

RURAL POVERTY TELECOMMUNICATIONS INITIATIVE

Project Summary

Overview

The Aspen Institute's Rural Economic Policy Program, in collaboration with The Ford Foundation and a number of leaders in the fields of rural poverty, rural economic development, and natural resource use and protection, proposes to develop a multi-year Rural Poverty Telecommunications Initiative that will serve as a reliable and inexpensive method for exchange of information among rural communities, policymakers, researchers and others. Benefits will accrue to both the organizations directly participating in the Initiative, and to rural communities in which these organizations are located or operate.

The Initiative will offer computer and information technology to many rural community-based organizations that currently do not have access. It will provide experience to a variety of rural organizations and leaders in planning for the use of new information technologies. And, it will serve to significantly increase the capacity of those organizations.

The Initiative will enhance communication among rural constituencies and communities. As a result, the impacts of geographic isolation will be lessened. The Initiative will also offer opportunities to forge innovative relationships between participating organizations and public and private sector partners that can foster longer-term cooperative approaches to meeting the economic challenges facing rural communities.

Active rural community-based participation and involvement in the information revolution may be the Initiative's greatest benefit, as access to technology is necessary for rural communities and disadvantaged residents to actively participate in the rural development process and further social justice goals. In addition, the Initiative will support the wide dissemination of the growing body of literature and experience that exists concerning the manner in which telecommunications and information technologies can stimulate rural economic growth.

A total of 200 Macintosh computer systems will be requested from Apple Computer, Inc. over a three-year period. During the first grant year, the coordinating organizations, in conjunction with the advisory committee, will recommend a list of grantees to Apple Computer, Inc. The grantees will form the basis for the initial rural poverty network. The coordinating organizations will work to expand the network and assist in the creation of additional informational models for other substantive areas that will be of use to rural organizations and communities.

Problem Statement

In the past decade, rural areas, which are geographically isolated, have fallen farther and farther behind the mainstream economy in both job and income growth. The traditional industries on which rural incomes have depended--agriculture, mining, timber, and routine manufacturing--experienced a period of massive restructuring and streamlining during the '70s and '80s, and now require fewer workers even during boom times. In the first half of the 1980s, traditional manufacturing lost 500,000 jobs nationally, with a heavy concentration of those jobs lost in rural areas. While high-tech manufacturing employment grew by 1.22 million jobs, research funded by The Ford Foundation, in conjunction with The Aspen Institute's Rural Economic Policy Program (REPP), indicates that rural America captured less than four percent of these new jobs. Thus, rural communities are having great difficulty taking advantage of the national shift from low-wage routine manufacturing and extractive industries to higher-quality complex manufacturing and high-tech industries.

Over the years, the well-being of those living in rural communities has eroded, and the impacts are reflected in recent statistics. Between 1979 and 1988, employment in rural areas grew by eight percent, compared to 18 percent in urban areas. Nearly 500,000 people migrated out of rural areas annually during the mid-'80s. The incidence of poverty in rural areas rose dramatically during the decade, and is now 50 percent higher than in metropolitan areas. Moreover, job growth increased somewhat faster than did per capita income in rural areas, indicating that real wages actually declined during the '80s.

In the past 50 years, the federal government has attempted to help rural communities overcome the competitive disadvantages they face through a series of development assistance programs focusing on public assistance to individuals, infrastructure development, and business assistance. Although the public assistance programs initiated during the Great Society period have been essential to lifting

millions of rural residents out of poverty and malnutrition, other programs have been less successful in bringing about economic progress, for a variety of reasons.

Some rural communities have found ways to fill the program vacuum and to identify strengths that allow them to transform their employment and income base through a combination of strategies, including small business development, attracting new companies and expanding current businesses. Nonprofit organizations have played a key role in this process.

Several foundations, most notably The Ford Foundation, have recognized this shift and, in response, have supported a series of not-for-profit organizations throughout the country whose activities include enterprise development, research, policy development at the state and federal levels, and community organizing, each of which works on rural development issues, broadly defined. The groups, which include traditional nonprofit organizations at the local and national levels, university researchers, technical assistance providers, natural resource centers, community credit unions and community development corporations, assist rural communities directly or indirectly in identifying and adapting public and private strategies for economic survival and adjustment.

Again and again, the progress of these groups and communities, when compared to their urban counterparts, is stymied by geographic isolation and distance:

- While urban poverty or housing organizations frequently network at brown-bag lunches organized on a monthly basis, rural advocates are often faced with a four-hour drive to communicate with members of another organization across the state. Word travels slowly by mail, while telephone charges mount quickly if other groups are based outside the local calling area.
- A national network of organizations which provides low-income rural communities with technical assistance on clean, safe drinking water and waste disposal systems trades critical information on products and techniques on an ad hoc basis. Lead staff meet four times a year at national meetings, but other field staff have even fewer opportunities to compare notes, describe successful initiatives or plan longer-term strategies. An on-line communications network would improve the

quality of service these groups provide, improve program administration and organizational morale, and reduce costs.

- North Carolina has the largest number of minority-run community credit unions of any state. They are all very small. Eight of them, located in rural areas and small towns, do not have computers. With basic computerization of their monthly customer statements and loan accounting, these credit unions could tie into state ATM networks and offer checking accounts for the first time. Without increased capability, many of these credit unions will go out of business over the next five years.
- In many rural communities, the only computers available are at the local high school. Residents are unfamiliar with the technology, and the extent to which it can be used to improve efficiency or develop new products. For instance, many of the communities with which the technical assistance network described above works still maintain water system billing records by hand, and are unaware of the improvements they could make in service delivery if they took advantage of computer technologies and developed a rudimentary management information system.

Until circumstances like these are overcome, rural America is destined to remain the nation's economic stepchild.

Impact of Apple Technology

A carefully designed communications network could have two critical benefits. First, it could help bridge the distance gaps among community-based groups, national networks, policymakers and the media. Informal get-togethers, more formal trading of information, technology transfer from leaders to others in the community, and dissemination of information and success stories among organizations, and between the organizations and the press, could all be supported through the Rural Poverty Telecommunications Initiative.

Second, once rural users recognize the capabilities of the technology through their use of a computerized communications network, they could be encouraged to think more creatively about the manner in which these technologies could add value

to for-profit and nonprofit services and products they now generate, or ones that could be created and marketed in the future.

The Aspen Institute's Rural Economic Policy Program, with the support of The Ford Foundation is uniquely positioned to develop the network. The REPP now performs a networking function among those working on rural issues, with special attention given to the impact of these issues on the rural poor. The Program convenes seminars, meetings and conferences among researchers, advocates, policymakers and others to help build consensus, exchange information, examine ongoing research or development strategies, or outline future work. The Institute sponsors research competitions among academics that focus on macroeconomic issues, structural aspects of the rural economy, public and private development strategies and poverty issues. In addition, the REPP has funded several projects whose goals are to improve rural research capacity. Researchers who generally work on research projects with an urban or national slant are also encouraged and funded to incorporate a rural component in their analysis. Finally, a new State Rural Policy Program has just begun, which, in addition to the components outlined above, will also contract to provide direct technical assistance to state governments and nonprofit organizations working on rural issues.

In addition to funding large portions of the work outlined above, The Ford Foundation's Rural Poverty and Resources Program also directly supports a range of rural organizations with which the REPP works closely. The Program provides this diverse group of low-income, community-based organizations with both financial support and technical assistance.

Telecommunications technology could assist both networks of organizations, and more importantly, rural nonprofit groups and communities themselves, by increasing both the range and the depth of information available to help them better address the problems they are attempting to overcome.

First, Initiative members, in conjunction with a network facilitator, will develop and use a communications network that meets their needs. Second, organizations and communities will increase their organizational capacity, and their capacity to generate economic development. In many cases, rural organizations and individuals will discover the power of computer technology for the first time when they agree to participate in the Initiative. Others, who have been using personal computers primarily for word processing, will be exposed to more complex uses for the computer. Nonprofit researchers accustomed to creating data bases from scratch will be able to

download information for the first time. A small office might load its financial system on a spreadsheet program or convert a mailing list made up of index cards to a more powerful data base system. An organization that formerly sent brochures and reports out for typesetting (or released unattractive reports) might later use a desktop publishing program to save time and money, and increase its impact.

Utilization of the technology will go far in reducing frustration with outmoded processes at the organization or community level, and reducing the sense of isolation that those working on rural issues often feel. Participants in other networks have found that morale among workers increases as they better understand the context of their work, or hear about successes elsewhere.

Moreover, those in the field generally have a better understanding of rural needs and complexities than do those working at the national level. A communications network would help inform the work of researchers and others, and improve their intellectual creativity by greatly improving the flow of information and feedback from the bottom up. Such an arrangement would allow collaboration between Initiative members that would not have been otherwise possible. In addition, information flow from the national level to the local level would vastly increase, as local actors would gain access, probably for the first time, to top-notch research and information.

Third, a certain amount of technology transfer undoubtedly will occur at the local level, once Initiative participants begin to use, or develop their use of communications technology. For instance, an Initiative participant attending a water system board meeting might urge the board to adopt a management information system. Or an economic development intermediary, recently introduced to financial spreadsheet programs, might urge a local Small Business Administration office to computerize its loan application process, and accept applications by modem.

Such technology transfer will be critically important in rural communities hoping to take advantage of the structural shifts in the national economy. *Rural America in the Information Age: Telecommunications Policy for Rural Development*, an analysis of the impact of telecommunications technology and policy in rural areas, sponsored by the REPP with funding from The Ford Foundation, found that investments in telecommunications can facilitate greater price competition, help lower inventory costs, facilitate timely delivery of perishable products, reduce the need for travel, and attract new industry, all of which strengthen rural competitiveness. Moreover, recent studies

have shown that while investment in both business and residential telecommunications contributes to economic growth, the greatest benefits occur in the most remote areas.

Fourth, the computer technology available from Apple Computer, Inc. would improve the effectiveness of network members as they participate in consensus-building processes and policy debates. Political observers have recognized that a major obstacle to legislative action at the federal level on rural development has been fragmentation among rural development interests--poverty advocates, towns and counties, state governments, nonprofit organizations, agricultural advocates, researchers, and players in predominantly minority communities.

In turn, this fragmentation is in large part attributable to a lack of communication among these interests, a problem which could be ameliorated through communications technology. While a major component of the REPP's work is to develop and manage seminars and workshops that bring these groups together to meet and discuss poverty and rural issues, it appears that these efforts are relatively infrequent in other settings. Moreover, a communications network would allow interaction to take place on a continual basis among all subscribers, rather than among a limited number invited to attend a particular meeting.

Many of the organizations conducting research work with funding from the REPP and The Ford Foundation also are involved directly or indirectly in policy debates and legislative issues. Industry trade groups and others at the state and federal levels have the financial resources to utilize cutting-edge technology in arguing their cases. For instance, a Washington staffperson can communicate with association members across the country asking for letters on a particular issue, which in turn can be sent to Congress by facsimile machine. The entire process can take as little as one hour. In contrast, organizations and the interests they represent that continue to rely on the mail system are quickly becoming almost irrelevant in policy debates, as decision making takes place at a much faster pace, commensurate with the technology.

Finally, a communications network would provide an efficient and effective mechanism through which to disseminate the millions of dollars in research and information sponsored by foundations and other public and private institutions and generated by a wide range of individuals on rural development questions.

Collaboration Between Affiliated Organizations

Rural development is not undertaken by one set of actors or system of people. That is, initiation and activity evolve from a complex series of interactions among an enormously diverse set of people at the local level. The diverse nature of the actors makes providing exchange and information both more important and more difficult.

Through its work, the REPP, in conjunction with The Ford Foundation's Rural Poverty and Resources Program, has developed an extensive and diverse network of contacts in the field, mostly at the state and national level, and among community-based organizations. But these relationships are underdeveloped. There are systems in place linking certain kinds of organizations (for instance, extension agents communicate with each other, and state officials may talk with their counterparts in other states), but many organizations are isolated and there are few links across agency and professional lines.

We expect that these organizations, which number several dozen, will form the core of the communications network. Over time, national organizations are likely to bring their state level associates into the network, and statewide organizations will encourage participation in the Initiative among their local contacts. Of course, organizations with no prior relationship with the REPP or The Ford Foundation would also be actively encouraged to participate. Rural nonprofit organizations will provide the bulk of the information flowing through the network, supplemented by university expertise when appropriate.

Anticipated Outcomes

The REPP anticipates that a Rural Telecommunications Initiative will have five primary outcomes:

1. Improved delivery of information to individuals, organizations and communities working on problems of economic survival and growth, and the problems of the rural poor;
2. Improved communication between the local level and the state or national level, with the hope that with better information, the level of debate over rural policy issues can be heightened, and rural

policymaking on behalf of rural and poor communities will be increasingly effective;

3. Improved operational efficiency among rural nonprofits through the new use of computer programs for procedures such as data base management, critical path analysis, financial management and analysis, desktop publishing, project evaluation and time management;
4. Improved dissemination of information about local rural development initiatives, research conclusions and other Initiative activities to the state and national press, which should increase media attention devoted to the issue; and,
5. Improved potential for coordinated action on problems and opportunities among the groups working on economic and poverty issues in rural America.

Electronic Networking

Significance of Network

In this case, the development of an electronic communications network to complement and strengthen ongoing work on rural development issues comprises the overall project. The electronic network will be integrated into an informal network of rural research, advocacy, and community-based organizations that is already in place.

Network Administration and Development

The Ford Foundation's Rural Poverty and Resources Program has expanded its relationship with The Aspen Institute's Rural Economic Policy Program and MDC, Inc., a nonprofit research organization based in North Carolina. These two organizations will administer and facilitate the Initiative, respectively. HandsNet, Inc., another Ford Foundation grantee, will play an important role in the project.

Staff of the REPP will be responsible for overall administration and evaluation of the project, and for assembling an advisory committee that will both oversee Initiative policy development and implementation, and develop a mechanism to award and distribute donated computer hardware. A procedure will be established under which equipment that was donated to a grantee, but remains unused, will be transferred to a new grantee.

Staff at MDC, Inc. will serve as the network facilitator. In that capacity, the organization will be responsible for the organization, development and ongoing operation of the information and communications aspect of the project, will arrange for coordination of appropriate introductory training sessions and will, in conjunction with the advisory committee, address substantive issues concerning the network's operation.

In order to minimize start-up costs and to maximize access to relevant information, the HandsNet information and communication network has been chosen as the vehicle for the proposed project because of the system's ease-of-use and the organization's successful development of a national network on other poverty-related issues. Many of the new Initiative's core participants are already familiar with the HandsNet system, its capabilities and its potential.

HandsNet will provide MDC, Inc. with background and orientation, system training, and ongoing operational and technical support. The organization will work with the Rural Telecommunications Initiative's information providers (identified below) and train them concerning established forum protocols, standards and formatting requirements, and will organize and implement a series of introductory training sessions for project grantees and others. Finally, HandsNet will assist the facilitator and the lead information providers in developing a marketing program aimed at increasing participation in network activities through a direct mail program, and through demonstrations at appropriate conferences and other gatherings of potential network subscribers.

The coordinating organizations will work to ensure that all subscribers are trained to use the rural network to its fullest potential, and will arrange for introductory training sessions and peer-to-peer technical assistance to meet this important goal.

Through this series of organizational relationships, the Rural Economic Policy Program of The Aspen Institute will develop a channel within the HandsNet network focusing on rural development and poverty issues. Services offered to subscribers will include:

- electronic mail;
- query area;
- a rural-specific clipping service;
- a special alert area reserved for time-sensitive issues;
- a listing of Initiative participants, with background information, along with other pertinent mailing lists;
- an area devoted to state rural development issues;
- a area devoted to rural infrastructure issues (including water, wastewater, solid waste and associated health impacts);
- an annotated bibliography of recent reports and articles;
- a calendar of events;
- an archives;
- a area devoted to future trends and breaking issues; and,
- a data base repository.

Because of the nature of the rural constituency for such a network, it is likely that organizations would utilize multiple models within the HandsNet system. For instance, a rural housing organization might regularly access both the new Rural

Poverty Telecommunications network and the rural housing network managed by the Housing Assistance Council.

In addition to development of the national network, MDC, Inc. will work with the Center for Community Self-Help, Inc. to develop an intensive network of nonprofit users in rural North Carolina, on a demonstration basis.

Contributions from Network Participants

We expect that network participants will contribute information, organizational support and marketing assistance to varying degrees, depending on the organization's staff resources, interest, and financial abilities.

Recipients of Apple equipment, on the other hand, will be expected to participate regularly and in an aggressive manner in the Initiative, contributing information on a regular basis. They will work with MDC, Inc., the network facilitator, to market the system to new subscribers. Finally, they will pay for introductory training session costs, when possible.

Organizational Profile

Lead Organizations

Three organizations will jointly initiate the Rural Poverty Telecommunications Initiative. The Rural Economic Policy Program of The Aspen Institute, which is the applicant for this grant, will administer the project. MDC, Inc., Inc., a nonprofit organization based in Chapel Hill, North Carolina, will act as facilitator of the network. The Ford Foundation will work with the administering and facilitating organizations, and provide financial resources to help develop the potential of the network.

The Rural Economic Policy Program (REPP) was created in 1985 as a collaborative program of The Ford Foundation, The Aspen Institute, and the Wye Institute. Working closely with The Ford Foundation's Rural Poverty and Resources Program, through a program of conferences, seminars, publications and grantmaking, the REPP encourages the development of rural policies that take into account the needs and aspirations of rural communities and poor rural people.

The program seeks to increase the body of knowledge about the rural economy, with special emphasis on income, poverty and employment generation. In addition, it has developed a series of projects to help strengthen research capacities of local community organizations, academic research organizations and government agencies that play key roles in planning and implementing programs to expand opportunity in rural America. Finally, this work is completed in the context of broadening the national agenda on rural development issues. In carrying out its work for the past four years, the REPP staff has developed a broad network across the United States of rural experts, scholars, and community developers.

The REPP is a small, five-person staff housed at The Aspen Institute in Washington, DC. The Institute is an international nonprofit whose broad purpose is to foster consideration of human values in the areas of leadership development and public policy formation. Since its founding in 1949, the Institute has operated a program of executive seminars in which leaders of business, government, the arts, education, law and the media convene with scholars to reinforce the applications of traditional humanistic values in their personal and professional deliberations.

Since the early 1950s, rural development has been a major thrust of **The Ford Foundation's** overseas program, administered through its Rural Poverty and

Resources Program. Beginning in 1982, the Foundation further broadened the program to encompass complementary initiatives in rural areas of the United States, which account for a disproportionate share of the country's low-income population.

To achieve maximum effect, the Foundation concentrates on a few high-priority fields. Overseas, it focuses on agricultural and rural development, especially among those who lack equitable access to land and water resources, or to employment that can provide a decent livelihood. The Foundation also emphasizes research on ways to raise agricultural productivity and to improve the management of scarce natural resources in developing countries. In addition, the Foundation supports efforts to strengthen policymaking for the rural sector and to help local nongovernmental organizations represent the needs and aspirations of the poor.

In the United States, a central thrust of the Foundation's work is to help increase understanding of the critical problems faced by the large and growing proportion of low-income people living in rural areas. Funding is directed to help develop more coherent federal and state rural development policies, to improve the way natural resources are used and protected, and to increase employment opportunities for the growing number of rural people that are at or below the poverty line. In 1989, the Rural Poverty and Resources Program distributed \$10 million in grants among domestic grantees.

The Ford Foundation was founded in 1936, by Henry and Edsel Ford, to advance the public well-being by identifying and contributing to the solution of problems of national and international importance. The Foundation administers five programs in addition to the Rural Poverty and Resources program. Its endowment totals over \$5 billion, and grants during 1989 totalled approximately \$250 million worldwide.

MDC, Inc. helps states and communities, particularly in the South, recognize and respond to the barriers that separate poor people from jobs, and poor places from prosperity. It carries out that mission by providing government, the private sector, and nonprofit organizations timely and practical research, innovative model programs and technical assistance services.

MDC, Inc. was established in 1967 as the North Carolina Manpower Development Corporation to help North Carolina--and through its example the South--ease the transition from an agricultural to a manufacturing-based economy. Then, as now, the southern economy was in the midst of profound change. MDC,

Inc.'s early activities included the design and implementation of a prevocational program for the chronically unemployed which has successfully trained over 75,000 adults since its inception.

Over the next several years, MDC's program activities will focus on four main areas:

- rural economic development
- workforce literacy
- youth-at-risk
- capacity building among economic development intermediaries

In addition to these coordinating organizations, a series of groups has agreed to act as information providers to the network on an ongoing basis. These groups include:

The Rural Community Assistance Program (RCAP), a national network of nonprofit organizations working to improve water and waste disposal facilities for rural communities. The program was begun in 1969 and operates through locally-based staff and contractors in practically every state. Six regional affiliates coordinate activity from their offices in Massachusetts, Virginia, Ohio, Minnesota, Arkansas and California. The RCAPs operate a network of regional technical resource centers providing financial packaging to rural communities, provide outreach and technology transfer to reduce noncompliance among small water systems, offer a technical assistance and training program to rural communities that are seeking Farmers Home Administration grant and loan assistance, and conduct programs in the areas of solid waste management, groundwater protection, housing, transportation and economic development.

Founded in 1980, the **Center for Community Self-Help (CCSH)** promotes economic development in North Carolina by offering management assistance and financing to low-income individuals. CCSH serves as an umbrella for two financing affiliates. The Self-Help Credit Union, a \$15 million state-chartered depository institution finances business and homeownership opportunities for low-income North Carolinians, while the Self-Help Ventures Fund, a nonprofit revolving loan fund, offers loans from its \$2 million in capital for business financing. In addition, CCSH provides technical assistance, develops new programs and performs policy analysis.

In each of the past two years, CCSH and its associated organizations have made or committed almost \$4 million in financing for job creation and housing projects. Each year, over 200 jobs have been directly saved or created, with another 400 jobs in rural communities stabilized through financing and long-term planning assistance. In addition, 100 day care spaces for low-income children are created each year, and more than 150 low income minority families have been provided with loans for first-time home purchases through the Center's efforts.

The Corporation for Enterprise Development (CfED), a national nonprofit organization, is in its eleventh year of operations. The organization supports the development of people-centered economic development processes as a central focus in states and localities, emphasizing the broadening and deepening of community leadership and the economic empowerment of low-income and unemployed populations. CfED maintains an extensive data base from which it culls information each year for the annual *Development Report Card for the States*, an analytical tool which measures economic development outcomes and progress in developing appropriate policy at the state level. In addition to its research component, CfED conducts strategic audits among local communities, develops demonstration projects around economic development initiatives, sponsors conferences and training sessions on development issues, and works with communities to develop leadership and capacity.

The Council of State Policy & Planning Agencies (CSPA) was founded in 1964 to provide well reasoned arguments to the state level policy debate. The organization, which is non partisan, provides policy options for the governors' agendas, and provides a forum for state chiefs of staff, policy directors and planning administrators to share ideas on policy, debate critical issues and exchange technical information. Policy areas of particular interest include economic development, human resources and natural resources. The CSPA is currently developing a series of policy "academies" for high level staff from 20 states on the issue of rural development.

Over time, additional information providers will join the network, extending its scope into new substantive areas such as sustainable agriculture and natural resources protection.

Selection Criteria

The Aspen Institute's Rural Economic Policy Program will establish an Advisory Committee, which in turn will develop selection criteria under which organizations will receive donated computer equipment. The criteria will include factors such as: geographic and programmatic diversity, organizational size and resources, level of interest in the network, consistency of the network's concept with the organization's goals, type of information the organization can contribute to the network, level of commitment to pass on information to others not in the network; and, need for network information.

The Committee's deliberations will be augmented by a market survey which will be conducted by HandsNet among potential subscribers to the rural network. The survey will identify each organization's hardware and human resources, and the compatibility of any existing hardware with network requirements. Respondents will also be surveyed concerning current computer use by the organization, both to better customize the network to the capabilities of its users, and to determine the availability of secondary equipment (such as dedicated phone lines, packet switching vicinity and other factors related to network use). Because most network users will be in rural areas, there is some concern that telecommunications standards may not be adequate to ensure the successful operation of the network in all parts of the country.

The Committee will give highest priority to those organizations that do not have access to computers.

The Committee will be composed of representatives of each of the coordinating organizations and information providers listed above, along with a number of representative network subscribers, to be chosen by The Aspen Institute.

Description of Project Implementation

Timeline

Staff from the three coordinating organizations (The Ford Foundation, the Rural Economic Policy Program, and MDC, Inc.) have been meeting regularly over the past four months to plan the development of the rural network. In addition, each of the information providers (the Rural Community Assistance Program, the Council of State Policy & Planning Agencies, the Corporation for Enterprise Development, and the Center for Community Self-Help) have agreed to play a leading role in ensuring that information flows through the network. Over 100 other organizations have been contacted during the past four months to determine interest in the concept, and a significant majority have reacted positively. Word is spreading among organizations throughout the country that there may be an exciting new tool available to assist rural organizations in their efforts.

If this Concept Paper is approved, we would be willing to provide any necessary additional information within 45 days. At present, the following is the anticipated timeline for project implementation:

February 1990	Submission of Concept Paper
April 1990	Submission of Additional Information
May 1990	Meeting of Advisory Committee and Selection of Initial Participants
August 1990	Participant Training Completed
September 1990	Second Round Training Completed
October 1990	First phase underway
March 1991	Second phase underway
January 1992	Third phase underway

During the first phase of the project, the coordinators, in conjunction with HandsNet, will build the network and incorporate core participants. Expansion of the network, and development of a demonstration to test the effectiveness of an intensive regional network based in North Carolina, will form the second phase. During the third phase, additional substantive models will form (focusing on sustainable agriculture and natural resource protection, for instance), and larger projects demonstrating the utility of the network in furthering rural economic development goals will be emphasized.

Training and Technical Support

With the assistance of funding provided by The Ford Foundation, HandsNet will arrange, coordinate and conduct training sessions to familiarize project recipients with donated software and hardware, and with the network and its applications. Organizations that can afford to pay the full cost of training will do so. Rural network participants who have their own equipment will also receive introductory training through a contract with HandsNet. Of course, the coordinating organizations will encourage a broad range of rural organizations to participate in the network, since a network that extends beyond those organizations receiving grants of Apple equipment will be much more useful and effective.

Each coordinating organization fully recognizes the importance of comprehensive and intensive introductory training. Much of the success of the network depends on the quality of training received by participants. The organizations are confident that HandsNet has the experience and ability to provide training appropriate for the rural organizations that will make up the network.

MDC, Inc. anticipates that an additional source of funding will be found to pay for training for organizations participating in the North Carolina demonstration program that cannot afford to pay for it themselves.

HandsNet will provide a full range of on-going technical assistance and support for the telecommunications portion of the network. The staff has extensive experience in providing such support by long distance telephone. In addition, the CONNECT Business Information Network, the HandsNet host system, offers 24-hour toll-free technical assistance.

Apple equipment grantees will be encouraged to participate in local Apple User Groups and other software networking organizations to maximize the effectiveness of the hardware grant.

Key Personnel

The following individuals have agreed to coordinate the project:

Coordinating Organizations

Lisa Mensah, The Ford Foundation. Ms. Mensah is a Program Officer in the Rural Poverty and Resources Program. She has been responsible for grantmaking to MDC, Inc., HandsNet, and to the REPP. In addition, she is developing a program of grant assistance to rural economic development intermediary organizations. Prior to her work at The Ford Foundation, Ms. Mensah worked for Citibank, N.A. in New York City.

Susan Sechler, The Aspen Institute. Ms. Sechler has over 20 years of experience in domestic rural issues, including service as Deputy Director of Economics in the U.S. Department of Agriculture during the Carter Administration. Since 1985, she has directed The Aspen Institute's Rural Economic Policy Program (REPP), which encourages greater attention for rural economic concerns through a program of grantmaking, policy research and public education. The REPP manages a significant portion of The Ford Foundation's domestic grantmaking through its Rural Poverty and Resources Program. Prior to her work in the Carter Administration, Ms. Sechler worked on agricultural, migrant worker, poverty, and natural resource issues in several positions.

Mary Mountcastle, MDC, Inc. Ms. Mountcastle is the Vice-President for Economic Development of MDC, Inc. She is the former Director of the Social Investment Program at the Metropolitan Life Insurance Company, where she managed the investment of over \$20 million in affordable housing and community development projects. She has also worked at the federal and local levels of government. At MDC, Inc. she has directed projects on the federal role in revitalizing rural America, refocusing the Tennessee Valley Authority's rural development activities, and on an evaluation of a demonstration program testing the viability of microenterprise lending in rural areas.

Information Providers

Edwin Cobb has served as Executive Director of the Rural Community Assistance Program, a rural development organization focusing on waste and sanitation issues, for the past ten years, and has worked in the field, at the national and international level, for the past twenty years. Prior to that time, Mr. Cobb taught

political science at Tennessee's Austin Peay State University, at Texas A&M University in Texas, and at several colleges in the District of Columbia.

Mark Popovich is a Senior Staff Associate with the Council of State Policy & Planning Agencies, an organization comprised of the top policy and planning advisors to the nation's governors. During the past three years, Mr. Popovich has directed CSPA's research and policy work on state agricultural and rural development issues. He has worked in both the executive and legislative branches of government in Wisconsin, and for Congressman Steve Gunderson (R-WI).

Douglas Ross is President of the Corporation for Enterprise Development, a nonprofit organization which specializes in policy development and strategic planning. Before moving to CfED, Ross directed the Michigan Department of Commerce. His experience there was preceded by four years as a state senator in Michigan, and several years as a congressional staffer in Washington.

Martin Eakes is co-founder and Executive Director of the Center for Community Self-Help in Durham, North Carolina. A nationally recognized expert on employee ownership and development finance, he also has extensive experience in computers, real estate, and accounting. Mr. Eakes founded a computer hardware firm, and has been instrumental in developing sophisticated loan processing and servicing packages for financial institutions.

Staffing

The Rural Economic Policy Program of The Aspen Institute will earmark funds from its internal budget to cover the costs of its participation in and administration of the Rural Telecommunications Initiative.

A grant proposal under consideration by The Ford Foundation will allow MDC, Inc. to hire a Project Facilitator to oversee the development and day-to-day operation of the Rural Poverty Telecommunications Initiative. The facilitator's responsibilities will include:

- Coordination of the work of each of the substantive area information providers;
- Identification and cultivation of new sources of information and data;

- Development of ongoing methods for posting and updating this information. In some cases, data is abstracted from more lengthy documents. While it is expected that the contributing network member will put the information into proper form, the facilitator may be required to edit the document or perform file transfer procedures; and,
- Maintenance of regular contact with project participants: eliciting requests for and responding to requests for information; cleaning information folders to keep them relevant and timely; moderating teleconferences; identifying database needs and overseeing their design; generating summary reports.

The four organizations that will act as information providers, each of which is considered expert in its field, will rely on internal financial resources to finance their participation in the network. These organizations will coordinate subareas of the network in a role similar to that fulfilled by MDC, Inc. with regard to the entire network. The organizations and their areas are:

Council of State Policy & Planning Agencies--State Rural Policy
Corporation for Enterprise Development--Rural Economic Development
Rural Community Assistance Program--Water and Waste Disposal
Center for Community Self-Help--Rural Development Banking

The Center for Community Self-Help will also coordinate the North Carolina demonstration project scheduled for phase two of the project.

Supporting Documentation

The following documents are attached:

- The Aspen Institute 501(c)(3) tax designation letter;
- A letter of support from David T. McLaughlin, President and Chief Executive Officer of The Aspen Institute;
- A letter of support from The Ford Foundation; and,
- A summary of The Aspen Institute audited financial statement for 1988 and operating budget for 1990.