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Dear Client:

Get ready. If you are planning to use Austin-Bergstrom International Airport (ABIA), starting today and running through March 19, you need to be prepared. It's likely a record number of passengers will be clogging ABIA ticket counters, parking, baggage handling and security lines over the next ten days. SXSW is one trigger. But *this year* there's more.

First of all, SXSW has expanded its events. As a result of this and other factors, **current airlines are adding flights just for this timeframe, and there are several new non-stop destinations** that were not available a year ago.

It's not just South-by-Southwest's jam-packed festival. It's **Spring Break** for most area public schools and UT Austin. **Rodeo Austin's** two week event gets underway Saturday. In addition to the crowds coming to Austin, **many savvy Austin residents flee the area** to avoid the traffic jams, closed streets, long waits at popular restaurants, etc. You get the picture. Here's an example of what one airline is doing to meet the demand.

JetBlue this week added non-stop flights to five different destinations to handle the influx of travelers – New York City (JFK) ... Long Beach (LGB) ... Boston (BOS) ... Fort Lauderdale (FLL) ... and Orlando (MCO). This is not all.

There are eight more *nonstop* destinations that were not available to Austin travelers last year. **Mexico City**, Aeromexico ... **Guadalajara**, Volaris ... **Cleveland**, Allegiant ... **Tampa/St. Petersburg**, Allegiant ... **Pittsburgh**, Allegiant ... **Albuquerque**, Allegiant, Southwest ... **Raleigh-Durham**, Delta ... and **Kansas City**, Southwest.

Even though Austin's airport has generally been up to challenges in the past, the increase in events and travelers will likely strain ABIA's operational capabilities this year. **Remember, gate and terminal expansions are currently underway, plus roadways in the area are under construction.** All these improvement projects will mean travel headaches. So, plan ahead, allow plenty of time and don't forget to pack the Excedrin!

A few pointers to help ease the stress: **arrive a couple of hours prior to flights** (especially during peak times of 5-8 am, 11 am-1 pm and 3:30 pm-5:30 pm), **pack light, practice patience and chill out.**

Speaking of airline travel, a new business is opening in San Marcos to train US military *helicopter* pilots for transition into civilian *airline* pilots. Upon successful completion of training and certification, the veterans will be offered a job with Envoy/American Airlines.

The US is facing a critical shortage of pilots. **This effort will take experienced military chopper pilots, who have an advanced flying skill-set, and convert those skills to fixed-wing aircraft.** It will provide an almost-immediate supply of airline pilots.

The training takes about 90 days to complete. The effort is called Rotary Transition Program. The Central Texas location is the second outside of the San Diego HQ of Coast Flight Training. The veterans will get tuition assistance if needed. **And upon completion, the pilots will get what is called a “generous hiring bonus.”**

Are you aware bills introduced in the current legislative session, if signed into law, will allow expansion of commuter rail in the Austin area – without a vote of the people? Remember there have been failed rail efforts at the Austin ballot box in the recent past.

Two local Democrats, **State Rep. Celia Israel** and **State Sen. Kirk Watson**, have introduced companion measures in the House (HB 1726) and Senate (SB 858) to allow the Capital Metropolitan Transportation Authority (Capital Metro) to **expand its commuter rail service without getting voter approval.**

The current law requires any passenger rail expansion to be placed on a local ballot. No legislative action has yet been taken on the two bills that would change this requirement. We’ll keep you posted.

Various Austin entities continue to wrestle with the growing number of vehicles on Austin area roadways. Interestingly, the relatively new option of ride-hailing services -- touted as making it easier for you to move around the city -- could in fact contribute to more congestion. New York City is an example.

In a report that may have “important implications for other major American cities,” a NYC study claimed **Transportation Network Companies have “added significantly to vehicular travel and mileage on city streets.”** Well, this should have been obvious. Ride-hailing drivers, whose cars were not being used at certain times, are putting their cars back on city streets to make a few bucks offering rides.

Question: Will the Austin City Council (that has demonstrably curtailed downtown traffic) create more regulations when increases in for-hire ridership add to congestion?

Incentives used to attract job creating companies to Austin have been a part of the city's economic boom. Many cities around the nation use similar incentives to compete against Austin for jobs. Controversial at times, incentives are also a staple for the state of Texas to lure new jobs to the state. The incentives usually come with requirements for companies to meet certain benchmarks, such as number of jobs created, hiring policies, etc. Now, the City of Austin is tinkering with changing the benchmarks.

Adjusting these requirements is nothing new. Now, though, the City is wanting to make changes to **attract or create more middle income jobs in specific areas of the city**, all in the name of addressing affordability in Austin. Here's how Mayor **Steve Adler** put it:

“We know what we want. We want new jobs to **pay people middle-class wages** and to go to the people **who already live in Austin** who need middle class jobs. We want these jobs to go to the areas of town **where people need these jobs – primarily in the Eastern Crescent** – and we want these folks to get the **training and experience necessary** to qualify for these good jobs.”

“What's new here,” the mayor says, **“is using economic incentives in a more targeted way to address poverty and inequality.”** Instead of using economic incentives “to simply tempt companies to open up shop in Austin,” he continued, “we can repurpose incentives to **getting hard-to-employ residents into middle-skill jobs.**”

He and councilmembers **Jimmy Flannigan, Ora Houston** and **Ellen Troxclair** also want to provide affordable access to commercial spaces for local small businesses, including the local music and creative arts sectors. Additionally they are talking about leveraging these “public investments to improve health outcomes.” As to why the push for changing the economic incentives, the mayor said “we did not become an economically segregated city by accident, and **we're not going to solve it by closing our eyes and wishing really hard.**”

Speaking of tinkering by the city, there could be a feeding frenzy for some new money that will be generated if Austin's Hotel Occupancy Tax (HOT) is hiked. What started out as a way to tax out-of-towners to pay for tourism marketing and meeting facilities is subject to the whims of the Austin City Council, within guidelines.

When the state authorized cities to levy the HOT, their guidelines dictated the **revenue must be used on travel-related items**. Now, the Convention Center is pushing for a HOT increase to help fund its expansion. **The tax hike could amount to a big bag of bucks. Really big.** So, who wants a piece of this pie? **What is travel or tourism related?** Local arts? Local theater? Local parks and recreation facilities? Barton Springs? Efforts are underway to grab some of the tax pie. Stay tuned.

The healthcare debate started in earnest in Washington this week with all-night committee hearings. Texans are deeply involved in the discussions. And, the Texas Legislature will probably be involved as costs are likely to be shoved down to states (especially for Medicaid). From all indications, it will continue for some time.

Now is the time for those impacted to say why they don't like the initial plan. Since this is a GOP effort, **Democrats will be against any version** (as were the Republicans when Obamacare was considered). Austin's Democratic Congressman **Lloyd Doggett** will be one of those. Texas GOP Congressman **Kevin Brady** is one of the committee chairs shepherding the process. A number of Republicans have voiced concerns. Texas GOP Senators **John Cornyn** and **Ted Cruz** are offering varying degrees of support. One far-right Texas GOP Congressman **Louis Gohmert**, who would normally be opposed to any measure he felt was weak, said "maybe there is a pony in all that pile of horse excrement." You get the picture.

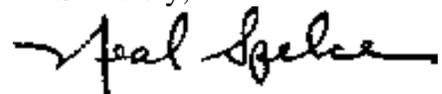
Here's why the whole shebang is gonna stretch out. The current legislation roiling through Congress is limited in scope because the Republicans are working it through the "reconciliation" process. **This means it can pass with a simple majority in the Senate – no Democratic votes needed and no filibuster can stop it.** It will probably go back-and-forth between the House and Senate before final passage, then additional legislation will follow.

Don't let all the table-pounding in Congress take your eyes off another very important element. The new GOP Health and Human Services Secretary **Dr. Tom Price has the authority (as it was under Obamacare) to write more than a thousand rules and regs to effect other changes.** This effort can go forward while Congress cobbles together measures to send to the president. These rules and regs could be consequential and far-reaching.

So hang on for a long ride before the final results impacting the nation's healthcare are known.

Dr. Louis Overholster, with all this political wrangling and maneuvering on healthcare and other topics, is convinced that 100% of Americans think 50% of Americans have lost their minds!

Sincerely,



Editor/Publisher