

# Microsoft quits deal to wire California campuses

By Jon Healey, San Jose Mercury News, Calif.  
Knight-Ridder Newspapers

Apr. 17—Microsoft Corp. has dropped out of a controversial effort to wire the California State University campuses, saying the proposed public-private partnership involved too much risk and not enough reward.

The decision, which officials from CSU and Microsoft say was a joint one, removes one of the most hotly debated elements of the so-called California Educational Technology Initiative. Nevertheless, CSU Chancellor Charles B. Reed said Thursday that there continues to be only a 50-50 chance that the \$300 million project will get off the ground.

Two of the four original corporate partners — Microsoft and Hughes Space and Communications Co. — are no longer part of the effort, Reed disclosed in a press release. Discussions are continuing with GTE Corp. and Fujitsu, but Reed said no conclusion may be reached until well after classes resume in the fall.

"We're going to be looking for some new partners, and, hopefully, they'll be California partners," Reed said.

CSU officials came up with the idea for the public-private partnership early in 1997, after concluding that state government would not provide the money needed to bring high-speed, high-capacity communications to all the campuses. After approaching potential partners quietly for proposals, the university system announced a tentative deal with the four companies in September.

The agreement called for CSU to turn over the 22 campuses' telephone and computer networks to the partnership, with the corporate partners putting up \$300 million by 2000 for the long-sought upgrades.

In return, the partners would absorb CSU's annual budget for those networks — an estimated \$100 million — and gain up to \$384 million each year from spin-off businesses, including some educational projects. The proposal quickly drew flak from faculty members who felt their authority over education was threatened, students who protested the choice of Microsoft, and competing high-tech companies who feared they would be shut out of future sales to CSU. The protests gathered steam, leading to some critical attention from state lawmakers.

In the meantime, negotiations over the final details of the deal dragged on, forcing repeated delays in the final reviews by faculty and trustees. Reed said Thursday that those delays reflected not the mounting criticism so much as the difficulties in settling key details, such as how to assure that the partners would not favor their own products over competitors'.

The biggest sticking point apparently was determining who would pay off the debt resulting from the \$300 million in upgrades. That issue led to the falling out with both Microsoft and Hughes.

Elizabeth King, general manager of Microsoft's education customer unit, said, "What it came down to was, we were being looked to for a larger financial investment than we were comfortable making." Although Microsoft has made some major investments in the past year — including pouring \$1 billion into Comcast Corp., a cable TV company — the CSU project "required much more investment capital than we were prepared to make to any customer," King said.

King's statement illustrates the problem that CSU had with the company. "We were never a partner," Reed said. "We were a customer. They were the vendor."

Reed said that in addition to looking for new partners, CSU will consider shouldering some of the debt itself. University officials had said last year that they would not be responsible for any of the debt, but Reed said Thursday, "That's like saying you're going to get something for nothing."

Although Microsoft was clearly the lightning rod for protests, the partnership remains controversial.

One critic of the partnership — Nathan Newman of NetAction, a San Francisco-based consumer advocacy group — said the announced changes were a victory because "it's not just going to be a Microsoft-only environment in the CSU system." But Newman remained concerned about what CSU might be giving up to guarantee GTE business, saying, "The whole deal is very problematic in terms of open competition for consumers."

Two members of the Assembly who registered early concerns about the partnership — Ted Lempert, D-Palo Alto, and Debra Bowen, D-Marina del Rey — said many serious issues remain to be resolved.

"The problem wasn't who the partners were. The problem was that CSU was doing this as a privately negotiated, sole-sourced deal," Bowen said. "Are students getting a good deal? Do we really need what's being proposed? Who winds up paying the freight for the (partnership) agreement, how much does it cost, and how much financial risk does the state take?"

Lempert said that university officials probably do need to recruit private industry to help upgrade the CSU networks.

But, he added, "they could not show how the four original partners could ensure that current vendors and potential vendors would have a fair chance at CSU business." Nor has CSU shown how it could keep control of the partnership so that corporate interests wouldn't trump the university's interests, Lempert said.

Reed offered his guarantee that the deal won't allow the partners to become exclusive suppliers — an important concession to the proposal's corporate opponents. "It's a good concept, but getting it from the concept to the actual day-to-day operations and working intricacies, that's the hard part," he said.

Many faculty members also remain concerned about how the deal could affect how decisions are made about education, said Gerie Bledsoe, general manager of the faculty labor union. "It's the intrusion of corporate America into a public institution — that's just the biggie, almost regardless of how it's structured in the business deal," he said.

"Most surveys that have gone out are hugely against (the partnership)," with 75 or 80 percent of the faculty opposed, said Gerald Eisman, chairman of the San Francisco State University computer science program. Despite a lot of discussion about the issue over the past several months, Eisman said, "I can't really say opinions have changed.... People formed positions very early."

Reed said the talks among the partners would continue on a daily basis through the summer. He also said talks with Microsoft would continue to see if a better price could be negotiated for its software, which already is used throughout the university system.

"I'm not going to recommend something just to recommend something. It has to pass fiduciary tests that it is in the best interest of CSU and the faculty and the students."

# Brown adopts 'no sweatshop' code for its merchandise

By Brian C. Jones  
Knight-Ridder Newspapers

PROVIDENCE, R.I. - Brown University has adopted a tough new "code of conduct," requiring companies that supply university monogrammed clothing and souvenirs to reform sweatshop-style factories that may be making the goods.

The code came after four months of negotiations with students concerned that athletic uniforms, T-shirts, stationery and other items using university logos and names be produced in humanely and legally run factories.

At least \$1.5 million worth of goods, supplied by 100 vendors to Brown, will be affected by the code, which calls on suppliers to make sure factories - including those overseas - pay acceptable wages and operate safely.

"Though it is a small institution, Brown has a loud voice, and we intend to use that voice," said E. Gordon Gee, Brown's president, in a statement read at a campus rally on Wednesday about the issue.

Brown is hoping that other colleges and universities will adopt similar standards, and that their collective efforts will force improvements, as well as provide funds to monitor conditions in the factories.

The Wednesday rally featured two young workers from a 2,000-employee factory in the Dominican Republic that produces baseball caps sold to Brown and other universities by Champion Products Inc. of Winston-Salem, N.C.

One of the workers, speaking through a translator, said she and other women were forced to take pregnancy tests before they were hired to make sure pregnancy wouldn't interfere with their ability to work, and that she was slapped by supervisors to the point where she cried.

Francesca Gessner, a Brown senior and one of the organizers of the drive to produce a code, said she was shocked to learn Brown baseball caps

purportedly were made under the kind of conditions being targeted.

It was only last week that UNITE, the Union of Needletrades, Industrial and Textile Employees, issued a report on the factory, then sponsored visits to universities around the country where the baseball caps are sold, she said.

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The union report said the caps generally sell for \$19.95, of which universities and colleges receive at least \$1.50, but workers only get 8 cents in wages per cap. The report said workers were struck, fired if injured on the job, or fired when they talked about unionizing.

"It was quite embarrassing when the news came out," Gessner said. "The workers who spoke held up baseball caps, and said that 'I make these every day,' and described horrible working conditions."

Gessner said she and the other 25 members of the Student Labor Alliance didn't know before their drive for a code that specific products sold at Brown had come from problem companies.

Nancy Young, a spokeswoman for Champion, told the Journal-Bulletin that the company had found none of the problems described by the workers or UNITE when it sent inspection teams to the Dominican Republic factory. The latest inspection was on Monday, she said.

"It's one of those situations where we've looked at it - looked at it announced and unannounced - and have not seen those situations," Young said,

and said the company was one of the better contractors inspectors had seen.

But for "business reasons" unrelated to the union allegation, Champion has decided to remove its business from that plant.

Using factories around the world for more than 20 years, Champion has its own code of conduct and standards for subcontractors, she said. And she added:

"We certainly never would do anything to put our brand in jeopardy. It's not good business."

According to the students who pushed for the Brown code, the university's standards are not intended to force companies to leave subcontracting companies - something they feel would hurt workers - but instead to first try to improve them.

The standards apply to companies that have licenses bearing the university's name and symbols, saying the firms should make sure factories that produce their goods operate legally and are environmentally responsible.

Here are some of the provisions, some of which are below federal and state working standards in the United States.:

-Wages: Must "comply with all applicable laws and regulations ... and match or exceed the local prevailing wages and benefits in the relevant industry." Overtime should be paid at legal rates "but no less than at a rate equal to their regular hourly compensation rate."

-Work week: "Except in extraordinary circumstances, employees shall not be required to work more than the lesser of (a) 48 hours per week and 12 hours of overtime, or (b) the limits on regular and overtime hours allowed by the law of the country."

-Child labor: Banned for workers 15 years old or younger, or 14 in some developing countries. The age should be higher if education requirements mandate that. If the requirements put children at a disadvantage, Brown and the licensing companies should try to

"minimize" the impact.

-Other provisions: Discrimination, forced labor, harassment are discouraged, as are attempts to ban unions or other worker associations.

The code acknowledges that enforcement will be difficult. As a first step, it wants companies to identify factories they use, provide written assurances of compliance with the code and a list of steps taken to comply with the code.

Mark Nickel, a Brown spokesman, said one of the major needs for Brown and other universities that adopt such codes will be to find independent companies or agencies that have information about factories and can monitor them.

The code is something on which students and the university administration agree, Nickel said, and he noted that this week's rally was one of those rare occasions where student activists praised university efforts.

A key player in the code negotiations was Larry Carr, director of the Brown Bookstore, where many of the goods are sold, and manager of product licensing for the university. He said nearly 5,000 kinds of items are sold. In addition, the code applies to uniforms for 35 varsity teams.

Gessner, one of the student organizers, said what excited her about the months-long campaign to adopt the code was that it seemed an example of activism for a generation of college students often labeled as apolitical.

Her group polled other students, and found that 90 percent would be willing to pay higher prices for goods as long as they were assured that they were produced under humane conditions, she said.

"This might not be the '60s" Gessner said of a tumultuous decade on many campuses. "But this might be our generation's way of responding to globalization and the power of corporations so many people feel helpless against."

# Legally blind, Harvard student looks forward to marathon

By Campus Correspondent Alex Alfredo (Boston University)

BOSTON - Richard Chen wanted to join a Glee club when he was an undergraduate student, so he asked the director for a chance.

The director turned him down because he figured Chen, who is legally blind, wouldn't be able to follow the

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Richard Chen

choreography of each performance.

"Some people say 'You cannot do this, and you cannot do that,' without even giving (me) a try," he said, shaking his head. "It's very sad. I think they're wrong, but it's behind me now."

Determined not to let his blindness prevent him from setting goals, Chen, a 25-year-old law student at Harvard University, has confronted some tough challenges. The latest will come Monday, April 20, when he becomes one of 12,000 runners bent on participating in one of the world's most famous running events - the 102nd Boston Marathon.

"That's not something I have to do, you know, or something that's expected of me," Chen said. "It's something I can do just because I want to. I don't care about my time. This one is about the experience of finishing and seeing what's going on in a marathon. The most important thing is finishing."

The Massachusetts Association for the Blind (MAB), through its Team with a Vision, will provide three running guides to the 47 visually im-

paired athletes running the 26.2-mile race.

Chen's guide will be 33-year-old Mike Lewis, who is also a graduate student at Harvard.

"Chen has done remarkable things," Lewis said. "He always puts a lot of energy into everything he does. He never demands, he never asks for help. He's just amazingly

motivated."

Chen has been training for the big event. Currently, he is running up to eight miles a day, six times a week. He works out at the Harvard University Athletic Facility; faster runners pass him on the track, but he doesn't mind.

"I don't know how fast I can be, but I know I will finish it," he said.

Monday's marathon is the latest in a series of adventures Chen has embarked upon. Despite his dim and blurry view of the world, he manages to play a variety of sports. His travels have taken him to Canada, Korea, Japan, Mexico and Taiwan. Refusing to take no for an answer, he joined the Glee Club at Harvard and sings a variety of classical pieces.

"I wanna be able to do different things in a single day," he said. "I like to pack my day. It bothers me incredibly wasting time."

"Basically, I don't think there's a single solitary goal for me," he continued. "I think I can reach a good number of the goals that I set, but I don't reach them all, that's fine."

# Sought-after MBA's must carefully weigh tempting offers

By Diana Kunde  
Knight-Ridder Newspapers

It's the kind of problem you'd like to have.

Recruiting activity at leading graduate schools of business has ratcheted way up, even compared with last year's hot market. Top MBA students are getting three to six firm job offers, placement officials say. And recruiters pressing for early decisions are offering "exploding" bonuses - extra sign-on money that disappears after a deadline.

"I've been here 10 years now, and I've never seen anything like it," said Peter Veruki, director of career planning and placement for Vanderbilt University's Owen Graduate School of Management. "It's a pretty heady experience."

So what's the beef? Some students may make poor career choices under the pressure of being wined, dined and romanced with big-money offers from corporate recruiters. "They might tend to take a short-term view and go for the big bucks or the glamorous company instead of cutting through and asking, 'Is this where I really belong?'" Veruki said.

Data on starting salaries for May and June MBA grads won't be available until fall. But JobTrak Corp., an Internet job-posting service, reports a 38 percent increase in jobs listed at MBA schools for the first quarter compared with last year's first quarter.

Jamie King, assistant director for MBA career services at the University of Texas in Austin, compares the

frenzied recruiting activity this year to rush at a fraternity or sorority.

"They make it emotionally exhausting to say no. We have a student who had several offers but two she was choosing between. A recruiter took her to dinner and asked, 'What's it going to take to get you?' She told him she didn't want to live in that area. So he said, 'How about we put in \$20,000 extra?' She said she just didn't want to live there. He said, OK, how about \$30,000?"

The student was able to base her decision on career and life goals, but such clearheadedness can be tough, King said. "The money is so appealing to someone who's been broke for a couple of years."

There's nothing wrong with money, of course. If making lots of it is a student's primary goal, the job choice may be easier. But for those who want to weigh other factors, career experts and MBAs offer some tips:

-Stay focused. Vanderbilt MBA student Marc Jason Smith decided fairly early on he wanted a career in commercial banking and limited his choices to three offers.

"Since I targeted one particular industry, I looked for a firm I'd feel comfortable with," Smith said. After numerous conversations with bank officers and Vanderbilt alums who work at the three firms, he settled on Chase Bank of Texas and will enter its management training program in Dallas.

The training program's flexibility appealed to him, Smith said. "They seemed very willing to work with me," he said.