an aide said no decisions have been made on that issue.

"It's too early to tell," the aide said.

By NANCY OGNANOVICH

Communications

Budget Plan to Tap Rural Phone Funds Draws Outrage From Hill, Industry Sectors

Some Capitol Hill and telephone industry sources voiced strong opposition July 23 to a plan that would close a budget gap by temporarily tapping a fund used to subsidize rural phone rates and Internet access for schools and libraries.

Key budget conferees have decided to delay "universal service" payments from fiscal year 2002 to FY 2003 in order to make up for a shortfall in five-year revenue projections for new auctions of the airwaves (141 DER A-30, 7/23/97).

The amount of deferred payments was likely to be \$2 billion to \$4 billion, but the exact figure would depend on the final gap between spectrum auction scoring and the net revenue target for the commerce committees set by congressional and budget leaders.

One Senate Democratic aide said the budgetary maneuver had "huge implications."

"This is ridiculous. They're gutting universal service," the aide said. "There is no doubt this is going to raise phone rates in the year 2002."

Another Senate Democratic aide also called the budget maneuver "horrible policy" that would subject small carriers to "incredible burdens."

"We're outraged by the whole thing," said Tom Wacker, lobbyist for the National Telephone Cooperative Association (NTCA), a trade group for small rural phone companies.

An official for a group representing mid-size local telcos similarly said that the conferees' bid "to play a budgetary shell game is absolutely outrageous."

"This is a completely unprecedented raid on the universal service fund that was designed to protect rural Americans from paying unreasonably high phone bills," said David Zesiger, executive director of the In-

dependent Telephone and Telecommunications Alliance (ITTA), in a statement.

"Roads Tied". But it is unclear if the opponents will have the muscle to derail the plan.

One Senate Republican aide called it a "done deal."

"It sure sounds like an uphill battle," Wacker admitted.

Commerce committee chairmen objected to dipping into the universal-service funds, but were given their marching orders by Senate Majority Leader Trent Lott (R-Miss), House Speaker Newt Gingrich (R-Ge), Senate Budget Committee Chairman Pete Domenici (R-NM), and House Budget Committee Chairman John Kasich (R-Ohio), aides said.

"Our hands are tied at this point," said Mark Buse, an aide to Senate Commerce Committee Chairman John McCain (R-Ariz).

Buse said McCain has always had "real problems" with the budget-driven auction process and also had "strong reservations" about altering the timing of phone subsidies. He said McCain will seek as early as next year to undo the universal-service provision.

"Our intention is to remove this from law before it ever goes into effect," Buse said.

Staffers said that the commerce committee conferees on the budget legislation (HR 2015) planned to sign off on their piece of the bill July 24.

An administration official declined to comment.

Representatives of larger local and long-distance carriers also had little to say.

Warnings of Legal Action. If the proposal is enacted, some parties are already talking about challenging it in court, arguing that it would represent an unconstitutional taking because it would hold funds raised from private carriers intended for use by other private carriers.

"It's allowing government to have use of this money for a period of time," said Walker, who said his understanding is that some carriers would have subsidies withheld for 3-6 months.

"This sets a dangerous, dangerous precedent," said one of the Senate Democratic aides. "It's more than a gimmick. It's going to have a real effect. You're going to see budgeteers manipulating this for years to come... And not a dime is going to touch the federal treasury."

The latest Congressional Budget Office estimate was that the auctions would raise \$21.4 billion, almost \$5 billion short of the \$26.3 billion expected from the commerce committees under the balanced budget deal. But CBO is preparing a new estimate and congressional leadership may not demand the commerce conferees come up with the full \$26.3 billion figure, staffers said.

"The bottom line is that this would amount to a back-door tax increase, pure and simple," said ITTA's Zesiger.

Wacker said his group has been battling CBO and the Office of Management and Budget to keep the universal-service funds off budget, but so far had been unsuccessful.

"All along the way, people on the Hill said don't worry, it'll never be a problem," he said. "And here we are."

By DAVID KAUF

zling quiescence of inflation." He said technological change, and a surge in capital investment in high-tech equipment since 1993, may have boosted worker productivity though it is too soon to say if it has resulted in a "true" productivity advance.

A heightened sense of job insecurity—reflecting the pace of corporate restructuring and workers' fears that their skills may be obsolete—has kept wage gains "subdued," Greenspan said. In addition to technological change, he noted, there have been other factors restraining price increases, including the strong dollar of the past two years that has pared import prices as well as the increasing deregulation of telecommunications, motor and rail transport, utilities and finance.

Greenspan told the hearing that many of these forces "are limited or temporary" which means that, at some point, cost and price pressures will tend to reemerge.

Reasonably Confident on Inflation. He said the Fed is "reasonably confident" that inflation will be "quite modest" for 1997 as a whole, noting that the CPI projection is lower than what the Fed policymakers had anticipated in February. But he also reminded the hearing that the central bank must respond to new information, because monetary policy works with "significant lags."

"With considerable momentum behind the expansion and labor market utilization rates unusually high, the Federal Reserve must be alert to the possibility that additional action might be called for to forestall excessive credit creation," Greenspan said.

The Fed chairman, in exchanges with committee members, defended the Fed's record, telling the panel that "our goal . . . is to maintain maximum sustainable economic growth."

When Rep. Barney Frank (D-Mass.) told Greenspan that "you are resisting the good news" that inflation can be held in check despite low unemployment and declared that the FOMC are "12 pessimists in search of some gloom," Greenspan said if the Fed policymakers sound cautious it is because they believe there is an "extraordinary" benefit to society in general in keeping the expansion going.

He told Rep. Bernard Sanders (Ind-Vt) that "you are assuming we are a group of elite central bankers that don't know what's going on in the world" and said he would not favor Sanders' proposal to raise the minimum wage to \$5.50 an hour because that would shut too many people out of jobs.

When the subcommittee chairman, Rep. Michael Castle (R-Def), asked what can be done "to lift all boats" in the current expansion, Greenspan said he would attribute the problem of widening income inequality to a "fairly dramatic increase in technology" that has put a greater premium on education. The answer, he said, lies in boosting education and on-the-job training.

Greenspan also told Castle that the toughest budget balancing work lies ahead, because there are "inexorable demographics" at work that will result in large numbers of people retiring after 2009, and thus increase spending for particular federal programs.

"The really tough budget work, I regret, is in front of the Congress, not behind it," the Fed chairman said.

By DIANA L. GREGG

Text of Greenspan's testimony and the report appear in Section 1.

Communications

Budget Conferees Eye Closing Spectrum Gap By Delaying Rural Phone Subsidies in 2002

House and Senate budget conferees are planning to use a budgeting maneuver that could affect rural phone rates in 2002 to make up for lower than expected revenues from auctioning the airwaves, Republican and Democratic sources told BNA July 22.

Key budget conferees are planning to close the spectrum revenue gap by deferring telephone "universal service" subsidy payments in the year 2002, congressional staffers said.

Commerce committee conferees have reached agreement in principle on revenue provisions under their jurisdiction and are hoping to nail down final language July 23, the sources said.

The lawmakers are \$3 billion to \$4 billion short of achieving the \$26.3 billion in net revenues expected of them in legislation (HR 2015) to balance the budget by fiscal year 2002, aides from both parties said.

To make up the difference, key conferees have agreed to shift at least some universal-service payments from FY 2002 to FY 2003, the staffers said.

"It's a plug number," said an aide to Rep. John Dingell (D-Mich.), ranking minority member of the House Commerce Committee. "It becomes an interest-free loan for the government."

A Republican source confirmed that conferees were planning to defer the universal-service payments.

"It's a typical budget gimmick that has no basis in good common sense or fiscal responsibility," the Dingell aide said. "They're going to take affordable telephone service and hold it hostage."

Universal-service subsidies, which are collected from telecommunications carriers, are intended, among other things, to keep local phone rates down in rural, high-cost areas. Under a recent Federal Communications Commission order, they are to be used to help give schools and libraries discounted Internet access.

Leadership Plays Hard Ball. The exact amount of universal-service subsidies to be deferred will depend on the Congressional Budget Office's final scoring of spectrum auction revenues, the Dingell aide said. The latest estimates were that the spectrum auction provisions would raise just \$22.3 billion, \$4 billion short of the Commerce conferees' revenue target, the aide said.

The GOP source said the amount would more likely be in the \$3-3.5 billion range.

Commerce conferees had thought they would not be forced to meet the \$26.3 billion target for spectrum auctions established in the balanced-budget deal negotiated by the administration and congressional leaders. CBO had scored the spectrum provisions in the House budget bill at \$20.3 billion and in the Senate bill at \$17.8 billion.

But congressional leaders recently told the chairman of the commerce committee, Sen. John McCain (R-Ariz) and Rep. Thomas Bliley (R-Va), that they would have to make up the shortfall after all, the sources said.

"Obviously throughout this whole process, good scoring is more important than good policy," the Dingell aide said. "We're not playing a baseball game here. We're talking about affordable telephone service; we're

NCTA Cable Modems for Classrooms

BET Studios, Washington D.C.

8:30 am - 8:45 am, Tuesday September 30, 1997

Meeting requested by Lorraine Voles/Jim Kohlenberger

Briefing prepared by Jim Kohlenberger/Roger Salazar

EVENT

You are taking place in a national in a television program which celebrates the Cable industries commitment to providing cable modems to schools to help meet your goal of connecting every classroom by the year 2000. This 5 minute segment taped segment will be a part half hour television program aired live on the Learning Channel and beamed via Satellite and the Internet to 80 local events across the country at 11:30 today. The Learning Channel has more than 55 million viewers. Your segment includes Bernie Shaw (the program host) and three featured students from Francis Hammond School in Alexandria who will talk about Internet web sites they have used in their classes. **A script is attached.**

LOGISTICS (As of this writing, subject to change)

- After introductions to the students, you will begin taping the program with **Bernie Shaw** who introduces you and asks you to talk about the importance of educational technology. A script is attached.
- You then chat with three students from **Francis Hammond School** where they will show you web sites with which the students are familiar.

The three Students are:

- ✓ **Miké Webb** (a 6th grader) is focused on Australia-related sites which he used in a festival of "learning" project, as well as military aircraft sites, since his dad is a former navy pilot.
- ✓ **Enstart Hamid** (7th grader) is focused on the rain forest and the home page of Francis Hammond School.
- ✓ **Jacob Forstater** (7th grade) is interested in biology and may show you a site where students can dissect electronic frogs, rather than the real thing (Jacob is an animal lover.)

YOUR ROLE/CONTRIBUTION

This is an opportunity to highlight the kind of exciting things that the private sector is doing in response to your challenge to them to hook up every classroom to the Internet.

Perhaps more importantly, you can also showcase how educational technology is opening up new resources previously out of reach but that are now connecting children to their future.

PROGRAM NOTES

- **Cable's High Speed Education Connection.** In July 1996, the cable television industry launched Cable's High Speed Education Connection, a program designed to put America's students and teachers on the information superhighway by providing a free high speed cable modem and basic Internet connection to schools in communities where cable systems offer high speed Internet access commercially. Cable modems can provide Internet access at speeds more than 50 times faster than data downloaded with a standard modem over conventional telephone wiring. In the first year alone, nearly 1000 schools have been hooked up. That number should expand even more rapidly as cable provided Internet access becomes more common.
- **Today's program.** During the program, they will mark the first year of the program, look to the next year and cite additional communities added to the effort, announce a new Internet-based teacher training program called webTeacher (a joint project of the cable television industry and Tech Corps), and profile students and teachers who are effectively and creatively using high speed Internet connections in their classes.
- **WebTeacher.** WebTeacher was created by a pair of teachers from Tennessee, JoAnn and Michael Guidry. It is a comprehensive, 80-hour Internet training tool that can be used either as a guide for structured teacher training sessions or as a self-paced workbook for individual teachers. WebTeacher will now be available to teachers everywhere 24 hours a day to teachers who have Internet access. As you recall, you and the President first launched TechCorps two years ago, now they are the joint partners on this and many other projects.

ATTACHMENTS

- Script

**NATIONAL CABLE TELEVISION ASSOCIATION'S
"CABLE'S HIGH SPEED EDUCATION CONNECTION"
DEMONSTRATION EVENT**

SEQUENCE OF EVENTS AND TALKING POINTS

NOTE: You are taping a segment for a nationally televised special on the cable industry's commitment to providing cable modems to classrooms. You will be introduced to the students in the audience and CNN's Bernard Shaw will ask you two questions. You will then join three students in demonstrating the Internet as a classroom tool. The sequence of events will be as follows:

(Bernard Shaw will introduce you. As you enter, he will cross over to greet you.)

BERNARD SHAW: Thank you for joining us, Mr. Vice President. You and President Clinton have challenged private industry to get our schools connected to the Internet by the year 2000. How do you feel about what you've heard today?

SUGGESTED RESPONSE:

- * **Americans should be proud of the way private industry, including the cable industry, have responded to the challenge of bringing the information superhighway to classrooms.**
- * **Private industry is forming new partnerships with government, parents, and educators to make sure every classroom is connected to the Internet by the year 2000. And we are making great progress.**
- * **President Clinton and I are committed to bringing modern computers into every classroom, accessible to every student; networks that connect students to other students, schools to other schools, and both to the world outside; educational software that is worthy of our children and as engaging as the best video game; and teachers with the training and the assistance they need to make a computer as easy to use as a blackboard.**

SHAW: Mr. Vice President, how did you become such a believer in the Internet as a classroom tool?

SUGGESTED RESPONSE:

- * **It was through first hand pointing and clicking. Let me show you what I mean. My friends will help me demonstrate...**

You will then join ENTSAR HAMID, MIKE WEBB, and JACOB FORSTATER, (6th and 7th graders from FRANCIS HAMMOND SCHOOL in Alexandria at computer terminals. Before the taping, they will have told you the subjects that interest them.

You will approach each student, looking over their shoulders, and ask each of them how they are coming with their web searches on their favorite subjects. (The names of the students will be taped to the computer monitors).

After the demonstrations, you will turn to back and address Bernard Shaw.

SUGGESTED TALKING POINTS:

- * **This is why I believe in the power of the Internet as an educational tool.**
- * **In order to ensure that all our children have their shot at the American dream, we need to empower them with the technological literacy they'll need to succeed in a new and ever-changing information economy.**
- * **A student who is connected to the information superhighway is open to the world. They have access to knowledge on a scale unimaginable only a few years ago. Technology can help expand opportunities for American children to improve their skills, maximize their potential, and ready them for the 21st century.**

SHAW: Thank you Mr. Vice President.

Iowa NetDay

Union Middle School, Dysart Iowa

2:15 pm - 3:15 pm, Saturday October 25, 1997

Meeting requested by Jim Kohlenberger

Briefing prepared by Jim Kohlenberger

EVENT

You are taking part in an "electronic barnraising" on NetDay by joining with kids and volunteers to help to wire Union Middle School, then talking to kids and thanking volunteers who helped wire the school. Dress is casual.

LOGISTICS (As of this writing, subject to change)

- **Wiring.** Upon arrival you will go to hold for a briefing. You will then join students and other volunteers in the English room to climb up on a ladder to help pull wires across the ceiling and actually plug the wires in. The kids, who have done this in their own high school and two other schools will show you what to do. After wiring, you will go to the hold.
- **Informal Discussion and Demo.** The Principal, Jane Brandt, will introduce you into the Library. In the Library, you make brief remarks and prompt participants for a brief discussion beginning with **Dan Goldin**, NASA Administrator who can talk about how we are bringing space age technologies into the classroom; **Justin Johnson**, a High School student who has now helped to wire 4 schools; **Hope Hix**, a teacher can talk about why technology is important to helping children learn. See attached questions for participants.

Then two other students TBD will do brief demonstrations on two computers. First, **Justin Messer** an 8th student will show you some NASA web pages that they can now use in the classroom. Second, **Sara Murphy**, another 8th grader, will show how they can use live videoconferencing, only made possible because of NetDay, to link with NASA to explore new worlds. [NOTE: We will only be able to do the videoconferencing if the volunteers are successfully able to install a high-speed connection to the schools] You will then wrap up the conversation and depart.

YOUR ROLE/CONTRIBUTION

- Barn-raisings in general are symbolic in rural communities for the kind of rural values that these communities share. This electronic barnraising that you are taking part in demonstrates how you are joining with Iowan's to connect their children to the future and bringing the community values associated with rural

barraisings and replicating it across the country on NetDay.

PROGRAM NOTES

- **Technology at Union Middle School.** Volunteers, led by a group of students who have helped wire other local schools will be wiring all day. At Union, the students have had technology for several years so the kids are very hands-on and take much of the technology for granted. Some of the kids that have taken the lead on wiring the schools are special need kids. They were failing in other subjects and had trouble reading. Technology has engaged them. Now some the kids are so technically literate that they could get jobs now as network technicians making good money (but they still need to finish school.) The teachers here have done an extraordinary job of incorporating the technology into the curriculum.
- **NetDay at Union Middle School.** You are helping to install a new "category 5 10-base-T" network (translated that means a very fast network). The students you are working with have already installed this same kind of network in a local high school and two elementary schools. Three of the students have learned so much they could now put this kind of network in on their own. The students come in and volunteer their time on vacation days, Saturdays and evenings -- they are always eager to learn. The school has an old network in place that causes machines to crash and lock-up. One of the students takes care of repairs, acts as system administrator and is in charge of designing the new network for the building. Other volunteers today include parents, teachers, volunteers organized by the Farmer's Coop Telephone (the local telephone company) and volunteers from the Communication Workers of America. On NetDay they will be installing about 30% of the new network. They are also installing a T1 line for access to the Internet which allows for the kind of videoconferencing that you are doing today. Before this they only had 28.8 modem access to the Internet.
- **NetDay.** Today's efforts builds on the success since the first NetDay on March 9, 1996 when you and the President joined tens of thousands of parents, teachers, engineers, union members and other volunteers to install more than 6 million feet of cable in California's schools in a single day -- the first ever "electronic barraising." Since then, NetDay has spread across the country like wildfire, ensuring that thousands of schools are wired for the Internet. In 1996, an estimated 250,000 volunteers wired 50,000 schools as a first step towards Internet access. In addition to the first NetDay on March 9th, major national NetDays have taken place on October 19, 1996, April 19, 1997 and October 25, 1997. You have participated in different ways in each one.
- **Today's NetDay is Nationwide**
 - ✓ In Oakland, CA, NetDay will be launching the NetWorth Campaign, a campaign to raise funds to purchase NetDay wiring kits for schools and

sponsor NetWorth workshops for educators.

- ✓ Minnesota will be wiring schools all over the state and will be holding a television broadcast where schools and students can call or E-mail in to win over \$250,000 in prizes
- ✓ New York City will be wiring 20+ schools
- ✓ Houston will be wiring 55 schools this fall and 60 next spring.
- ✓ Mississippi, a leading state, continues to wire schools every weekend
- ✓ Washington D.C. schools call October 25 "Finish It" which is an opportunity for schools to finish work they have started during last NetDay.

- **Rural E-rate.** This school is planning on applying for the e-rate. E-rate discounts range from 20% to 90%, depending on poverty and geographic location; but most rural communities will have the opportunity to receive even deeper discounts. The average discount nationwide is expected to be 60 percent.

- **EdTech in Iowa.** Iowa's 1,495 public k-12 schools, 495,577 students, 33,551 teachers, and 540 public libraries have a total of 68,006 computers. That means that Iowa has 8 students per computer (better than the national average of 9), 21.2 students per multi-media computer, 1,088 schools with CD-ROM's, 246 schools with satellite dishes, 659 schools with networks (but all schools with a modem can access the Iowa State Network), and 910 schools with modems.

- **Globe Program.** As you know, NASA is one of the primary sponsors of the Globe program. Dan Goldin has asked his staff if this school could be a part of the Globe program. The answer is yes. You could challenge the school to become a part of the Globe program. We will work with the school as follow up to make sure they are.

- **Iowa's ICN network.** One area you should stay away from is the "Iowa Communications Network" or ICN. The State of Iowa has built a fiber backbone (ICN) that will eventually provide distance learning, telemedicine, Internet access, long distance, and other services to high schools, libraries, government offices and some medical facilities. ICN is controversial for several reasons:

- A) the state is subsidizing the usage fees.
- B) the state is in competition with local telcos for some services.
- C) there are disputes on who is eligible to use the network and what services can be provided.

The hot debate in Iowa is whether the state should divest itself from the network or stay in the telephone business. We are told Harkin believes that the state should continue to invest in the network. Our administration has generally supported private networks over government run systems.

ATTACHMENTS

- Talking points
- Questions for participants

Questions for participants

Dan Goldin: Dan, can you tell us about what educational content students can access from the NASA web site?

Justin Johnson (Student volunteer): Justin, I understand that this is the fourth school that you have helped wire. Can you tell us why you think this kind of NetDay is important?

Hope Hix (Teacher): Jane, ultimately everything that is happening today is about learning. Can you tell us how teachers can use this technology in the curriculum to help students learn?

Justin Messer (8th grader) Demo: You have some neat things you're doing on the computer. Can you tell us a little bit about it and do you think it is educational?

Sara Murphy (8th grader) Demo: One of the thing that NetDay does is connect schools to the Internet. Can you tell us about what you can do with an Internet connection?

Courier

SUNDAY

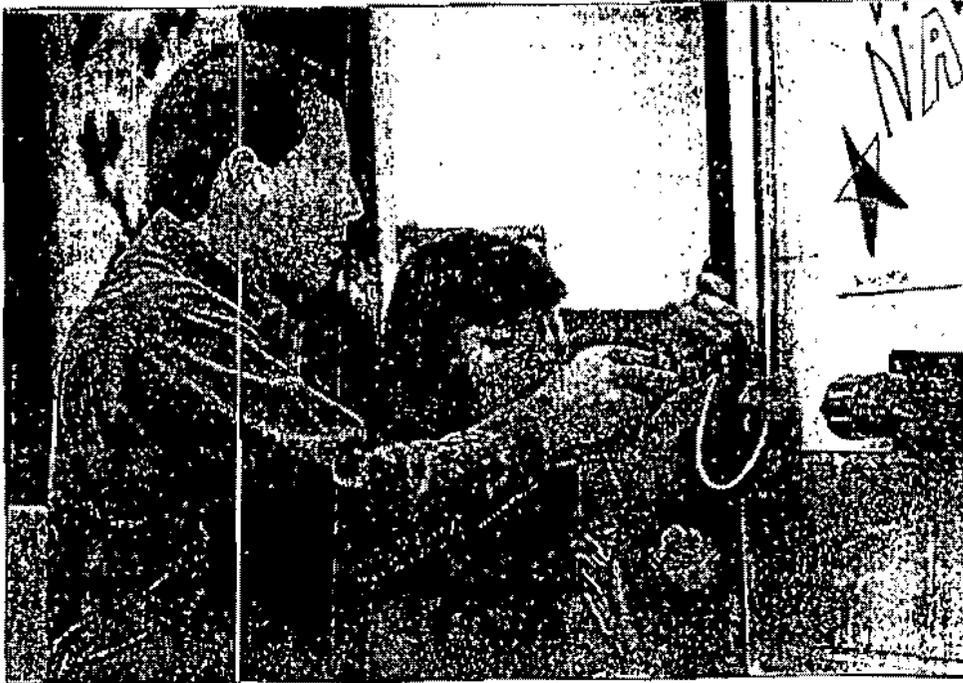
OCTOBER 26, 1997

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188 pages, 12 sections

Photos by Gail
McGUNG, Courier
Photo Editor

Vice President Al Gore, who made a stop in the metro area Saturday, helps Janet Johnson and other Union High School students wire the Dysart Middle School for an Internet connection.



Nothing but Net for Gore

Vice president helps out at 'electronic barn-raising' in Dysart

By ANN MAGLYNN
Courier Staff Writer

DYSART

Al Gore "connected" with B.J. Ruzicka and Janet Johnson Saturday.

The vice president, in khakis and a green work shirt, climbed a ladder and stuck his head through a hole in the ceiling to help them and several other volunteers wire the middle school here for Internet access.

He called it an "electronic barn-raising."

"I'm impressed with these students — who have taken the bull by the horns and gone like gangbusters," said Gore of the project to wire all Union Schools using student, teacher and community volunteers.

Gore visited the middle school Saturday, dubbed as national NetDay, as part of a tour of the state. He spoke in Waterloo on tobacco issues and in Des Moines at the annual Jefferson-Jackson Day Dinner, a fund-raiser for the Democratic Party.

Three NetDays have been held over the past year and a half to help school districts wire for the Internet, Gore said.

He and NASA Administrator Daniel Goldin logged onto the Internet in the media center with student Justin Messer to ask Mars scientists questions live.

He also spoke and asked questions of a small audience, including student Justin Johnson and Union staff mem-

ber Hope Hicks, while a larger crowd watched over closed-circuit television in the auditorium.

Every school in the country should be hooked up by 2000 and by then there should be a computer for every five students, Gore said.

Teacher training is also key — and that's where NASA comes in.

"Connecting America is absolutely key," Goldin said. "But just a connection is not enough."

NASA is training teachers and students across the country on how to use the Internet through programs with NASA scientists. Union School District will be part of that project this year.

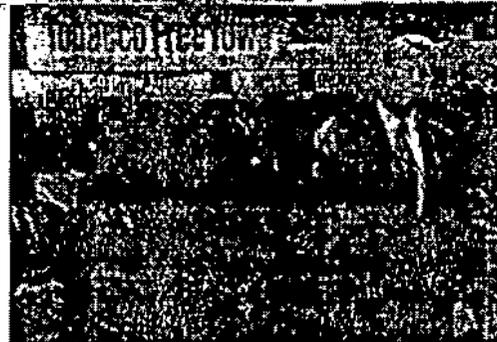
The school learned late last week it would be hosting the vice president. Volunteers from as far away as Waterloo came early Saturday to help wire the school.

Shortly after noon, volunteers, wearing jeans and sweatshirts with Union insignia, started putting the final touches on things.

Greg Rose, Union's technology director, placed a blue ladder for Gore under a hole in the ceiling and wondered out loud if Gore was afraid of heights. Ruzicka — the student who led Gore through the wiring — paced and began practicing his directions to help Gore through the event.

Rose then reminded him the wiring was going to be just like they had done several times this summer and

See GORE, page A4



During a stop at the Waterloo Recreation Center Saturday, Al Gore spoke to a gathering of about 100 teens and adults on tobacco education issues and stopping teen smoking.

Teen smoking has vice president fuming, Waterloo crowd finds out

By ERIC STERN
Courier Staff Writer

WATERLOO

Vice President Al Gore declared a war against teen smoking Saturday in Waterloo.

"The way to solve this problem is to convince young people not to smoke cigarettes," Gore said at an anti-tobacco forum attended by students and local politicians at

the Waterloo Recreation and Arts Center.

More than 100 students, brought in from schools in the metro area and as far away as Cedar Rapids, attended the hastily put-together event. Gore had only announced he was coming to the area late in the week.

Teen-agers told the vice president that kids smoke because of

See SMOKING, page A4

Gore begins hunt for caucuses early with speech in Des Moines

By ERIC STERN
Courier Staff Writer

DES MOINES

Vice President Al Gore told Iowa Democrats Saturday night that Republicans want to turn back the clock 50 years while the rest of the nation fell back an hour early Sunday for daylight-saving time.

"We're proud to be the political party of America's future," Gore said.

Gore drove home an anti-Republican theme at the highly partisan and energetic Iowa Democrat Party Jefferson-Jackson fund-raiser at Drake University here. About 1,000 attended the \$60 a plate dinner.

Gore, widely considered the front-runner in the 2000 presidential sweepstakes that begin with the Iowa Caucuses, praised the nation's economy under a Democratic president — inflation, unemployment and welfare rolls are down, he said, while new jobs, exports and household incomes are up.

Gore said the 12-year Republican reign under Ronald Reagan and George Bush brought the country a \$350 billion budget deficit.

Other jabs included U.S. Sen. Tom Harkin calling Speaker of the House Newt Gingrich the "El Nino of Capitol Hill" because he's full of hot air and has a drought of common sense.

State Democrat Party Chairman Mike Peterson referred to the Iowa Republican platform as "pigs, prisons and poker."

Gore said the Republican party suffers an identity crisis. "Floundering and lacking in an agenda," quoting Republican presidential candidate Steve Forbes.

"The right hand doesn't know what the far right hand is doing," he said.

However, some Democrats feel their party is the one with the identity crisis.

Throughout Gore's speech, about 100 union workers flashed "no fast track" signs. Earlier that night about

GORE

Vice president is impressed by Union Schools project

Continued from page A1

fall.

"It's no different — but do it a little bit nicer," Reese said. "Don't say 'Hey you.'"

Local and national reporters — one of whom asked if there are bagels in Iowa — filed in shortly before Gore came into the classroom.

Gore asked each volunteer's name before proceeding to his spot on the ladder. As the wire came through the wall from the other room, Gore started to take it below the ceiling. He was quickly told it needed to stay above the ceiling.

"I knew that," he said as the volunteers and press corps laughed.

When the wiring was pushed through the ceiling, Gore asked B.J.

Ruzicka questions about Union's project. He then learned how to ready the wire for connection to a computer from Union High School student Jenni Johnson.

"Sometimes students can do things better and faster than people older than they are," Gore said.

The Union wiring project, headed by Reese, is part of a nationwide wave of volunteers working to hook schools up to the Internet. An estimated 250,000 volunteers wired 50,000 schools in 1996, the White House said.

New York City has wired 20 schools; Houston 55 this fall with plans for another 60 in the spring. Washington, D.C., schools called Saturday "Finish It," a chance to complete the work started on the last NetDay.

Union's wiring project will be completed soon. It will cost the whole district \$25,000 with volunteer help, compared to \$30,000 per school without volunteer help, Reese said.

30 United Auto Workers members protested outside the Knapp Center at Drake against the proposed legislation that would give President Clinton faster negotiating ability for trade agreements. Labor leaders say workers would get short-changed from hasty trade pacts.

Democrats aren't acting like Democrats, said State Rep. Bill Dotzler, D-Waterloo, a UAW activist who protested the speech outside and boycotted the dinner.

The party should stand behind a core set of beliefs that includes workers rights, Dotzler said.

Former Congressman Dave Nagle of Cedar Falls also drummed up support for a race against Charles Grassley's U.S. Senate seat next year, and there were circulated supporting U.S. District Attorney Steve Rapp of Waterloo for governor.

SMOKING

Care is hot under the collar about teens using tobacco

Continued from page A1

peer pressure, a desire to be "cool" or because an older sibling smoked. Others said it was hypocritical for parents who smoke to tell their kids not to smoke.

While adult smoking is down, Gore said, teen smoking is on the rise.

Everyday, 3,000 kids start smoking and 1,000 will die as a result, Gore said, quoting the Centers for Disease Control.

"The tobacco companies are spending millions and millions of dollars on advertising specifically aimed at children," Gore said. "The companies that are making so much money off of this are spending billions of dollars in a very sophisticated way to get the exact opposite message to young people."

U.S. Sen. Tom Harkin, D-Iowa, who attended the rally, agreed.

"We're up against very powerful sources," said Harkin, a vocal tobacco opponent in Congress.

Iowa Attorney General Tom Miller, who filed a state lawsuit against the tobacco industry, said the national multi-billion-dollar lawsuit is a step in the right direction.

"Almost all smokers start as children," Miller said.

As details of the settlement get

ironed out, Gore pushed for federal drug administration authority to regulate tobacco, called for limits on tobacco marketing and demanded tobacco companies to help with other health issues like secondhand smoke.

Gore also praised grassroots efforts by Iowa students who speak out against tobacco.

"It's important for younger students to have positive role models in their teams," said 15-year-old Matt O'Brien, who attends East High. O'Brien participates in the Teens Against Tobacco Use program where high school students tell elementary school students about tobacco's potential problems.

Jessie Thompson, an 18-year-old Metro High student from Cedar Rapids, works with the Youth Smoking Research Team, a similar program to Waterloo's TATU program, said students leading the program help out because middle school kids look up to high school kids.

Waterloo Mayor John Rooff warned students that tobacco kills. "I watched both of my parents die of cancer because they smoked," Rooff said. "Don't do it, it's not cool."

But one student said the vice president and other politicians telling teenagers not to smoke only makes teen smokers want to light up.

"They see an authority figure and sometimes it makes them want to (smoke)," said East High student Aston McNally, 17.



Photo by DAN NEZLING / CORNER PHOTO ESTER

Sarah Kabor, left, waits for the vice president to send his wife through while helping the Dysart Middle School hook up to the internet Saturday.

Al Gore: 'Let's win this battle'

■ The presidential hopeful brings his teen smoking battle to Iowa.

By JONATHAN ROOS
KANSAS STATE WRITER

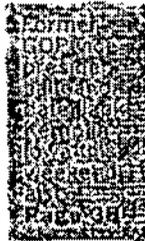
Waterloo, Ia. — Vice President Al Gore kicked off a visit to Iowa Saturday by urging teen-agers to kick the cigarette habit.

Gore, joined by Iowa leaders from both major political parties at a public forum here, plugged efforts by the Clinton administration and members of Congress to educate young people about the health hazard and to

combat the advertising efforts of tobacco companies.

He invited questions from the audience, especially teen-agers, during an informal discussion of tobacco issues that sounded much like a television talk show. He heard from teen anti-smoking crusaders, police officers, people unable to quit smoking and people who had lost a family member to smoking-related disease.

"The addiction, as we have heard, is very powerful, and the companies that are making so much money off of this are spending billions of dollars in very sophisticated ways to get young people ... to start smoking, to



ignore the dangers, to take the risk," Gore said.

"What we've done in the past hasn't been enough to break through.

The percentage of young people smoking is continuing to go up. So we have got to really scale up our efforts to conquer this problem," he said. "Let's win this battle."

Gore's one-day trip to the state was both a vice-presidential visit and a

political outing. Later in the day, he traveled to Des Moines to address Iowa Democrats at the party's annual Jefferson-Jackson dinner.

That's an important audience for Gore, who is looking ahead to a run for the presidency in 2000. As in other election years, Iowa's presidential precinct caucuses are expected to furnish the first major test of candidates' support among the party faithful.

Some labor-union members were planning to protest Gore's appearance at the Democratic Party event Saturday night because of objections to the administration's support for

fast-track trade legislation in Congress. Critics contend that the legislation does not protect workers or the environment.

Gore began his Iowa visit with the "town hall" meeting here to discuss President Clinton's anti-smoking plan and to listen to the views of teen-agers, as well as a few adults, on the issue. He was joined by U.S. Sen. Tom Harkin, a Democrat; and Charles Grassley, a Republican, as well as Iowa Attorney General Tom Miller and local government officials.

"Smoking cigarettes is the number

GORE Turn to Page 6B

Gore brings his battle against teen-age smokers to Iowa

GORE

Continued from Page 1B

one preventable cause of death in the United States today," Gore said.

"We're trying to get the message to these young people, especially, because every single day 3,000 children start to smoke for the first time. And even though adult smoking has been decreasing a little bit with the awareness of the health problem, smoking by young people is still going up," he said.

In general, Gore was preaching to the choir at the anti-tobacco event. Travis Lee, a 15-year-old from Cedar Rapids and an organizer of a youth tobacco survey, told Gore, "We really don't stand a chance unless we have people like you backing us up."

But Aaron McNally, 17, of Waterloo, said lecturing from adults

even the vice president — can be counterproductive. Young people "see an authority figure like you telling them not to" smoke, and sometimes that drives them in the other direction, McNally said.

Between his Waterloo and Des Moines stops, Gore sandwiched in a visit to Dysart, where he took part in the completion of a wiring project at Union Middle School that connects the school to the Internet. Gore said it would put the future "at our children's fingertips."

Gore had his political future in mind when he agreed to dine Saturday night with Iowa Democrats. But he's not the only one who is courting them. One of his likely rivals for the Democratic presidential nomination in 2000, House Minority Leader

Richard Gephardt, came to the state a week ago to talk to labor-union members, a key Democratic constituency group.

Gephardt won the 1988 Iowa caucuses and has maintained close ties with Iowa Democrats. Some party members believe he can beat Gore in Iowa if he decides to run again for his party's presidential nomination. However, Gephardt has said he won't make that decision until after the 1998 election.

U.S. Sen. Paul Wellstone of Minnesota has also been making regular visits to Iowa.

Gore, who also ran for president in 1988, abandoned his Iowa campaign then. He complained that the caucus process was dominated by liberal activists. Ten years later, he has optimistic things to say about Iowa.

Des Moines Sunday Register

DES MOINES, IOWA ■ OCTOBER 26, 1997 ■ PRICE \$1.75

Tour and Remarks at NTIA/PULP Conference

J.W. Marriott Hotel

10:15 a.m. - 11:30 a.m., Thursday, February 26, 1998

Meeting requested by you.

Briefing prepared by Jim Kohlenberger and Dan Taylor.

EVENT

You are touring exhibits and making remarks at a *Connecting All Americans for the 21st Century: Telecommunications Links in Low Income and Rural Communities*, a three-day conference of approximately 500 community leaders, state and local regulators, and representatives of industry, hosted by Commerce and the Public Utility Law Project. You announced this conference at the Online Summit in December. **Note: Part of tour is pool press; your remarks are open press.**

LOGISTICS

- Upon arrival you will be greeted by three employees of the J.W. Marriott: Dan Nadeau, Resident Manager; Pam Wesemann, Director of Catering; and Kirby Smith, Director of Marketing.
- You proceed to hold for briefing.

Tour

- You leave hold to tour three conference exhibits. You will be joined on the tour by Secretary Daley, Assistant Secretary Larry Irving, Executive Director of PULP Bob Pillar and Maria Alvarez, consultant to PULP.
- Don Jacobs, Director of the Center for Applied Research in Interactive Technologies at Buffalo State College, will explain the Buffalo CityNet demo. **Note: This demo is pool press.**
- You and the tour group proceed to an adjoining room to view two more exhibits -- the iSCAN project and the Hays Medical Center. **Note: These demos are closed press.**
- At conclusion of tour, you return to hold.
- You will be joined in hold by Secretary Daley, Assistant Secretary Larry Irving, Bob Pillar, Executive Director of PULP, and Maria Alvarez, Consultant to PULP.

Remarks

- You and Secretary Daley proceed to backstage.
- You and Secretary Daley are announced onstage by Larry Irving. **Note: Bob Pillar will be seated on the stage, but will not have a speaking role.**
- Secretary Daley proceeds to the podium, makes brief remarks and introduces you. **Note: You proceed to your seat.**
- You make remarks.
- You work a ropeline and depart.

YOUR ROLE AND CONTRIBUTION

- This conference is an opportunity to explain what the Administration is doing to narrow the digital divide in America. The conference will focus on the importance of connecting all Americans -- regardless of income or geographical location -- to the Information Superhighway. The conference underscores the President's and Vice President's commitment to Universal Service and ensuring that the benefits of the Information Age reach all people, particularly those in traditionally underserved communities. You will make the following announcements:
 - ✓ **Announce Details of a New Report on Digital Divide.** You will release a Department of Education report that shows that while we are making great progress on connecting all of our schools to the Internet, three-quarters of classrooms are still without Internet connections (more details below).
 - ✓ **Defend the Erate.** Using the new data, you can highlight the importance of the erate and defend it against those who are attacking it.
 - ✓ **Announce a new Computer Learning Center Initiative.** You will announce a new \$10 million a year initiative to create community computer learning centers in our poorest neighborhoods across the country.
 - ✓ **Announce Network Academies in Empowerment Zones.** You will praise Cisco's announcement to put Network Academies in the Empowerment Zones. Cisco will place Network Academies in each of the 15 Empowerment Zones this year, and put one in every EZ high school

that wants one by the year 2000. These academies help connect kids to good, high-wage information age jobs.

- ✓ **Announce Private Sector Initiative to Connect Community Colleges in our poorest Communities.** You will commend Microsoft and other on their new \$7 million efforts to connect our poorest communities.

PROGRAM NOTES

NTIA/PULP Conference

- This conference is co-sponsored by the Department of Commerce and the Public Utility Law Project. **Bob Pillar** is the Executive Director of PULP. **Maria Alvarez** (wife of Dennis Rivera) is a consultant to PULP and is very active in its efforts.

Tour

- During the tour, you will be joined by Secretary Daley, Assistant Secretary Larry Irving, Executive Director of PULP Bob Pillar and Maria Alvarez, consultant to PULP. You will view three exhibits. The first, **Buffalo CityNet**, is in a room by itself. This demo will be pool press. After you view this exhibit, you will proceed to an adjoining room to view the other two demos, **iScan** and **Hays Medical Center**.
- **Buffalo CityNet** was organized by the City of Buffalo under the direction of the Center for Applied Research in Interactive Technologies at Buffalo State College. It is a consortium of schools, local government and private industry councils. Buffalo CityNet's mission is to use advance telecommunications technologies in ways that provide better economic opportunity and improve the quality of life for Buffalo's neediest families and communities. Bell Atlantic partnered with Buffalo CityNet after Buffalo CityNet successfully competed for \$50 million in funds through the New York State Advance Telecommunications Program.

What you will see: **Don Jacobs** and **Herbert Cadle** of Buffalo CityNet will show you the demonstration. You will see an audiovisual link between Buffalo State College, the Private Industry Council and Cattaraugus - Allegany BOCES. Four sites will be linked realtime through advanced video conferencing; you will see all four sites on television screens in front of you. The participants will be discussing rural/urban programming in education, social services and economic development fields. **Note: This demo will be pool press.**

- **iSCan** is a private company owned by 22 independent telephone companies. Customers are Internet service providers. Thousands of people in South Carolina benefit from the services provided by iSCan in areas including education, finance, state government, manufacturing, and health care.

What you will see: **Jessica Hotz** and **Gary Williams** of iSCan will show you the demonstration. You will see an Advanced Placement Calculus Class taught by **Kay Vaught**. Six students from Loris High School and two students from Green Sea High School will be linked together. Both schools are in extremely rural areas, and the students would not have the opportunity to take this class without the technology. The class has been taught daily since August 19, 1997. **Note: This demo will be closed press.**

- **Hays Medical Center** The Hays Medical Center in Hays, Kansas, uses telecommunications tools to give homebound elderly and disabled patients a chance to have daily contact with health-care providers without ever leaving their homes. The result is better care, at a more affordable cost. Hays received a \$300,000 TIAP grant in 1995 to link sites in Kansas and Missouri, connecting 100 home health patients over two-way cable-television connections.

What you will see: **Dr. Robert Cox** and **Kathy Rupp, R.N.**, show you the demonstration. You will conduct a home telemedicine visit to the home of **Idonna Leach**, who is 89 years old. She has hypertension, arthritis and is visually impaired. Despite her visual impairment, she can see the nurse better on the screen than in person, because of the color and contrast afforded by the screen. She has been treated by this program for the past 18 months. They have been monitoring her blood pressure, adjusting her medication, which prevents her from having to go to the hospital for medical emergencies and also prevents her from getting chronically ill. **Note: This demo will be closed press.**

NCES report

- The Department of Education's National Center for Education Statistics (NCES) report shows that the percentage of schools with Internet access has doubled, from 35 percent in 1994 to 78 percent in 1997. However, schools with or more minority students and schools with or more poor students lagged behind other schools. Smaller schools were also less likely to be connected. In addition to Internet access at the school-building level, the survey collected information on the percentage of instructional rooms, including classrooms, computer or other labs, school libraries, and media centers that had Internet access. Overall, 27 percent of all instructional rooms had Internet access. Although this percentage has grown annually since 1994, when only three percent of instructional rooms were on the Internet, it means that nearly three-quarters of all classrooms lack Internet access.

The NCES report includes the following findings:

- Internet access increased in the southeast and central regions, where it rose from 62 percent to 84 percent and from 66 percent to 79 percent, respectively.
- Overall, the percentage of instructional rooms with access to the Internet has increased from three percent in 1994, to eight percent in 1995, to 14 percent in 1996, and to 27 percent in 1997.
- Data from the 1997 survey show that the most likely source of support was the school districts themselves, and the second most frequent source was state or federal government agencies.

Hill Erate Background

- This conference is taking place against the backdrop of heated debate on the Hill about Universal Service and the erate. Today, the House Judiciary Committee's Commercial and Administrative Law Subcommittee will have a hearing on Universal Service. Opponents of the program are among those invited to testify. On Wednesday, the Senate Commerce Committee was originally slated to have a hearing concerning the administrative aspects of Universal Service, focusing in particular on the GAO's recent finding that the FCC lacked legal authority to set up the Schools and Libraries Corporation that administers the erate. The Wednesday hearing was canceled because of funeral services for former Senator Ribicoff. McCain, Stevens and possibly Hollings are working on a bill that could drop the erate this year from \$2.25 billion to \$650 million and not allow it to be used for inside wire -- the critical component for connecting classrooms. This conference gives you a critical platform to defend the erate and the importance of connecting classrooms.

ATTACHMENTS

- Your remarks
- Fact sheet on industry commitments
- Issue brief on NCES report

Private Sector Announcements

Cisco Networking Academies in Empowerment Zones. Cisco Systems will commit to establish a Networking Academy in at least one high school in each of the 15 major empowerment zones in the country by the end of the year. In addition, it will establish Networking Academies in every empowerment zone high school that wants one by the year 2000. Networking Academies provide computer-lab environments where students can learn about administering and maintaining a local area and wide area network.

WinStar led consortium to use wireless technology to network a DC public school, public library, and housing project. A consortium led by wireless telecommunications company WinStar Telecommunications will announce a partnership that will network a D.C. public school, public library, and low income housing project. The partnership includes Curriculum Associates, the I Have A Dream Foundation, Communities in Schools, and the Greater Washington Urban League. Using 38 Ghz fixed wireless technology, the partnership will provide both basic telephone service and Internet access to the school, library and housing project. The housing project will also receive a computer training lab and job center. In addition to helping provide children with access to better resources and improve communications between parents, teachers and students, the project will also work on providing job training to the adults in the housing complex.

VTEL/Public Utility Law Project. VTEL Corp will announce a partnership with the Public Utility Law Project of New York to launch a program to help low-income and rural communities launch community access centers. Called the Community/Communications/Technology Program, the partnership will provide assistance to communities in planning, funding, deploying and operating community-based advanced technology projects for schools, libraries, health care and childcare providers, senior centers and community organizations. VTEL will provide financial support, technical expertise, an inventory of video conferencing equipment for use in the campaign's start-up phases.

Disney On-Line. Disney's On-Line division will announce that it will provide "The Daily Blast" free of charge to any school or child care center. "The Daily Blast" is a subscription service which provides children a "safe haven" of child-appropriate educational and entertainment sites. There are advertisements on the site, but Disney says it does not collect data about the children and that no information is used for marketing purposes.

Microsoft "Working Connections." On Wednesday, Feb. 25, Microsoft will announce the first set of grant recipients of its new "Working Connections" program, a \$7 million, five-year pilot program. This initiative — which was initially announced in November 1997 — is to help community colleges improve their abilities to train technology workers. The project targets training for unemployed workers, welfare recipients, single parents, and the disabled.

NATIONAL CENTER FOR EDUCATION STATISTICS

ISSUE BRIEF

February 1998

Can students in our schools reach the Library of Congress with their research questions, track the Edward rose, follow expeditions in the rain forest, and exchange email with pen pals around the world? To ensure the essential connections for such exciting activities, President Clinton's Technology Literacy Challenge calls for an effort to connect all U.S. public schools and every instructional room, that is, classroom, computer lab, and library/media center, to the Internet. In order to measure Internet access in the schools, the National Center for Education Statistics (NCES) surveyed a nationally representative sample of public schools in 1994. Subsequent surveys in 1995, 1996, and 1997 have enabled NCES to track growth in this rapidly changing area.

How much progress have schools made?

The effort to connect all of the nation's public schools to the Information Superhighway is moving swiftly. In just three years, the percentage of U.S. public schools with Internet access increased from 35 percent in fall 1994 to 78 percent in fall 1997 (table 1). On the whole, schools are on track toward achieving the goal of connecting all of the nation's public schools to the Internet.

Table 1.—Percentage of public schools having access to the Internet in fall 1994, 1995, 1996, and 1997, by school characteristics

School characteristics	Public schools having access to the Internet			
	1994	1995	1996	1997
All public schools	36	50	68	78
Instructional level				
Elementary	30	46	61	75
Secondary	40	65	77	89
Size of enrollment				
Less than 300	30	39	67	76
300 to 999	35	52	66	78
1,000 or more	50	69	80	89
Metropolitan status				
City	40	47	64	74
Urban fringe	38	50	76	78
Town	27	47	61	86
Rural	35	48	60	70
Geographic region				
Northeast	34	59	70	78
Southeast	27	41	67	84
Central	34	62	68	70
West	42	48	62	73
Minority enrollment				
Less than 6 percent	—	57	65	84
6 to 20 percent	—	58	72	87
21 to 49 percent	—	54	66	73
50 percent or more	—	43	55	63
Students eligible for free or reduced-price lunch				
Less than 11 percent	—	67	78	85
11 to 30 percent	—	59	72	83
31 to 79 percent	—	47	68	78
75 percent or more	—	31	53	65

—Data not available

*Data for combined schools (those that span elementary and secondary grades) are included in the totals and in analyses by other school characteristics but are not shown separately.

SOURCE: U.S. Department of Education, National Center for Education Statistics, "Advanced Telecommunications in U.S. Public Elementary and Secondary Schools, Fall 1994," NCE 95-731; "Advanced Telecommunications in U.S. Public Elementary and Secondary Schools, 1995," NCE 96-844; "Advanced Telecommunications in U.S. Public Elementary and Secondary Schools, Fall 1996," NCE 97-844; and data from the "Survey on Advanced Telecommunications in U.S. Public Schools, Fall 1997," PRS 98, 1997.

Internet Access in Public Schools

Despite this progress however, certain gaps persist in establishing Internet links in U.S. public schools. In 1997, schools with 50 percent or more minority students enrolled lagged behind schools with 20 percent or fewer minority students, as did smaller schools (those with fewer than 1,000 students), which are more likely to be elementary than secondary schools. Also lagging in Internet capabilities were schools with 71 percent or more poor students (that is, students eligible for free or reduced-price lunch), with 63 percent having access; however, schools with 31 to 79 percent poor students have recently made considerable gains in Internet access, moving from 58 percent in 1996 to 78 percent in 1997. From 1996 to 1997, Internet access increased in the Southeast and Central regions, where Internet access rose from 62 percent to 74 percent and 66 percent to 79 percent, respectively (table 1).

What is the availability of Internet access in instructional rooms?

Although the goal of connecting all U.S. public schools to the Internet now appears to be within reach, making the Internet accessible to all students in all instructional rooms will require much more effort. Over the last year, the percentage of schools with Internet access which had such access in five or more instructional rooms increased from 25 percent in 1996 to 43 percent in 1997 (table 2). Another way of looking at instructional rooms with access is to look at all such rooms across all public schools. Since 1994, the percentage of instructional rooms which were connected to the Internet increased from 3 percent to 8 percent in 1995, 14 percent in 1996, and 27 percent in 1997. However, in 1997 in the 2 percent of schools which reported no connections in instructional rooms, students would have little or no contact with the Internet. Further, even in instructional rooms with Internet access, students who spend time in those rooms may not actually use that access.

Table 2.—Distribution of schools by the number of instructional rooms with Internet access, among all public schools with access: Fall 1996 and 1997

Extent of Internet access	Percentage of public schools	
	Fall 1996	Fall 1997
No instructional rooms	6	2
1 instructional room	43	31
2, 3, or 4 instructional rooms	26	23
5 or more instructional rooms	25	43

NOTE: Percentages may not add to 100 percent due to rounding.

SOURCE: U.S. Department of Education, National Center for Education Statistics, "Advanced Telecommunications in U.S. Public Elementary and Secondary Schools, Fall 1996," NCE 97-844; and data from the "Survey on Advanced Telecommunications in U.S. Public Schools, Fall 1997," PRS 98, 1997.

What is the outlook for achieving Internet access by 2000?

Administrators from schools of all types in all regions of the country reported moving to secure the new technologies. Data from 1996 indicated that 87 percent of schools that lacked Internet capabilities reported planning to obtain Internet access by 2000; thus if those schools are able to acquire access, 93 percent of all schools would have Internet access in 2000 (87 percent of the 35 percent without access in 1996 added to the 65 percent with access in 1996) (table 3). If those expectations are realized, then 93 percent of schools with 71 percent or more poor students would have Internet access by 2000; and in schools where more than half the students are minorities, 91 percent would have Internet access. Over the next 3 years, Internet access in schools and within instruc-

THE WHITE HOUSE

Office of the Vice President

For Immediate Release
Tuesday, April 28, 1998

Contact:
(202) 456-7035

**VICE PRESIDENT GORE PRAISES UNION EFFORTS TO CONNECT
700 OF THE NATION'S POOREST SCHOOLS TO THE INTERNET**

Also Announces Steps To Connect All Children to the Internet

Washington, DC -- Joining school children across the country in an interactive online session, Vice President Gore today praised union workers for volunteering their weekends and free time to connect 700 of America's poorest schools to the Internet and pointed to several steps that the Administration is taking to give all children access to the Internet.

"It gives me great pleasure to announce that so many union workers responded to our challenge to connect all school children to the Internet and volunteered their weekends to bridge the digital divide," Vice President Gore said. "These kinds of grassroots efforts along with new Administration initiatives will help us reach our goal of providing all children access to the Internet regardless of race, geography, or income."

President Clinton and Vice President Gore held the first NetDay two years ago in California where they joined 20,000 volunteers, parents and teachers in wiring thousands of California schools with 6 million feet of cable. Since then, volunteers from the AFL-CIO, the Communications Workers of America and the International Brotherhood of Electrical Workers have organized NetDays in 700 of the nation's poorest schools including in our Empowerment Zones.

In addition, after recent studies showed that only 14% of poor classrooms have access to the Internet, the Vice President pointed to several steps that the Administration is taking to connect all of our students to the Information Superhighway.

"This initiative will help us identify the schools that are being left behind in the effort to wire every school and every classroom," Vice President Gore said. "And this initiative goes beyond connecting all our schools to provide students with the kind of online help from real people that can often make the difference in student achievement."

Access to the Internet for Every Child in Our Urban Centers: The Vice President reported that through the e-rate and other educational technology initiatives, every school in the 50 largest urban school districts in the country will gain access to the Internet by this time next year. The e-rate provides discounts to urban and rural, public and private K-12 schools and libraries for Internet access. Discounts for schools range from 20-90 percent on a sliding-scale formula. The level of discounts are determined by two factors -- percentage of students eligible for Free or Reduced Priced Lunch and geographic location.

● **Access to the Internet for Native American Children:** The Vice President reported that by this time next year, each of the about 53,000 children in the 185 Bureau of Indian Affairs schools will have access to the Internet beginning this May 16 when 28 schools will be connected through individual NetDays. Later this year, all Bureau of Indian Affairs schools will receive further help in connecting their students to the Internet through e-rate discounts.

● **Call for New Study of the Digital Divide:** The Vice President reported that the Commerce Department will conduct a thorough analysis of trends in Internet and computer penetration and usage among all segments of society and report back within three months on its findings.

● **Online Tutoring Initiative:** The Vice President reported a new online tutoring initiative to allow students to get information from a national network of top experts through "ask an expert" services at www.vrd.org. In addition the Vice President reported a new Education Department guide to online mentoring and a national workshop sponsored by the National Science Foundation and the Education Department specifically focussed on mentoring in the information age.

Bridging the Digital Divide

Room 450, OEOB

12:50 - 1:30 pm Tuesday, April 28th, 1998

Meeting requested by Jim Kohlenberger/Audrey Choi

Briefing prepared by Jim Kohlenberger/Audrey Choi

EVENT

In the wake of new evidence showing a growing divide between the information have and have nots, you are taking decisive action to help bridge the digital divide in schools. First, you are highlighting union workers across the country who, in responding to a challenge you issued, have given up their weekends to wire the classrooms in 700 of the poorest schools in the country many of which are in the Empowerment Zones. Second, you are announcing a comprehensive four point plan to make sure that all children can access the Internet. At the end of your remarks you will do an interactive videoconference over the Internet with children in four of the schools that they have connected by the unions.

LOGISTICS (As of this writing, subject to change)

- You will be briefed in your west wing office prior to the event. Note: Secretary Riley and Chairman Kennard will join you in the hold outside of room 450.
- You, Secretary Riley and Chairman Kennard will be announced onto stage.
- Bill Kennard introduces Secretary Riley. Secretary Riley introduces you
- You make brief remarks and engage in an interactive discussion with four schools across the country. You will talk to:
 - Krystal McCrary and Tam Trucong at Hillsdale Elementary School, San Jose, CA
 - George Polk at Crenshaw Elementary School, Crenshaw, MS
 - Susan Raudry and Gregory Marshall at 96th Street Elementary School, LA, CA
 - Sakhone Khouvongsa at Wyandotte High School, Kansas City, KS

YOUR ROLE/CONTRIBUTION

- This is an opportunity to highlight the Netdays that union workers have done in response to your challenge in Empowerment Zones and in other poor communities across the country. This is also a chance to take several important new steps in bridging the digital divide. At this event you can also highlight Bill Kennard's leadership at the FCC and the importance of the crate.

PROGRAM NOTES

- **America's Workers Connecting Needy Schools to the Internet.** In response to your challenge to ensure that all children have access to the Internet, workers from across the country joined together to donate their weekends and free time to connect the classrooms in 700 of the poorest schools in the country including the Empowerment Zone schools. These volunteers, from the AFL-CIO, the Communications Workers of American and the International Brotherhood of Electrical Workers, came together in a modern version of an old-fashioned barn-raising, not to connect computers to wires but to connect children to the future in the same way that you and the President wired the first Netday school in California.

ATTACHMENTS

- Announcement Details
- Talking Points
- Questions for the kids
- Videoconference Schools

Announcement Details

FOUR POINT PLAN TO ENSURE EQUITY IN ACCESS TO THE INTERNET IN AMERICA.

- ✓ **Access to the Internet for Every Child in our Most Urban Schools.** You are announcing that by this time next year, every child in every urban school in the country will have access to the Internet. Through the erate and our other educational technology initiatives, every school in the 50 largest urban school districts in the country will gain access to the Internet by this time next year. This includes some 6.0 million inner-city children, 36% of the nation's African American children, 30% of its Hispanic children, and 21% of the nation's Asian American students.
- ✓ **Access to the Internet for Native American Children.** You are announcing that by this time next year, each of the approximately 53,000 children in the 185 Bureau of Indian Affairs schools will have access to the Internet beginning this May 16th when 28 schools will be connected through individual NetDays. Later this year, all Bureau of Indian Affairs schools will receive further assistance in connecting their students to the Internet through erate discounts.
- ✓ **Call for New Study of the Digital Divide.** You are directing the Commerce Department to conduct a thorough analysis of trends in Internet and computer penetration and usage among all segments of society and report back within three months on their findings. Recent studies indicate that there may be a significant divide in Internet access between rich and poor, black and white, and urban and rural users. For instance, a new study in the journal *Science* has found significant differences in the rate at which black and white Americans use the Internet -- especially in households with annual incomes below the national median of \$ 40,000. The Commerce study will explore the nature and breadth of such inequities and the extent to which they are growing or shrinking.
- ✓ **Online Tutoring and Mentoring Initiative.** You are also announcing a So today, I am also announcing several steps to connect our kids to adult mentors and tutors on-line, including a a new national network of on-line volunteers, a new guide from the Department of Education on tele-mentoring in math, science, and technology, and a national workshop sponsored by the National Science Foundation and the Education Department to help companies, labor unions, and others get their employees or members involved in mentoring and tutoring in the digital age. By pulling experts together in one spot on the Internet, students can gain first hand information from top experts through these "ask an expert" services. This new "Virtual Reference Desk" service is available on the Internet at www.vrd.org.

Videoconference Schools

Hillsdale Elementary School, San Jose, CA

This school has participated in NetDay since 1996 and has integrated the Internet into school curriculum and activities. The students actively use the Internet in their day to day school work. They have 2-3 PCS in every classroom and use the Internet and e-mail to connect with other schools around the world. They also have used the Internet to write their Congressman and for science projects. The school's district has registered for the E-rate discounts. The student body is predominantly Hispanic and Asian.

- **Krystal McCrary** 11 years old, in the 5th grade, and president of the student council. She uses the Internet at home and at school. Krystal used Internet research and video in a multimedia presentation to the faculty to illustrate the power of these technologies. One of her hobbies is going to exploring different countries and the U.S. by visiting their websites.
- **Tam Truong** 10 years old. She only has Internet access at school and the library (but always long lines at the library). Through the Internet, they visit other classrooms all over the world. During the winter Olympics, they visited sites in Nagano, Japan every day and followed the progress of the athletes. Last week Tam's class went online for EarthDay and told the whole world about their plans and activities. They received well-wishes from all over the world. They also visit the NASA site everyday—they saw the new solar system on the Internet and find out about new discoveries in space.

Crenshaw Elementary School Crenshaw, MS

Students at Crenshaw Elementary are just gaining Internet access—this first connection is being used for this event. Through NetDay, wires were run to the classrooms and drops made in each room. This school is in one of the most rural regions of the country in the Mississippi Delta Empowerment Zone.

- **George Polk**, grade 6 -- You will speak to George Polk, one of the pioneers at his school in using these new technologies.

96th Street Elementary School, Los Angeles, CA

This school has two computer labs and was recently wired. The 5th grade classrooms were just wired so the students have little experience with the Internet at school. They are just realizing the benefits of the technology. The faculty has become very motivated to bring technology into the community they serve. This school is a part of the LA Empowerment Zone.

- **Susan Raudry** —First grade teacher and Chair of Technology Committee at school. She wants to use the computers and Internet connections as a community resource and to teach parents how to access the Internet as well.
- **Gregory Marshall** —grade 5 — Most of his Internet experience is at home. He likes doing his school work on the computer and using the Internet because he learns more and it is fun. He was involved in building his schools web page—that project has been put on hold but once all the Internet connections are available he wants to be on the team to build the school web page.

Wyandotte High School, Kansas City, KS

Students have yet to have meaningful access to computers and Internet in their learning. The connections were recently put in this Fall but they do not have the resources to get the computers. The Department of Education is making available 2500 surplus computers today to these schools. Currently, they have one computer lab with 28 computers for 1,300 students. The school only has one computer connected to the Internet; however, with that computer they are able to use e-mail to contact colleges for application, scholarship, and financial aid information. Wyandotte High is an inner-city, urban school in the Kansas City Empowerment Zone.

- **Sakhone Khouvongsa** —grade 12. Sakhone is 9th of 13 children. Her family were boat people from Laos in 1986. She will be ranked 1st or 2nd in her graduating class. She uses the Internet to research colleges and to get college application, scholarship, and financial aid information.

**NETDAY EVENT
QUESTIONS FOR TEACHERS AND STUDENTS**

HILLSDALE ELEMENTARY SCHOOL, SAN JOSE, CA

Question to Krystal McCrary (5th grade/11 years old)

Q: How have you used the Internet in your classroom?

Question to Tam Truong (10 years old)

Q: I understand that your class was very active in Earth Day—how did you use the Internet in your Earth Day activities?

CRENSHAW ELEMENTARY SCHOOL, CRENSHAW, MS

Question to George Polk (6th grade)

Q: I know that your school has just received it's first connection. What do you think you would like to do once your classroom is hooked up?

96TH STREET ELEMENTARY SCHOOL, LOS ANGELES, CA

Question to Susan Raudry (First grade teacher and Chair of Technology Committee)

Q: Your school has only recently been connected to the Internet -- what impact have you noticed so far on the school, the teachers and the students?

Question to Gregory Marshall (5th grade)

Q: I know you are involved in building your school's web page that is currently under construction. What can you tell us about what you've done so far?

WYANDOTTE HIGH SCHOOL, KANSAS CITY, KS

Question to Sakhone Khouvongsa (12th grade)

Q: I understand that you are about to graduate at the top of your class. Congratulations! As a graduating Senior, how have you been using the Internet?

Meeting w/ Senator Rockefeller

Yeardley Room, Kingsmill Conference Center, Williamsburg
6:55pm - 7:10 pm, Saturday May 9th, 1998

Meeting requested by Senator Rockefeller
Briefing prepared by Jim Kohlenberger

BACKGROUND

You are meeting privately with Senator Rockefeller to discuss the e-rate. He is very concerned that the FCC is not providing the kind of leadership it takes to solve the challenges associated with the e-rate as the deadline looms for the long distance telephone companies to decide if they will put a percentage increase on their July telephone bills. We believe the telephone companies deadline for a decision is May 18th. Senator Rockefeller is looking for some assurances from you that we will get through this.

Senator Rockefeller's Concerns. Rockefeller sent you a letter this last week that lays out some of his concerns. Since he wrote the letter, however, there has been a lot of movement. For instance, the FCC took action on Friday to fix some of the administrative problems with the program (i.e. consolidating three separate corporations into one). Additionally since the letter, Senator Rockefeller said at a hearing this week that he wanted the FCC to fix this even if it took more access reductions and a dollar a month on people's phone bills. Privately, though, I think he is still concerned that any charge on people's bills will be hard to defend when elections come around. Rockefeller also joined Senators Duschle, Dorgan and Hollings on Wednesday for a meeting with Bill Kennard.

Where the Solution Probably Lies:

Progress is being made on a comprehensive solution that would:

- **Ramp up the program in the first year.** It is estimated that schools and libraries have applied for \$2.02 billion worth of services for this year under the e-rate. The FCC has said that there is at least \$1.67 billion available to be collected this year because of access reduction. The education community had earlier agreed that the program could be \$1.75 billion in the first year. The FCC has asked for comment on the size of the program. We think that there is some number between \$1.67 and \$2.02 billion that make the numbers work. Rockefeller will probably want the full \$2.02 billion.

- **A Fixed Charge on the Bill.** The ultimate solution will probably include a fixed charge on people's bills of what we hope will be under a dollar. Polling shows that the public is much more supportive of a fixed charge on the bill than a percentage charge of 5 to 9 percent. Senator Rockefeller is nervous about the ability to sell a fixed charge on the bill although in a hearing earlier this week he said that a dollar a month is a small price to pay for connecting all of our children.

- **Truth In Billing.** In any solution, we believe that consumers should know that their phone bills have not gone up overall because of these new charges and that even with these charges, phone rates are at their lowest point in history. Senator Rockefeller has introduced a hard hitting "truth in billing" bill. Bill Kennard has publicly said he thinks there should be truth in billing. We believe that the FCC has the authority and will open a truth in billing proceeding that the administration would support and refine through public comments.
- **Access Reductions.** The Long distance companies believe they need further access reductions to help offset the costs of the program. Senator Rockefeller is concerned that the FCC has not done enough on access. There are two ways the FCC can do further access reductions -- through a July proceeding where they have limited flexibility, or through opening up an entirely new proceeding where they could build a record that supports the kind of larger access reductions that may be warranted for reasons entirely unrelated to schools and libraries. In the report the FCC gave to Congress on Friday, the FCC indicated that they thought there would be an additional \$700 to \$750 million available to the long distance companies under the July 1 access proceeding. Those numbers are more than a billion dollars short of the amount that long distance companies say would require to keep all new charges off the bill. The administration believes that, totally unrelated to the school and library program, there may be a good policy reason for further access reductions and could be willing to publicly file for such a proceeding. The FCC may soon open such a proceeding on their own.
- **Hill Buy-in.** Even though the administration has been instrumental in getting people to think outside of the box, ultimately Congress has to own whatever solution appears. Senator Rockefeller, has to help sell it to others including Hollings, Dorgan, Daschle, Stevens, McCain and Markey.
- **One Good Option Gaining Steam.** The companies are floating an option that includes a fixed charge of less than a dollar for schools and libraries and all other new fixed charges off the bill. This option could mean a \$2 billion program in the first year as well as a commitment by SBC and other local phone companies to drop their suit against the program.

ATTACHMENTS

- Talking Points
- Senator Rockefeller's letter (only in your book)

Talking Points

- Thanks you for your letter. Like you I want to make sure that this program is a legacy for our children and not a lightning rod for our opponents.
- Because of reports in recent days, I do believe that Bill Kennard will rise to the challenge. He has had a hard time in part because many good FCC staff left when Reed Hundt left. But I also know that he is engaged, realizes how important this is to you and I, and will help us move forward. For instance, although not public yet, I understand he is moving a key staff person from the Commerce Department who has been our lead on this issue, over to the FCC to oversee all telephone issues.
- The ultimate solution will require a new proceeding for further access reductions in addition to the access numbers the FCC announced on Friday, a ramping up of the fund in the first year (i.e. something less than \$2.25 billion), a truth in billing requirement like you have offered, and will probably lead to a fixed charge on the bill. I believe that we can sell something that costs pennies a day, and in return gives our kids a lifetime of opportunity.
- Although all of us would prefer there to be no charge on the bill, it will be difficult if not impossible to achieve. Our goal needs to be getting to a point where others in Congress will not be in a position to tear down this program. That means getting to a point where phone bills are defensible. It also means that the solution needs to come in part from the hill so there is more ownership of the solution.
- Although all of the pieces are in play to fix this, I believe pieces of this need to come from the Hill. Only then can they help defend the program down the line.
- When we get these schools online with the erate, it will be much harder to attack. In the meantime, I will need your help in selling whatever compromise is achieved.

THIS FORM MARKS THE FILE LOCATION OF ITEM NUMBER 1
LISTED IN THE WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER.



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE SECRETARY

June 4, 1998

**TO: BRUCE REED
RON KLAIN
MICHAEL WALDMAN
JIM KOHLENBERGER
MIKE COHEN**

FR: SECRETARY RICHARD RILEY

RE: E-RATE LANGUAGE FOR MIT COMMENCEMENT ADDRESS

I believe that the President should make a very strong statement in support of the E-rate at the MIT commencement address and send a very strong message to the opponents of the E-rate that the President and the Vice-President are fully behind it. Here is suggested language.

"As we look to the future, I can assure you that our ability to help our children learn this "new basic" depends to a great extent on full implementation of the E-rate. The E-rate or education rate will allow our nation's schools and libraries to receive deep discounts on telecommunications services. These discounts of up to 90% for our poorest schools are the fastest way I know that we can overcome the digital divide for all of our children.

While you and I and the many students at this great university are full participants in this new era of technology, I can assure you that there are children here in Boston who have rarely had the opportunity to use a computer much less open their minds to the wonders of the Internet. These young people are cut off from what all of us take for granted.

The E-rate can go a long way to solving this problem. If the Federal Communications Commission acts to fully fund the E-rate next Tuesday Boston's public and private schools will get the \$10 million in discounts. This is why I fully support the E-rate, why Vice-President Gore has fought so hard for the E-rate and why I urge the FCC not to listen to those few voices that want to stop the E-rate dead in its tracks.

Long distance phone bills are now at their lowest point in history. The Telecommunications Act of 1996 created a unique opportunity to both lower telecommunications prices and extend the benefits of the information age to all of our nation's children. The cost to industry for support of the schools and libraries program has been offset by reductions in access charges -- money that long distance companies pay to connect to local telephone companies. In the last 11 months, access charge reductions to long distance companies have equaled \$2.4 billion -- more than offsetting the \$2.02 billion in estimated demand for the schools and libraries program.

THE WHITE HOUSE

The Office of the Vice President

**For immediate release:
Monday, June 8, 1998**

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**STATEMENT OF VICE PRESIDENT GORE
ON THE PROGRAM TO HOOK UP SCHOOLS AND LIBRARIES TO THE INTERNET**

Every child in America deserves a 21st Century education and access to 21st Century technology. The e-rate is critical to our effort to put computers in every classroom and library, giving every child the tools to succeed.

But some in industry and in the Congress would undermine this program, and hold our children back. That's the wrong approach for America's future.

Let me be clear: I strongly oppose any effort to pull the plug on the e-rate and deny our children the full promise of the Information Age. I call on both Congress and industry to put all politics aside and work with us to put 21st Century educational technology in every classroom and library. Cutting off the e-rate would close the door to our children's future. That is something America simply cannot afford to do.