

Technology



Tanya E. Martin
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cc:

Subject: Technology Innovation Challenge Grants

FYI on the challenge grants

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Julie_Kaminkow @ ed.gov
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To: Tanya E. Martin

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Subject: Technology Innovation Challenge Grants

Press Release attached and below:

FOR EMBARGOED RELEASE: Contact: David Thomas
September 15, 1997(202) 401-1579

RILEY ANNOUNCES 19 NEW CHALLENGE GRANTS FOR TECHNOLOGY

Bismarck, North Dakota, September 15, 1997 -- U.S. Secretary of Education Richard W. Riley today announced the award of \$18.5 million for 19 new grants to school district partnerships in 14 states that are demonstrating how today's advanced technologies can bring schools and communities fully into the information age.

To meet the nation's need for a well educated workforce in the 21st Century, President Clinton and Vice President Gore have challenged the nation's educators and high technology industry leaders to work together on new ways to

accelerate student learning with technology. School districts, technology business leaders, and community organizations across the country are rising to meet the challenge through partnerships supported by these new Challenge Grants.

"These Challenge Grant communities are making a significant investment in the future of their children. They are pioneers in the expansion of new approaches to increase learning and bring new worlds of knowledge to our students," President Clinton said. "I strongly believe that if we help all our students to master the use of these new learning tools we will give a generation of young people the skills they need to enter a global economy."

"That's why it's unfortunate that the Senate has hastily adopted the Gorton Amendment, which would seriously impede the progress that has been made in educational technology," Riley said. "The Gorton Amendment calls for block grants, which would force us to terminate 62 Challenge Grants in 33 states this school year, and cancel the 1998 grant competition. The progress we have made in educational technology is vital to improving education.

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"Without it our nation's students will be without adequate technological skills in an increasingly high-tech job market, and will be unable to compete with other countries using technology for higher-level learning, particularly in math, science, and reading."

The 19 school district partnerships receiving new grants are located in 14 states. They will work with partners in more than 165 school districts, 68 business firms, and 44 colleges and universities.

In addition, more than 100 community organizations will support their efforts.

"Strong community support and involvement in our schools can make a tremendous difference in the quality of education for our children. These schools, with the help of college and community partners will use computers and the Internet to provide exciting, concrete ways to help children and teachers prepare for the 21st Century," Riley said. "Each Technology Innovation Challenge Grant partnership supports the work of the grant with substantial commitments for computers, software development, technical support, telecommunications services and teacher training."

The grants will range in size from \$570,000 to \$1.3 million a year for five years. The business and community partners have generated matching commitments valued at more than \$56 million.

In most cases, Challenge Grant communities are working on integrating new technologies into state or local education improvement efforts that have been stimulated by a growing national commitment to raising education standards.

Effective use of new technologies in these communities will contribute to improved student achievement in reading, writing, science, mathematics, history, the arts and other disciplines. Each project will support effective training for teachers and promote greater parent and community involvement in education. And each will help smooth the transition from school to careers and college by engaging students in real-life learning experiences through which they can develop the life-long learning skills necessary to navigate the changing economy.

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The Clinton Administration has asked Congress for \$75 million to invest in Technology Innovation Challenge Grants in 1998 -- a substantial increase from the fiscal year 1997 appropriation of \$57 million. In addition to helping sustain support for the 62 grants awarded to date, this increase would provide for a fourth round of the Technology Innovation Challenge Grant competition that could begin this fall and lead to 20 new awards by May 1998.

NOTE TO EDITORS: A list of grantees is attached. Descriptions of projects available upon request.

[illegible]

...the result of industry game, spotty oversight and political neglect.

...reveal that legislators, in a political compromise, exempted some assault weapons

...implementation. Given that opening, major gun makers doubled and even tripled

...that are lawful and those that are not. Please see GUNS.

Hoffa Calls for Carey to Quit Teamster Post

By JAMES GERSTENZANG
TIMES STAFF WRITER

WASHINGTON—With his seemingly revitalized union embroiled once again in controversy and allegations of corruption, Teamster President Ron Carey faced a demand Sunday from his defeated rival that he abandon his post.

Two days after a federal monitor said the union's 1996 presidential election must be rerun because the Carey campaign received illegal contributions, challenger James P. Hoffa said Carey should be disqualified and that an independent counsel should be appointed to investigate. Carey denied knowing about the financing irregularities and indicated that he will not step aside.

Offering Sunday television viewers the rhetorical equivalent of Mike Tyson versus Evander Holyfield, Hoffa and Carey angrily, and heavily-handedly, attacked each other's leadership at a time when the Teamsters are on the cutting edge of efforts to recapture the power and prestige organized labor had lost in recent decades.

Please see TEAMSTERS, A5

Silicon Valley Group Provides Brain Trust for Vice President

■ **Business:** Nicknamed 'Gore-Tech,' they meet to discuss 'new economy.' Clinton responds to entrepreneurs' advice.

By ELIZABETH SHOGREN
TIMES STAFF WRITER

WASHINGTON—It doesn't show up on the roster of White House advisory panels and blue-ribbon commissions. It doesn't even have an official name, although those in the know have nicknamed it "Gore-Tech."

Once a month, Vice President Al Gore meets privately with a select

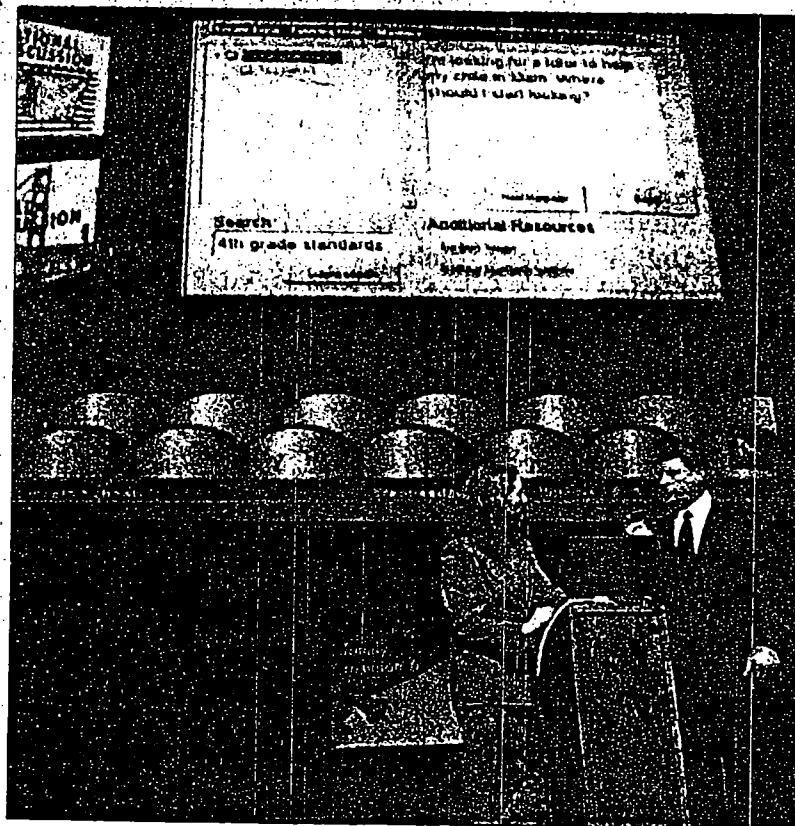
■ **FASTER ACCESS**

Crowded Internet has scientists moving to private networks. B5

group of Silicon Valley entrepreneurs, sometimes on the high-tech executives' home turf in Northern California, sometimes around a conference table at the White House.

"They're like the kind of meetings I'm used to in the Valley," says

Please see TECHNOLOGY, A8



The White House

Vice President Al Gore with Kim Polèse, a Palo Alto software entrepreneur who is a regular participant in meetings of high-tech group.

Home Violence Underreported New Study Says

By JUBE SHIVER Jr.
TIMES STAFF WRITER

WASHINGTON—Asserting domestic violence is "severely underreported," the Justice Department released a study Sunday that found that a quarter of a million people were treated for injuries inflicted by an intimate partner in 1994—four times as many as previously estimated.

The study, by the Department of Justice Statistics Bureau, is likely to refocus national attention on an issue that had fallen off the spotlight in the wake of an otherwise dramatic drop in violent crime in the nation over the past few years.

The new estimate of domestic violence, which is notoriously difficult to measure, was compiled by examining emergency hospital admissions rather than the more common but less precise practice of surveying police records or interviewing victims of violence.

Of the 1.4 million people treated for nonfatal injuries stemming from willful or suspected intentional acts of violence in 1994, almost 250,000 were injured by someone

Please see VIOLENCE, A1

Ash Entombs Once-Vibrant Montserrat

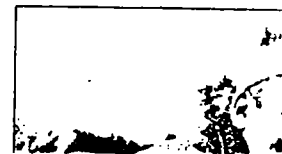
■ **Caribbean:** As more residents of volcanic island evacuate, many accept it's been altered irrevocably.



DATELINE CALI

VOLUNTEERS

Peace Corps Call
Has Resonated



TECHNOLOGY: Silicon Valley and White House

Continued from A1

Kim Polese, a Palo Alto software entrepreneur who is a regular participant. "There's no hierarchy, and no protocol about who can speak when. That would get in the way."

Although the topics vary from month to month, the overarching agenda is the same: fathoming the implications of America's "new economy" and devising practical solutions to public policy problems large and small.

And while its existence remains something of a secret in official Washington, Gore-Tech is rapidly becoming one of the most influential brain trusts in town.

In recent months, Gore-Tech has weighed in on issues ranging from education policy to FDA staffing. And increasingly, White House officials all the way up to President Clinton are seeking its guidance—and responding to its advice.

"We're so convinced that we think what's in the best interest of our industry is in the best interest of the whole country," says Halsey Minor, 32-year-old founder of a fast-growing technology company called CNET and another Gore-Tech regular.

"We feel in some ways like we're reviving America," jokes Steve Perlman, another participant and inventor of WebTV, a device that enables people to surf the Internet and send E-mail with their television sets.

To some extent, the hubris is understandable. Over the last three years, the high-tech sector has contributed 27% of the growth in the nation's gross domestic product, according to a recent analysis by Business Week magazine.

Even the Clinton administration's political opponents acknowledge the significance of the new Washington-Silicon Valley alliance.

"The White House and vice president's office have been absolutely masterful in the way they've worked this community," groans Dan Schreier, a former press spokesman for Gov. Pete Wilson.

Schreier, who is trying to woo Silicon Valley executives into the Republican fold, says, "I can talk to CEOs about how they shouldn't support Clinton because he opposes capital gains tax cuts," he says. "But if they just had beer and pizza with Al Gore the night before, I'm only going to get so far."

Although there have been only eight Gore-Tech skull sessions so far, the collaboration already has had a measurable impact on public policy. Some examples:

- An administration-endorsed project to improve communication between school and home through an interactive computer network.

- A Clinton-sanctioned effort to make it easier for parents to monitor their children's Internet use.

- An administration campaign to enact

legislation to prevent unnecessary delays in approval of new pharmaceuticals.

Gore-Tech consists of a core group of 15 or so regulars, although the roster varies somewhat from month to month. It includes the young, wildly successful designers of new technologies that are rapidly becoming household names: Netscape, Yahoo, WebTV, Java.

"Our goal was to wire up this community with the White House," says White House technology advisor Tim Newell. "We feel it's been successful."

The unusual collaboration represents a striking turnabout for the technology industry, which has long practiced a leave-us-alone-and-we'll-leave-you-alone strategy in its dealings with government.

The group has informed Gore's understanding of what kind of economy will work for America in the next century, a vision he espouses regularly in speeches across the country and is likely to incorporate into his presidential campaign for 2000, aides say.

Explaining the impact the group has had on his thinking, Gore, a technology buff who likes to surf the World Wide Web himself, uses an Internet analogy.

"Sometimes, when you're downloading a picture, it will come up in sort of sketchy form, and it will add another layer and another layer, and then it gets dense and bright and you can see it clearly," an animated Gore said in a recent interview.

"The growth in my understanding of the new economy is similar to that process. At first it's sketchy, and then there are more details filled in... after a while, I'm better able to paint a bright and vivid picture."

Halsey Minor, the CNET founder, jokes that Gore's metaphor suggests that someone should buy the vice president a faster modem. But he agrees with Gore's assessment.

"He gets our industry, and we're slowly filling in the picture for him," Minor said in an interview in his sprawling complex near San Francisco's Fisherman's Wharf. CNET currently operates four television programs and 10 popular Web sites.

Clearly, both Gore and his Silicon Valley buddies foresee potential benefits from their alliance.

For Gore, the insight gleaned from the brainstorming sessions could help him outpace the competition in 2000. The Gore-Tech participants, as representatives of the fastest-growing sector of the American economy, would be valuable additions to his campaign support team.

"Anybody who even considers trying to provide leadership for our country—whether in the Senate or the House and certainly in the White House—should understand the new economy," Gore says.

For the entrepreneurs, the more government listens to them, the less likely they are to be surprised by new regulations or legislation that could cripple their companies at home or dull their competitive edge abroad.

John Doerr, the hyperkinetic venture capitalist who is the guru of the group, dates the political awakening to last year's fight to defeat California's Proposition 211. The ballot initiative would have made it easier for shareholders to bring lawsuits against companies and hold their directors financially responsible for corporate blunders. High-tech companies, because of the

volatility of their stock, fear they are particularly vulnerable to such suits. Doerr personally spearheaded a \$40-million campaign that helped defeat the initiative last November.

Unlike past political skirmishes, in which high-tech CEOs fought one-issue battles and then quickly retreated to Silicon Valley, the Proposition 211 battle catapulted the computer wizards into the political arena, and they decided to stay.

"What we learned from this 211 fight is that if we're not in an ongoing conversation with the elected officials, we'll get what we deserve, which is to be totally blindsided," says Doerr, 48.

In Silicon Valley, there is general agreement on why technology executives have shed their traditional reluctance to engage in politics.

The industry has changed dramatically in recent years, particularly with development of the Internet's World Wide Web. Instead of simply churning out microchips and writing utilitarian software, technology firms increasingly are designing products to help average folks use the Internet for everything from knowledge-gathering to bill-paying.

The executives have changed too. Instead of the middle-aged, calculator-toting engineers of the past, the new Silicon Valley entrepreneurs are younger, more media-savvy and market-oriented.

As the industry changes, it becomes more vulnerable to government intervention and regulation.

A key example was the Communications Decency Act passed by Congress last year and signed into law by Clinton. The measure, which was struck down this summer by the Supreme Court, would have banned "indecentcy on the World Wide Web." The prospect of government censorship shook Silicon Valley.

Now, several Gore-Tech participants are working with administration officials to develop new tools to help parents censor the Internet for their children.

While the participants are perfectly willing to offer advice on issues affecting their industry directly, some of the most animated discussions have involved new uses of technology throughout the economy and strategies for improving public education.

In fact, no one issue energizes the Gore-Tech execs quite like education, in large part because they have had a difficult time trying to hire qualified employees to staff their rapidly expanding businesses.

"Getting educated employees is our greatest challenge," says Marc Andreessen, 26-year-old co-founder of Mountain View-based Netscape Communications Corp. and another Gore-Tech regular. Netscape, which developed one of the two leading Web "browser" programs, has mushroomed from two employees in 1994 to 2,400 today.

During the group's February meeting at the Billmore Hotel in Los Angeles, the executives expressed dismay that the government was not doing enough to fund public schools.

Gore challenged the participants to come up with their own education reform initiative. A lively give-and-take ensued, with the young entrepreneurs jumping from their chairs to draw diagrams with bright markers.

The result was "Dashboard," an ambitious project designed to link public school parents, students and teachers in a nationwide, interactive computer network.

Unveiled at a national family conference hosted by Gore in June, it uses a new technology called "push" to make it easy for parents and teachers to communicate with each other and track students' progress.

"It's very exciting to use our programs in schools. It makes us feel good," says Polese, the Palo Alto software entrepreneur whose company, Marimba, developed push technology.

For Polese, who faces stiff competition from giant Microsoft Corp., every hour she spends away from her business is a risk. She acknowledges that she and the other Gore-Tech participants would be unlikely to engage in the monthly dialogues if they saw no tangible benefits.

"I don't want to sit around and talk about issues," says Polese. "I want to take action."

Gore says the group's problem-solving, can-do attitude is what keeps him coming back.

"It's much easier for me to articulate challenges to a group ready to hear them," Gore says. "The first time that happened, they charged off and came up with some really creative solutions to the problem that I laid out. So that's naturally going to encourage me to say, great, here's another one."

The meetings, in turn, have given the high-tech executives a rare chance to voice their concerns at the highest level of government.

In mid-June, the Silicon Valley executives persuaded Clinton to have dinner with them at the home of a high-tech investment banker in San Francisco. During the meeting, Art Levinson, president of Genentech, a leading biotech company, caught the president's attention by telling him of a potential problem involving new drug approvals. The Prescription Drug User Fee Act will expire Oct. 1 and, unless Congress renews it, hundreds of doctors involved in testing and approving drugs for the Food and Drug Administration will be fired, jamming up the approval of pharmaceuticals.

Levinson's warning got Clinton's attention, and the president immediately instructed an aide to get on top of it. The major obstacles to passing FDA reform legislation, which would extend the act, have been cleared up and the measure now awaits likely congressional action after Labor Day.

Since the monthly sessions began, Gore has gradually won the respect of the Silicon Valley executives, most of whom say they can't imagine supporting anyone else for president in 2000.

Beyond individual votes, the considerable wealth of many of the individuals—and companies—involved in Gore-Tech makes them an attractive source of financial contributions. And several participants have pledged to support the vice president financially if he were to run in 2000, though they said that they had not been solicited during the meetings.

The series of meetings the vice president has had with the Silicon Valley CEOs has not been political," says Ginny Terzano,

the vice president's spokeswoman. "He has not asked for funds in the meetings."

Since the group did not form until after the inauguration, any contributions made to the 1996 Clinton-Gore campaign would have been as individuals. "If they did contribute [in 1996], I think it was on a very small scale," adds a White House official who asked not to be named.

A preliminary check of Federal Election Commission records indicates that individuals now active in Gore-Tech gave thousands of dollars to the Democratic National Committee's soft-money accounts in the 1995-96 election cycle—much of it for activities at the state and local level.

San Francisco investment banker Sanford R. Robertson, for instance, is listed as giving more than \$200,000 to various DNC accounts between January and July of 1996. Charles Geschke is listed as giving almost \$40,000 in 1995 and 1996.

And Doerr and three other Gore-Tech participants attended an intimate fundraising dinner for Clinton-Gore in Silicon Valley in September, according to Wade Randlett, a Democratic political operative in Silicon Valley who organizes the Gore-Tech series.

"Of all the people who have come to the Gore meetings, fewer than 10% have given any money," adds Randlett. Since the Gore-Tech series started in January, no one has been asked to donate.

"If anybody had been asked for money, I'd know about," said Randlett, the political director for Technology Network, a new, bipartisan political organization of high-tech CEOs in Silicon Valley.

"If this were about money, you would raise money as you go along. That's not what Gore's doing." Technology Network is creating a political action committee, but it has not yet made any donations.

Although Gore will likely receive donations from the CEOs he meets through Gore-Tech, the amount of time he is spending is way out of proportion with any money he could hope to raise from the group in the future, Randlett added.

Doerr, a well-known venture capitalist who can pull fund-raising strings in Silicon Valley, is confident Gore will get much more than money or votes.

"This is a political leader who uses the Net, uses the Web, understands what an Adobe Acrobat is all about. When you walk into a meeting with him, his first question is, 'Just what exactly is going to be the future of Java?' And he knows it's not a cup of coffee," Doerr says. "I don't see another political leader on the national scene who gets it."

What the Gore-Tech participants can't figure out is why other politicians haven't been beating down their doors as well.

"You know what's amazing? Where the hell are the Republicans? I really think the Democrats are going to walk away with the Valley," says C-Net's Minor, who describes himself as a "strong Republican but not a fan of himself backing Gore."

"You have to understand our industry if you want to be president in 2000," Minor says. Failing to do so, he adds, "would be like being a politician in the '30s and '40s and not understanding the implications of the automobile."

4. The Washington Post

05/08/97; Edition: FINAL; Section: Financial; Page E01 *\$2 Billion in Discounts to Aid Schools' Access to Internet*

By Rene Sanchez

Washington Post Staff Writer

It is a landmark subsidy for the nation's schools: more than \$2 billion a year in discounts to help educators plug their students into the computer age.

That pool of cash, which would be created under a plan adopted yesterday by the Federal Communications Commission, could provide a much-needed boost to school districts scrambling to connect their classrooms to the Internet but lacking the resources to do it.

Under the FCC plan, more than 110,000 schools nationwide, most of them public, will be eligible beginning next year for discount rates that range from 20 percent to 90 percent for connection to the Internet and service charges. The size of the discounts will depend largely on how economically disadvantaged a school's enrollment is. Some libraries also will be eligible for lower rates. In all, more than 50 million students could benefit.

Education Secretary Richard W. Riley hailed the discount plan yesterday as a "giant step" into the next century for the nation's schools. However, several studies recently have estimated the total costs of infusing classrooms with new technology to be much greater than the amount of the subsidy that the FCC has approved. By some measures, meeting that goal could cost \$109 billion over the next decade.

Even with the new discounts, many state and local governments could struggle to come up with the money needed to fully enter the information age. Schools that received a 60 percent discount, for example, still would have to find enough money to foot the rest of the bill.

But education officials expressed optimism yesterday that the discounts will spur more states to increase their commitment to improving school technology.

"This will start the ball rolling," said Carolyn Breedlove, a policy official at the National Education Association, the nation's largest teacher union. "It's definitely going to be hard in some areas, but having this kind of foundation is a huge incentive."

The number of schools tapping into the educational resources on the Internet is rising sharply. More than half of the nation's public schools are now linked in some way to the Internet, up from 35 percent two years ago, according to Education Department surveys. Few individual classrooms, however, are wired — less than 15 percent, by some estimates. And affluent schools are much more likely than those in rural or poor urban areas to be online.

Linda Roberts, director of the Education's Department's technology office, said that the full-priced monthly costs of using the Internet have deterred some schools from installing the technology in more than one classroom, if at all. A growing number of states are vowing to get all of their public schools linked to the Internet, she said, but only a few are getting close to achieving that goal.

This is how the discount plan will work: Schools can get lower rates for having the technology installed in classrooms, as well for connection charges to a computer network and for monthly service costs. Schools will not be handed money from the \$2.25 billion annual fund that the FCC is creating. Rather, they will pay the technology company from which they purchase services a portion of the bill, and the government will reimburse the company for the rest.

Discount rates will be determined by the number of students at a school who are eligible for federally subsidized school lunches. Schools with less than 1 percent participation in the subsidized lunch program would get a 20 percent discount, while the poorest school districts would get 90 percent discounts. Private schools must have endowments of less than \$50 million to be eligible. Federal officials estimate that the average discount rate for a school will be about 60 percent. ■

1. USA Today

May 8, 1997 *Schools, libraries to pay less for telecommunications*

By Tamara Henry
USA TODAY

WASHINGTON - The Federal Communications Commission Wednesday agreed to give a cut rate to the nation's 110,000 public schools for Internet access and other telecommunications services.

Beginning Jan. 1, 1998, FCC Chairman Reed E. Hundt says discounts will range from 20% to 90%, providing yearly overall savings of \$2.25 billion.

Vice President Al Gore says the discounts - nicknamed the "E-rate" - mean that for "most schools and libraries the cost of both telephone access and Internet access will be cut in half. Access for our poorer schools will be virtually free."

The discount will be based on the number of public school students eligible for free and reduced lunches, and it also will be available to about 9,000 libraries and those private, nonprofit schools with endowments of less than \$50 million.

Some school districts are paying about \$200 a month in access charges, while others pay \$2,000 for the same technology services. Currently telephone companies charge schools the business rates, which are higher than residential rates for phone service and online access. A few schools negotiate their own rates.

Anne L. Bryant of the National School Boards Association says only 14% of classrooms now have Internet access. Paul Houston of the American Association of School Administrators estimates the discounts will average about 60%.

To pay for the discount, the FCC approved a proposal to expand the scope of an existing fund that provides below-cost telephone service to poor and rural areas. That fund now is financed through charges to local and long-distance telephone companies.

Now, the fund will receive contributions from all telecommunications carriers, including cable operators and cellular service providers. The amount of support annually is capped at \$2.25 billion.

"History will record this act as the most important federal initiative to advance education into the information age of the 21st century," says Gordon Ambach, executive director of the Council of Chief State School Officers. ■