

*womenstechcluster.org**muther*

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Date: March 13, 2000 **Pages:** Plus 4
To: Lisa Mescatine, Press Secretary 202-456-7805
Cc: Patti Solis-Doyle ✓ 202-456-5340
Re: First Lady visit to Women's Technology Cluster—Live Web Cast

I attach a Description of the Live Web Cast scheduled for the First Lady's visit to the Women's Technology Cluster, March 29, 2000 in San Francisco.

Web Cast Announcement Copy, and Web Cast Registration Copy are attached for your approval. The banner copy will appear on the Yahoo! Site and Ms. Money site. Web Cast Registration Copy will appear on the Ms Money site and Women's Technology Cluster sites.

In order to maximize the audience for the Live Web Cast, the Announcement and on line Registration are scheduled to begin March 15, 2000.

Catherine Muther
Catherine Muther
Founder, Women's Technology Cluster

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Live Web Cast Women, Technology, & Entrepreneurship

*A visit by the First Lady Hillary Clinton to the Women's Technology Cluster
San Francisco
March 29, 2000*

Overview

The Women's Technology Cluster is honored to have the First Lady Hillary Rodham Clinton come and meet its technology companies founded by women entrepreneurs in the Bay Area. The CEO's of the ten cluster companies will meet with the First Lady in an Entrepreneur's Roundtable Discussion on technology, women, and the challenges in the new economy.

MsMoney.com, one of the cluster companies, is sponsoring a live Web cast of the First Lady's visit and the CEO Entrepreneur's Roundtable discussion. MsMoney.com is a WTC company launching to the public that day. MsMoney.com is a new Web site devoted to the education and empowerment of women to be financially healthy.

The Live Web Cast will include:

- Full coverage of the First Lady's visit and the Entrepreneur's Roundtable Discussion
- Ceremonial launch of MsMoney.com with the First Lady cutting the virtual ribbon (see attachment)
- Announcement of the strategic partnership between the Women's Technology Cluster and Panasonic, a global technology company

Reach Potential

The entire Web Cast event is an opportunity for both the Women's Technology Cluster and Mrs. Clinton to demonstrate their commitment to women, technology, and the new economy. The event will be promoted by Yahoo! and MsMoney.com, the event sponsor. The general public will be able to register for the live Web cast two weeks prior to the event (see attachment of registration copy)

- Viewers across the country can watch the First Lady's visit and the CEO Roundtable live from their computers directly as the event takes place.
- The Web Cast will be transmitted through a satellite feed. Any national or local media that are given the coordinates can pick up the transmission for that evening's news. The WTC and MsMoney.com will coordinate with the First Lady's office in regards to media outreach.
- Even after the event, Yahoo! keeps an archive of the event for six months (that time can be extended), so that viewers can "tune in" to the First Lady and the CEO Roundtable at any time thereafter.
- Footage from the event can be provided to the First Lady's press team for her use.

Background on Yahoo! Broadcast

The Web cast will be produced by Yahoo!, one of the most trusted brands on the Internet. Staged exactly as a live TV broadcast, the only difference with a Web cast is that viewers see the footage on the World Wide Web instead of a television.

Yahoo! is a leading provider of Internet broadcasting solutions and considered the premier company within this arena.

- Clients include a variety of top companies including Intel, Cisco, Dell, Ford, and General Motors.
- Yahoo! has produced over 40,000 web casts in five years.
- Web casts vary in traffic generation. However, we anticipate an audience of 10,000+ live viewers. A larger audience is accessible through archive viewing after the event.

Production Details

Given Yahoo!'s extensive experience in Web broadcasting, the Web cast will be professionally managed, and will in no way interrupt the interaction and flow between the First Lady and members of the Women's Technology Cluster.

The current production details of the Yahoo! Web cast are:

- Two-three cameras (one stationary, one-two mobile) in the room of the CEO Roundtable
- One microphone for the First Lady (preferably wireless or in front of her on the table)
- Two-three cameramen and possibly one producer in the room of the CEO Roundtable
- One satellite truck with one-two technicians outside the WTC building
- Potential for an additional producer on site at the WTC, but in a separate room with no interaction with the First Lady

Attachment**Ceremonial Launch of MsMoney.com, a WTC Company**

MsMoney.com, a WTC Internet start-up, will be launching its Web site to the general public on March 29, 2000. Given the nature of the First Lady's visit—focusing on women in business and their role in the new economy—the WTC invites her to launch one of its cluster companies onto the World Wide Web.

- Upon completion of the roundtable discussion, Mrs. Clinton will be invited to participate in the launch of MsMoney.com at a nearby computer terminal located in the same room as the Entrepreneurs Roundtable.
- Tiffany Bass Bukow, Founder and CEO of MsMoney.com, will meet Mrs. Clinton at the computer terminal. There, they will say a few words about how MsMoney.com has evolved from an idea to a fully integrated Internet company and Web site with the help of the WTC.
- Mrs. Clinton will be invited to click on a button and watch a virtual ribbon cutting on the computer screen, which will signify the launch of the MsMoney.com Web site.

For Approval

Attachment

**Live Web Cast
Women, Technology & Entrepreneurship**

Announcement and Registration Copy

Copy for Main Web Cast Registration Form

The First Lady Hillary Clinton speaks out at the Women's Technology Cluster in San Francisco during an exclusive live video Web cast on March 29, 2000 brought to you by MsMoney.com.

This exclusive Web cast program will feature the First Lady and leading women entrepreneurs of new, exciting technology companies:

- Listen to Mrs. Clinton and ten leading women CEOs participate in an Entrepreneur's Roundtable discussing women, technology, and the challenges of a new economy
- Watch the First Lady cut the virtual ribbon to officially launch the MsMoney.com Web site to the public. MsMoney.com will be launching the premier financial Web site for women that day.

Simply input your name and email address below and we'll send you the password and more information a week before the event and on that day, Wednesday, March 29th.

First Name
Last Name
E-Mail

Copy For Small Banners on the Front Page of Yahoo!

Note: this copy has been created for very small banners on the front page of Yahoo! (approximately 2 inches long, 1 inch wide). These are meant purely to grab attention and have users click through the banner to read the registration form found above

First Lady Hillary Clinton Speaks Out...Live Web Cast Exclusive!

Copy for Smaller Promotion Features on MsMoney.com and Yahoo!

First Lady Hillary Clinton Speaks Out!

MsMoney.com is sponsoring an exclusive live Web broadcast featuring Hillary Clinton's visit to the Women's Technology Cluster live on March 29, 2000. Watch the live coverage of the First Lady's participation in a CEO roundtable that will include the CEO of MsMoney.com.

Register now for live Web cast!

[illegible]

Women's Technology Cluster
1207 Indiana, Suite 4
San Francisco, CA 94107

Web Cast Announcement and Registration Copy

Copy for Main Web Cast Registration Form

First Lady Hillary Rodham Clinton Live Exclusive Web Cast

Register now to see First Lady Hillary Rodham Clinton's visit to the Women's Technology Cluster (WTC) in San Francisco, the first high tech incubator for women entrepreneurs. The exclusive live video Web Cast on March 29, 2000 is brought to you by MsMoney.com

- Watch Mrs. Clinton and leading women CEOs of the WTC in an Entrepreneurs Roundtable discussing women, technology, and the challenges of a new economy
- See the official launch of the MsMoney.com Web site to the public. MsMoney.com will be launching the premiere financial Web site for women that day
- View the announcement of the strategic partnership between the WTC and Panasonic, a global technology player

Register

Simply input your name and email address below and we'll send you the password and more information a week before the event and on that day, Wednesday, March 29th.

First Name:

Last Name:

Email:

Copy for Small Banners on the Front Page of Yahoo!

First Lady Hillary Rodham Clinton...Live Web Cast Exclusive! (When the users click on this, they will immediately be taken to the copy above)

Copy for Smaller Promotion Features on MsMoney.com and Yahoo! (Slight variations on this below for WTC and other cluster companies)

MsMoney.com is sponsoring an exclusive live Web broadcast featuring First Lady Hillary Rodham Clinton's visit to the Women's Technology Cluster live on March 29, 2000. Watch the live coverage of Mrs. Clinton's participation in an Entrepreneurs Roundtable that will include the CEO of MsMoney.com. Register Now for the Live Web Cast

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Date: March 21, 2000 **Pages:** Plus 1
To: Lisa Mescatine, Press Secretary 202-456-7805
Jennifer Smith
Cc: Patti Solis-Doyle 202-456-5340
Re: First Lady visit to Women's Technology Cluster—Press Release copy

I attach a copy of the Press Release announcing the First Lady's visit to the Women's Technology Cluster, March 29, 2000 in San Francisco.

Please review and approve the copy. We'd like to release this tomorrow, if possible.

Catherine Muther
Founder, Women's Technology Cluster

664-0644

MEDIA ALERT**FIRST LADY HILLARY RODHAM CLINTON AND WOMEN ENTREPRENEURS TO CONNECT
AT SAN FRANCISCO'S WOMEN'S TECHNOLOGY CLUSTER MARCH 29, 2000**

SAN FRANCISCO (March 22, 2000)—The Women's Technology Cluster (WTC) is the first high tech incubator designed to accelerate the growth of early-stage internet and e-commerce companies founded by women. The WTC will celebrate its first-year anniversary with a visit from First Lady Hillary Rodham Clinton on Wednesday, March 29, 2000. Mrs. Clinton's visit will demonstrate her support and interest in women entrepreneurs, technology, and the new economy. During Mrs. Clinton's visit, the WTC will announce a strategic partnership with a major global technology company.

Who and What: The Women's Technology Cluster is honored to welcome Mrs. Clinton to the day's events: an entrepreneurs' roundtable with leaders of the WTC Companies; the launch of WTC company MaMoney.com; and an announcement of a strategic partnership with a major global technology company. Mayor Willie Brown and Supervisor Leslie Katz will represent the City of San Francisco, a Founding Partner of the Women's Technology Cluster. A live webcast, sponsored by MaMoney.com, will cover the entire event.

When and Where: Wednesday, March 29, 2000, 3:15 - 5:30 pm. The event will take place at the WTC's new incubator building located in San Francisco's Potrero Hill area.

How to Participate: The event is by invitation-only, and space is extremely limited. Press and Internet users far and wide are invited to tune-in via live webcast. To view the webcast, register at www.womenstechcluster.org or www.mamoney.com. Live b-roll will be available via satellite at COORDINATES/TIME. Press kits and photographs will also be available upon request. A press release, with more detailed information, will be issued on Monday, March 27, 2000.

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Date: March 16, 2000 Pages: Plus 2
To: Mickie Mailey 202-456-5340
Cc: Lisa Mescatine, Press Secretary 202-456-7805

Re: First Lady visit to Women's Technology Cluster: Invitation

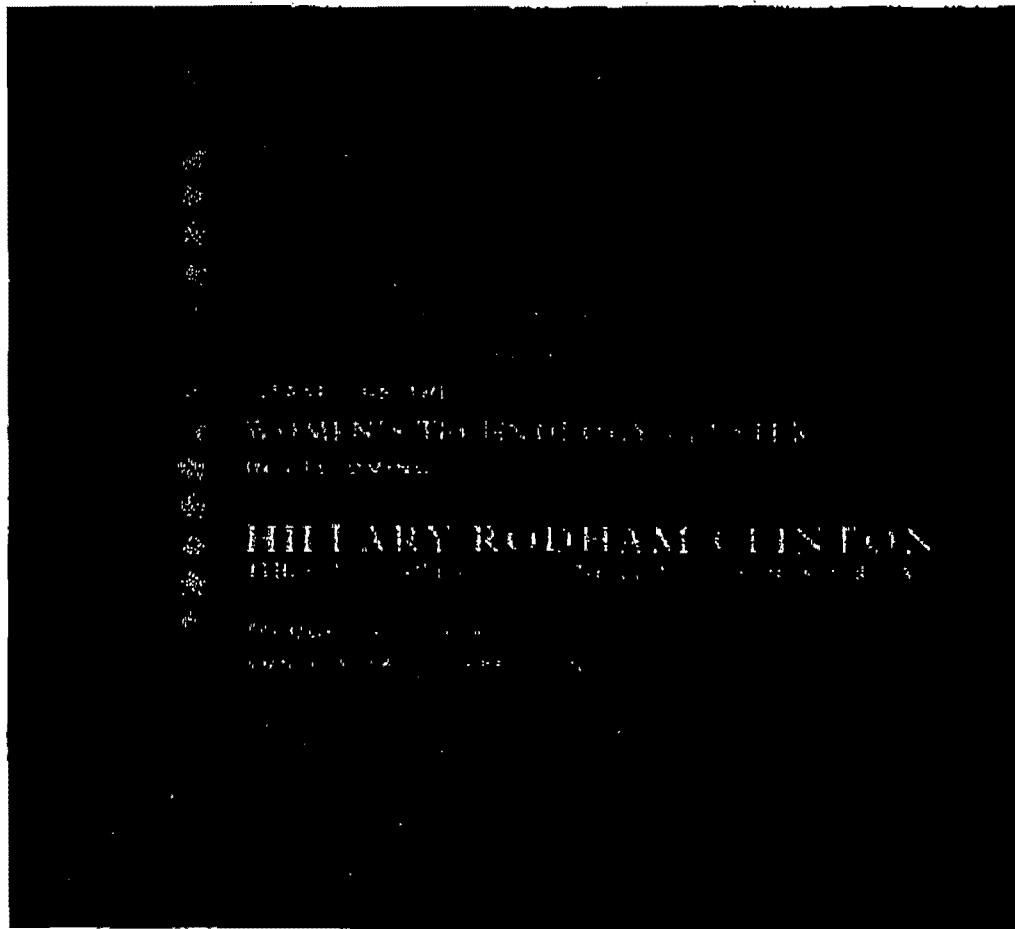
Mickie,

I am attaching the Invitation copy for the First Lady's visit to the Women's Technology Cluster, March 29, 2000 for your approval.

Please review the copy, and let us know if any changes are required. We are ready to print the invitations, and would appreciate a quick reply as the event is so close.

Thank you.

Catherine Muther
Founder, Women's Technology Cluster



March 29, 2000
3:30 pm-5:30 pm
Women's Technology Cluster
1207 Indiana Street
San Francisco, CA 94107



THE WOMEN'S
TECHNOLOGY
CLUSTER

PROGRAM ENTREPRENEURS' ROUNDTABLE
BY LIVE Mrs. Clinton joins CEOs and Founders of WTC companies
WEB-CAST in a discussion about women entrepreneurs, technology,
and the new economy.

WEBSITE LAUNCH
McMurry.com, a WTC Internet company, launches its website.

STRATEGIC PARTNERSHIP
Announcement of Panasonic/WTC Partnership
Welcome to the City of San Francisco, Mayor Willie Brown
and Supervisor Leslie Katz.

FIRST LADY REMARKS
Hillary Rodham Clinton.

RECEPTION TO FOLLOW **RSVP** 415-970-5090 or info@wte-sf.org
Guests unable to attend can view the celebration by
registering for the web-cast at www.wte-sf.org.

MAR-24-2000 09:39

WEICHERT, REALTORS

202 326 1158

P.01

March 23, 2000

MEMORANDUM FOR: Neera Tanden
Kara Hughes

FROM: Kelly Carnes

SUBJECT: Background for HRC's Silicon Valley Trip:
Hottest Technology Issues

Right now, there are a few "hot" technology issues that undoubtedly will be raised with Mrs. Clinton during her trip to Silicon Valley, and by New York technology companies as well. Following is a brief description of the current status of each issue:

- **H-1B Visas:** H-1B visas are special temporary permits allowing skilled foreign workers to work in the United States for up to six years. With U.S. unemployment rates at historic lows, American high tech employers have become highly dependent on these skilled foreign workers. The majority (about three-quarters) of H-1B visas go to highly skilled information technology professionals.

The H-1B cap of 65,000 workers was reached for the first time in August 1997. In 1998, the Congress and the President agreed to compromise legislation that would increase the cap to 115,000 for fiscal years 1999 and 2000, decrease it to 107,500 in 2001, and then return the cap to 65,000 in 2002. Since that legislation was passed, the 1999 cap was reached in June 1999, and the 2000 cap has just been reached in the last couple of weeks.

There is enormous pressure right now to forge a quick deal on this issue so that it does not become even more politically charged during an election year. There are at least 3 pieces of competing legislation which raise the cap, exempt certain categories of scientists and engineers from the cap, and raise the fees collected by the labor department to support Regional Skills Alliances, science and engineering scholarships and other kinds of high tech training.

Attached are an article and some Democratic House members' talking points that provide an overview of the current status. Democrats are obviously split on this issue. Organized labor generally opposes cap increases, but a lot of New Democrats have endorsed. The administration has not yet endorsed any bill.

I would recommend treading very gingerly on this issue. HRC should be knowledgeable, but not necessarily stake out a position. I will be glad to explain the pros and cons in detail, if you want to talk about it further.

MAR-24-2000 09:40

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202 326 1158 P.02

- **Financial Accounting Standards:** A private sector independent accounting standards board--the Financial Accounting Standards Board (FASB)-- overseen by the Securities and Exchange Commission, sets standards by which all publicly traded companies keep their books. As companies in the New Economy become less reliant on hard assets (plant, equipment, physical inventory) and more reliant on assets that are intangible (such as patents and other intellectual property; and research and development), accounting rules that have been in place for the past few decades are working less well to appropriately value companies. For example, no one knows how to determine the value of research and development that has not yet been (and may never be) turned into a commercial product.

FASB has been considering two changes to current accounting practice that may significantly impact knowledge-intensive, entrepreneurial New Economy companies:

Eliminating the "pooling" method of accounting in mergers: Under current rules, if two companies merge, they may simply combine their balance sheets. If "pooling" is no longer allowed, and the companies are required to use a method called "purchase accounting", the companies will be required to value every asset of the acquired company. The difference between the price paid by the acquiring company, and the aggregate value of the assets becomes "goodwill", which must be amortized over 20 years. Thus this accounting method creates a significant drag on earnings due to the difficulty of valuing intangibles.

Prohibiting "repricing" of stock options: Companies typically need to lower the price of their outstanding options whenever there is a precipitous drop in the stock price. As you know, stock options are now a critical part of employee compensation packages. If the stock price drops, and an employee is holding an option that can only be exercised at a much higher price, those options become worthless. Failure to "reprice" to the new market price of the stock can mean a departure of all of a company's best employees.

TechNet is one of the leading opponents of the FASB changes. Their members testified at hearings held by FASB in February and before Senator Gramm and the Senate Banking committee earlier this month. I have included an article which gives an overview of some of the issues, which unfortunately, are very arcane. If you are interested in more on this, I have a very good 7 page memo that will tell you everything you need to know and more. I will be glad to send it if you are interested.

- **Internet Taxation:** As you know, in late 1998, President Clinton signed the Internet Tax Freedom Act, which imposes a three year moratorium on states and localities imposing new taxes on the Internet and electronic commerce transactions. The Act also created an Advisory Commission to consider these very complex issues. Administration representatives, governors, consumer representatives, etc. are serving on the Commission. The Commission is required to issue a report to Congress by April 21, 2000.

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P.03

The Commission met for the final time this week in Dallas, and seems to be ending up hopelessly deadlocked. The only areas of possible agreement which may emerge are 1) the idea that the tax moratorium should be continued because it is impossible to simplify the existing state and local tax system enough in the short run (there are currently more than 30,000 taxing jurisdictions), and 2) that federal and state taxes on "access" to the Internet should be eliminated or simplified (this seems to be looked at as widening the digital divide by making access more expensive). Attached are a couple of articles which have appeared in the last few days.

- **Export Controls on Encryption Products:** In January, the Clinton Administration announced a new policy on the export of encryption products that allows U.S. companies to export any encryption product to commercial firms, individuals and other "non-government" end users. Widely available "retail" encryption products can be sold to any end user.

The draft policy released in December 1999 received widespread criticism from the technology industry because it defined very narrowly who "non-government" users were. Since so many foreign governments control telecommunications services around the world, U.S. companies were concerned they could not sell telecommunications related encryption products to these governments, even though they operate just like commercial services in many countries.

I have included press releases and fact sheets with the latest information. I believe that technology businesses are reasonably happy with the policy at the moment.

- **Export Controls on High Performance Computers:** This set of changes has to do with allowing the export of more and more powerful computers as the technology advances. Every six months or so, Intel and other manufacturers release new and more powerful microprocessors (computer chips). Our export control regulations have always been based on the power of the microprocessors, and it has been very difficult for the regulations to change as quickly as the technology advances. The theory behind this liberalization is that it is impossible to control technology that is "widely available" worldwide in personal computers and other business applications.

I have included the latest press releases and fact sheets. Again, I believe the technology business community is reasonably happy with this policy for the moment.

- **Miscellaneous:** I have included some background information on 1) the President's latest proposals for investment in research and development, and 2) the Administration's latest fact sheet on the digital divide. These issues are not controversial at the moment, but will probably come up in casual conversation.

MAR-24-2000 09:41

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202 326 1158 P.04

H1B

(1)

Carnes, Kelly

To: Carnes, Kelly
Subject: FW: Democrats sign on to H-1B increase

Bipartisan coalition emerges behind immigration increase
By PAUL SINGER

WASHINGTON, March 20 (UPI) -- House leaders of both parties are coming together to support legislation to increase the number of foreign high-tech workers who can get temporary visas to work in the United States.

The meeting of the minds is raising hopes on Capitol Hill that a bill could pass this year.

The Immigration & Naturalization Service reports that it has already filled its quota of visas for highly skilled foreign workers for this year, while industry groups warn that over 300,000 high-tech jobs are going unfilled.

Both House Majority Leader Richard Armey, R-Texas, and Minority Leader Gephardt, D-Mo., have endorsed a bill offered last week by Rep. David Dreier, R-Calif., to increase the number of visas available to high-tech workers. This bipartisan support is raising the hopes of industry groups that the measure will move quickly, and competing bills will be swept aside.

The chairman of the subcommittee that will have to act first on the legislation has offered a different version that would make a much smaller increase in immigration, but subcommittee staff members acknowledge that with bipartisan support for a higher threshold, the chairman may have to rethink his bill.

Under current immigration laws, the INS may issue only 115,000 "H-1B" visas this year, which are temporary visas for workers with special high-tech qualifications and advanced degrees. The cap drops to 105,000 in 2001. The Senate Judiciary Committee earlier this month approved a bill that would raise the number of visas available to 195,000 for each of the next three years.

Lamar Smith, R-Texas, chairman of the House Immigration and Claims Subcommittee, has introduced a bill that would raise the caps on H-1B visas to 160,000 for the current year, allowing the INS to address a backlog of about 45,000 visa applications. For 2001, the cap would drop to 107,500, which Smith argues is about all the INS would be able to process anyway, based on past performance.

Dreier's bill would allow for 200,000 H-1B visas for each of the next three years. The bill also raises the fee that companies must pay for processing an employee's visa request from \$500 to \$1000, with the excess money going to fund math and science education programs in the United States.

The Dreier plan has attracted an unusual bipartisan coalition, and Dreier's office hosted a meeting with industry lobbyists Monday to develop a plan for drumming up additional support for his bill over the coming week. Several participants in that meeting say the discussion revolved around ways to generate sufficient support for the Dreier bill that the subcommittee will set aside Smith's bill and move Dreier's instead.

Armey is a co-sponsor of the bill, and Gephardt issued a statement last week indicating his support for the bill.

MAR-24-2000 09:42

WEICHERT, REALTORS

202 326 1158 P.06

H1B

(3)

Carnes, Kelly

To: Carnes, Kelly
Subject: FW: Message of the Week

Congressional "New Democrats" Message on H-1-b Visas--Week of March 20

THE TECHNOLOGY WORKFORCE SHORTAGE NEEDS A SHORT-TERM FIX AND LONG-TERM SOLUTION

Background

There are several trends existing in our economy today that add up to a severe workforce shortage in high-technology fields. Although we have rapid employment growth, increasing wages, and record-low unemployment (especially in key, high-paying fields), we know that fewer American students are receiving high-tech degrees and fewer students are graduating from high school prepared to study math, science, or technology.

In 1998, Congress passed legislation to raise the H-1B caps to 115,000 in 1999 and 2000, 107,500 in 2001, and back to 65,000 in 2002. The legislation also included important provisions to ensure that American workers would not be displaced by H-1B workers. For example, employers must file an application with the Department of Labor certifying that the employer will pay the H-1B worker the "required wage rate" to avoid undermining U.S. wages, and that a strike or lockout is not in progress at the place of employment. In addition, "H-1B dependent" employers - defined as having more than 15% of employees with H-1B visas - must make additional attestations regarding American worker displacement.

However, the strength of the economy and growth of the high-technology sector have resulted in a severe H-1B visa shortage. The INS reports that all 115,000 H-1B visas for fiscal year 2000 are already gone. In order to keep our economy strong and keep the high-technology community here in America, we need to remedy this problem and lift the H-1B caps. Furthermore, we need to improve our efforts in education and training so that more Americans have the opportunity to excel at these highly-skilled, high-paying technology sector jobs.

New Democrat Values

- * New Democrats believe in the private sector as the engine of economic growth.
- * New Democrats believe in keeping America first in the New Economy
- * New Democrats believe that we should work to eliminate the "digital divide" and give all our citizens the opportunity to excel in the technology sector.

Talking Points

The high-tech industry - the engine of our New Economy - faces a severe workforce shortage. The high-tech community has created 1.2 million jobs since 1992, with some companies having a staggering 10,000% increase in employment since 1990.

Wages in this industry increased 19% between 1990-1997 and are on average 77% higher than other private sector wages.

The unemployment rate for highly-skilled professionals is almost nonexistent. The overall unemployment rate for engineers, including aerospace, chemical, and electrical engineers, is 1.6% and the unemployment rate for computer scientists is at 2.3%, according to the Bureau of Labor Statistics.

MAR-24-2000 09:42

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P.07

HIB

(47)

The low unemployment rate both across-the-board and in key sectors of the economy, coupled with an examination of the job categories expected to grow the most in the next ten years: computer engineers, computer support specialists, system analysts, database administrators, and desktop publishing specialists, adds up to a workforce shortage that will grow in the next few years.

At the same time, fewer and fewer universities are graduating students with degrees in the key disciplines necessary to take these jobs. According to the National Center of Statistics, (U.S. Department of Education), the number of bachelors degrees awarded in computer science declined 37% between 1987 and 1997 and the number of bachelors degrees for electrical engineering declined 45% between the same time period. Coupled with a 1.6% unemployment rate for engineers in key fields, it is clear that the industries driving our economic growth suffer from a severe worker shortage that requires both a short-term and long-term remedy.

H-1B visas allow American companies to recruit the best and brightest from around the world while protecting U.S. workers

The H-1B nonimmigrant visa program allows employers to bring in highly-skilled foreign workers after attesting that the employer will pay the employee at least the prevailing wage for that occupation, the employer will provide working conditions that do not cause the working conditions of other employees to be adversely affected, and that there is no strike or lockout. The Department of Labor reviews each application before allowing the H-1B employee to enter the country.

Most H-1B employees fill computer-related occupations. INS estimates that over 40 percent of recent H-1B employees had Masters degrees or above, and the average wage is above the average U.S. wage.

What's more, since the H-1B visa cap was raised in October of 1998, 3.67 million jobs have been created and the unemployment rate has declined .5%. Clearly, increasing the number of H-1B visas does not have a negative impact on job creation or the U.S. unemployment rate.

New Democrats believe that American companies should be able to recruit the best and brightest employees from around the world. We believe that allowing these highly-skilled professionals to work and live in America benefits our economy, our workers, and helps ensure that our high-technology industry leads the world in competitiveness.

New Democrats believe we must invest in education and training for Americans. While the H-1B program provides a critical short-term remedy for the shortage of technology sector workers, other mechanisms are necessary to develop the next generation of scientists, engineers, and other essential workers for the New Economy. New Democrats strongly support H-1B legislation that includes a strong education and training component.

The HI-TECH Act (Helping to Improve Technology Education and Achievement Act), which was introduced by New Democrat Coalition Members Smith, Dooley, Moran, and Eshoo, along with Representative Lofgren, doubles the current \$500 per-visa employer fee and will provide nearly \$200 million a year for education and job training programs. HI-TECH invests the fees from the H-1B program to provide up to \$10,000 in loan forgiveness for math and science teachers; support for the Upward Bound Math/Science program; scholarships for low-income students who study math, science, or a related field; and job training for U.S. workers through Regional Skills Alliances.

We believe that these programs will serve to lessen the long-term need for H-1B employees by developing the talent and skills of children who

MAR-24-2000 09:43

WEICHERT, REALTORS

202 326 1158

LHSB

(1)

Lobbying & Law

■ FOR HIGH TECH, IT'S A NUMBERS GAME

BY NEIL MUNRO

The ultra-competitive Internet industry is built on the latest in high technology, but it closely resembles the frightful "state of nature" that English political thinker Thomas Hobbes sketched out in 1651. In cyberspace, the strongest corporations flaunt their power, while a weak company, one hit by a dip in revenues or a delay in the introduction of its latest product, finds that life is nasty, brutish, and short. The company loses important customers, skilled employees, and key allies, and eventually abandons its office furniture on the sidewalk, leaving it to bleach in the California sun.

So it behooves a company to impress Wall Street, especially those institutional investors or mutual fund managers who have the economic power to create or destroy a company in a day. In press releases or annual reports, companies tout new revenues, mergers with larger companies, advertising sales, and a variety of intangible assets, such as cutting-edge research, planned software upgrades, and the all-important "Web-page-views-per-month" or "unique-Web-site-visits-per-day" scores.

Given this harsh reality, Internet companies have mounted a major lobbying effort against proposed rules that would force them to provide awkward details and to declare expenses that are now excluded from the quarterly financial statements filed with the Securities and Exchange Commission. These proposals, say high-tech executives, were designed for the Industrial Age and would cripple the information-based economy.

However, the high-tech companies have crashed into strong opposition from large-scale investors—such as pension funds and mutual funds—who support the new proposals. "It is definitely a cultural clash," said Patrick McGurn, a vice president of Institutional Shareholder Services in Rockville,

Md., an investment advisory firm that represents large investors. "The line we get so much" from the high-tech executives, he says, "is that 'You don't understand.' But we understand all too well what is going on out there," said McGurn, adding that companies use existing accounting rules to hide their costs and risks.

The quarterly statements are intended to help both individual investors and professional stock-buyers choose promising stocks. To make them easy to understand, the companies' reports must comply with accounting procedures mandated by the Norwalk, Conn.-based Financial Accounting Standards Board, a professional association backed by the SEC. "Our basic mission," said Deborah Harrington, the FASB's manager of public relations, "is to give investors a truer picture, a more transparent picture, of the companies they invest in."

Often enough, the FASB rules force companies to disclose damaging information. For example, in December 1997, Oracle Corp.'s stockholders lost \$9 billion—20 percent of their shares' value—when the company's report revealed that its annual growth was only 4 percent, significantly less than Wall Street had expected. Since then, its stock has climbed from \$29 per share up to \$78 per share.

The FASB's proposed regulations would blight companies' prospects on Wall Street by forcing them to slash billions of dollars from their profits, high-tech executives complain. But the FASB says that when a large company buys a smaller company, the buyer should deduct the purchase price—often several billion dollars—from its profits, over a period not to exceed 20 years. High-tech officials, hoping to avoid splashing red ink on company reports, disagree. They contend that the two companies have simply pooled their assets. As a result, the new company should not be forced to subtract the acquisition cost from its profits. If the



MARK NEBERDALL: "You've got to have a new suit on every quarter, to look good."

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Lobbying & Law

FASB (2)

FASB decides that the acquisition cost should be factored into profits, the industry wants the right to subtract the entire cost in one year instead of spreading the expenses over many years.

Another proposed rule would force companies to immediately subtract from profits the cost of increasing the value of the stock options promised to skilled employees. Such upgrades, dubbed repricing, occur when a company's stock price falls below the employees' expectations. Without such repricing, high-tech companies that stumble have little to offer their employees who are wooed by a rival company offering higher salaries or better stock options. Industry officials, who oppose any decrease in profits until the company gives the stock to the employees, said that the FASB's proposal would add to a company's pain whenever its stock price dips, and would make it harder for ailing companies to retain employees.

Industry officials are also opposing proposals that would highlight the bartering of Internet advertising—sometimes disguised as revenue—between high-tech companies.

These accounting disputes, which the FASB plans to resolve next year, are nastier than a similar regulatory clash in 1994-95. In the earlier battle, the high-tech industry defeated a proposal that would have forced companies to immediately subtract from profits the cost of stock options promised to employees. Industry CEOs argued that such rules would have crippled new Internet companies' ability to pay key employees. The FASB decided to allow companies to declare such expenses in a footnote to their quarterly report, without having to deduct them from reported profits.

In all of these battles, the high-tech industry's worries are tied to the psychology of the marketplace, said Mark E. Nebergall, the president of the Software Finance and Tax Executives Council, which lobbies on behalf of high-tech companies on tax matters. For example, stock-pickers prefer to see a company immediately deduct the entire cost of the merger from quarterly profits. "The Street will ignore a big bath, but they hate drizzle," he said. Also, Wall Street analysts want every company report to be better than the last one, regardless of one-time events that can help or hinder a quarterly report, he said. "You've got to have a new suit on every quarter, to look good."

But this psychology is promoted by the Internet companies, which use their own high stock value to purchase smaller rivals, said David W. Tice, of David W. Tice &



BAD NEWS BEARS : Wall Street traders have pummeled those Internet companies that failed to produce expected profits.

Associates, a Dallas investment research firm. "The high-tech sector is much more vulnerable [to a stock-market dip] because if these companies disappoint Wall Street, their stocks go down a lot," said Tice. Tice's recent critique of Bermuda-based Tyco International Ltd.'s accounting practices precipitated a 50 percent drop in its stock—for a loss of roughly \$45 billion—and prompted an SEC investigation of the company, a manufacturing conglomerate.

But the deeper disagreement between the accountants and the high-tech companies is over priorities. The high-tech companies argue that the new rule would not adequately take into account the true worth of their intangible assets and would slow their growth, which is more important than detailed accounting. "Investors don't care" about accountants' estimates of a company's various hard-to-measure intangible assets, said Dan S. Scheinman, senior vice president for legal and government affairs at Cisco Systems in San Jose, Calif. "What they really want to know is, does this [merger] contribute to the bottom line?" he said.

But FASB and its supporters argue that the proposed rules will help investors understand a company's true financial health. Internet industry officials, McGurn noted, "say, 'The rules have to change because we are different.' But in the final analysis, the technology companies are not different [and] having good accounting and disclosure rules are as important as ever." Such rules help prevent stock-market bubbles, and enforce marketplace discipline, he added.

In addition to Nebergall, the lobbyists working for the high-tech industry are Car-

oline Graves Hurley, who is the tax counsel at the American Electronics Association; and Mark H. Gitenstein, a Washington attorney with the Chicago-based law firm of Mayer, Brown & Platt. Gitenstein represents the NETT Coalition—which includes Tech-net, the Silicon Valley fund-raising and lobbying group, and companies such as Cisco Systems, which has spent \$12 billion purchasing 45 companies since 1993.

Their efforts have won some support on Capitol Hill and at the Commerce Department. "We are trying to fully understand the [proposed rules'] impact on the innovation system, and we have been having a constructive dialogue with the companies," said Kelly Carnes, the department's assistant secretary for technology policy. Commerce officials have not decided what they should do if the FASB adopts rules that the companies oppose, she said. Sens. Joseph I. Lieberman, D-Conn., Connie Mack, R-Fla., Ron Wyden, D-Ore., and Rep. Zoe Lofgren, D-Calif., have sent a letter to FASB Chairman Ed Jenkins saying that the board's proposal could "damage the economy."

This pressure has produced some results for the high-tech community. For example, the FASB recently said it would let high-tech companies create a new line on their financial reports that shows their profits before merger-related expenses. It also allowed company directors—who often provide seed capital for new companies—to receive upgraded stock options without making corresponding deductions to the company's profit reports.

However, the high-tech industry is not getting everything that it wants. For example, on the repricing issue, it has been forced to offer a compromise that would curb companies' ability to boost employees' stock options. One reason for industry's limited progress, said McGurn, is that FASB's accountants learned the lessons of 1994 and 1995. In today's battle, the FASB is "much more politically savvy," McGurn said, and has lined up support from two lawmakers, Sen. Carl Levin, D-Mich., and Rep. Aron Houghton, R-N.Y., as well as from the SEC, investor groups, and professional accountants. So the high-tech industry, he predicted, "is going to lose" by February.

If high-tech suffers a defeat, it will mark a rare setback for an industry that has collected scalps from nearly every sector of the political establishment—the Pentagon, tax officials, the movie industry, state governments, and social conservatives. And any such defeat will be all the more bizarre because it will be delivered by the practitioners of the ancient art of accounting. ■

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Internet 14x

National Journal's TECHNOLOGY Daily AM EDITION

March 20, 2000

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The White House has another kind of Y2K glitch; GOP, Dems set their sights on party sites; a Microsoft dinner could run up quite a tab; former soldiers are up in arms about a possible millennium bug award; and more:

Taxes

Deep In The Heart Of Taxes

The Advisory Commission on Electronic Commerce likely will fail to reach consensus as it meets in Dallas this week, David Cay Johnston of The New York Times reports. The congressionally appointed panel created to hash out the tricky topic of Internet taxation has surprised anti-tax forces who thought they had control of the commission, he writes, as two-thirds of the 19 commissioners have come out in favor of the "level playing field." However, there is almost no prospect that the 14 commissioners will recommend applying sales taxes to Internet transactions. Even though two-thirds of the panel must support any recommendation issued to Congress, it is expected that commission Chairman Gov. James Gilmore, R-VA, will release an opinion from the commission's general counsel saying that it can issue a report, not a formal recommendation, and therefore sidestep that rule. Senate Majority Leader Trent Lott, R-MS, and House Republican leader Dick Armey, R-TX, issued letters to that effect Friday, he notes. The Wall Street Journal's Glenn R. Simpson and Jerry Guidera report that the panel appears ready to endorse the extension of the moratorium on new Internet taxes after its termination in Oct. 2001, and is expected to recommend that Congress repeal the 3 percent federal telephone excise tax and permanently ban Internet access taxes. The Washington Post's John Schwartz offers a quick run-down of the debate and the likely outcomes of the meeting, and TechWeb's Mo Krochmal looks at the fall-out for the IT industry. And an AP story notes some ways that the meeting's outcome could impact the presidential race.

White House

The Case Of The Missing E-mails

White House officials say they can't respond to a House subpoena calling for their e-mails on campaign fund raising and other matters because they can't retrieve the e-mails. AP reports that White House counsel Beth Nolan blamed unintentional computer failures. "We do not know if any responsive information is contained in the unrecorded e-mails," Nolan told Rep. Dan Burton, R-IN, chairman of the House Government Reform Committee. Nolan also said that getting back the incoming e-mails from 1996 to 1999 would be costly and time-consuming. White House spokesman James

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March 20, 2000 PM EDITION

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Taxes

Government Reps Abstain On Net Tax Votes

DALLAS — Federal, state and local representatives on the Advisory Commission on Electronic Commerce united Monday to protest the panel's lack of consensus and the unwillingness of some members to compromise by abstaining from voting on any provisions, as commissioners met for their final meeting.

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Two Toms Tackle Privacy

Taking Charge Of Privacy

Slow Down Before It Adds Up

"Unless consensus develops, we're going to abstain from voting," said Commerce Department General Counsel **Andrew Pincus**, speaking on behalf of himself and the two other Clinton administration representatives on the panel. "We've sought to work with everyone to achieve consensus. Unfortunately the commission has not served as a forum to achieve consensus."

State and local representatives on the panel, including Gov. **Michael Leavitt**, R-UT, Dallas Mayor **Ron Kirk**, Washington County (OR) Commissioner **Delna Jones**, and **Gene Lebrun**, former president of the National Conference of Commissioners on Uniform State Laws, joined the administration in its protest on the first two votes on international Internet tax proposals.

The abstentions sparked a debate over whether the panel could send a report to Congress without the supermajority—or 13 votes out of 19—called for in the 1998 Internet Tax Freedom Act.

The commission's counsel, **Tom Griffith**, said it would be "perfectly appropriate" for the commission to send Congress by its April 21 deadline a list of votes on amendments and highlight the votes the commission believes are important to Congress, as long as the final product is not called a "recommendation" or "finding."

"It is clear Congress wants a report and expects a report," Griffith said, citing letters from Senate Majority Leader **Trent Lott**, R-MS, and House Speaker **Dennis Hastert**, R-IL, saying they would accept a majority report, rather than a supermajority recommendation.

"The best judgment is not always a consensus judgment," Lott said in his letter sent to Commission Chairman Gov. **James Gilmore**, R-VA. "It may be impossible to obtain a two-thirds vote in favor of bold policy proposals that reduce tax burdens on American consumers and businesses. It would be a mistake for a majority of the commission to sacrifice its best judgment just to reach the arbitrary standard of a two-thirds majority."

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Lebrun challenged Gilmore, saying a report sent to Congress without the required votes would violate the law.

"If we go this route, we're changing the rules and not doing what Congress asked us to do," he said.

"They're not going to dignify the process by voting no," Mark Nebergall, who heads the Software Finance and Tax Executives Council and is a member of the Internet Tax Fairness Coalition, said. "I think they're protesting. We're not going to have any debate."

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- by Rebecca S. Weiner

Exports

~~Lott Says Export Act Reauthorization Could Wither~~

Senate Majority Leader Trent Lott, R-MS, said Monday that unless there is a major breakthrough in talks between supporters and critics of legislation to reauthorize the Export Administration Act, the opportunity to take up the bill may be fading.

The bill's chief sponsor, Senate Banking Committee Chairman Phil Gramm, R-TX, and Armed Services Committee Chairman John Warner, R-VA, are expected to meet this week, possibly as soon as Tuesday, according to an industry source, to discuss the status of ongoing negotiations over the legislation.

Gramm has been negotiating for several weeks with Warner, and three other Senate committee chairmen over their concerns that the bill makes it too easy to decontrol items that could pose a national security risk. Among the major provisions in the bill, S. 1712, is one that would set up a new process calling for the decontrol of dual-use products, those with military and commercial uses, that are available on a mass-market scale or from foreign competitors.

After reaching an apparent agreement two weeks ago to begin Senate floor action, Gramm was forced to pull the bill after it was clear that not all of the issues had been resolved.

While the Senate may have a day or two to take up the measure, Lott reiterated that the Senate soon will begin work on the budget and appropriations measures and will not have time to deal with much else.

"Time is marching on. We've moved to other issues," he said. "The commitment of more time and opportunities (to S. 1712) are dwindling."

In recent weeks, Gramm had agreed to make some changes that industry representatives have said went too far for them to support the measure. It is unclear whether Warner will soften his position on those issues.

Meanwhile, the House International Relations Committee's International Economic Policy and Trade Subcommittee has scheduled a hearing on the Export Administration Act on Wednesday with witnesses from industry.

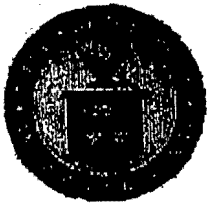
Among those scheduled to testify include Computer Coalition for Responsible Exports Co-Chairman Dan Hoydysh, director of trade policy for Unisys, David Rose, Intel's director of export and import administration policy, and Dave McCurdy, president of the Electronic Industries Alliance.

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William M. Daley
Speeches and
Statements

★ Deputy Secretary
Robert L. Mallett
Speeches and
Statements

Bureau of Export
Administration

Economics
and Statistics
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Bureau of
Economic Analysis
Bureau of the Census

Economic
Development
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International Trade
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Minority Business
Development Agency

National Oceanic
& Atmospheric
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William M. Daley
Secretary of Commerce

FOR IMMEDIATE RELEASE
Wednesday, January 12, 2000

Contact: Morrie Goodman
202-482-4883
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(202) 482-2721

Commerce Announces Streamlined Encryption Export Regulations

Washington, DC - The U.S. Department of Commerce Bureau of Export Administration (BXA) today issued new encryption export regulations which implement the new approach announced by the Clinton Administration in September.

Today's move permits U.S. companies to export any encryption product around the world to commercial firms, individuals and other non-government end-users under a license exception (i.e., without a license). In addition, "retail" encryption products which are widely available in the market can now be exported to any end-user including foreign governments. In most cases, a one-time product review by BXA continues to be required. Post-reporting requirements are reduced to track industry business models.

Related Link

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"This policy helps business and promotes e-commerce by adjusting our regulations to marketplace realities that U.S. companies face when they try to sell their products overseas. We've also worked very hard to address privacy concerns and to ensure that our law enforcement and national security concerns are met," said Commerce Secretary William M. Daley.

For source code, the regulation reduces controls further than announced in September. Commercial encryption source code, encryption toolkits and components can now be exported under license exception to businesses and non-government end-users for internal use and customization and for the development of new products. In addition, the regulations relax restrictions on publicly available encryption source code, including by posting on the Internet.

The regulation further streamlines requirements for U.S. companies by permitting exports of any encryption item to their foreign subsidiaries without a prior review. Foreign employees of U.S. companies working in the United States no

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greater than 512 bits and up to 1024 bits, network-based applications and other products which are functionally equivalent to retail products are considered retail products.

Internet and Telecommunications Service Providers

Telecommunications and Internet service providers can obtain and use any encryption product under this license exception to provide encryption services, including public key infrastructure services for the general public. Provision of services specific to governments (e.g., running a virtual private network for a government agency) will, however, require a license

Global Exports of Unrestricted Encryption Source Code

Encryption source code which is available to the public and which is not subject to an express agreement for the payment of a licensing fee or royalty for commercial production or sale of any product developed with the source code may be exported under a license exception without a technical review. The exporter must submit to the Bureau of Export Administration a copy of the source code, or a written notification of its Internet location, by the time of export. Foreign products made with the unrestricted source code do not require review and classification by the U.S. Government for reexport. This license exception should apply to exports of most "open source" software.

Global Exports of Commercial Encryption Source Code and Toolkits

Encryption source code which is available to the public and which is subject to an express agreement for the payment of a licensing fee or royalty for commercial production or sale of any product developed using the source code (such as "community source" code) may be exported under a license exception to any end-user without a technical review. At the time of export, the exporter must submit to the Bureau of Export Administration a copy of the source code, or a written notification of its Internet address. All other source code can be exported after a technical review to any non-government end-user. U.S. exporters may have to provide general information on foreign products developed for commercial sale using commercial source code, but foreign products developed using U.S.-origin source code or toolkits do not require a technical review.

U.S. Subsidiaries

Any encryption item (including commodities, software and technology) of any key length may be exported or reexported to foreign subsidiaries of U.S. firms without a technical review. Foreign nationals working in the United States no longer need an export license to work for U.S. firms on encryption. This extends the policy adopted in last year's update, which allowed foreign nationals to work for foreign subsidiaries of U.S. firms under a license exception. All items produced with encryption commodities, software, and technology authorized under this license exception will require a technical review.

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Export Reporting

Post-export reporting is required for certain exports to a non-U.S. entity of products above 64 bits. However, no reporting is required if the item is a finance-specific product or is a retail product exported to individual consumers. Additionally, no reporting is required if the product is exported via free or anonymous download, or is exported from a U.S. bank, financial institution or their subsidiaries, affiliates, customers or contractors for banking or financial use. Reporting helps ensure compliance with our regulations and allows us to reduce licensing requirements.

Implementation of the December 1998 Wassenaar Arrangement Revisions

Last year, the Wassenaar Arrangement (33 countries which have common controls on exports, including encryption) made a number of changes to modernize multilateral encryption controls. This regulation allows exports without a license of 56 bit DES and equivalent products, including toolkits and chips, to all users and destinations (except the seven state supporters of terrorism) after a technical review. Encryption commodities and software with key lengths of 64-bits or less which meet the mass market requirements of Wassenaar's new cryptography note are also eligible for export without a license after a technical review.

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The public can contact Secretary Daley by email at WDaley@doc.gov, and Deputy Secretary Mallett at DepSec@doc.gov. Direct inquiries about the content of this page to the Office of Public Affairs -- email opa@doc.gov or phone 202-482-4883. Direct technical inquiries about this page to webmaster@doc.gov or phone 202-601-0888 if urgent.

The address of this page is <http://204.193.246.62/public.nsf/docs/60D6B47456BB389F852568640078B6C0>. It was last updated Friday, January 14, 2000 at 1:33 p.m. EST.

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2/1/2000 - White House Fact Sheet on High Performance Computers - *Export*

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February 1, 2000**FACT SHEET**

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

February 1, 2000

FACT SHEET**Export Controls on Computers**

The President today announced an update of U.S. export controls on computers that will promote our national security, enhance the effectiveness of our export control system, and ease unnecessary regulatory burdens on both government and industry.

Today's announcement is President Clinton's fourth revision to U.S. export control parameters since 1993. This action reflects the Clinton Administration's efforts to ensure effective controls on militarily sensitive technology while taking into account the increased availability of commodity products, such as servers and workstations, of which millions are manufactured and sold worldwide every year.

The Administration's computer export controls are designed to permit the government to calibrate control levels and licensing conditions depending upon the national security or proliferation risk posed at a specific destination, to enhance U.S. national security by ensuring controls on computer exports are effective, and to minimize impediments to legitimate computer exports, which will help preserve the technological lead of the U.S. computer industrial base.

As directed by the President in July 1999, the Administration has conducted a review of our computer export controls that took into account (1) advancements in computing technology since mid-1999, (2) our security, nonproliferation and other national security interests, and (3) the need for a policy that would remain effective for at least six months.

This review found that advancements continue in the power and capabilities of widely available computing systems, reflecting the exponential growth in individual microprocessor speeds that has occurred since 1995. The speed of the general purpose microprocessor used in standard personal computers and business applications today has increased by a factor of eight since the Administration's 1995 decision took effect. This growth will continue--U.S. companies plan commercial sales of individual "chips" rated over 5000 MTOPS by late 2000. Moreover, while there are military* applications across a range of MTOPS levels, the national security agencies have reaffirmed their previous conclusion that there is no definitive line that separates levels of computing power on the basis of their usefulness for military applications. In light of this finding, the advances in basic computing technology the problems inherent in trying to control commodity level items, the Administration has determined that widespread commercial availability of computers with performance capabilities up to 12,500 MTOPS makes that a realistic and enforceable control level.

* The term "military" encompasses nuclear, chemical, biological, missile or conventional military end-users/uses.

**U.S. DEPARTMENT OF COMMERCE
WASHINGTON, D.C.**

**OFFICE OF TECHNOLOGY POLICY
TECHNOLOGY ADMINISTRATION**

Number of Pages (inc. cover): 22

DATE: March 27, 2000

TO: Ruby Shamir

AGENCY/COMPANY: White House

FAX NUMBER: 456-2878

TELEPHONE NUMBER:

FROM: Carol Ann Meares

PHONE: (202) 482-0940

FAX: (202)482-4817

MESSAGE:

Kelly Carnes asked me to send you this material. A bit more may be available in the morning.

PRESIDENT CLINTON HIGHLIGHTS PROGRESS TOWARD BUILDING A HIGH-TECH, HIGH-WAGE ECONOMY

December 3, 1999

Working with Congress on a bipartisan basis, the Clinton Administration succeeded this year in winning approval for key components of its high-tech agenda -- an agenda that will foster economic growth, improve America's ability to compete and win in global markets, and help create more high-tech, high-wage jobs. These new investments will build on the Administration's work since taking office to boost high-tech investment and innovation.

Important New Steps to Spur High-Tech Growth. Major legislative accomplishments this year include:

- **Extending the Research and Experimentation Credit.** The tax legislation that the President will sign this month includes a five-year extension of the Research and Experimentation credit -- the longest extension ever. Congress has often extended the credit 12 or 18 months at a time, sometimes at the last minute or after the credit has expired. Research and development projects in industries such as pharmaceuticals and electronics can easily take 5-10 years from planning to completion. A longer extension will allow companies to count on the credit in a way that they have not been able to in the past.
- **Increasing Balanced Investments in Long-Term Research and Development.** Many of the technologies that are driving America's economy today can be traced back to far-sighted government investments made in the 1960's and 1970's. The Administration believes that it is important to increase research not only in biomedical research, but in all science and engineering disciplines. This is because breakthroughs in one scientific field are often dependent on advances in other areas. Biomedical research, for example, benefits from advances in physics (CAT scans) and computer science (faster development of drugs). That's why President Clinton and Vice President Gore fought for increases in long-term research and development in all science and engineering disciplines. The final budget included: (1) a more than \$3 billion increase in the "21st Century Research Fund" for key civilian research programs in a wide range of science and engineering disciplines; (2) an historic increase of more than \$220 million in information technology research based on the recommendations of the President's Information Technology Advisory Committee; (3) \$80 million for the Next Generation Internet, which is connecting more than 100 universities at speeds that are up to 1,000 times faster than today's Internet; and (4) a 6.6 percent increase in support for research and education at the National Science Foundation -- a leading supporter of university-based research.
- **Reforming our patent system for America's entrepreneurs.** The patent reform legislation that the Administration fought for and that the President signed last week will help meet the needs of America's inventors and entrepreneurs. It will strengthen the U.S. patent system in a number of ways, including provisions to: (1) crack down on fraudulent invention promotion services; (2) extend the term of a patent when there is an excessive administrative delay in the issuance of the patent; (3) require the timely domestic publication of patent applications that are also filed abroad; (4) make it easier for the public to call for re-examination of a patent without requiring costly court litigation; and (5) make the Patent and Trademark Office a Performance-Based Organization, which will make the office able to more effectively serve America's entrepreneurs and innovators.
- **Increasing competition between satellite and cable TV companies.** The Administration strongly supported the Satellite Home Viewer Improvement Act, and successfully fought for changes to improve the legislation. The act will increase the ability of satellite companies to compete against cable companies, and will result in more customer choice, lower prices, and increased access to local news and information. The legislation allows satellite television companies to provide local broadcast stations to their subscribers. The inability to offer local programming had been one of the biggest roadblocks to

high ability to compete globally against other companies. As of January 2002, a satellite service must carry all local channels in a market where it carries any local channels. Since the President signed the bill, satellite companies have responded by making local channels available in some of the major markets.

Building on a Record of Progress. Since taking office, President Clinton and Vice President Gore have pursued policies that have allowed America's high-tech industries to flourish. One month after they assumed office, the President and Vice President released their comprehensive agenda -- "Technology for America's Economic Growth." And every year since then, they have worked to increase investment in long-term research and development, open foreign markets for America's high-tech goods and services, promote the Internet and electronic commerce, remove regulations that were impeding America's entrepreneurs, and prepare America's workers for the high-tech workplace of the 21st century. This focus on high-tech issues has helped fuel America's economic growth - and will also help increase the standard of living of future generations of Americans. New technologies are playing an increasingly important role in our economy -- a trend likely to increase in the future.

- **Information technology and other R&D-intensive sectors are driving the economy.** Between 1995 and 1998, the information technology sector alone has accounted for 1/3 of America's economic growth. In 1996 and 1997, rapidly falling prices in the IT sector reduced inflation by almost a full percentage point. Moreover, all companies are using information technology to compete and win in today's global marketplace. Information technology now accounts for almost one-half of business investment. Companies are using IT to tailor their products and services to the needs of individual customers, forge closer relationships with their suppliers, and deliver just-in-time training to their employees. Electronic commerce between businesses could reach \$1.3 trillion by the year 2003 in the U.S. alone.
- **High-Tech = High Wages.** Jobs in the information technology sector pay almost 80 percent more than the private sector average. In 1997, workers in IT industries earned \$53,000, compared with an economy-wide average of \$30,000.
- **Preparing the Future Generations for a High-Tech World.** President Clinton and Vice President Gore have set a national goal of ensuring that every child is technologically literate. That means that children will understand the mechanics of using computers and the Internet, but also be able to use it to improve their performance in all academic subjects -- and be able to acquire and synthesize information from multiple sources. The Administration's educational technology strategy has four pillars: connecting every classroom and library to the Internet by the year 2000; technology training for teachers; modern computers in the classroom; and high-quality educational software and content. As a result of the Clinton-Gore educational technology initiative: (1) the number of classrooms connected to the Internet has increased from 4 percent in 1994 to 51 percent in 1998; (2) the "e-rate," part of the Telecommunications Act of 1996, is providing \$2.25 billion annually in 20% - 90% discounts to connect schools and libraries to the Internet, with the deepest discounts going to the poorest schools that need it most. Our total investment in educational technology at the federal level (including the e-rate) has increased from \$23 million in 1993 to over \$3 billion today; and (3) grants supported by the Department of Education are training 400,000 new teachers to use technology effectively in the classroom.

It is a pleasure to be here this morning. I want to thank Congresswoman Capps for inviting me to talk about the role of technology in economic development.

Technology is driving our economy. Leading economists have estimated that technical progress has accounted for as much as one half of economic growth in the United States over the past 50 years. The prospect for technology-driven growth in the years ahead is very bright. Alan Greenspan--not known for unbridled enthusiasm--recently told a business group, and I quote "The United States is currently confronting what can best be described as another industrial revolution. The rapid acceleration of computer and telecommunications technologies is a major reason for the appreciable increase in our productivity in this expansion, and is likely to continue to be a significant force in expanding standards of living into the twenty-first century."

UNITED STATES DEPARTMENT OF COMMERCE NEWS

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ECONOMICS
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Computer Use Up Sharply; One in Five Americans Uses Internet, Census Bureau Says

About one-half of the nation's population age 18 and over used computers in 1997, up significantly from 36 percent in 1993 and 18 percent in 1984, according to a report released today by the Commerce Department's Census Bureau.

Access to the Internet is one reason for the big increase in computer use in the last decade as 1 in 5, or 57 million people, 3-years old and older surfed the 'Net in 1997.

"The Internet will play a major role in disseminating social, economic and housing information collected in Census 2000," said Census Bureau Director Kenneth Prewitt. "Modern technology will make it possible to get Census 2000 statistics in the hands of data users faster and more efficiently than ever before."

About 92 million adults (47 percent) used a computer in one or more places: 64 million at work, 56 million at home and 11 million at school.

Of the adults who used computers at home, 71 percent did so for word processing. Other common uses included games (54 percent) and e-mail and communication (45 percent).

(more)

Editor's Note: The embargoed data can be accessed at <<http://www.census.gov/dcmd/www/embargo/embargo.html>>. Call the Public Information Office for a password. After the release time, go to <<http://www.census.gov/population/www/socdemo/computer.html>>.

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About 8 in 10 adults who used the Internet at home used it for e-mail or for finding government, business, health or education information. The next most common uses were looking for news, weather and sports (50 percent); followed by checking schedules, buying tickets or making reservations (25 percent).

Children who used the Internet at home used it to find government, business, health or education information (76 percent); to send and receive e-mail (58 percent); to participate in chat rooms (32 percent); and to look for news, weather and sports (28 percent).

Census Bureau analyst Eric Newburger said, "Public school students in grades K-12 maintained parity with private school students in computer use at school in 1997. In each case, about 75 percent of the students used computers. Yet, at home, public school children had much lower rates of computer use than private school children."

The report, *Computer Use in the United States: October 1997*, includes detailed tables with characteristics of households, children and adults, by the presence of computers in the home, whether or not they use computers and their access to the Internet.

Other findings from the report, available on the Internet at <http://census.gov/population/www/socdemo/computer.html>, include:

Adult Computer Use

- Half of employed adults used a computer on the job.
- Women used computers on the job more often than men, 57 percent versus 44 percent.
- Men and women used computers at work for different tasks. For example, 60 percent of women who used computers at work used them for word processing, compared to 54 percent of men. But, a higher proportion of men used the computer for analysis (34 percent versus 20 percent of women) or programming (20 percent versus 11 percent).

Adult Internet Use

- Of the 43 million adults who used the Internet at home, school or work, 28 million did so from home, 21 million from work and 6 million from school.
- More men than women used the Internet, 25 percent versus 20 percent.
- Men using the Internet at home were more likely than women to look for news, weather, or sports (58 percent versus 41 percent). Men more often than women looked at news groups (21 percent and 13 percent) and men checked schedules, bought tickets or made reservations more frequently (27 percent and 23 percent).

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TALKING POINTS

Groups Underrepresented in the IT Professions

- Work place diversity is increasingly recognized as an organizational asset. Many companies operate in global markets, and a diverse work force is more capable of serving a diverse customer base. Moreover, in industries and work places that thrive on creativity and innovation, a diverse work force produces different perspectives, different approaches to solving problem, and a richer pool of ideas.
- As we enter the 21st century, two-thirds of new work force entrants will be women and minorities. Yet, today, women and some minorities are underrepresented in the professional levels of the information technology work force. And these are some of the fastest growing jobs, some of the highest paying jobs, and some of the jobs that will exert the most influential in shaping our economy and our society.
- This is also a barrier to the board room. The private sector's technical work force is not only a springboard for high-tech executives, but also for new high-tech entrepreneurial firms. Many of our high-tech start-ups have been founded by individuals who spun-out of larger companies. But the dearth of women and minorities in this arena means few reach the top as executives or owners.
- And frankly, it has less to do with gender, race, or ethnic origin, than it has to do with education, exposure, and encouragement.

Women and Minorities in the IT Work Force

- ✓ • Women's highest levels of representation in the IT work force are in administrative support positions such as data entry keyers and computer operators.
- ✓ • In the professional level IT work force, however, women represent

- *women represent 11.1 to 10% of the overall engineering work force.*

only 26.9 percent of computer systems analysts and scientists, and only 28.5 percent of computer programmers.

- The Microsoft Certified Professional is a job path growing in popularity. Yet, in a survey of 360,000 these professionals, only 11 percent were female.
- There are actually more women in the clergy (where they are 12 percent of the work force, than in electrical engineering (where women represent 9 percent of the work force).
- Some minorities are also underrepresented in the IT work force. As with women, blacks and Hispanics have their highest levels of representation as data entry keyers and computer operators.
- At the professional level, blacks represents only 7.2 percent of computer systems analysts and scientists and 6.4 percent of computer programmers. Hispanics account for only 3.6 percent of computer systems analysts and scientists, and only 4.9 percent of computer programmers. For both blacks and Hispanics, this is significantly lower than their overall rates of work force participation.

Groups Underrepresented in the Technical Education Pipeline

- The underrepresentation of women and minorities in the professional IT work force has strong origins in the technical education pipeline that leads to many high-end IT jobs.
- Two-thirds of all workers in high-end IT occupations hold a bachelor's degree or higher. Of those with degrees, 46 percent have IT degrees, minors, or second majors. And all told, 86 percent of degreed workers in these occupations have a degree in a science and engineering discipline. And here is where a large under representation occurs.

Women in the Technical Education Pipeline

- **Let's start with women. Women leave high school about as well prepared in math and science as men.**
- **Women earn more than half of all bachelor's degrees, yet they are less likely to earn degrees in science and engineering than men. Of men who earn bachelor's degrees, 40 percent of them earn these degrees in science or engineering. Only 29 percent of women who earn bachelor's degrees earn them in a science or engineering discipline. Men are three times more likely than women to choose computer science as a field of study, and more than five times more likely to chose engineering.**
- **This suggests that increasing women's participation in the education pipeline that leads to many IT and other technical jobs requires efforts to get more college-bound women to choose science and engineering as a field of study, including computer science and engineering disciplines.**

Minorities in the Technical Education Pipeline

- **Some of the underlying factors contributing to the underrepresentation of black, Hispanic, and Native American students in the technical education pipeline are different than those for women.**
- **In 1996, large differences remained at all grade levels in the math and science achievement scores of black and Hispanic students compared with whites and Asians. Native American students generally scored closer to the national average,**
- **There are disparities in the types of math and science courses taken:**

Forty-four percent of black, 46 percent of Hispanic, and 41 percent of Native American high school graduates have take chemistry (compared to 58 percent of white and 69 percent of Asian/Pacific Islander students).

Less than 20 percent of Hispanic and black high school graduates have taken physics (compared to 26 percent of white and 44 percent of Asian/Pacific Islander high school students).

Fifty-eight percent of black high school graduates have taken geometry, 69 percent of Hispanics, and 60 percent of Native Americans (compared to 72 percent of white and 75 percent of Asian/Pacific Islander students).

Forty-four percent of black high school students, 49 percent of Hispanics, and 42 percent of Native American students have taken algebra 2 (compared to 72 percent of white and 75 percent of Asian/Pacific Islander students).

In calculus, about one-quarter of Asian/Pacific Islanders completed the course compared with 10 percent of white, 6 percent of Hispanic, and 4 percent of black and Native American high school students.

- **Advanced courses in math and science are important because they are typically required for admission to college-level science and engineering programs.**
- **Black and Hispanic students are less likely to complete high school than white students. And white high school graduates are more likely to attend college than black or Hispanic high school graduates.**
- **Now some very positive trends are occurring. Racial and ethnic minority college freshmen declare science and engineering as a major at a rate equal to or higher than white college students (white 32 percent, Asian 43 percent, black 36 percent, Hispanic 35 percent, and Native Americans 32 percent).**
- **Black and Hispanic college students earn bachelor's degrees in science and engineering at rates roughly equal to white students**

but less than Asian students (white 33 percent, Asian 49 percent, black 32 percent, Hispanic 33 percent, and Native American 33 percent).

- And of racial and ethnic minorities who earn bachelor's degrees, blacks and Hispanics earn them in computer science at rates equal to or higher than white or Native American students (white 1.7 percent, Asian 3.9 percent, black 2.7 percent, Hispanic 1.8 percent, and Native American 1.3 percent).
- This suggests that the principal way to improve the participation rates of black, Hispanic, and Native American minorities in science and engineering is to increase their presence in the overall pool of undergraduate students.

Factors Contributing to Under Representation of Women and Minorities in the Technical Fields

- Looking beyond the data, there are numerous reasons women and some minorities get a message that says "science and technology are not for me." And often, this perception is attained at an early age, by middle school.

Image: It should come as no surprise that the image of the technical professional is not attractive to many young women and minorities. For example, a group of students in the 6th and 9th grades--key career decision making ages--was asked to draw pictures of an IT worker. Prevalent among the images were bow ties and bald heads, pocket protectors and short pants, and nearly all of the IT workers portrayed wore glasses. In the media, women and minorities are infrequently portrayed in technical roles; typically scientists and technologists are portrayed as white males. In the contemporary television media, think Steve Urkel, or the X-File's Lone Gunmen.

I've got to tell you, we almost flipped when a news story in the *Washington Post* referred to the pioneers of the Internet as

"venerated propeller-heads."

Image is an important attribute of a profession because it translates into the question, "Can I imagine myself in that role? Let me mention that, of the 160 pictures of IT workers that those students drew, only 16 of them portrayed women.

There are positive media images of women and minorities using science and technology--think of Helen Hunt's Jo Harding in *Twister*, Nicole Kidman's nuclear weapons expert in *Peacemaker*, Cuba Gooding's scientist in *Outbreak*, and *Star Trek's* Geordi LaForge played by LaVar Burton.

However, kids too often pick up on the negative images. We could do a lot more to highlight, not only positive images of technical workers in the media, but those in real life and in our communities.

- **Encouragement:** Women and minorities may experience less encouragement to enter technical education and careers, and have few role models and mentors in science and engineering in school, at home, at work, among high-tech business owners and executives, or in the community.

For example, teachers often serve as role models and mentors, yet only 6.1 percent of full time instructional faculty in college engineering programs are women, and only 5.9 percent are black or Hispanic. Women are better represented in full time computer science faculty, at 20 percent, but blacks and Hispanics make up only 5.2 percent of full-time instructional faculty in computer science.

Encouragement may be lacking in the home; based on the family's work history and parental aspirations for children, technical careers may not be considered an option and children are steered into other fields.

Lack of encouragement, role models, and mentors can translate into limited exposure to science and technology information and careers, as well as fewer opportunities for educational and career positioning. For example, in a recent Harris Poll conducted for the American Association of Engineering Societies, 78 percent of women felt that they are not very well or not at all informed about engineering and engineers.

- **Access:** Some racial and ethnic minorities suffer a disproportionate impact from poor schools at the K-12 level, for example in the inner cities.

For minority students, lack of financial resources can constitute the greatest barrier to achieving a technical degree. Technical education is an intense field of study that often does not allow students to hold full-time jobs. For minority students, who are disproportionately poor and often operating at the edge of financial viability, an economic setback can mean a student must withdraw from the university.

In higher education, there may be a lack of linkages--in R&D, internship opportunities, and recruitment--between high-tech industries and Historically Black Colleges and Universities, Hispanic Colleges and Universities, and Native American Schools. This reduces opportunities for technical training, real-world experience, exposure to high-tech industries, and for spring boarding into jobs through the industry-academic partnership pipeline.

Lack of recruitment reduces the "market pull" on those students choosing the focus of their education. Also, many high-tech companies operate in suburbs where the job pool is mostly white, and away from cities where many minority workers live.

- **Exposure to Technology:** In groups with few economic means, there may be an absence of computer literacy in the population, and inadequate resources to invest in computer-related education

or equipment both at home or in schools. The Commerce Departments study on *The Digital Divide* found that white households are more than twice as likely to own a computer as black or Hispanic households, and nearly three times as likely to have on-line access.

- **Support Networks:** Women have fewer and less developed networks than men in both school and the business community, as well as fewer relationships with influential colleagues, mentors, and sponsors. Mentors and sponsors can contribute to career success, by helping people "learn the ropes," explaining the unwritten rules, and sharing knowledge about the organization or the industry.

Minorities in science and engineering, and in the high-tech workplace also have fewer networks, and fewer relationships with mentors, role models, and sponsors. In a *Network World* reader survey, 70 percent of the respondents said their companies had policies to encourage the hiring of women and minorities. However, 80 percent of the respondents said their companies did not have initiatives to nurture the careers of women and minorities through mentoring or leadership training.

The Potential for Bringing More Disabled Americans Into the Technical Work Force

- A would like to address another group underrepresented in high-tech--disabled Americans. While persons with some kind of disability make up 20 percent of the U.S. population, they comprise only 5.8 percent of the science and engineering labor force.
- For too many years, disabled people have not been considered a population of individuals who could work. But, in fact, the vast majority of disabled individuals are interested in working.

Advances in technology have opened up employment

opportunities to people with disabilities, yet many employers embrace stereotypes and fears about people with disabilities, and perceive that accommodations are too expensive, even though average accommodations are not.

- Telecommuting can offer new opportunities for employment for people with disabilities. It allows the employee to work from home, in an environment that typically has been converted into an accommodating space.
- Yet, many employers are still uncomfortable about employees working at home--disabled or not. Many managers believe that employees who work off-site may not work required hours, or even as hard as those who are under supervision in a traditional workplace.

Efforts are Underway. But More Can Be Done

- There are numerous public and private sector efforts underway to increase women and minorities' participation in science and engineering education and careers. These range from programs focused on improving competency in mathematics and science and mentoring efforts, to programs to wire intercity schools for computers and Internet access, support networks, and internships and scholarships.
- There are steps that most businesses and educators can take to help increase the participation of under represented groups. For example:

Ensure that young girls and minority students have good career information, and the idea that science, mathematics, and technology are valuable and jobs in these fields are within their reach.

Get technical professionals into the classroom, to teach, mentor, or work on projects with students. And provide

students with hands-on opportunities to gain real-world experience with high-tech industry and technical careers.

Businesses could offer post-secondary scholarships in science and technology through groups representing women, minorities, and the disabled.

Industry and educators could develop fact-based stories, posters, and web sites aimed at middle and high school students which depict women and minorities in science and technology.

Businesses and industry associations should create alliances with women's and minority schools and colleges, sororities, other students groups, Native American tribes and schools, and professional associations. Through these alliances, they could then expand technical worker recruitment efforts, recruit for internships, and offer mentoring and training opportunities.

We need to focus on expanding the number of role models by aggressively recruiting women and minority faculty for science and technology programs at the middle school, high school, and college level.

We need to develop networks of support and encouragement for women and minorities pursuing science and technology education and careers.

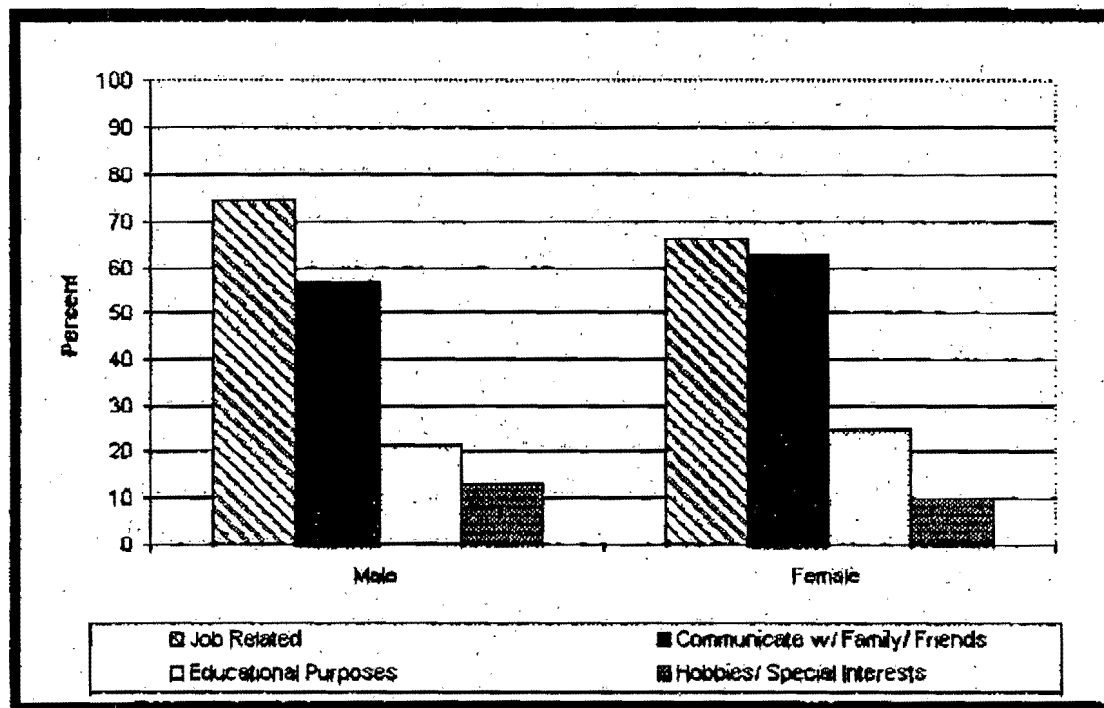
And employers could sponsor opportunities for women and minority technical employees to network and share information, experiences, and concerns through work site support groups and networks, employee councils, or other measures.

- We have a golden opportunity to make progress now. Our economy is growing, and we've created millions of new high-**

wage jobs. Unemployment is low and labor markets are tightening up. The role of science and technology is growing in the world's economies, and work force diversity is increasingly a vital asset in the global marketplace. These are the very conditions that can draw more women and minorities into high-wage technology jobs.

**Chart II-56: Percent of U.S. Persons Using E-Mail Outside the Home
By Subject Matter
By Gender**

1998

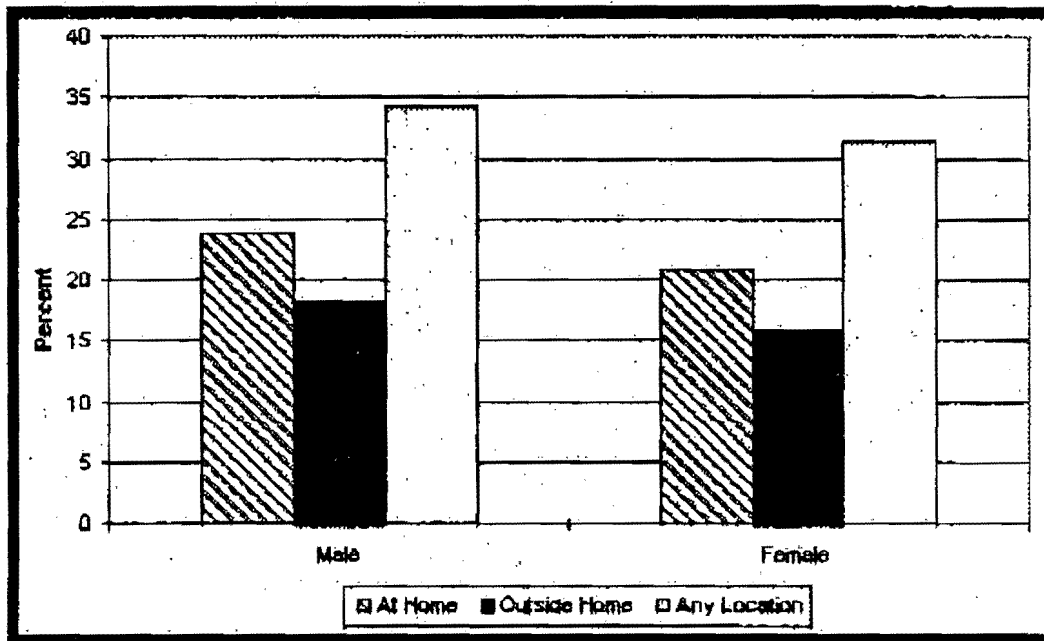


	Job Related	Communicate w/ Family/ Friends	Educational Purposes	Hobbies/ Special Interests
Male	74.6	57.0	21.2	13.0
Female	66.2	62.7	24.8	9.9

17

**Chart II-14: Percent of U.S. Persons Using the Internet
By Gender
By Location**

1998

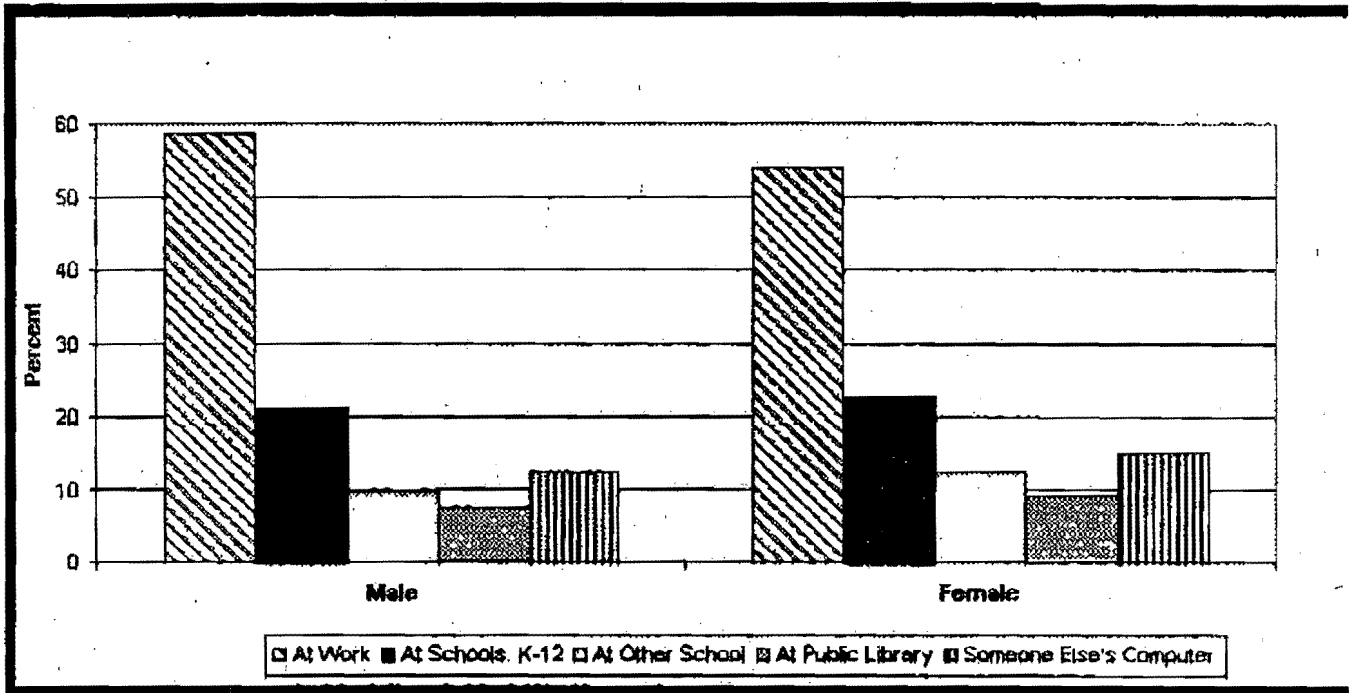


	At Home	Outside Home	Any Location
Male	23.9	18.3	34.3
Female	20.9	15.9	31.4

18

**Chart II-22: Percent of U.S. Persons Using the Internet Outside the Home
By Selected Places
By Gender**

1998

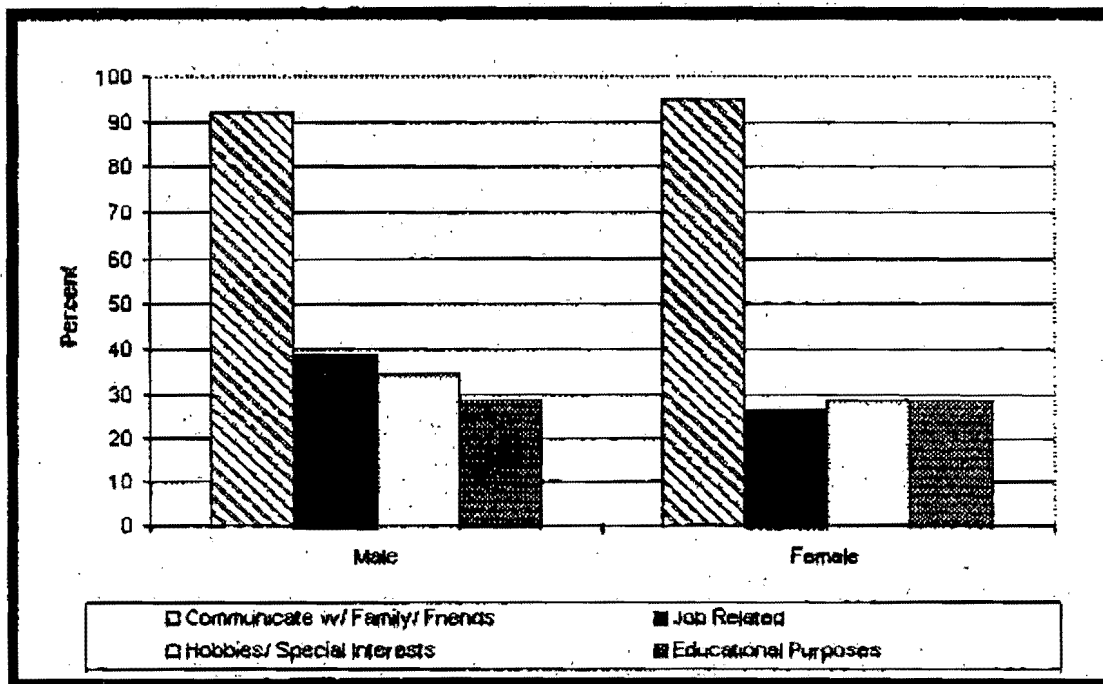


	At Work	At Schools: K-12	At Other School	At Public Library	Someone Else's Computer
Male	58.7	21.0	9.5	7.5	12.4
Female	53.8	22.6	12.4	9.1	14.9

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**Chart II-49: Percent of U.S. Persons Using E-Mail at Home
By Subject Matter
By Gender**

1998



	Communicate w/ Family/ Friends	Job Related	Hobbies/ Special Interests	Educational Purposes
Male	92.1	38.7	34.5	28.6
Female	95.1	26.4	28.5	28.7

20

Senator Hatch and others have introduced a bill to raise the H-1B cap to 195,000 per year, for three years. Do we need to raise the cap again?

The information technology (IT) industry is one of the largest users of the H-1B program, and the demand for skilled IT workers in that industry and others is strong and growing. A recent analysis of Bureau of Labor Statistics employment projections shows that, from 1998-2008, more than 2,000,000 new skilled IT workers may be needed to fill newly created jobs and to replace IT workers leaving the field. That's an annual average of 200,000 job openings. About three-quarters of these jobs--or 150,000 a year--are in IT occupations requiring at least a bachelor's degree, and one quarter in IT occupations requiring an associate degree.

The U.S. labor market is showing a strong response to this growing demand. In the past three years, bachelor-level enrollments in leading U.S. computer science and computer engineering programs more than doubled. Community colleges, propriety training institutions, and IT vendor certification programs have responded to the demand, with a growing number of individuals seeking training which would qualify them for low to medium-skilled IT jobs. Last year, Microsoft reported that, in 1999, it would train 1.2 million people around the world through 1,900 commercial training companies and 900 U.S. academic institutions. The private sector, and state and regional organizations are stepping up their training efforts. And the Federal government is investing tens of millions of dollars to educate and train workers for IT jobs.

I believe we must consider the H-1B issue carefully. We must ensure that the IT industry has access to the skilled labor it needs to grow and compete. But we must also ensure that U.S. workers have access to these upwardly-mobile, high-paying jobs, and many are now preparing for them.

(Among its provisions, S.2045, Hatch's bill, would raise the cap to 195,000 for fiscal years 2000-2002. It would also exempt from the cap those foreign nationals who take jobs with academic institutions and non-profit research institutions, as well as foreign nationals who are recent graduates with Master's and Ph.D degrees from U.S. universities.)

THE CLINTON-GORE ADMINISTRATION: FROM DIGITAL DIVIDE TO DIGITAL OPPORTUNITY

February 2, 2000

Today, President Clinton will unveil a comprehensive proposal to help bridge the digital divide and create new opportunity for all Americans. This issue has been a top priority for Vice President Gore, who has worked to bridge the Digital Divide by ensuring that all children have access to educational technology. Access to computers and the Internet and the ability to use this technology effectively are becoming increasingly important for full participation in America's economic, political and social life. Unfortunately, unequal access to technology and high-tech skills by income, educational level, race, and geography could deepen and reinforce the divisions that exist within American society. President Clinton believes that we must make access to computers and the Internet as universal as the telephone is today -- in our schools, libraries, communities, and homes.

To make the most of these new opportunities, the President believes we must:

- Broaden **access** to technologies such as computers, the Internet, and high-speed networks;
- Provide people the **skilled teachers** and the **training** they need to master the information economy;
- Promote **online content** and **applications** that will help empower all Americans to use new technologies to their fullest potential.

President Clinton will announce specific proposals in his new budget to help accomplish these goals and help create digital opportunity for more Americans -- including \$2 billion in tax incentives to encourage private sector activities such as computer donations, and \$380 million in new and expanded initiatives to serve as a catalyst for public-private partnerships.

PRESIDENT CLINTON'S NEW BUDGET INITIATIVES

1. **\$2 billion in tax incentives over 10 years to encourage private sector donation of computers, sponsorship of community technology centers, and technology training for workers.**
2. **\$150 million to help train all new teachers entering the workforce to use technology effectively.**
3. **\$100 million to create 1,000 Community Technology Centers in low-income urban and rural neighborhoods.**
4. **\$50 million for a public/private partnership to expand home access to computers and the Internet for low-income families.**
5. **\$45 million to promote innovative applications of information and communications technology for under-served communities.**
6. **\$25 million to accelerate private sector deployment of broadband networks in under-served urban and rural communities.**
7. **\$10 million to prepare Native Americans for careers in Information Technology and other technical fields.**

To Help Mobilize Public/Private Partnerships To Close the Digital Divide, President Clinton Will Lead A New Markets Trip during the week of April 9th: Closing the Digital Divide requires creative partnerships between industry, non-profit organizations and government. That's why President Clinton will lead a New Markets trip during the week of April 9th designed to mobilize a significant private and public effort to close the digital divide. This trip, which will include leading high-tech CEOs, will highlight communities that are using information technology to enhance our children's education, expand access to life-long learning, and create economic growth and high-tech, high-wage jobs.

THE CLINTON-GORE AGENDA FOR CREATING DIGITAL OPPORTUNITY

February 2, 2000

Private sector competition and rapid technological progress are powerful forces to bridge the digital divide and make Information Age tools available for more and more Americans. The information technology industry is able to double the amount of computing power available at a given price every 12-18 months, and is now selling low-cost computers and "information appliances" -- such as specialized Internet access devices. Some companies are even offering free, advertiser-supported Internet access. By working with the private sector and community-based organizations, the Administration can accelerate the trend toward expanded access.

But access to technology is only the first step. We also need to give people the skills they need to use technology, to promote content and applications of technology that will help empower under-served communities, and to ensure that teachers can use technology effectively in the classroom. Below is a brief description of the initiatives that President Clinton and Vice President Gore are proposing to help accomplish these goals:

1. **\$2 billion over 10 years in tax incentives to encourage private sector donation of computers, sponsorship of community technology centers, and technology training for workers:** President Clinton's budget includes \$2 billion in new tax incentives to encourage companies to donate computers to schools, libraries and community technology centers, to sponsor schools, libraries, and community technology centers in designated Empowerment Zones, and to provide basic computer training, workplace literacy, or other basic education for their employees.
- **Encouraging companies to donate computers.** The President proposes to extend and expand tax deduction that gives companies an incentive to donate computers to schools, libraries and computer technology centers. This enhanced deduction allows companies to deduct more than the cost of their donation. Under current law, this deduction applies to donations of computers to schools only and expires after the year 2000. The President's proposal would extend this provision through June 30, 2004 and would expand it to donations to public libraries or community technology centers in Empowerment Zones, Enterprise Communities, and high-poverty areas.
- **Promoting corporate sponsorship of schools, libraries and community technology centers.** The President proposes tax relief to encourage companies to sponsor schools and community technology centers in Empowerment Zones, Enterprise Communities, and targeted low income areas. The President's proposal would allocate credits for \$16 million in corporate sponsorship to each of the 31 existing Empowerment Zones and 10 proposed new Empowerment Zones and \$4 million in corporate sponsorship for each of the more than 80 Enterprise Communities. In total, the President's proposal would help support up to nearly \$1 billion in annual sponsorships to help improve schools and community technology centers.
- **Supporting technology training for workers.** The President's proposal would provide targeted tax relief to encourage companies to provide basic computer training, workplace literacy, or other basic education for employees that lack the basic skills to succeed in the modern workplace. Companies would be allowed to take a 20 percent tax credit for up to \$5,250 in annual expenses per employee. Eligible employees generally would not have received a high school degree or its equivalent.

2. **\$150 million to help train all new teachers entering the workforce use technology effectively in the classroom:** Under the leadership of President Clinton and Vice President Gore, the United States has made enormous progress in connecting schools to the Internet, and increasing the number of modern computers in the classroom. However, access to computers and the Internet will not help students achieve high academic standards unless teachers are as comfortable with a computer as they are with a chalkboard. President Clinton's budget calls for \$150 million in Department of Education grants -- double the last year's investment of \$75 million -- to ensure that all new teachers entering the workforce are technologically literate and can integrate technology into the curriculum. The need for this investment is clear. According to the National Center for Education Statistics, only 20 percent of teachers report that they are "very well prepared" to integrate technology into classroom. And over the next 10 years, K-12 schools will need to hire 2 million new teachers to fill the vacancies left by retiring teachers and to accommodate increasing student populations.
3. **\$100 million to create up to 1,000 Community Technology Centers in low-income urban and rural communities:** The President's budget more than triples the Department of Education's support for Community Technology Centers - from \$32.5 million in FY2000 to \$100 million in FY2001. This initiative, championed by Congresswoman Maxine Waters was initially funded at \$10 million in fiscal year 1999. The goal of the initiative is to help close the "digital divide" by providing computers and Information Age tools to children and adults that are not able to afford them at home. These community technology centers will help empower hundreds of thousands of low-income children and adults in a variety of ways. Children will be able to improve their performance in school by having access to high-quality educational software after school and prepare for the high-tech workplace of the 21st century by getting certified with an information technology skill. Adults will be able to use computers and the Internet to take a self-paced adult literacy course; get access to America's Job Bank to see what jobs are available; learn to type up a resume and cover letter using word processing software; learn to start up their own "micro-enterprise" or Web-based business, or acquire new training. A study sponsored by the National Science Foundation confirms that Community Technology Centers are helping to bridge the digital divide. Of the users surveyed: 62 percent had incomes of less than \$15,000; 65 percent took computer classes to improve their job skills; and 41 percent got homework help or tutoring at the center.
4. **\$50 million for a public/private partnership to expand home access to computers and the Internet for low-income families:** The President's budget includes a new \$50 million Department of Commerce pilot program to expand access to computers and the Internet for low-income families, and to give these families the skills they need to use these new Information Age tools effectively. This new program will provide competitive grants to public-private partnerships at the local level. Potential partners might include: local school districts seeking to expand parental involvement in education; high-tech companies willing to provide discounts on computers and access; libraries offering training on "information literacy"; employers seeking to upgrade the skills of their workforce using distance learning, and government agencies at all levels seeking to save taxpayer dollars through the electronic delivery of government services. The Administration will continue to work with the private sector and non-profit organizations on the most effective way to design this program.
5. **\$45 million to promote innovative applications of information technology for underserved communities:** President Clinton's budget will increase the investment in the

Department of Commerce's highly-successful Technology Opportunities Program (TOP) to \$45 million -- triple the current level of \$15 million. This program encourages innovative applications of information technology that help empower low-income communities -- public health information systems that raise childhood immunization rates in inner-cities, tele-mentoring for at-risk youth, and electronic networks that strengthen local communities by fostering communication and collaboration.

6. **\$25 million to accelerate private sector deployment of high-speed networks in under-served urban and rural communities:** High-speed Internet access is becoming as important to the economic vitality of a community as roads and bridges are today. The President will propose a new \$25 million program at the Department of Commerce and the Department of Agriculture to accelerate private sector deployment of broadband networks in under-served urban and rural communities -- using grants and loan guarantees. The potential payoff from these kinds of investments is enormous. One company, for example, has helped people move from "welfare-to-work" by connecting their community with the high-speed networks needed to support telecommuting. This solves some of the biggest barriers associated with welfare-to-work -- lack of childcare and transportation.
7. **\$10 million to prepare Native Americans for careers in information technology and other technical fields:** The National Science Foundation will support efforts by tribal colleges to increase the number of Native Americans who are prepared to pursue careers in information technology and other technical fields. The ability to use technology is becoming increasingly important in the workplace, and jobs in the rapidly growing information technology sector pay almost 80 percent more than the average private sector wage.

THE IMPORTANCE OF BRIDGING THE DIGITAL DIVIDE

Access to computers and the Internet and the ability to effectively use this technology are becoming increasingly important for full participation in America's economic, political and social life. People are using the Internet to find lower prices for goods and services, work from home or start their own business, acquire new skills using distance learning, and make better informed decisions about their healthcare needs. The ability to use technology is becoming increasingly important in the workplace, and jobs in the rapidly growing information technology sector pay almost 80 percent more than the average private sector wage.

Technology, used creatively, can also make a big difference in the way teachers teach and students learn. In some classrooms, teachers are using the Internet to keep up with the latest developments in their field, exchange lesson plans with their colleagues, and communicate more frequently with parents. Students are able to log on to the Library of Congress to download primary documents for a history paper, explore the universe with an Internet-connected telescope used by professional astronomers, and engage in more active "learning by doing." Students are also creating powerful Internet-based learning resources that can be used by other students -- such as award-winning Web sites on endangered species, the biology of sleep, human perception of sound, and an exploration of the American judicial system.

Access to computers and the Internet has exploded during the Clinton-Gore Administration. Unfortunately, there is strong evidence of a "digital divide" -- a gap between those individuals and communities that have access to these Information Age tools and those who don't. In

some instances, this divide is actually widening. A July 1999 report from the Department of Commerce, based on December 1998 Census Department data, revealed that:

- **Better educated Americans more likely to be connected.** Between 1997 and 1998, the technology divide between those at the highest and lowest education levels increased 25%. In 1998, those with a college degree are more than *eight times* likely to have a computer at home and nearly *sixteen times* as likely to have home Internet access as those with an elementary school education.
- **The gap between high- and low-income Americans is increasing.** In the last year, the divide between those at the highest and lowest income levels grew 29%. Households with incomes of \$75,000 or higher are more than *twenty times* more likely to have access to the Internet than those at the lowest income levels, and more than *nine times* as likely to have a computer at home.
- **Whites more likely to be connected than African-Americans or Hispanics.** The digital divide is also persistent and growing along racial and ethnic lines. Whites are more likely to have access to the Internet from home than African-Americans or Hispanics have from *any* location. African-American and Hispanic households are roughly *two-fifths* as likely to have home Internet access as white households. The gaps between white and Hispanic households, and between white and African-American households, are now more than six percentage points larger than they were in 1994. However, for incomes of \$75,000 and higher, the divide between whites and African-Americans has narrowed considerably in the last year.
- **Rural areas less likely to be connected than urban users.** Regardless of income level, those living in rural areas are lagging behind in computer ownership and Internet access. At some income levels, those in urban areas are 50% more likely to have Internet access than those earning the same income in rural areas. Low income households in rural areas are the least connected, with connectivity rates in the single digits for both computers and Internet access.

In addition, data from the National Center for Education Statistics reveals a "digital divide" in our nation's schools. As of the fall of 1998, 39 percent of classrooms of poor schools were connected to the Internet, as compared to 62 percent for wealthier schools.

A STRONG RECORD OF WORKING TO CLOSE THE DIGITAL DIVIDE

President Clinton and Vice President Gore have worked hard to close the digital divide, and to help create opportunity for more Americans in the Information Age.

- President Clinton and Vice President Gore have set a national goal of **ensuring that every child is technologically literate**. In addition to preparing children for the high-tech workplace of the 21st century, technology can help change the way teachers teach and students learn. Teachers can communicate more frequently with parents, keep up with the latest developments in their field, and exchange lesson plans with their colleagues. Students can conduct research using primary source material, learn the principles of genetics by breeding virtual fruit flies, and learn astronomy by using a professional telescope located 3,000 miles from their classroom.
- **As a result of the Clinton-Gore educational technology initiative:**
- The number of classrooms connected to the Internet has increased from 3% in 1994 to 51% in 1998.

- The number of schools connected to the Internet has increased from 35% in 1994 to 89% in 1998.
- The "e-rate", part of the Telecommunications Act of 1996, is providing \$2.25 billion in 20% - 90% discounts to connect schools and libraries to the Internet, with the deepest discounts going to the poorest schools that need it most. The e-rate alone has provided Internet access for children in more than 1 million classrooms.
- Our total investment in educational technology at the federal level (including the e-rate) has increased from \$23 million in 1993 to over \$3 billion today.
- Grants supported by the Department of Education are training 400,000 new teachers to use technology effectively in the classroom.

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

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

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SHOW: 60 MINUTES (7:00 PM ET)

March 19, 2000, Sunday

TYPE: Profile

LENGTH: 2525 words

HEADLINE: WOMEN AND THE WEB; WOMEN'S INCREASING INFLUENCE ON THE INTERNET AND THE CHALLENGE TO ATTRACT MORE FEMALES TO COMPUTER-RELATED PROFESSIONS

ANCHORS: LESLEY STAHL

BODY:

WOMEN AND THE WEB

LESLEY STAHL, co-host:

Once upon a time, not too long ago, a kingdom called cyberspace was men's country, men searching and surfing, boys of all ages playing games. And no wonder, it was created by men for men. But then women began to get interested.

(Footage of women working at computers; iVillage site; Evans and Carpenter)

STAHL: (Voiceover) What women began to get interested in was shopping online, so much so that now we're seeing a feminizing of the Internet, not just with online stores, but with new dot-com Web sites designed specifically for women. The most successful of these is iVillage.com, founded four years ago by Nancy Evans and Candice Carpenter.

When did you first realize that women were really beginning to flood onto the Internet? Candice?

Ms. CANDICE CARPENTER (Co-founder, iVillage.com): Actually, it was about a year ago that you really could feel the critical mass. I think that's when it got--over 40 percent of the audience became women, and when we started, it was 8 percent. So that was a huge difference.

(Footage of billboard reading: DoubleClick Welcomes you to Silicon Alley; group of women)

STAHL: (Voiceover) Now it's estimated that as many as 50 million more women will come online in the next year. In fact, they're already driving e-commerce, shopping online at twice the rate of men.

Ms. CARPENTER: I think the thing that we're so excited about is we have the most valuable audience; women do 80 percent of all the spending--one thing we do very well--and 70 percent of all advertising is directed to women.

(Footage of person moving computer mouse; iVillage Web page)

STAHL: (Voiceover) Every time you click on a Web site, you're providing valuable information on your tastes, information which is tabulated. Because millions of women click on to iVillage, other companies are coming to them for that tabulated information and to have access to the women themselves. It's a whole new way of doing market research.

What companies are--are coming to you and doing this?

Ms. NANCY EVANS (Co-founder, iVillage.com): Well, Ford Motor Company found out that 60 percent of their cars were being bought by women, so they decided, 'We'll go to iVillage. That's where--you know, there's more than seven million women aggregated there. And we're going to go there, not to sell them cars. We're going to go to iVillage to ask women, 'What do you want in a car? Are you sick and tired of seat belts that strangle you because they've been made for men? Are you sick and tired of not having, you know, cup dispensers that don't fit things?' And women, thousands of them, have come in to answer that question for Ford.

Ms. CARPENTER: Everything we do with our sponsors really is a chance to listen to women and a chance to have an interaction. We do overnight polls that are as significant as research that costs millions of dollars. Our membership is so used to talking to us, talking back, that they will answer all kinds of questions.

(Footage of iVillage Web page; Carpenter and Evans; women working at computers)

STAHL: (Voiceover) Questions like, 'How should a Web site for women be designed?' That's how Carpenter and Evans discovered that, unlike men, women do not like to surf and search. They don't like to play around. For them, the computer is an appliance, a time saver.

Ms. EVANS: Women do not like any of those whizzy-bang things. It's just...

Ms. CARPENTER: Flashy.

Ms. EVANS: You know, the Internet...

Ms. CARPENTER: Flashers.

Ms. EVANS: Things that are blinking, flashing...

Ms. CARPENTER: Yeah.

Ms. EVANS: ...ask any woman, she goes, 'Get that out of my face. I do not want that.' Anything that takes too long to download, a woman will be tapping her foot and be out of there. She wants to get something done and get out.

Ms. CARPENTER: Right.

(Footage of Evans and Stahl looking at computer screen)

STAHL: (Voiceover) When iVillage asked, 'What do you want us to offer you?' the answer came back, 'Help us communicate with each other.' iVillage's 1,500 message boards and 800 chats a month have become the heart of the business.

Ms. EVANS: We're in a chat room right now. Lesley--oh...

STAHL: Hello, Lesley.

Ms. EVANS: Oh, my gosh. Lesley, this is you now.

(Footage of words from chat room crossing computer screen; iVillage Web page)

STAHL: (Voiceover) The chats are the reason iVillage has brought so many women into the tent. And once inside, of course, it can sell them things. At the site, you're bombarded with one ad after the next.

Have you turned a profit? So many of these Web sites have not.

Ms. CARPENTER: Right. You know, we haven't, and we shouldn't have yet. Y--if you look, we're like a cable network, a magazine. It takes--there are a certain number of years, and we're right on track.

(Footage of iVillage.com sign; Web page)

STAHL: (Voiceover) In five years, she says, iVillage should be making money from market research, advertising, a percentage of every sale made on the site and sales of their own products. Wall Street agreed. When iVillage went public last March, it was instantly worth more than \$2 billion.

Ooh, look, all these people saying hello to me.

(Footage of iVillage list of chat rooms)

STAHL: (Voiceover) Chats range from politics to how to get stains out, from starting a new business to finding a good fertility doctor.

(Typing in) 'Do you use the computer differently than your husbands?'

Ms. EVANS: (Reading from computer screen) 'Yes. I use it to make friends, while my husband just checks the Yankees score.'

I mean, th--that--isn't--isn't that one of the more remarkable things? That this...

STAHL: It is. This is all remarkable.

Ms. EVANS: This was created by man, and now women have come into it, humanized this place and are using it for completely different reasons than--than it was invented for. They've just made it their own.

(Footage of iVillage Web page; office of men working at computers; Borg)

STAHL: (Voiceover) Women may be humanizing the Web, and iVillage may be run by women, but only up to a point. In the back room, the computer whizzes are young men. This is typical, says Anita Borg, who heads the Institute for Women and Technology at Xerox.

Dr. ANITA BORG (Institute for Women and Technology, Xerox): At this point, most of the people involved in the real technical careers come from a very narrow slice of the population. They tend to be male, they tend to be white, they tend to be relatively young. And when you think of it, that's a--a narrow stripe for everybody. And they're really defining what our future is going to look like.

(Footage of Borg teaching class)

STAHL: (Voiceover) Dr. Borg fears that if the high-tech work force continues to look anything like the past--for example, like this Hall of Fame wall at the engineering department of Purdue University, women's needs will not be taken into account anytime soon.

A stunning statistic: The number of women in college majoring in computer science is actually going down.

Dr. BORG: The peak of women getting degrees in computer science was in about 1984. In '84, about 37 percent of the undergraduate degrees in computer science and computer engineering were female. It's down below 20 percent now.

(Footage of Comdisco, KLA-Tencor Cisco Systems, Sun Microsystems, Texas Instruments, Lockheed Martin's Globalstar, Seagate and Sony signs; Commerce Department building)

STAHL: (Voiceover) The problem comes at a time when technology companies are facing such a severe shortage of computer scientists they're recruiting in foreign countries. The Department of Commerce predicts the US will need over one million computer engineers, systems analysts and programmers in the next six years.

Dr. BORG: If women and minorities had studied computing at the same rate as men, starting in about 1984, there would be no work force shortage. The numbers almost match perfectly.

STAHL: OK, so what's happened?

Dr. BORG: These days young women decide very early on that that's not what they want to be like.

STAHL: The nerd thing.

Dr. BORG: The nerd thing. But the nerd thing is just a stereotype. It's not reality, and that's what the--that's what the problem is.

STAHL: You know what I can't figure out is why the nerd image hasn't become the most attractive image, when kids read and find out that a nerd three years out of college can be worth \$200 million, you know?

Dr. BORG: Well, you know, the stu--what the study says is that young women are as interested in the impact of what they do as they are in how much money they make.

(Footage of Douglass College sign; Girl Scouts walking on campus)

STAHL: To deal with the image problem, last summer Douglass, the women's college at Rutgers in New Jersey, invited 24 Girl Scouts from around the country to take a course designed to get them interested in technology as a career:

Unidentified Man: Feel free to take anything apart that you want to. If you want, pull things out. The only thing I ask is if you pull something out, put it back in.

(Footage of girls taking apart computers)

STAHL: (Voiceover) The girls took computers apart...

Unidentified Man: The next thing I want you to find is the RAM.

Unidentified Girl #1: How do you expect us to put it back together?

Unidentified Girl #2: There.

(Footage of girls putting computers together)

STAHL: (Voiceover) ...and got them back together again.

Unidentified Girl #3: OK.

Unidentified Girl #1: We only have a couple of extra pieces...

Unidentified Man: Don't worry about it. OK.

Unidentified Girl #1: ...and wires.

Unidentified Man: We're going to work on a programming exercise.

(Footage of class making peanut butter and jelly sandwiches)

STAHL: (Voiceover) They learned about the pitfalls of bad programming when they had to write a program for making a peanut butter and jelly sandwich. One slip-up and you could end up with something really yucky, like jelly on both sides of the bread.

Unidentified Man: The computer is completely stupid, and it'll follow the instructions exactly.

(Footage of girls working on lesson)

STAHL: (Voiceover) The purpose of the exercise was to show that, in the right setting, girls can be just as enthusiastic about computers as boys and can learn to be just as technically proficient.

From this work with the Girl Scouts, there seems to be an idea afloat that girls and boys should be educated separately when it comes to technology; that when girls are in an environment where they're having fun and don't feel challenged and threatened by the boys, they do better.

Dr. BORG: I don't know whether that's the right solution in the long run, but it seems to make a difference now. You know, th--there's an age at which--which boys are elbowing girls off of things, and the girls back off. Suddenly when you set it up so that doesn't happen, girls participate at exactly the same rate that boys do.

Ms. IDIT HAREL (Founder, mamamedia.com): Just click here, OK?

Unidentified Girl #4: That's my surf place?

Ms. HAREL: Yes.

(Footage of Harel and Girl #4; Harel with children working at computers)

STAHL: (Voiceover) But what if you set it up right from the beginning? Idit Harel, founder of mamamedia.com, is trying to prove that you can create learning games that little girls will love. She's building an Internet playground for the clickerati, kids growing up with the Internet and our future work force.

Ms. HAREL: (Voiceover) Boys, we know--they love to play with construction kits and take air conditioners apart, but girls are not very attracted to air conditioners.

But we give them something really similar, only digital here, so they can pick up different kinds of really funky gadgets. And suddenly their imagination goes wild, and they tell you stories for hours.

(Footage of children working at computers; mamamedia.com page)

STAHL: (Voiceover) Every month a million children under the age of 12 are logging onto mamamedia. Using the same technological polling that iVillage does, Harel has the chance to find out exactly what kids like, boys and girls. Studies have shown that girls make up their minds about whether they like the computer by third grade. Harel says that if girls find their interaction with computers fun, they will be more inclined, as boys are, to think about technology as a career.

Ms. HAREL: One thing for sure is that if you give them equal access to technology from a very young age, you will see that they're passionate about learning and playing with technology in the same way. Both of them think that learning and playing with technology is cool.

(Footage of Borg)

STAHL: (Voiceover) No one is more devoted to making technology cool for women than Anita Borg.

Dr. BORG: (To class) When we're doing our brainstorming and thinking up ideas a little...

(Footage of Borg)

STAHL: (Voiceover) She used to be a top computer scientist at Digital Equipment Corporation. Now she spends all her time at Xerox trying to bring more women into the field.

Dr. BORG: (To class) This is meant to be an--a little bit of an exploration to expand thinking a little bit.

(Footage of workshop)

STAHL: What she's doing is holding workshops, like this one, where technical and non-technical women sit around in small circles and brainstorm about what they want future technology to do for them.

Unidentified Woman #1: Scanner kind of thing, where you just scan the person's head or something like that, and then you would know what kind of symptoms this person had. For example, I have, like, flu or allergy.

Unidentified Woman #2: I think I'd like also to have more voice-activated systems for the home for you to say, 'Dim the lights,' or you say, 'Turn on the oven.'

Unidentified Woman #3: I'm going to have an eating plan so that in the morning, when I get up, it's going to say, 'You've had too much cheesecake. You thought--you thought three miles would be good. Keep going.'

Dr. BORG: It's going to hurt the field for us not to be there. It's going to hurt the output of what we create. Women bring richness and different perspectives and shifts in everything from priorities to the actual way they look at the thing they're going to create.

STAHL: We had a woman say to us, 'Now do you think that a woman would have created the mammogram machine the way it is now?'

Dr. BORG: You know...

STAHL: I mean, it just brings it right home.

Dr. BORG: Absolutely. And I...

(Footage of Borg)

STAHL: (Voiceover) That's the whole point, she says.

Dr. BORG: If companies have women designing those pro--products, those technical products, then it's more likely that they're going to be able to appeal to that huge women's market. And...

STAHL: They're just figuring this out?

Dr. BORG: Some of them are starting to figure it out.

STAHL: A small postscript: Evalyn Lee, who produced that story, now works for iVillage.

(Announcements)

Attachment**Women's Technology Cluster
Company Descriptions
Entrepreneurs Roundtable****AudioBasket.com (Kim Fisher)**

Provides customized and personalized audio programming, via the internet, to computers, cellular phones, MP3 players, and personal digital assistants.

www.audiobasket.com

HolaMujer (Jessica Camuffo)

The first pan-regional, full-service online network with original content to target Spanish- and English-speaking Latina women throughout the U.S. and Latin America. HolaMujer delivers high-quality information on topics ranging from health and beauty to career and money management and a virtual market of goods and services (including online shopping, chat, and free e-mail), customized to meet the tastes and interests of Latina women.

www.holamujer.com

LevelEdge.com (Lisa Henderson)

LevelEdge.com is becoming the premier online sports management hub for high school and junior college athletes. LevelEdge.com is an end-to-end sports management solution that efficiently matches student athletes to available sports scholarships and programs.

www.leveledge.com

LifeGuides.com (Sherri Appel)

Online guidance, college preparation, and career planning services for teenagers and their parents.

www.lifeguides.com

MsMoney.com (Tiffany Bass Bukow)

Ms.Money will be the premier financial web site for women, dedicated to empowering and educating women to be financially healthy. Ms. Money will be the "two minute a day solution" providing women with the capacity and tools to research, organize, and purchase financial services online or through wireless devices.

www.MsMoney.com

RosePlace (Gina Johnson)

Online leader in planning for senior care targeted toward the 25 million informal individuals caring for an aging relative. RosePlace.com will also provide sophisticated reporting information on facilities, communities, products and services to member senior care companies.

www.roseplace.com

ShopEco.com (Mona Lisa Wallace)

eCommerce site focused on retail environmentally sustainable, natural and socially responsible consumer products.

www.shopeco.com

Vistify (Menekse Genser)

Vistify delivers one-touch "point-of-thought" ease and convenience to home "errand" e-commerce through a two-part solution: a "first mile" next-generation appliance in the kitchen that functions completely within current household behavior; and a comprehensive service backend that delivers the convenience that e-commerce services and the Web have promised for years.
www.vistify.com

WTC Graduate Companies (Invited Guests)**~~Integrated Data Systems (Dr. Dina Bitton)~~**

~~Offers software products and services that provide unified access to disparate databases in real time. IDS' products help Fortune 1000 companies build the infrastructure they need to deliver information to their customers and partners over the Internet.~~

~~www.ids-corp.com~~

Latino.com (Lavonne Luquis)

The premiere web site for college-educated Hispanics to enjoy Latino-focused news. The founder was elected one of the Top 25 "Women on the Web" and named Hispanic Businesswoman of the Year in 1998.

www.latino.com

MyPsych.com (Dr. Hagit Glickman)

MyPsych.com is a behavioral health care, web channel with integrated patient and provider sites offering users access to behavioral health care information, services and resources.

www.mypsych.com