

## Special Review Memorandum

Re: The Next Administration: Some Unarguable Points.

### Foreword

Even before the Republican and Democratic Parties formally pick their Presidential candidates, folks are speculating what the next American President will actually do. What'll he -- or, she -- be like? Various Washington groups are also speculating, proving that knowledge rarely, if ever, is a prerequisite to "analysis."

Obviously, there are differences, even major differences among the "usual suspects." War, taxes, environment -- you name it, they all differ. But there are also a few unarguable points. And, rare points of similarity, you know. Things which the next President is guaranteed to be -- and, do.

### Computer Literate

Most importantly, the next President will definitely be computer literate -- which hasn't been true of the last two. President Clinton, you see, seems to have delegated virtually everything having to do with computers and technology to Vice President Gore. Remember how Barbie declared, "Math is hard!" Well, with Bill Clinton, "math" seems to have been computers.

There's a story, for instance, that when Clinton vacated the Oval Office, technicians checked the desktop unit he'd had very publicly installed in 1994. They found only two messages on the unit. The first was a copy of the introductory email President Clinton evidently sent when the machine was first hooked up, six years earlier. The second was a system message, years later, inquiring into whether the terminal was still connected to the White House system.

And, George Bush isn't much different -- at least on this score. People say the President actually used a computer when he was Governor of Texas, but quit doing so when told that White House email might be discoverable, or leaked. Apparently the fellow doesn't use computers, a BlackBerry, or even a cellphone! He does have an iPod -- bought by his daughters and programmed by a Secret Service agent. But nothing else.

Ourselves, we find it incredible that any adult living in the "Information Age" - - not to mention a national leader -- so pointedly ignores the technology sector. But J.D. Power and Associates does note there are many "aggressive non-adapters," as your Review noted last week. About 20% of the population qualify -- and, it's common especially among people over age 50. Apparently Mr. Bush falls into the "non-adapter" category. He doesn't know how to program and doesn't want to learn.

### They All Know How to Log-In

Well, we know Senator McCain knows about computers -- and, Amazon.com and eBay and Wikipedia -- because we sat less than 10 feet from the fellow years ago when he talked with an American Enterprise Institute (AEI) group. He talked about the great impact of electronic commerce, the enormous productivity gains, and working with his children, using this technology. Senator McCain, in other words, is current with this stuff. He also chaired the Senate Commerce Committee, remember, and thus was obliged to steep periodically in this lore.

Senator Clinton also knows how to use both a cellphone and a BlackBerry -- and, we know that because we've seen pictures of that. We also know she understands the economic and social benefits of high-speed Internet access because we've read comments of hers on the topic over the year. Again, she's also steeped -- at least a bit -- in this "Information Economy" lore.

As best we can recall, however, the President's referred to "broadband" just twice in his life. Once, when his aides compelled him to interrupt a Crawford vacation to drive over to Baylor for an "economic summit." There, he read a statement saying he was in favor of "broadband." Then, during the 2004 campaign -- shortly after Senator Kerry declared he was in favor of broadband. The President said he was, too. Senator Kerry, incidentally, is about as facile with today's familiar technology as George Bush.

Senator Obama? We've seen pictures of the fellow checking his email on his Senate-issued BlackBerry. But he also has two young daughters. We expect that, alone, compels a certain level of parental technology literacy -- just as in the case of Senator McCain. These days, anyone with children is automatically in on the secret, right?

### Will It Make a Difference?

Will having a President who can actually use a computer make a difference? Well, the thing to remember about the Bush Administration is it's really been government by "to-do list." Each year, as he evidently learned at Harvard Business School, the President sets forth his important but limited objectives, his specific goals. They then become the focus for the following year -- not just for the President, but everyone else.

No one's allowed to distract Congress from its mission -- to give the President what he wants -- by talking "off-message." That's why the Cabinet officers and senior Administration officials never seem to say anything relevant to their own portfolio, only the President's program. It's like rigidly running a Government on railroad tracks, and this intense, relentless focus on the President's points actually works. You get "No Child Left Behind," you get tax breaks, you even get FISA, for a while.

But this highly focused approach doesn't work too well when there's some intervening event, does it? Remember how it took the Bush Administration four days to airlift water to those people at the New Orleans Super Dome? Nobody apparently was free to watch TV news. Or, many months to understand that the real estate market is unstable, or energy prices too high? They just weren't on the "to-do" list, you see. The Bush Administration's proven the least flexible, the least resilient, the least adaptable in decades, hasn't it?

### Quite Different From Predecessors

Well, until the President took office, every previous President had some sort of "Information Economy" initiative or involvement. They also had a formalized regulatory review process. And, they had some "Information Economy" involvement -- they didn't just fixate on the "war on terror."

President Reagan, for instance, dealt with the 1982-84 Bell System breakup, the Federal Communications Commission's (FCC) "Financial Interest and Syndication Rule," and the telecommunications trade legislation pushed through by Senator Danforth, and enthusiastically fostered by the current U.S. Trade Representative. Your Review knows President Reagan knew about these things because we actually talked with him about it -- remember that? (One of these days, we'll have to rerun that feature report, won't we?)

The first President Bush, then, had telecommunications trade, high-definition television, and semiconductor agreements with Japan to worry about. We're not sure this fellow -- who was surprised by a grocery store bar code scanner -- actually understood communications and computer technology. Like his son, he was also remarkably uncurious. But he talked about communications and computers. It was also on the first President Bush's watch, remember that the Internet got going, as well as the various advanced technology programs at the Department of Commerce. That was when Vice President Gore was in the Senate, remember, and really helping "create" the Internet. Pre-Netscape, when America relied so much on Prodigy and CompuServe.

### The Clinton Years

During the Clinton Administration, there was the dot.com boom, of course, as well as a national effort to push Internet connections, to remedy any "digital divide." Remember when President Clinton and the Vice President both appeared for a "Net Day" wiring installation session in Washington? (Can you imagine the President or Vice President Cheney ever doing something like that?)

The Clinton Administration had less to do with the Telecommunications Act of 1996 than revisionists might have you think. But there still was significant Clinton Administration involvement in crafting the school and libraries program provisions. Certainly Vice President Gore was really involved.

President Clinton staged a White House ceremony where Congressman Ed Markey announced his V-chip program. A lot of people from the competitive local exchange carrier business, Bell Atlantic, and NYNEX also attended those notorious White House coffees. (We don't think any telecommunications or computer executives ever overnighted in the Lincoln bedroom, however. Just movie people like Barbra Streisand and Stephen Spielberg. Heavy-duty policy people like that.) And, we know President Clinton met with Time Warner CEO Gerald Levin as well as Microsoft's Bill Gates.

### "We Don't Need No Stinkin' Technology!"

Now, it's not true the President's been completely indifferent to technology. He mentioned hydrogen fuel cells in one State-of-the-Union address (it apparently was the only advanced technology which came to White House chief-of-staff Andy Card's mind (he headed the GM lobbying office in Washington for years)). Heck, the President after six years in office even agreed to meet with the heads of the U.S. car companies, and presumably was briefed on new automotive technologies then.

There also are indications the President's shown an interest in surveillance systems. He probably picked up quite a bit from the various nuclear weapons experts they've brought in -- the people who were sure Saddam Hussein had proto-nukes, and Ahmadinejad was up to no good. But there's no evidence the President has ever (a) bought anything online, (b) logged onto YouTube or other "social networking" site, or (c) figured out whether he wants XP, Vista, or Mac/Leopard computers when he leaves office. Though maybe, as General Buck Turgidson said in Dr. Strangelove, we shouldn't condemn a whole program for just a few slipups.

### Commerce and the FCC

Now, for the past seven years the FCC and Commerce Department have actually done a reasonable job, holding down the "Information Economy" fort. Sort of. About a Boy's admonition aside, these agencies have been without White House backup. But they've done OK.

Sure, we've lost most of our telecommunications manufacturing and R&D base, not to mention hundreds of thousands of once-good U.S. manufacturing jobs -- but the same could be said of other key sectors the Administration's also ignored. Try textiles and apparel, leather and rubber footwear, furniture, automobiles, construction equipment, optical products, "advanced technology" products, etc. Heck, when it comes to trade and U.S. competitiveness, we're waiting for the Bush Administration to adopt one of our favorite Jimmy Carter terms: "incomplete success." These people have been just terrible when it comes to helping produce American jobs, haven't they?

Computers, communications, and the Internet have seriously affected just about everything and maybe the Bush Administration deserves credit for not getting

involved. Maybe there are "negative opportunity costs" involved, here. Still, we worry when we see the Administration ignoring the situation in the satellite and satellite launch businesses, for instance. Or, completely indifferent to that \$50 billion deficit we have in "advanced technology" -- computers, software, peripherals, etc. Or, stabbing Boeing in the back. Is there anything that interests the President, other than the never-ending "war on terror"?

### "High-Level Attention" and Follow-Through

With a computer-literate President, FCC and Commerce Department issues -- and telecommunications and technology trade matters -- are likely to attract high-level attention once again. One gets the sense the President today is about as interested in the "Information Economy" as he is in whether the Serbian Orthodox Church should continue with Old Church Slavonic liturgy. But Messrs. McCain and Obama, and Mrs. Clinton, are actually into this "technology stuff." We expect they also understand at least the assertions regarding "productivity tools," "sunrise technologies," and all that. So be optimistic. At least on this front, it'll be morning in America regardless of who wins.

If the President's interested in something, remember, the rest of the Government tends to pay some attention, too. The Commerce Secretary stops focusing mostly on turtle-excluders and "Dolphin-safe" labeling. The U.S. Trade Representative shifts from negotiating a free trade agreement with Kyrgystan to doing something more useful. The FCC Chairman and Commissioners tear themselves away from "playing auctions" and start thinking about regulation "as if people really matter." All sorts of good things can occur.

### "Putting a Little Stick Around"

Finally, do you think the next President will want to discipline the news media, if only a bit? Two of the candidates -- Senators Clinton and McCain -- could probably talk for days on the subject of perceived media bias and undue power. Did you hear Senator Clinton complaining about that, this past Tuesday? "I seem to get the first question every time." How'd you like her running the FCC, NBC?

To-date, Senator Obama's done better. But would a President Obama be as indifferent to electronic media issues as the Bush Administration has been? The Senator did get involved in the Tribune Co. privatization deal, you'll recall.

One has the sense that a President Obama wouldn't necessarily lead any gleeful parade of MoveOn.org, Free Press, New America Foundation, and other activists. The ones who, like Ralph Nader, are worried sick that Washington's just "corporate occupied territory." Indeed, since the number one goal of all first-term Presidents is to be a second-term President, maybe a President Obama might just encourage these activists to "go off and track something," as James Thurber would always say to any worrisome dog. On the other hand, Mr. Obama might also prove much like President Carter: Quite willing to see the media jerked around a little, to teach them a "lesson of authority."

### Conclusion

When the history of the Bush Administration's written, it'll be noted it was when computers and the Internet attained "critical mass," and really started making differences. It'll be the years when the "Negroponte Switch" actually occurred. Only, miraculously, the President wasn't there, was he? Like one of Thurber's dogs, he, too, was off tracking something.

But with the next Administration, you're guaranteed things will be quite different. Regardless, you'll have a President who actually knows about these things -- and, might even be interested in them, too. Imagine! An American Chief Executive sensitive and understanding of the single biggest factor shaping politics, the economy, and society. Where will it all end, right?

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