May 25, 1999

CONGRESSIONAL RECORD—SENATE

10781

Bank spun off Capital One, and we became a full-fledged 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’ve taken this very simple 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. Where 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 to the Internet, we’ve developed a recipe for the information age. Using 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 each quarter.

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. Only 10 years ago, in factories and farms, the smartest or most educated workers were not necessarily the most productive. But the computer can change 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’s talked about the most and developed upon the most, it is being 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 our 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 pro-

Virginia Chamber of Commerce Congessional 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 every day. 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 back to San Francisco.

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.

Our larger family—our CFP family—now numbers 8,000 associates in Virginia—in Richmond, Chesterfield, Fredericksburg and Northern Virginia. We 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 is a combination that we’ve grown to know that for a CFP. 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 U.K. Our average associate works 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 that we’re adding another 3,000 new jobs in Virginia, but truth be told, we’ll probably exceed that number significantly.

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And new economic realities lead to new political imperatives. 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 companies have begun levying taxes on Internet transactions. I believe that would be a big mistake. I know that Governor Gilmore is currently leading a Commission to study 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’

privacy. The key for 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 cred-

it 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 de-

rive from access to information and the re-

sponsibility we all owe to our customers to safeguard their personal information. Com-

panies need to lead the way. Like many com-

panies, Capital One has developed a comprehen-

sive privacy policy to ensure that our customers’ personal information is used ap-

propriately 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 com-

munities. While technology and e-commerce are making the world a smaller place, the re-

ality is that people will still need to get to work. With a strong national economy and low unemployment, our workers have choices. If they cannot get to and from their places of employment, highly skilled individuals will relocate. You can read the survey results or simply talk to your em-

ployees: transportation is most often cited

as the number one quality-of-life issue by most workers in the especially the residents of Northern Virginia. Thanks to the hard work of the Virginia Delegation more Federal dol-

lars 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 abso-

lutely inexorable. The story of Capital One is an example of doing that. The key for Cap-

ital One has been to see a few of those inex-

orable 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 hap-

pen. Because we had destiny on our side.

Many people and many companies and

political operatives don’t think that 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. Let’s make sure we think big and do what it takes to get there. Thanks. •

Ms. SNOWE. Mr. President, I ask unanimous consent that the Senate now proceed to consideration of H.R. 1183, which is at the desk.

The PRESIDING OFFICER. Objec-

tion is heard.

The joint resolution will be read for the second time on the next legislative day.

FAS T E R Q U A L I T Y A C T

A M E N D M E N T S ACT OF 1999

Ms. SNOWE. Mr. President, I ask unanimous consent that the Senate proceed to consider the bill.

Ms. SNOWE. Mr. President, I ask unanimous consent that the bill be considered read a third time and passed, the motion to reconsider be

laid upon the table, and that any state-
ments relating to the bill be printed in the

record.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 1183) was read the third time and passed.

ORDERS FOR MAY 26, 1999

Ms. SNOWE. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 9:30 a.m. on Wednesday, May 26. I further ask that on Wednesday, immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed to have expired, and the time for the two leaders be reserved for the use later in the day.

I further ask consent that the Senate then resume the DOD authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.