ZAPME! CORPORATION

I NEED TO KNOW

ZapMe! is bridging the Digital Divide and alleviating the school technology funding gap by building a broadband, multi-media Internet network at no cost to schools throughout the nation. The ZapMe! network brings the latest technology tools and educational content free of charge to this country's students, primarily those in high schools and junior high schools nationwide. ZapMe!'s satellite network delivers broadband to hard-to-reach rural areas, alleviates the significant technology funding gap especially prevalent in disadvantaged schools, and provides greater educational and economic opportunity to students of all demographic backgrounds. ZapMe! gives America's students access to the digital tools and information critical to today's -- and tomorrow's -- knowledge-based economy.

ZapMe!'s free network includes all equipment and service that schools need to participate in the on-line world. The typical ZapMe! lab includes 15 high-end, multimedia PCs, 17 inch monitors, a laser printer, and a satellite dish, through which ZapMe! provides free "always on," satellite connectivity to the Internet. The ZapMe! netspace provides access to valuable educational content, including over 13,000 pre-selected, indexed educational sites and other aggregated content. Our network also equips students, teachers and parents with a range of educational and communication tools. These include our network e-mail program and discussion boards that enable teachers to build a stronger community, provide a forum for students to become more involved in extra-curricular activities, and allow students to communicate with peers and teachers in other geographic locations. ZapMe! plans to deploy even more advanced communication features in the future. ZapMe!'s netspace also includes Microsoft Word, Excel and PowerPoint so that students can learn the computer skills they will need for tomorrow's jobs while doing their schoolwork today.

ZapMe!'s satellite-based service is remarkably flexible. It is well-suited to schools in both remote and densely populated areas. Furthermore, because the network is deploying a bi-directional satellite system, installing a ZapMe! lab does not require costly rewiring or phone access to connect to the Internet. The network will facilitate a wide array of activities by the school community, including affording teachers and administrators access to Internet-based educational content, school fundraising opportunities, and after-school education programs.

ZapMe! continues to expand its educational content offerings. It plans to extend its network to include students, parents and teachers at home through take-home CD/ROMs. The ZapMe! home system will be designed to further enhance students' educational experience by improving communication among students, teachers and parents and promoting parental involvement in education.

ZapMe! is installed in schools only if requested and approved by local school boards. The response to ZapMe!'s service has been overwhelming. At the beginning of this year, ZapMe! was already providing service to approximately 1000 schools. More than 6,000 schools have signed up to receive our service.

ZAPME! CORPORATION
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SAN RAMON, CALIFORNIA 94583

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ZapMe! is able to provide this extraordinary service to schools at no charge through a variety of revenue sources, such as sponsorships by appropriate organizations, including the U.S. Army and technology companies, and appropriate e-commerce and e-fundraising opportunities. ZapMe! also promotes education and supports the network through its partnership with Sylvan Learning Systems, a leading provider of educational testing and training programs that uses the ZapMe! labs after school hours to provide educational training.

A member of the TRUSTe privacy organization, ZapMe! has a rigorous privacy policy and other protections in place. ZapMe! has designed its registration system for its at-school network so that it does not collect personally identifying information and seeks partners with responsible privacy policies. In addition, ZapMe! carefully screens all sponsor messages, which alternate with public service announcements such as the National Campaign Against Youth Violence and Mothers Against Drunk Driving, to ensure that they are appropriate for the school environment.

In short, ZapMe! is bridging the Digital Divide and the technology funding gap in order to give students a safe, appropriate and enormously valuable broadband educational experience that they could not receive in any other way.

Oppose the Shelby or Dodd Amendments to the ESEA Reauthorization Bill

S. 1908, the "Student Privacy Protection Act," introduced by Sen. Chris Dodd (D-CT), would interfere with a host of valuable services for schools and their students, and needlessly infringe on local control of education policy. Sen. Richard Shelby (R-AL) has stated that he intends to offer a similar proposal as an amendment to the Elementary & Secondary Education Act when it comes to the Senate floor. These proposals (collectively "the bill") would burden schools with a special, prior written parental consent requirement before *any* information could be received by a third party for any commercial purpose if it was obtained from any student.

- **Sweeping Regulation.** The bill regulates a host of routine public-private partnerships through which businesses have been supplying services to students for decades—including text books, children's magazines, Internet service, standardized tests, cafeteria service, athletic equipment, yearbooks and school rings.

- **Compromising Local Control.** The National School Boards Association strongly opposes the bill. It would insert the U.S. Department of Education in the role of micro-managing local school decisions regarding commercial activities in schools. Local schools and school boards have a long history of setting the terms for these activities. S. 1908 would force them to do so under federal supervision, extensive record-keeping obligations and the threat of losing federal funding.

- **Not About Privacy.** The bill would impose unprecedented regulation of anonymous, non-personal information. For example, simply keeping track of purchases from inventory would trigger the written, parental consent requirement. Never before has anonymous information been subject to regulation under any federal privacy law (including existing student and children's privacy legislation).

- **Unnecessary Regulation of the Internet.** Congress has already passed legislation governing children's online privacy. In 1998, the Internet and marketing industries worked with Congress and actively supported this children's Internet privacy legislation ("COPPA"). That law has just gone into effect, and companies have worked hard to come into compliance. S. 1908 would ignore and undo this work, imposing conflicting, far more burdensome requirements for websites and online services who serve students.

- **Infringing Students' Rights.** The bill's burdensome, detailed notice and consent requirement that would interfere with student learning on educational websites and delay students' access to the Internet. Even high school seniors would need cumbersome written parental consent before visiting a website that collected any information from visitors. Such restrictions likely violate the First Amendment.

- **Unfunded Federal Mandate.** S. 1908 would impose costly requirements on schools over and above frequently extensive local policies—to collect and maintain copies of parental consents for a wide range of school activities and services supplied by third parties.

FERPA and COPPA Adequately Protect Student Privacy

1. The Family Educational and Privacy Rights Act ("FERPA")

- FERPA already requires parental consent for most disclosures to commercial entities of individually identifiable information about students obtained in a school setting.

  1. FERPA requires **parental consent** for disclosures to businesses of information that relates directly to any student and that is maintained by a school or anyone "acting for" a school.

  2. The only exception is for disclosures to commercial entities of a student's name, address, telephone listing, and date and place of birth. For these, FERPA requires that a parent receive notice and a reasonable opportunity to **opt-out** of such disclosures.

  3. FERPA does not apply to anonymous information and indeed expressly permits use of aggregated or anonymous student's information to undertake studies for developing and administering predictive tests and student aid programs, and improving instruction.

- FERPA protects the privacy rights of students without unduly inhibiting productive and beneficial uses of student information. The Miller Amendment would unnecessarily establish a conflicting privacy regime and sweep far too broadly by regulating anonymous information. Anonymous information does not pose a threat to privacy, and as such, the Miller approach does not advance privacy protection.

2. The Children's Online Privacy Protection Act ("COPPA")

- COPPA, which Congress enacted in 1998 to address children's online privacy, already addresses in a comprehensive fashion the privacy of individually identifiable information collected online from children under the age of 13 by commercial websites and online services.

  1. COPPA requires **parental consent** before commercial sites may collect a child's full name, home address, e-mail address, telephone number or any other information that would allow someone to identify or contact a child. It **does not apply to anonymous information.**

  2. COPPA has a small number of First Amendment-related and child safety-related exceptions involving collection only of an e-mail address. In these circumstances, COPPA requires **parental notice and opt-out**, instead of consent.

  3. COPPA applies only to children ages 12 and under because the drafters were concerned about interfering with teenagers' ability to learn online.

- The Miller amendment would impose an onerous, conflicting regulatory regime, interfering with students' ability to learn online and even to obtain an Internet account in school, as well as teenagers' First Amendment rights to receive and communicate online.

February 29, 2000

Member
United States Senate
Washington, D.C. 20510

Dear Senator:

RE: *Oppose S. 1908, the Student Commercialism Protection Act*

·NSBA·

Excellence and Equity in Public Education through School Board Leadership

Office of Advocacy

- Mary Ellen Maxwell
  President
- Anne L. Bryant
  Executive Director
- Michael A. Resnick
  Associate
  Executive Director

The National School Boards Association, on behalf of more than 95,000 local school board members nationwide, wishes to express its opposition to S. 1908, the Student Commercialism Protection Act.

It has come to our attention that this legislation, with some modifications, may be offered as an amendment to the Senate ESEA mark-up this week. S. 1908 would require schools to collect parental consent forms for each student participating in a broad range of activities that involve anonymous or personally identifiable information reaching a company providing service to a school. As such, this legislation imposes a federal one-size-fits-all policy for the 80,000 neighborhood schools in 15,000 school districts and engages the federal government in a level of micro-management that is not practical or necessary.

Fundamentally, S. 1908 usurps the discretion of locally elected school boards by dictating requirements for any commercial or collaborative venture in which local school boards choose to enter with various businesses. This is a decision best determined by the local board to ensure that the special needs of the district and the local values of the community are reflected. S. 1908 would inhibit these collaborative ventures and the ability of the local school board in these arrangements. When schools face significant funding shortfalls, we should reward districts for innovative approaches to provide educational services and equipment rather than legislate roadblocks to these collaborations.

Secondly, requiring schools to obtain, and retain for federal inspection, thousands of parental consent forms for different activities would be a significant federal mandate that many schools are not equipped to handle. This would result in increased staff time and financial burdens on local districts to comply with this mandate. This is staff time and financial resources that many school districts simply cannot spare; and to require this for the distribution of anonymous information is not necessary.

This legislation is unnecessary because school districts already must comply with the Family Education Rights and Privacy Act that governs the release of many forms of personally identifiable information. However, S. 1908 goes even further by imposing unprecedented regulation on the distribution of anonymous information that has never been considered private. This provision is so broad that local schools may not be able to enter into agreements for cafeteria services, sports equipment, standardized tests, textbooks, or Internet services.

National School Boards Association
1680 Duke Street • Alexandria, Virginia 22314-3493 • (703) 838-6722 • FAX (703) 683-7590 • http://www.nsba.org

Furthermore, commercial interests and other groups could easily find more extensive information through the student directory information guidelines in FERPA.

Finally, the bill directs the General Accounting Office to study the "prevalence and effect of commercialism in elementary and secondary education." However, S. 1908 presupposes a problem and attempts a legislative remedy. A more prudent approach would be to review conclusions of the study before taking legislative action.

For these reasons, NSBA asks that you oppose this legislation if offered independently or as an amendment to existing legislation. Across the country, local school boards are elected by their community to govern and implement effective policy based on the specific needs of their district. This legislation would usurp this discretion in favor of a one-size-fits-all approach to a complex issue. Should you have any questions please contact Dan Fuller, director of federal programs, at 703-838-6763, or e-mail dfuller@nsba.org.

Sincerely,

Mary Ellen Maxwell

Mary Ellen Maxwell
President

Anne L. Bryant

Anne L. Bryant
Executive Director

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S.L.C.

Dodd #2

AMENDMENT NO. ____ Calendar No. ____

Purpose: To provide privacy for students with respect to disclosure and gathering of data and information.

IN THE SENATE OF THE UNITED STATES—106th Cong., 2d Sess.

S. 2

To extend programs and activities under the Elementary and Secondary Education Act of 1965.

Referred to the Committee on ____________________ and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. DODD

Viz:

At the appropriate place in title X, insert the following:

SEC. ____. PRIVACY FOR STUDENTS.

Part A of title X is amended by adding at the end the following:

"SEC. ____. PRIVACY FOR STUDENTS.

"(a) IN GENERAL.—Except as permitted in subsection (b), no State educational agency or local educational agency that is a recipient of funds under this Act may—

"(1) disclose data or information the agency gathered from a student to a person or entity that seeks disclosure of the data or information for the purpose of benefiting the person's or entity's commercial interests; or

"(2) permit by contract a person or entity to gather from a student, or assist a person or entity in gathering from a student, data or information, if the purpose for gathering the data or information is to benefit the commercial interests of the person or entity.

"(b) PARENTAL CONSENT.—

"(1) DISCLOSURE.— A State educational agency or local educational agency that is a recipient of funds under this Act may disclose data or information under subsection (a)(1) if the agency, prior to the disclosure—

"(A) explains to the student's parent, in writing, what data or information will be disclosed, to which person or entity the data or information will be disclosed, the amount of class time, if any, that will be consumed by the disclosure, and how the person or entity will use the data or information; and

"(B) obtains the parent's written permission for the disclosure.

"(2) GATHERING.—A State educational agency or local educational agency that is a recipient of funds under this Act may permit by contract, or assist, the gathering of data or information under subsection (a)(2) if the agency, prior to the gathering—

"(A) explains to the student's parent, in writing, what data or information will be gathered, which person or entity will gather the data or information, the amount of class time, if any, that will be consumed by the gathering, and how the person or entity will use the data or information; and

"(B) obtains the parent's written permission for the gathering.

"(c) DEFINITIONS.—In this section—

"(1) the term 'student' means a student under the age of 18; and

"(2) the term 'commercial interest' does not include the interest of a person or entity in gathering data or information from a student for the purpose of developing or providing educational products or services for or to students or educational institutions, such as—

"(A) college recruiting;

"(B) book clubs providing access to low cost books; and

"(C) development and evaluation of curriculum, educational programs, and textbooks.".

Important Services to Schools that Require Collection of Some Information or Advertising to Students

Collection of information from students is necessary for a wide array of very beneficial commercial products and services for schools, most of which have been a positive feature of school life for decades. Student privacy and anti-commercialism proposals would interfere with and create very strong disincentives against school use of these goods and services, such as:

- **Reading Material:** The proposals would make it more difficult for students to obtain materials that teach younger children to love learning. For more than fifty years Highlights for Children has obtained student subscriptions through schools. Every year tens of thousands of teachers recommend the magazine and similar materials to their students and parents as supplementary reading materials. In many cases these materials are the only supplemental reading materials in the home. Because Highlights is a commercial entity, H.R. 2915 would require prior written parental consent before teachers forwarded any subscription information to Highlights, and would erect a barrier to student access to worthwhile educational materials.

- **Internet access:** The proposals would create a barrier to the goal of connecting schools to the Internet. Simply establishing a student Internet account requires collection of some information from the student.

- **Web surfing and educational content:** Almost all web sites at least collect anonymous information regarding visitors to the site and contain some advertising. The proposals would impose the highly impractical requirement that schools obtain parental consent for each web site a student visits. Moreover, the proposals would interfere with providers of school equipment and Internet-based educational content such as ZapMe! Corporation. ZapMe! supplies schools with a computer lab, broadband Internet access, 13,000 indexed educational sites and a suite of Microsoft computer software all without charge. Even though ZapMe! collects only anonymous information, no student could use the system without a parental consent form.

- **School filtering:** Some Internet filtering companies automatically collect information on student Internet surfing in order to block access to objectionable sex, hate, and criminal sites. Use of commercial filtering services is increasingly being required by law in school Internet systems. However, schools would be required to obtain written parental consent before installing many of these systems, further delaying deployment of Internet service.

- **Online Educational Programs.** There are a number of online educational programs that improve and expand educational opportunities for students at all levels. These interactive programs allow students to engage in productive dialogues that provide remedial assistance or enhancement in particular study areas. In many cases, the information collected enables teachers to target their assistance to better meet a student's needs. Such activities would provide the basis for applying the proposals' prior written explanation and parental consent requirements, hampering the proliferation of this innovative learning tool.

- **School Fundraising:** QSP, Inc. has helped students raise over $2 billion for schools and youth groups through the sale of magazine subscriptions, books and gift items. These activities necessarily require the collection of commercial information. Last year alone, over 10 million students used QSP programs to raise money to buy computers, band uniforms, and athletic equipment, take class trips, organize proms, and publish yearbooks -- important programs that are not always covered by strained school budgets. These programs would be severely constrained if parental consent were required.

- **Book Clubs:** Many students, particularly low-income students, obtain their first reading materials through book clubs, which provide a convenient method for students to select and buy books that interest them. Student orders are in turn passed along to publishers, who then ship the requested books. The proposals would make it difficult or impossible to run traditional book clubs in schools because publishers could not obtain information on student orders, even on an anonymous and/or aggregate basis, without first obtaining prior written informed parental consent.

- **Text Book Evaluations:** School textbook publishers often ask students to provide feedback on textbooks and other instructional materials. But under the proposals, a teacher would be prevented from giving her class a simple anonymous survey provided by the publisher on the effectiveness of a textbook, unless the teacher had first obtained "prior written informed consent" from each student's parents. The fact that such surveys were designed and solely intended to help the publisher improve the usefulness of a textbook as an instructional tool would not exclude it from the parental consent requirement.

- **College Admissions:** The proposals would require receipt of parental consent forms before any student could take the SAT or college placement test or request admissions information from colleges and universities.

- **College Scholarships:** Many organizations serving students in schools provide college scholarships in part relying on information received from students through schools. This established method for identifying scholarship recipients would be hampered by the proposals' burdensome parental consent provisions.

- **Student Polling:** A parental consent form would be required before any student participated in a poll conducted by a commercial entity. For example, children's publishers conduct polls of student positions on various public policy issues, such as anti-youth smoking initiatives and upcoming elections. These anonymous surveys, which are often covered by the media, provide a voice for students on important social issues and can influence public policy.

- **Yearbooks and School Rings:** The proposals would require a parental consent form before a school could disclose standard information for school yearbooks, and before a student could order a yearbook or class ring.

- **Routine Commercial Services:** Because the proposals regulate disclosure of even anonymous information from students, it would reach collection of student orders by privately-run school cafeterias and athletic equipment suppliers.

- **Testing:** Many states have decided to hire test publishers to prepare and administer a variety of student tests. These tests necessarily require collection of information from students triggering the proposals' stringent administrative requirements. It is impractical to get parental consent before tests are administered, much less graded. Ironically, the proposals' consent requirement would offer students a ready opportunity to evade the very tests encouraged by Title I of ESEA.

- **Contests Involving an Educational Activity:** Many schools hold writing contests for students, such as the design of a student magazine on current events, for which the sponsors need basic information to contact the winner. Requiring teachers to obtain parental consents for every student for these educational activities is needlessly burdensome and will greatly reduce these contests as an educational tool for students.

UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF THE SECRETARY

FACSIMILE TRANSMITTAL SHEET

TO: Bethany	FROM: SUSAN FROST, SENIOR ADVISOR TRISH BRENNAN, SPECIAL ASSISTANT
COMPANY:	DATE:
FAX NUMBER:	TOTAL NO. OF PAGES INCLUDING COVER:
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NOTES/COMMENTS:

600 INDEPENDENCE AVE., S.W. WASHINGTON, D.C. 20202

Education Daily
May 25, 1999 Category: Trade

Lawmakers Plan No Action To Combat Channel One

Senate lawmakers last week began investi-gating the merit of television programming that a company provides every day to 8 million students, intensifying the debate about the po-tentially damaging effects of commercial activ-ity in schools.

But Republicans asking the questions at a Capitol Hill hearing offered no promise of leg-islative action, insisting on Thursday that the decision about whether to retain Channel One for its free television news programming-- complete with commercials advertising acne creams, movies and candy--must remain with school boards and parents. They oppose fed-eral control of commercial activity in schools.

Sen. Richard Shelby, R-Ala., a leading critic of Channel One, testified before the Senate Health, Education, Labor and Pensions Com-mittee that "there is no magic solution that Washington can provide. Ultimately, and ap-propriately, the final decisions regarding this subject will be made on the local level."

Joe Karpinski, spokesman for Sen. Jim Jef-fords, R-Vt., chairman of the panel, added that GOP lawmakers dislike the very subject they have raised. "I don't think a Republican Con-gress is going to try and dictate to local schools what should go on in their classrooms," he said. Reluctant to act, Republicans on Thurs-day allowed Channel One's supporters and critics to stake out their differences.

Liberals and conservatives alike complained that Channel One coerces a Super Bowl-sized audience of children each day to watch adver-tisements for junk food and R-rated movies.

They asserted that the company uses the na-tion's compulsory education laws to reach cap-tive students who can't change the channel, turn off the set or leave the room.

Both liberal Ralph Nader and conservative Phyllis Schlafly complained that Channel One markets sexually suggestive commercials to children, and noted that the company once ad-vertised Seventeen magazine, a publication owned by Primedia Inc., Channel One's parent.

But a representative for the company and one educator declared that Channel One provides a free, beneficial service, teaching children about current events, history and geography.

Channel One offers schools free televisions, videocassette recorders and satellite dishes, beaming in 10 minutes of news programming and two minutes of advertising each day (ED, Dec. 10, 1998). An estimated 12,000 schools participate, and the company says 99 percent happily renew their contracts once every three years. Educators say they review the programming before showing it to students.

Shelby's home state, however, has become a flashpoint for controversy. Fully 438 of Ala-bama's schools, or 70 percent of the state's junior high and high school audience, subscribe to Channel One.

So far, Channel One's foes have had no luck banning its programs. The U.S. Supreme Court last year ruled that a Florida school dis-trict did not violate students' constitutional rights by forcing them to watch Channel One programs (ED, June 9, 1998).

Paul Folkemer, Channel One's executive vice president for education, said in his written tes-timony last week that children need to learn about current events from a news program tailored to teens. "Our children need to know what is happening in Kosovo, Russia, China, Israel and Littleton," he said.

Likewise, Father Peter Weigand, principal of St. Anselm's Abbey, a Catholic school for boys in Washington, D.C., declared himself "de-lighted" with Folkemer's services.

"The issues have a greater impact when transmitted through the Channel One program than they might from lectures alone," he said.

"The maps, the diagrams, the graphs are very helpful to those who watch."

But consumer advocate Nader, founder of Commercial Alert in Washington, D.C., testi-fied that "our children should not be for sale."

He complained that Channel One advertises junk foods to impressionable kids and dis-missed Channel One's free television equip-ment as "trinkets worth little compared to the principle that we must not sell out our children to the highest bidder."

Likewise, Schlafly, president of the conserva-tive Eagle Forum, observed that Channel One promotes R-rated movies and suggestive tele-vision shows, while school officials ban prayer and Bible study.

"The most objectionable commercials," Schlafly said, "are the hard-sell ads for movies and television shows that contain vulgarities, ob-scenities, blasphemies, sexual innuendoes or violence." Parents lose control of the images their children see, she testified.

The Senate has not scheduled any action on legislation regarding commercial problems in schools, but Channel One's supporters are watching Shelby for his next move. Shelby, who pushed for Thursday's hearing, did not return calls Monday. --William J. Cahir

Education Daily
September 2, 1999 Category: Trade

Campaign Aims To Surround' Youths With Anti-Drug Info

The White House anti-drug office Tuesday an-nounced a new package of media programs de-signed to bombard youths with anti-drug mes-sages at school and elsewhere.

"We're talking about a surround communica-tions' strategy," said White House drug czar Barry McCaffrey in announcing the campaign.

"This is more than a series of flashy 30-second ads."

The initiative is part of the Office of National Drug Control Policy's five-year, billion-dollar media campaign to combat and prevent drug use among young people. In addition to tradi-tional media messages, the programs will focus on peer-to-peer communication among youths.

Several components involve media produced by young people, such as school newspapers and documentaries.

"Youth leadership is what shapes attitude," McCaffrey said.

The campaign will include out-of-school com-ponents as well, he said, and the national drug control office is seeking the support and in-volvement of community and civic organiza- tions. "There's no single solution," McCaffrey said. "It can't just be a school-based program."

Several corporations are lending their names and other resources to the effort--most visibly, Marvel Comics and its Spider-Man character.

Marvel will produce a four-part series of Spi-der- Man comics with an anti-drug theme. The series will run as inserts in major children's magazines.

Shows good stuff they can do

Among others involved in the effort are MediaOne, a cable provider, which will hold writing contests for student journalists and others; Channel One, which will air public service announcements during its in-school news and advertising broadcasts; and Internet provider America Online, which will offer an interactive anti-drug area on its

Web site.

The campaign also features resources directed toward educators, including a guide designed to help teachers integrate anti-drug messages into lesson plans and curricula.

To learn more, see www.mediacampaign.org.

The teacher's guide is available online at www.theschoolzone.org/guide.

--Hannah R. Gladfelter

New York Times
December 6, 1999 Category: National

Channel One's Mixed Grades In Schools

By CONSTANCE L. HAYS
IT has been 10 years since Channel One burst into classrooms across the country with its made-for-adolescents mix of current-events programming and Madison Avenue commercials. With its school -board-friendly business model, it has built a captive audience of eight million schoolchildren , and it has set off controversy all along the way.

Advertisers love it, some parents and educators hate it, and no one else has tried to imitate it. Its founder sold it in 1994 to a corporation that has made sweeping changes to its management in the last two years. There are signs of a backlash in some states against commercialization of schools , prompting Channel One to spend heavily on lobbying. Although its growth has slowed after a rapid start, Channel One has already left a lasting imprint on American education by opening schoolroom doors to commercial messages, and the company has plans to widen its reach with additional technology.

Christopher Whittle founded the company on an idea that was at once revolutionary and simple: Provide schools with satellite dishes, wiring, videocassette recorders and television sets in every classroom -- in exchange for the schools ' commitment to show the company's daily 12-minute broadcast, including the two minutes of ads that pay for it all, to at least 90 percent of the students . Channel One began in 400 public and private schools in 1990; the number soon grew to 12,000, encompassing about a quarter of the nation's estimated 31 million students in grades 6 through 12.

But the venture was not Mr. Whittle's only vision of gold in the schoolroom . He also started the Edison Project, which hoped to make money operating private schools . He even scored the public relations coup of recruiting Benno C. Schmidt Jr. away from the presidency of Yale University to run the Edison Project.

But Mr. Whittle's enterprises soon came under a cloud of questions about accounting practices and lavish spending. In 1994, the Edison Project was scaled back sharply and Channel One was sold to K-III Communications, now known as Primedia, for $250 million -- about what the company said it had spent to wire the 12,000 schools . (Now a separate entity, the Edison Project went public last month.)

With its founding visionary out of the picture, Channel One more or less froze in its tracks. The company stopped trying to wire new schools across the country because of the high cost, and concentrated instead on growing ad sales and filling in a few bare spots on its coverage map. In the last two years, Primedia has overhauled Channel One's management, hiring an educational expert for the first time. And it has put together Channel One Interactive, an Internet-based program whose development costs have not been disclosed but were enough to have diminished the parent company's third-quarter financial results, said Warren Bimblick, Primedia's vice president for investor relations.

CHANNEL ONE is not without its fans, like Anthony Bencivenga, a middle- school principal in Ridgewood, N.J., who calls its daily broadcast "the best student -oriented news program available," although he adds that he could live without the commercials.

But it continues to arouse strong opposition, both for the advertisements it forces children to sit through and for the content of the programs between them. Critics attack it from both extremes of the political spectrum. At a Senate hearing earlier this year, Phyllis Schlafly of the Eagle Forum, known for her very conservative views, and Ralph Nader, an avatar of the anticorporate left, were united against Channel One. They and others contend that it wastes teaching time and undermines the moral authority of schools by beaming commercial messages to children who have little choice but to sit and watch.

In between are people like Chris Whitcome, a seventh-grade science and homeroom teacher in Carson City, Nev. She says she is ambivalent about Channel One, which arrived in her middle school in September. "On some days, I could be doing something more worthwhile," she said last week. "Then there are days like today, when there are programs they can really relate to, about dressing for job interviews, how do you act, do you chew gum."

At Mr. Bencivenga's school in New Jersey, a classroom of sixth graders recently tuned in, as they do at 8:30 every weekday morning. For anyone educated before the Channel One era, it is an arresting sight: 25 children's heads craned upward to focus on a video screen mounted near the ceiling; the broadcast is the only sound in the room. Their teacher , Kathy Ferdinand, says it is no big deal, though when she received her teaching degree from Cedar Crest College in Allentown, Pa., television was not considered part of anyone's curriculum.

"I think we've been very adaptable to it," she said. "The information base is solid, and they do look at a varied portion of the world's cultures." Social issues also come up, like divorce, addiction and depression. "Debriefing them, you sometimes have to be gentle," she said of her students . "You're coping with this in the classroom."

Few people dispute the value of teaching schoolchildren , particularly those on the cusp of adulthood, about the news and keeping them connected to the world at large. The Nickelodeon cable channel and others have come up with their own news and public-affairs programs aimed at the young, who generally are not drawn to the nightly news broadcasts on networks and local TV stations because they are "all about cops and shootings down in New York," as one seventh grader put it.

By far the clearest legacy of Channel One is that it has bonded public education with corporate America in ways that could hardly be imagined a decade ago. Schools that granted entry to Channel One broke down a longstanding fence protecting the educational experience from free-market commerce. Since then, other businesses have followed.

These days, school districts barely hesitate before signing exclusive contracts with soft-drink companies like Coca-Cola or PepsiCo. Sponsorships of athletic events and cafeteria functions are commonplace, with consumer products distributed or sold directly to schoolchildren from kindergarten on up. School buses in many areas carry billboards for movies or consumer products like Speedo bathing suits. In the closest approximation of Channel One's model, one company provides schools with free computers whose screens display streams of advertising in one corner.

Some school districts are vigorously soliciting commercial activity. One Colorado district printed a glossy flier for prospective corporate sponsors. It promised perks and prominent exposure linking them with the schools and their programs. So prevalent has the private sector's presence in public schools become that a Kmart commercial this summer showed a yellow school bus trundling along, a huge red Kmart logo plastered to its back door.

"Channel One invented the whole notion of a captive audience of kids for advertising," said Andrew Hagelshaw, senior program director for the Center for Commercial-Free Public Education , an advocacy group based in Oakland, Calif., that spends much of its time battling Channel One. "What's changed is the whole level of aggressiveness and enthusiasm and the lack of fear companies have about advertising in schools ."

Jeff Ballabon, an executive vice president for network affairs at Channel One, said there was no connection between Channel One and subsequent forms of commercialism, like the soft-drink contracts under which Coca-Cola and PepsiCo pay school districts thousands of dollars to exclude competitors from vending machines, cafeterias and other outlets on school grounds.

"The reality is the sponsors of Channel One News are playing a tremendous, important role in getting this free and independent journalism to the kids," Mr. Ballabon said. "The deals that schools make with vendors to feature only their products in the schools -- that smacks to me of commercialism."

He added: "The same people who have gripes about Channel One point an identical finger at 'Sesame Street' and the Girl Scouts for commercializing kids. We're perfectly happy to be in that company."

TO some parents and educators, commercial inroads in the schools are not a problem but a golden opportunity to supplement tight school budgets without further burdening taxpayers. In a country built on free enterprise, they see little conflict between the schools ' educational mission and the marketing agendas of the corporations that take part.

Others see crass exploitation, both of children and of resource-starved schools , and in some regions state legislatures and religious groups are adopting measures against in- school commercialism.

In June, the 15-million-member Southern Baptist Convention passed a resolution denouncing Channel One because it directs advertising to shoolchildren.

California recently enacted a law prohibiting brand-name references in textbooks, in response to the appearance in middle schools of a math workbook, published by McGraw-Hill, that mentioned Oreo cookies, Nike sneakers and other products in word problems. McGraw-Hill said it was not paid to include the products in the book, but was trying to make "real world" applications that would appeal to children.

Another California measure, which would have outlawed advertising in schools and banned exclusive contracts with consumer-products companies, encountered fierce opposition from business lobbyists, including some hired by Channel One, Mr. Hagelshaw said. Legislators eventually passed a weakened version that allows ads and exclusive contracts but requires schools to use the money they receive for "legitimate" educational programs. What constitutes such a program is the subject of considerable disagreement.

The city of San Francisco adopted its own school commercialism ordinance last spring that, among other things, bans from the classroom any material provided by corporate sponsors that includes company logos or other advertising. In Wisconsin, a bill introduced in the state legislature this year that would ban exclusive soft-drink contracts remains in committee.

MORE subtle marketing forays into the schools have also drawn fire. Representative George Miller, Democrat of California, sponsored a bill in Congress this year that would require schools to receive parents' permission before their children could participate in computer-based contests and other commercially sponsored programs that collect data on students .

"As we started to look at some of the uses of computers in these giveaway programs that allow the companies to monitor the students ' activity, it raised questions about how that information is collected and disposed of," Mr. Miller said. "Parents ought to know that their kids are being put in this position. We ought not to allow this commercialism to interrupt the parent-child relationship."

Advertisers, however, crave their own uninterrupted relationship with students , and for several reasons. The audience is captive; young children generally do not leave school for lunch or to buy beverages. Psychologists say children who see brand names in school tend to associate them with the authority of their teachers . And reaching consumers early in life is a mantra for consumer products makers, who depend on brand loyalty for future sales and profits.

"Youth is critical to the soft-drink business," said C. J. Fraleigh, vice president for cola marketing for Pepsi-Cola, which has advertised on Channel One since its inception. "That's when so many people form their brand preferences." He said Channel One was attractive to Pepsi because it reaches teenagers as efficiently as the Super Bowl reaches men. By his estimate, 35 percent to 40 percent of the students who watch Channel One pay attention to and remember the Pepsi ads it carries. "There is no other vehicle to get those sorts of numbers of teens on a daily basis," he said.

Seventh graders at the 600- student Benjamin Franklin Middle School , where Mr. Bencivenga is principal, seemed to bear out Mr. Fraleigh's view. "My whole class started banging on the desks when the Pepsi commercial came on," one boy said, humming the "Joy of Cola" theme song that Pepsi introduced this spring.

For the privilege of beaming the ads into classrooms, neither Channel One nor its advertisers contribute any cash to Benjamin Franklin Middle School 's $54 million annual budget; the only benefits for the schools are the use of the equipment and whatever instructional value can be found in the programs. Some parents question whether it is a fair bargain.

"I would hope that our children wouldn't be sold at any price," said Dr. Michael Doyle, a pediatrician from Bloomfield, N.J., where the local superintendent wanted to bring in Channel One earlier this year but was overruled by the board of education . "But goodness, if you're going to sell them, why sell them so cheaply?"

Other parents go further, saying that taxpayers are in effect subsidizing Channel One. "There's no money passing hands, but to give up that hour a week of school time makes these the most expensive TV sets you ever laid eyes on," said Jim Metrock, a former steel executive from Birmingham, Ala., who started an advocacy group called Obligation Inc. five years ago that has become a vocal opponent of Channel One. "That school time was purchased by taxpayers. If you watch Channel One for 90 percent of the school days, it adds up to 31 hours a year.

The estimated cost of educating a child in Alabama is 6 cents a minute, he said. "In a class of 23 students ," he added, "that's $2,600 per year for the rental of that TV set."

Mr. Metrock, who describes his views as conservative, said he did not find out that his daughter had been watching Channel One for years -- until she was a high school senior. "I was appalled," he said. "This is required commercial television. We have an obesity crisis with adolescents in this country, and here we have government schools telling children to eat Snickers and drink Pepsi."

THE channel's advertisers include Mars, which makes Snickers; Procter & Gamble, maker of Clearasil, and Polaroid, which advertises its I-Zone camera. Television and cable networks and distributors of feature films are also eager to buy ads, said Susan Tick, a Channel One spokeswoman. "We show the occasional Friday night television lineup, but we have to turn away a lot of it because we feel that it's not appropriate for the classroom," she said.

Channel One also runs recruitment ads for the armed forces, Ms. Tick said. Whether these advertisers are aiming young enough, even on Channel One, to accomplish their purpose is an open question.

"Generally, the research indicates that around 10, 11 or 12 years of age, kids have already formed a lot of their ideas about advertising and are skeptical about it," said Deborah Roedder John, a professor of marketing at the University of Minnesota. "They can be persuaded, but most people consider the real at-risk personality to be under the age of 8. At that age, children don't understand the concept of advertising; they think it is there to tell them useful things."

Channel One is not generally shown to children that young.

Middle- school students certainly seem to know why they see the ads they see. "The commercials are for stuff we would buy, like stuff for acne," said Tom Piccininni, a seventh grader at Benjamin Franklin.

For their part, many teachers and school officials complain that they have no influence or control over the program's content. Channel One's programs are produced by a staff of 14 producers and 8 reporters, who also serve as anchors. The emphasis is on making the news interesting and attention-getting as well as informative, said Andy Hill, Channel One's president for programming.

To that end, reporters have recently been sent to Turkey and Rwanda to cover earthquakes and a civil war, and a high school senior is being sent to Northern Ireland to interview teenagers there about the peace process.

"People will say you have a captive audience," Mr. Hill said. "But anyone who would use that term has never tried to get a teenager's attention. They may be sitting there, but they're not captive."

Mr. Hill, a father of two, came to Channel One from ABC, where he worked on entertainment series like "Touched by an Angel." He said he saw no objection to television in schools , provided that the content was suitable.

"Do I think it's appropriate for kids to watch 'Beavis and Butthead' in school ?" he said. "No. Do I think it's appropriate for them to watch documentaries in school ? Yes."

He added: "Our job is to try to empower kids to feel they have a stake in society, and participate in society, and to make smart choices in their own lives -- which is why we belong in the school day."

Still, some people question whether Channel One's programs ought to be included in a school curriculum when they have not undergone the same scrutiny faced by other elements, like textbooks and faculty members. Senator Richard Shelby, Republican of Alabama, held hearings in April at Mr. Metrock's urging to air such concerns about Channel One.

Opponents of the company, like Gary Ruskin, director of Commercial Alert, a Washington consumer-advocacy organization founded by Mr. Nader, called the hearings inconclusive, though, he said, "the testimony speaks for itself."

But Channel One was pleased. "Those hearings went very much to our favor," Mr. Ballabon said. "The engine that runs this controversy is very much outside the classroom, and by the time the members had heard from educators in their home states, it was pretty much a Channel One love fest."

The love fest, though, like much of Channel One's progress, came after an intense and costly lobbying effort. The company refused to disclose how much it spends on lobbying except to say that it was a small percentage of its revenues.

In New York State, where Channel One has been barred from public- school classrooms but is shown in some parochial schools , the company has conducted intensive campaigns in Albany to persuade legislators to lift the ban, so far unsuccessfully. And even before this spring, Channel One had lobbied actively in Washington. "They just want to make sure that there isn't this groundswell in Congress that you are tainting young people's minds by drilling them with advertising in the classroom," said Steven Barlow, a media analyst for Credit Suisse First Boston.

Even if it can mold the political landscape to its liking, large-scale expansion into more schools is not where Channel One is headed. "There has never been a major plan for expansion because the costs are so dramatic," Mr. Ballabon said. "It really has not made sense for us to expand."

But there is the Internet to consider. Lauren Rich Fine, a media analyst for Merrill Lynch, says the interactive Channel One program now in development could increase Channel One's exposure in classrooms.

"It would help them expand things a bit more," she said. "Right now they are stuck in the 12-minutes-a-day loop."

Moving to a computer-based program seems the logical next step, said Tom Rogers, who took over as chairman and chief executive of Primedia, Channel One's parent, a month ago. He came from NBC, where he developed the CNBC and MSNBC cable channels. "Every television channel has to think about how to translate itself into new technology," he said.

"Interactivity could make it a more engaging experience than the passive act of watching a television screen," Mr. Rogers said. "The revenue, the cash flow seem to have been growing. You have a school population that is loyal and seems to want it. Where do we take it from here?" Photos: A scene from a Channel One news program on Rwanda. The company's 12-minute broadcasts for schools include 2 minutes of advertising. (pg. 1); Sixth graders in Kathy Ferdihand's class at the Benjamin Franklin Middle School in Ridgewood, N.J., watched Channel One recently. An executive of Channel One said it is glad to be in the company of "Sesame Street," which he says is also accused of "commercializing kids." (Keith Meyers/The New York

Times); Recent news segments shown on Channel One discussed the earthquakes in Turkey, top, and one teenager's effort to help children in Rwanda, above. Among the advertisments shown was one made by Philip Morris, the tobacco giant, warning students against the dangers of smoking.

Education Daily
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Study: In-School TV Program Carries $1.8 Billion Price Tag

by Rebecca S. Weiner
Channel One, the 12-minute news program with advertising broadcast daily to nearly 8 million students, costs an average $1.8 billion annually in classroom time, according to a new study by the University of Wisconsin at Milwaukee.

"We're not making a judgment on the content," said the study's co-author Alex Molnar in an interview yesterday. "We were analyzing the taxpayer cost of Channel One."

In the study, "The Hidden Costs of Channel One," researchers used data from the National Center for Education Studies to determine the cost of educating a public school student, per minute, in each state.

Twelve minutes of viewing Channel One each day -- 10 minutes of news and two minutes of advertising -- equals a total average cost of $229 per student nationally, and consumes a total of about six class days annually.

"Is Channel One worth almost seven days a year?" Molnar asked.

Lunch Is Costly, Too

But David Tanzer, Channel One's CEO, said the program is typically shown during home-room when there's no classroom instruction.

"You could take the same approach and say why do students spend 50 minutes a day eating lunch," Tanzer said in an interview yesterday. "It costs $32 billion for students to have a lunch break, but they're not clamoring to shave three minutes off lunch time."

Tanzer added that the 12,000 schools nationwide using Channel One do so for its education value, because the programming is geared toward teenagers who don't often watch news programs on their own.

Channel One has drawn the ire of education and citizen groups worried about commercial intrusion into schools.

Several years ago, a national organization of English teachers voted to oppose the free service (ED, Nov. 10, 1993).

Hardware Needed

Schools receive free use of televisions and VCRs in exchange for ensuring that their students watch the program daily.

Yesterday's study calculates the cost of equipment provided by Channel One to schools, and estimates how much it would cost schools to rent it on their own.

Molnar said it would cost schools an average of $4,000 a year to rent TVs and VCRs, compared to the $157,989 annual national average cost of class time his study estimates Channel One consumes.

The study was funded, in part, by the Center for Commercial-Free Public Education, a California-based group opposed to advertising in schools.

"The Hidden Costs of Channel One" is $15 from the Center for Commercial-Free Public Education, 1714 Franklin St., Suite 100-306, Oakland, CA 94612, (800)867-5841; fax, (510)268-1277