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Dear Client:

Nineteen out of 50 of the *fastest-growing* technology companies in Texas are based in Austin and this includes four in the Top Ten.

This ranking is based on revenue growth over a five year period and it reinforces the Austin area's reputation as an ideal spot for start-ups and entrepreneurs. **Randy Baker**, President of Tuanis Technology and Vice Chair of Technology at the Greater Austin Chamber of Commerce, said "**This is a wonderful, independent assessment of how we are doing in our tech community.**" The assessment he references is contained in a September report released by Deloitte and Touche USA LLP.

So, which companies in the Silicon Hills of Austin made the list? Molecular Imprints Inc., NetQoS Inc., Zilliant Inc., 360Training, Convio Inc., Infoglide Software Corp., SigmaTel Inc., Medical Present Value Inc., Encore Medical Corp., Myriad Development Inc., QuantumDirect Inc., eMDS, Builder Homesite Inc., Silicon Laboratories Inc., Multimedia Games Inc., SiteStuff Inc., ArthroCare Corp. and VirTex Assembly Services, Inc. are the nineteen.

Also in September, another study was released that ranked the **best tech towns in the US**. In this survey conducted by the Silicon Valley Leadership Group, an economic development organization, **Austin ranked fourth in the nation**.

Austin was ranked fourth based largely on **comparatively low traffic congestion** (I know, I know, everybody you know complains about Austin's traffic, but the operative word here is "comparatively") and **more affordable housing** (yes, even though home prices are steadily rising here).

This is a comparison with 12 other tech cities in the US, not with sleepy Podunk towns or dying and decaying cities whose time has come and gone. Our traffic is more moderate and housing more affordable than in San Jose, San Diego, Chicago, New York and Boston. Okay?

So, why wasn't Austin first on the list? Well, for instance, **Austin didn't do too well on 8th grade math scores**. But the area did score high on unemployment rates and other quality-of-life features. Silicon Valley was last on the list, by the way.

If Austin students don't do as well in math education compared to other tech cities, then what is being done about this?

Good question. To begin with, anytime you analyze *local* public school education you also need to factor in the *state's* role and the **standards, goals and guidelines set by Texas**. Is this a problem?

Just ask **Drew Scheberle**, VP for Education and Talent Development at the Greater Austin Chamber of Commerce. "It's a shame the State Board of Education (SBOE) will **allow high school seniors to take middle school math and science and get credit for graduation**," Scheberle said.

"It's also a shame the State Board would allow the world to continue to move ahead and allow Texans to follow," Scheberle continued. "It's as if the State Board doesn't understand **how many students need college remediation and how few graduates are prepared for the technical jobs** we have such demand for."

The Chamber is working with the SBOE to **raise the level of achievement** in these areas that are so critical to the success of technology-oriented companies (providing so many jobs in the Austin area). For instance, the Chamber's Task Force on Math and Science (chaired by **Norman Chenven**, CEO of the Austin Regional Clinic) is claiming partial success in the SBOE's vote in September on the primary high school graduation plan.

Three elements are under consideration: **Increase the number of credits** to complete the course of study from 24 to 26... phase in the expectation that students **complete biology, chemistry and physics**, beginning with today's 5th grade students ... and **add a fourth math credit**, though this credit can be independent study in math or something called "math modeling."

The SBOE will meet 11/16-17/06 to finalize the course. In the meantime, the Chamber's Task Force will work throughout this period to ensure that the **phase-in of science expectations occurs more rapidly** and that students **complete a math course that will prepare them for college math**.

All this didn't just happen. The Chamber's Task Force has worked closely with SBOE members as they heard more than five hours of testimony from business people and educators, such as Texas Instruments' **Torrence Robinson** and Austin ISD Superintendent **Pat Forgione**.

There's more. The Chamber will join with UTAustin for a "State of Education" event 11/29/06. The event's objective is to provide a compelling business and economic rationale for **increasing the number of students from the Austin area who enroll in higher education by 20,000, by 2010**. At the event, a strategy for achieving this enrollment increase will be laid out, along with a timeline to annually "grade their own paper" between now and 2010.

Enough of the heavy stuff for a while, what's going on with Austinite Sandra Bullock these days? We have the info on her Austin escapades and her latest movie, much of which was filmed in and around Austin.

First of all, Sandy (to her friends) has been spending a lot of time in Austin these days with her husband, **Jesse James**. Yes, *that* Jesse James, or at least a great grandson of the famous outlaw. You may have seen the two of them together. Here's Sandy, the vivacious, wildly popular, glamorous movie star, on the tattooed arm of a guy who customizes choppers, raises pit bulls and looks like a bodyguard (which he was, for bands such as Soundgarden and Slayer).

Her latest movie, *Infamous*, is being released today. She plays **Harper Lee**, the prize-winning author of *To Kill a Mockingbird*. Her co-star is lesser-known **Toby Jones**, who plays another prize-winning author, **Truman Capote**. Lee and Capote were lifelong friends. Sound like the movie, *Capote*, that won raves last year, earning an Oscar for **Phillip Seymour Hoffman's** portrayal of Capote? Well, it is similar – but only in subject matter. The movie is set in New York City and Kansas (where Capote gained notoriety for his book about rural slayings, called *In Cold Blood*). The Kansas scenes were largely shot in Austin.

Sandy Bullock moved to Austin eight years ago. Remember, she made Austin headlines when she won a lawsuit, that went to trial, against the architect/builder who was building her a million dollar mansion near Lake Austin that she said was horribly flawed. After winning the suit, she climbed on top of a bulldozer to help demolish the never-lived-in structure. Now, Sandy and Jesse are **building a smaller place there, keeping a little house on the property** that was originally built by a German family in the thirties.

So what do they do in Austin when he is not in LA, overseeing his organic fast-food place called Cisco Burger (named for his pit bull) or she's not in LA or NYC on a movie project? **Amy's Ice Cream is a favorite hangout** and they show visitors "the club scene" in the downtown area.

And, don't forget the **vintage clothing shops, jewelry shops or antique shops** they frequent. Sandy's mom was a German opera singer who sewed her own operatic costumes and taught her daughter to sew and embroider.

Frankly, though, Sandra Bullock has long been known for **enjoying her privacy**. Sure, the paparazzi follow her, snapping pix they sell to tabloids. But she seldom talks about her private life. In fact, there's a famous quote attributed to her about being **afraid of being misquoted**. "Nine times out of ten, I know it'll be misconstrued, and I know it will be quoted, and people will come back and say 'They said you were a *hermaphrodite*. No, I said I was *out late last night*.'" So, realizing this, Sandy, let me say the bulk of this information for this little article came from a feature story in *Vogue* magazine. And, if the reader wants more information about Austinite Sandy and her hubby, the *Vogue* feature story is a good place to turn.

Don't know if you've noticed as you fly the friendly skies, but more passengers with confirmed reservations are being involuntarily bumped off airlines these days.

In the second quarter this year, compared to the same quarter last year, **the number of people involuntarily bumped off flights increased by 40%**. And the number of passengers who voluntarily gave up seats for some sort of compensation increased by 10%. This was the **highest number in the second quarter than at any time since 2000**. You may remember 2000. It was the best of boom times, air fares were high and travelers were hopping on airlines in record numbers. As a result, airlines' overbooking practices peaked in 2000.

The *reasons* are not the same this year, but the *results* are. What is happening now is that because of the high oil prices, airlines have cut back on the number of flights and are **crowding more people into fewer trips**. So, the result is the same.

What also hasn't changed is the airlines practice of overbooking. At one point, way back in 1978, overbooking became so pervasive, **the feds required the airlines to compensate those who were bumped. But it set the limit at \$400**. This would be about \$1,200 in today's dollars, but today's limit is still \$400.

As a result, **airlines that can make, say, \$1,000 or more by selling a last-minute ticket to a business traveler** on a full flight have no compunction whatsoever of selling that high-priced fare, when it realizes that, at most, it would have to cough up only \$400 for any delay over 60 minutes. Meantime, the poor schlumpf who thinks he has a confirmed reservation is bumped. And this is all perfectly legal.

Airlines say they have to overbook because some tickets are refundable and there are **always "no-shows."** **Seats are a perishable commodity** so, once the plane takes off, an unoccupied seat is revenue that is lost forever. As best we can determine, there is no movement afoot to change this situation, as there was in 1978. So, forewarned is forearmed.

After his last overcrowded flight, **Dr. Louis Overholster** says he now knows how a piñata feels!

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