

THE

Neal Spelce

AUSTIN LETTER

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Dear Client:

National reporters are again descending on Austin to explore every facet of George W. Bush's life and public career as the presidential campaign enters its pre-convention phase. It's been forty years since Lyndon B. Johnson rose to national prominence during the 1960 presidential election. Now with another Austinite making a run at the White House, the effects of the first millennial campaign for leader of the free world are beginning to be felt in River City.

Because the race is so close, most political types believe the Marquis of Queensbury rules will be history. Bush ran gentlemanly gubernatorial campaigns in 1994 and 1998; he'll enjoy no such luxury in 2000. **Negative stories** about Bush's gubernatorial tenure are already showing up in the national press, and we can expect the trend to continue.

Since the outcome will be decided in the Electoral College, a few key states will be the major battleground. Gore has a lock on the Northeast and probably the West Coast. Bush dominates the South (except for Tennessee and perhaps Arkansas) and the mountain states. The Midwest and Pennsylvania are essential for the Republicans, so **both candidates will do most of their swordplay in what used to be called the Rust Belt.**

The necessity for Bush to carry Pennsylvania has spurred speculation that Governor **Tom Ridge** will be his running mate. Ridge has the added attraction of being Catholic. Polls show that Bush was hurt among Catholic voters by his appearance at Bob Jones University during the South Carolina primary campaign, hence the interest in Ridge.

Obviously, what goes on at the Governor's campaign headquarters at 11th and Colorado will be the subject of intense scrutiny from national and international media for the rest of the year. While some coverage may be negative, however, the presence of so many media figures cannot but enhance Austin's rising image as a new millennium city.

In fact, it's already happening. When **R. W. (Johnny) Apple**, one of the world's premier political correspondents, comes to Austin, the natural assumption is more coverage of Bush. Not so. *The New York Times* is doing a major series on **notable American cities, and Austin is one of them.** Whoever prevails in November, Austin is a winner either way.

At its meeting in San Antonio this month, the The University of Texas System Board of Regents got a hard dose of reality: a steady decline in state support for higher education as a percentage of the school's total budget; rapid demographic changes coupled with stagnant minority enrollment counts and low minority graduation rates; lack of coordination among the state's various university systems; and, legislative resistance to funding research and development activities at the state's flagship universities, such as UTAustin and TexasA&M.

"I think some members of the Legislature fundamentally are not supportive of flagship institutions," said UTSytem Chancellor **William Cunningham** in a *Daily Texan* report (4/5/00). According to Cunningham and UTSytem officials, **UTAustin is chronically underfunded** when compared to similar flagship institutions in other states. This erosion makes it more difficult to recruit top-flight faculty and students, attract research grants, and maintain the quality and competitiveness of UTAustin's graduate and undergraduate programs.

Would the Governor's nine Regent appointees support a tax increase to fund higher education? It probably won't come to that, at least not this time. But that time may not be far off.

In an "open letter to the citizens of Austin," the SOS Alliance is announcing a renewed commitment to its successful history of environmental and political activism. Coupled with **Bill Bunch**'s return as chief lawyer and **Mary Arnold**'s elevation to board chair, SOS's pronouncement could be read as a retrenchment following the relatively moderate and open administration of former board chair **Robin Rather**.

The timing of SOS's challenge is significant. In the wake of the city's groundbreaking deal with **Gary Bradley**, SOS finds itself in need of redefinition. With the SOS ordinance in place, and the Alliance's arch nemesis Bradley dropping his lawsuits, there's nobody left to demonize.

Indeed, the letter's language reflects SOS's quandary. While it says "the threat has never been greater," the letter couches SOS's objectives in vague terms. "While SOSA recognizes the inevitability of growth," it concedes, "it is imperative that the growth be directed away from the watershed as much as possible."

But, while watershed protection appears to be SOS's primary goal, the letter also refers to broader issues. "Austin's strong, vibrant economy has a darker side: gridlock traffic, air pollution, and increased pressure to grow in all directions." Does this mean that SOS will weigh in on developments and infrastructure projects outside the watershed? Or is it merely lamenting the obvious? There seems to be a **missing focus** here.

By taking out an expensive full-page ad in the *Statesman* just to say that SOS is still a force to be reckoned with, the Alliance — at least unconsciously — may reveal **uncertainty about its future role** in Austin's economic and political development. Simply put, is SOS's appeal a bold ideological manifesto? Or is it rather a sentimental piece of nostalgia?

Expect the drumbeat for heightened privacy protections for consumer financial and medical information to get louder and louder. For some time we've been telling you about the incipient legislative brouhaha over consumer privacy. Now the daily press is finally beginning to catch on.

One of the consumer groups' major targets is the **banking and insurance industry**. "The only way to protect the privacy of financial information is to ensure that customers have ultimate control over how their records are used," argues **Beth Givens**, director of the Privacy Rights Clearinghouse (PRC), a California consumer organization seeking more restrictive privacy protections.

"Financial institutions should **not share a customer's personal financial records** with their affiliates or third parties unless the customer gives consent, she argues"

The Texas wing of Consumers Union, which operates the PRC, endorsed this so-called "opt-in" requirement at a recent House State Affairs Committee meeting. **Rob Schneider**, Consumers Union lawyer and lobbyist, argued for shifting the burden to financial institutions of showing that information sharing among affiliated entities is in the consumer's best interest -- something financial services providers believe will cripple their ability to do business in Texas.

It is unlikely that opt-in legislation would be limited to financial institutions, however. **On-line privacy issues** dominated the House committee testimony, and committee members greeted with skepticism the technology industry's appeal to self-regulation as the appropriate control mechanism. Strict statutory privacy protections would be more than a pain in the neck for on-line businesses. They could **transform the way business is done on the Internet**, potentially at an enormous cost to consumers and businesses.

Austin's on- and off-line **business community had better get involved** in the privacy issue before the Consumers Union sets the tone for the debate. If that happens, the hot rhetoric will make it a lot harder to refocus the issue on the need for reasonable privacy policies that both protect sensitive individual information and allow e-commerce to flourish.

IH35 18-wheeler truck traffic may be reduced just a bit. UPS has introduced non-stop air cargo service to Monterey, Mexico. Cargo hauled to-and-from Mexico on UPS's Boeing 757 aircraft each business day should take a few of the big rigs off the most deadly Interstate in the US.

The Austin metro area leads the state in increase in retail sales. Sales tax tallies in Austin are up 20.2% in March. McAllen (+17.6%), El Paso (+13.3%), Beaumont (+10.6%), Fort Worth (+10.1%) are next in line. But some of the bigger metro areas are lagging way behind. Houston (+1.5%), Dallas (+1.5%) and San Antonio (+0.5%) just barely showed sales tax revenue increases in March over March numbers. The first quarter stacks up like this: Austin (+11.5%), McAllen (+10.9%), Fort Worth (+9.6%), El Paso (+8.9%), Houston (+5.6%), Dallas (+5.0%) and San Antonio (+4.0%).

The final look for the Long Center for the Performing Arts should be impressive. While the original \$50 million price tag for the multi-purpose arts center has ballooned to \$89 million, ARTS Center Stage trustees assure that the end product will be worth the cost.

“ARTS Center Stage employed a construction cost consultant throughout the programming process, so the **increased budget associated with the program is not a surprise,**” said **Ben Bentzin**, chair of ARTS Center Stage. “We could design a more modest performing arts facility for less money, but the community and our donors have told us to plan for the future and to design a facility that will be **the best it can be,** particularly with regard to acoustics.”

The new budget accounts for the cost of breaking out of Palmer’s green dome to improve the hall’s acoustical quality. Rapidly escalating construction costs in Austin and expansion of the original plan’s 500-seat theater to a 720-seat hall are also driving up the price tag.

About 80% of the old exterior of Palmer will be replaced. The green roof will get a new paint job, and the theaters will break through the infamous 1950’s municipal architecture dome. “Aside from the foundation and the stage house, this will be a new facility in almost every respect,” says **Wayne Bell**, FAIA, chair of the ARTS Architecture and Design Committee and professor emeritus at the UT Austin School of Architecture. Construction won’t begin until 2002, with the grand opening currently scheduled for the summer of 2004.

Dr. Louis Overholster has a simple rule-of-thumb for double-checking his income tax return. “If I can afford it,” he says, “somewhere I’ve made a mistake!”

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