

the first elementary school to be named a Blue Ribbon School; the first to create and appoint the position of Curriculum Coordinator; and the first to be named a National Distinguished School.

Templeton Elementary School, located in Riverdale, is an award winning Prince George's County school which has made dramatic gains on the Maryland School Performance Assessment Program (MSPAP). Templeton's mission is to provide its diverse student body with the knowledge and skills to be productive members of society.

Vienna Elementary School, located in Vienna, is a small, rural school which draws from a large geographical area and is an integral part of the community. With virtually no staff turnover and a strong School Improvement Team, students, staff and parents form a close-knit community and serve as a model in the district for student achievement, staff commitment and participatory leadership, including development of character and ethical judgment.

West Annapolis Elementary School, situated in downtown Annapolis, was used as an example by the Maryland State Department of Education for two videotapes highlighting outstanding teachers. This award also credits West Annapolis' belief in the importance of a united school community as evident in its concept of TEAM/excellence which works to improve the teaching and learning environment in which students can excel.

The Summit School is a non-profit school that was created 10 years ago to promote literacy and school success among children with unique educational needs, namely bright students that are disabled readers. Summit, located in Edgewater, enables students to come to understand their own unique learning styles by identifying their strengths and weaknesses through a variety of individualized strategies.

The Trinity School, located in Ellicott City is an independent, co-ed Catholic school that was designated as an Exemplary School by the U.S. Department of Education in 1990. Trinity offers a challenging curriculum while also offering a variety of community outreach programs to involve students and their families in extracurricular activities.

These ten elementary schools in the State of Maryland represent a model for schools across the nation. Their hard work and dedication has resulted in a tremendous achievement for the students, teachers, parents and community. This committed partnership proves that a concerned community can produce excellent results. ●

VIRGINIA CHAMBER OF COMMERCE CONGRESSIONAL DINNER

Mr. ROBB. Mr. President, Richard D. Fairbank, Chairman and Chief Executive Officer of Capital One Financial

Corporation, delivered remarks at the Virginia Chamber of Commerce Congressional Dinner last month. Capital One, headquartered in Falls Church, Virginia, is one of the fastest growing private employers in my state. Mr. Fairbank's remarks offered invaluable insight into the challenges and opportunities the technology revolution is producing in both the private and public sectors, and I ask that they be printed in the RECORD.

The remarks follow:

REMARKS BY RICHARD D. FAIRBANK, VIRGINIA CHAMBER OF COMMERCE CONGRESSIONAL DINNER, APRIL 29, 1999

Members of Congress, distinguished guests, ladies and gentlemen. Let me first take the opportunity to thank the Virginia Chamber for supporting Virginia's business community. It is an honor to join you this evening to share a bit of the Capital One story and give you my thoughts about the challenges facing the Virginia business community as we move into the 21st Century.

First, a comment about Virginia. What a wonderful state we live in! I am reminded of that everyday. The irony is, Virginia was not where I was supposed to live. I grew up in California, and thought I would always live in California. When I graduated from business school, I applied only to California firms, except for one company in D.C., and only because they were just about to start a San Francisco office. When my wife and I came out here, we fell in love with Virginia, and never went to that San Francisco office. So now we've been Virginians for 18 years, and we're here to stay. My wife and I and our four children live right here in Fairfax County.

And our larger family—our COF family—now numbers 8,000 associates in Virginia—in Richmond, Chesterfield, Fredericksburg and Northern Virginia. Virginians have a wonderful blend of Southern charm and tradition mixed with a very positive spirit that believes in possibility. It's a magical combination. It's made Virginia a great home for COF. Capital One's growth has at times surpassed our capacity to hire here in Virginia, so we have expanded into Florida, Texas, Washington State, Massachusetts and the UK. But our first choice is always to grow as much as we can right here at home. Just last year, we added 3,500 new jobs here in Virginia. This year we've announced we're adding another 3,000 new jobs in Virginia, but truth be told, we'll probably exceed that number significantly.

Tonight I've been asked to talk about how the business world is changing, using Capital One as an example. I think the story of Capital One is a story of what happens when a band of believers fixates on a vision of how the world is changing, and pours everything they have into getting there. Today, Capital One is one of the fastest growing companies in the country. But it wasn't always that way. In fact if you had asked anyone 12 years ago to bet even one dime on Nigel Morris and myself and the dream we had, you wouldn't have found many takers. I know that for a fact. Because we were out there asking. And they weren't taking.

Our dream was this. We believed information technology could revolutionize the way marketing is done. The most basic truth of marketing is that every person has unique needs and wants. Yet from the beginning, companies have tended to respond to those needs with a one-size fits-all approach, because they can't accommodate the unique needs of thousands or millions of customers. But we saw the possibility to change all that. To use technology and scientific test-

ing to deliver the right product to the right customer at the right time and at the right price—a strategy we call mass customization. And we saw the credit card as a perfect candidate for this strategy. Ten years ago, virtually every credit card in the U.S. was priced at 19.8 percent interest rate with a \$20 fee. Yet people varied widely in their default risk, their financial circumstances and their needs.

Our dream was to build a high-tech information-based marketing company to change all that. The problem was we had no money and no experience in the credit card business. We needed a sponsor. So, Nigel and I embarked on a national journey to every financial institution that would talk to us. The good news is that we got audiences with the top management of 20 of the top 25 banks in America. The bad news is that every one of them rejected it. But finally, a year into our journey, we found a sponsor right here in our backyard. Signet Bank in Richmond.

And so Capital One was born. For years we worked to build the business, to build the technology and operations to customize decision-making at the individual account level. Four years into it, we still had no success. Yet Signet never lost faith, despite nearly going under themselves with real estate loan problems. Finally, we cracked the code of mass customizing credit cards. And in 1992 we launched credit cards at dramatically lower prices for consumers with good credit. And we've never looked back.

Today we have thousands of product variations for our customers. Including products like our Miles One card that gives mileage credit on any airline, with no blackout period, and with a 9.9 percent fixed interest rate. We can price this low because we use technology and information to make sure that our low-risk customers don't have to subsidize high-risk customers. By 1994, we had grown to 6 million customers. Signet Bank spun off Capital One, and we became a fully independent company.

But our dream was just beginning. Because we never defined ourselves as a credit card company. We're a technology-based marketing company. So, we have taken this very same strategy and expanded into other financial products like deposits, installment loans and auto loans. We've also taken our strategy internationally to the UK and Canada so far. And, we even entered the telecommunications industry, creating a company called America One, where we are marketing wireless phones. While everyone else markets wireless phones through stores, we are selling direct, tailoring each offer to our customers' needs. The strategy appears to be working. We are now in 41 states. And America One is now the largest direct marketer of wireless phones in the U.S. Our next frontier at Capital One is the Internet, which is a perfect medium for our strategy of information-based mass customization. We are mobilizing a major effort to be a big player in the Internet. So from credit cards to wireless phones, from the U.S. to the UK, and from the mailbox to the Internet, we've been able to keep the growth going at Capital One. We now have 18 million customers, and are growing by 15,000 customers a day.

Capital One's success in many ways has come simply from understanding and embracing the inexorable implications of the technology revolution. First, that marketing will be revolutionized. And second, that technology is changing the leverage of the human mind. This insight has massive implications for human resources. One hundred years ago, in factories and farms, the smartest or most educated workers were not necessarily the most productive. But the computer and the Internet can take the human

mind to a quantum new level. In the technology age, the key asset in a company is its knowledge capital.

And to us, this meant that our greatest imperative is recruiting and developing incredibly talented workers. If there's one thing that is talked about the most and delivered upon the least, it is this—recruiting the best people. At Capital One, we have made it the number one corporate imperative. In fact, I believe that the single biggest reason for Capital One's success is a totally fanatical commitment to recruiting. It is the most important job for every executive and manager in the company. The average executive at Capital One spends about one full day a week recruiting. It's an incredible commitment. Our future depends on it.

So that's the Capital One story. I believe that many of the things I've said about Capital One have direct relevance to Virginia and its challenges. Like Capital One, Virginia is enjoying exceptional growth, fueled significantly by being a leader in technology. The good news is that the entire Commonwealth is benefiting from the booming economy. It seems that economic expansions are announced every week in Virginia. But Virginia cannot rest on its laurels. While Virginia has done a good job at attracting high quality, high salaried jobs providing unprecedented opportunities for all Virginians, we continue to face many challenges that need attention from both our political and business leaders. Let me mention just a few . . .

The greatest challenge for Virginia's rapidly growing companies is to attract and retain the most talented employees who have the technical skills to lead our businesses into the 21st century. There are nearly 25,000 unfilled technology related jobs in Northern Virginia alone and the Department of Commerce predicts that nearly every new job created from now on will require some level of technology expertise. This poses the greatest threat to Virginia's economic growth.

We must start with quality education. Virginia already has world-class institutions of higher learning, and I am pleased that Capital One is tapped into this talent. Many companies, such as ours, are partnering with our university system to help design curriculum and training for a multitude of jobs. We also offer a full tuition reimbursement plan to every one of our 11,000 associates to encourage them to seek continuing education. Also, to help address our acute shortage of technology workers, we offer our non-technical associates the opportunity to be retrained and shifted into one of our many unfilled technology jobs. I am pleased that many of our associates have taken us up on these opportunities.

But Capital One can't get there from here simply by training and developing our associates. It certainly will not meet our long-term needs. We need to recruit on a massive scale. Simply put, Virginia's universities are

not producing enough technology graduates to meet the demands of companies like Capital One. This forces companies to look elsewhere to meet their needs for technology workers. And elsewhere includes overseas. Nations like India and China are producing many more engineering and technology degrees than the United States. Many of the leading technology companies are building massive programming shops in those countries, sending the programming specifications from the US. We need to reverse that trend and work with our universities to produce more technology graduates here at home.

However, this will not happen overnight. In the interim, in order to meet our current needs, our immigration policies must be flexible. Congress provided a small measure of help last year by raising the cap on H1-B visas thereby allowing more high tech workers from outside the United States to come into the country. Clearly, this is a step in the right direction. But, much more must be done if we are going to meet the needs of Virginia's growing high-tech industry.

Growing up in the San Francisco mid-peninsula, I witnessed firsthand the development of Silicon Valley—now the technology capital of the world. The same thing can happen here. We are well underway. In fact, the Internet revolution has its roots in Virginia. Virginia is already the home to more than 2,500 technology businesses that employ more than 250,000 people. It includes AOL, UUNET, and P-S-I Net. With more than half the Internet traffic flowing through Virginia, we must continue to expand on our reputation as a technology center and the Internet hub of the United States. Let's build upon our fast start.

While Virginia owns the infrastructure of the Internet, with the exception of AOL and a few others, we do not have a major presence in marketing e-commerce. That means more dot/com companies. YAHOO!, Amazon.com, EBAY, Charles Schwab and most other leading e-commerce firms are not located here in Virginia. These businesses are redefining retail channels—and we must make certain that Virginia cultivates and attracts these types of companies. We need to be more than the infrastructure backbone of the Internet. The growth of e-commerce is just beginning. And already, it is affecting everyone, everywhere, everyday. Business will never be the same again.

And new economic realities lead to new political realities. Our public policies must give this new technology and way of doing business time to develop. For example, as the Internet revolution is exploding, some have suggested that we create taxes on Internet transactions. I believe that would be a big mistake. I know that Governor Gilmore is currently leading a Commission studying Internet taxation issues on the national level. Their decisions can have a lot of impact on a rapidly growing industry still in its infancy. With sound legislation, such as the Internet Tax Freedom Act, companies

are better positioned to grow and attract consumers into this new business channel.

All these new technologies also bring a need to act responsibly with our customers' information. Information is the lifeblood of companies like Capital One, who use it to tailor products for the individual consumer at the best possible price. It's why we have been able to help bring down the cost of credit cards and other products—and simplify the process of obtaining them. The same is true for the Richmond-based grocery store UKROPS, Geico, EBAY and thousands of other companies. We must find a balance between the clear economic benefits that derive from access to information and the responsibility we all owe to our customers to safeguard their personal information. Companies need to lead the way. Like many companies, Capital One has developed a comprehensive privacy policy to ensure that our customers' personal information is used appropriately with very clear limitations. While we must be vigilant about consumers' privacy, I believe that restrictive legislation in this area would turn back the clock and actually hurt consumers.

We also must be prepared to meet the basic day-to-day demands that a fast-growing economy will place on Virginia and its communities. While technology and e-commerce are making the world a smaller place, the reality is that people will still need to get to work. With a booming national economy and low unemployment, our workers have choices. If they cannot get to and from their places of employment, these highly skilled individuals will relocate. You can read the survey results or simply talk to your employees: transportation is most often cited as the number one quality-of-life issue by most working people, especially here in Northern Virginia. Thanks to the hard work of the Virginia Delegation more Federal dollars are flowing to Virginia than ever before for transportation. We must continue to work together to address this issue.

So those are a few of my thoughts of the biggest challenges and opportunities we face as we move into the 21st century. The world is changing so fast, it's hard to make sense of it all, and to know where we all fit in. We can't predict the future. But, I believe that one can identify a few trends that are absolutely inexorable. The story of Capital One is an example of doing that. The key for Capital One has been to see a few of those inexorable trends and try to get there first. No matter what it took. Whether or not we had the skills or market portion to make it happen. Because we had destiny on our side.

Many people and many companies and many politicians don't think this way. They tend to think incrementally. That's a risky cause of action in a world that's changing so fast. Virginia is in a great position to lead the way into the 21st century. Let's make sure we think big and do what it takes to get there. Thanks.●