EXHIBIT B

Artificial Intelligence on the Internet

Artificial Intelligence, or AI, is a fixed element in futuristic visions. Whether it's Hal, the Star Trek computer systems, or C3P0, we believe that we will eventually have intelligent machines to help us get things done. Of course, there is a dark side to this vision, as we see in The Forbin Project or the Terminator movies. Fortunately, these darker visions generally involve computers developing free will and their own intent, which is far off from the state of today's AI technology.

The more positive view of helpful intelligent systems is, however, real today -- at least in a limited sense. There are no real computer systems that you can talk to in plain English, posing interesting wide ranging questions and having the system understand you and automatically do whatever it takes to find answers. The science fiction vision has not arrived.

But, there are systems that can reliably solve problems that require analysis and judgment within a narrowly defined area. For example, Fannie Mae has used AI to automate the analysis and decision making required to determine who can get what mortgage. Automating this process has reduced the time and cost of the mortgage application process, thereby making life a little better for most home purchasers, and allowing more of us to qualify for home ownership. This idea is so good that Freddie Mac, Countrywide, G.E. Capital and United Guaranty have all created similar AI systems.

To give some sense of the breadth of real world AI usage: Bell Atlantic uses AI to help their several thousand sales representatives bundle and configure telecommunication services that work and meet their customers' needs; Ford uses AI to schedule daily activities in their factories; American Airlines uses AI to route their aircraft; Swiss Bank uses AI to manage risk throughout their operations from the decisions on individual transactions through to control of portfolio diversity and interest rate risk; and, GTE uses AI to monitor and proactively correct problems throughout their telecommunications network. All of these applications automate tasks that once required extensive analysis and judgment by people. The benefits are consistently good decisions at lower cost, which translates into higher quality and lower prices for consumers.

Enter the Internet. Today, the Internet is a wonderful source of information. You can easily find and browse information about the leading products in most industries, not to mention peruse top museums, read the national budget, or check out the latest research results on cold fusion. From a business transaction standpoint however, the state-of-the-art is limited. Only simple transactions are possible, essentially equivalent to buying something out of a mail order catalog.

The potential of the Internet is much greater. I would like to use it to figure out which of the dizzying array of mortgage loan products is best for me, given my personal financial situation, how long I plan to stay in my new home, and my outlook on the economy. Then I'd like to push a button and have a firm loan commitment in hand. I wish my company could have used the Internet to design and purchase the suite of telecommunication services that link our Northern and Southern California offices, including phone service, voice mail, frame relay, 800 numbers, and Internet connectivity. In both cases, an intelligent advisory, configuration, and purchasing application on the Internet could have been more knowledgeable and more accessible than the various salespeople we had to deal with. Also, we could have been assured that we were getting the best available solution for a competitive price.

Financial advice… Design and configuration of product and service bundles… Trade-off of alternatives to find the best feature/price mix… Resolution of questions and problems that arise after a purchase. These are all things that AI systems do today! Put them on the Internet and you have a whole new level of value.

Let's look at this from another perspective. Suppose you are a company that offers complex products such as mortgages, investment services, or telecommunications solutions. How do you get the benefits of direct automated access to millions of customers, like suppliers of simpler "mail order like" products can obtain through the Internet? Today, you rely on highly specialized salespeople to work with customers, providing

advice, and helping them create personalized solutions. If you are a top company, you may have some AI systems to help these salespeople be more effective. You can do better. You can create AI applications on the Internet that give customers access to all of your organization's knowledge, thereby empowering your customers to craft solutions for themselves. They will feel better about it. You will have access to many more customers, and you'll save a lot of money in the bargain.

Is this just a pipe dream? No, it is already happening. Chase Manhattan Bank uses an AI system on the Internet to automatically respond to incoming email questions from customers and prospects, and Oxford Health Plans has developed an Internet AI system that will allow their HMO members to automatically qualify for direct access to specialists, saving both the member and the HMO the time and cost of an unnecessary visit to their primary physician. These are just the beginning…

The real world of AI is not at all like the science fiction portrayal. But, it is here and it does provide significant assistance to both consumers and companies. On the Internet, companies only have computers representing them. They better be intelligent computers.