

▼ DOW 12,229.29
-10.6 0.09%

▲ NASDAQ 2,790.45
+1.38 0.05%

▲ S&P 1,321.87
+0.99 0.07%

Central Texas Digest: Copenhagen furniture store moving to Braker Lane; shares of Whole Foods surge on earnings outlook ■ B8

BUSINESS DIGEST

TRAVEL

Complaints against airlines up 25% in 2010, records show

Despite improved service rates among commercial airlines in 2010, passengers filed nearly 25 percent more complaints than in the previous year, according to statistics released Thursday by the U.S. Transportation Department.

The nation's largest airlines reported a slightly improved on-time performance rate and lower rates of lost luggage and of ticketed passengers denied boarding. Yet the number of complaints jumped to 10,985 in 2010 from 8,821 in 2009.

Consumer activists attribute the increase to frustration over airline fees to check bags, buy food and change reservations, among other charges. Airlines say the number jumped after the Transportation Department made it easier to file complaints online.

Delta Air Lines had the highest rate, an average of two for every 100,000 passengers. Southwest Airlines had the lowest, an average of 0.27 per 100,000 passengers.

JOBLESS BENEFITS

Unemployment aid requests at lowest level since July 2008

The number of people applying for unemployment benefits plunged last week to the lowest level in nearly three years, continuing a downward trend that suggests hiring could pick up this year.

Applications sank by a seasonally adjusted 36,000 to 383,000, the lowest point since early July 2008, the Labor Department reported Thursday.

Some analysts cautioned that severe winter weather that affected 30 states could have contributed to the sharp drop.

Applications are well below their peak of 651,000, reached in March 2009, when the economy was deep in recession. Applications below 425,000 tend to signal modest job growth.

MORTGAGES

Notices of home loan defaults decrease sharply in January

Fewer U.S. homes entered the foreclosure process in January than in any month in more than three years, the latest sign lenders are taking longer to move against homeowners who are behind on mortgage payments.

The number of homes that received an initial default notice fell 1 percent last month from December and tumbled 27 percent from January last year, foreclosure listing firm RealtyTrac Inc. said Thursday.

Scheduled foreclosure auctions also fell to the lowest level in two years, the firm said.

VIDEO RENTALS

Blockbuster may try to sell itself, skipping reorganization

Instead of presenting a reorganization plan to bankruptcy court Friday, Blockbuster Inc. is preparing to ask the court to put itself up for sale.

A group led by Carl Icahn and hedge fund Monarch Alternative Capital LP are planning to bid for the Dallas-based movie rental chain, according to The Dallas Morning News and Wall Street Journal.

The Chapter 11 reorganization could take more time than Blockbuster has to correct its finances.

Compiled from wire reports

ECONOMY ■ LABOR

Layoffs become rarer despite high unemployment

Those without jobs are staying out of work force longer

By Paul Wiseman and Derek Kravitz

ASSOCIATED PRESS

WASHINGTON — The U.S. labor force has been split into two groups: the relieved and the desperate.

If you have a job, you can exhale; you're less likely to lose it than at any point in at least 14 years.

If you're unemployed? Good luck. Finding a job remains a struggle 20 months after the recession technically ended. Employers probably won't step up hiring until they feel more confident about the economy.

A result is that people who are unemployed are staying so for longer periods. Of the 13.9 million Americans the government says were unemployed last month, about 1.8 million had been without work for at least 99 weeks — essentially two years. That's nearly double the number in January 2010.

Yet the deep job cuts of the recession have long since ended. In January, companies announced plans to trim fewer than 39,000 jobs, according to outplacement firm Challenger, Gray & Christmas. That was 46 percent fewer than a year earlier. More strikingly, it was

See **JOBS**, B9

ONLINE RETAILERS ■ SALES TAX

Amazon to close depot near Dallas

Fight over state fees leads to closing of center, halt to growth

STAFF AND WIRE REPORTS

Online retail giant Amazon.com will close its suburban Dallas distribution center amid a dispute with the state over millions in uncollected state sales taxes, The Associated Press reported Thursday.

The AP obtained an e-mail Thursday sent to Amazon employees by Dave Clark, the company's

vice president of operations.

Clark wrote that the center in Irving will close April 12 because of the state's "unfavorable regulatory climate."

Amazon spokeswoman Mary Osako would not say how many employees work at the Irving distribution center.

Texas employees who are willing to relocate will be offered positions in other states, Clark said.

The Irving distribution center, known as a fulfillment center, opened in 2005.

Last year the Texas comptroller's office sent Amazon a demand for

\$269 million in uncollected sales taxes, plus penalties and interest, from 2005 through 2009.

The state contends that Amazon.com is responsible for the sales tax it has not collected on online sales made in Texas.

The state is seeking money from Amazon because its distribution center in Irving.

Under a 1992 U.S. Supreme Court decision, that physical presence means Amazon potentially could be required to collect sales tax on transactions in Texas, according to legal experts.

Amazon, which reported \$34 bil-

lion in sales last year, has also been the target of numerous lawsuits filed by other states seeking sales taxes on online purchases.

Amazon officials have not commented publicly on the tax bill from Texas, but the Seattle-based company said in a securities filing last year that it intended to fight the demand.

Amazon filed a lawsuit against the state last month, demanding that it produce the audit that it used to arrive at the \$269 million figure.

See **AMAZON**, B8

'In "Jeopardy," the clues try to be clever. It is hard enough for a computer to deal with natural language when the author (who writes the question) is trying to be clear.'

KEN BARKER University of Texas computer research scientist



Seth Wenig ASSOCIATED PRESS

'Jeopardy!' host Alex Trebek gave a preview in January of the capabilities of Watson, an IBM computer that will compete against two human contestants Monday through Wednesday. Watson has strong ties to UT.

It's academic, Watson

UT researchers take us behind scenes of game-playing machine

By Kirk Ladendorf

AMERICAN-STATESMAN STAFF

When Ken Barker, a University of Texas computer research scientist, heard a few years ago that IBM Corp. was planning to build a computer to play on the "Jeopardy!" game show, he was not all that enthusiastic.

"A lot of us thought it was just too hard," Barker said this week. "In 'Jeopardy,' the clues try to be clever. It is hard enough for a com-

puter to deal with natural language when the author (who writes the question) is trying to be clear."

Despite his reservations, IBM pressed on with its four-year project, named Watson after company founder Thomas J. Watson.

The machine they developed has some deep Austin ties. The Power7 processor, the basic brain chip for Watson, was primarily designed in Austin, as was the Power 750 server.

Watson is a cluster of Power 750 machines housed in 10 computer racks. Watson also has a boatload of memory — 16 terabytes — which IBM says is the rough equivalent of 1 million books' worth of information.

IBM has downloaded information from books, movie scripts and encyclopedias to use in the competition against two former "Jeopardy!" champions.

Watson will need all that stored information because for the challenge, the machine is self-contained. It is not connected to any network or to the Internet.

Although there are strong Austin ties to Watson project, the system and software were primarily developed by IBM researchers in Yorktown Heights, N.Y. Those researchers include a former University of Texas grad student, James Fan.

See **QUIZ**, B8

AUSTIN ■ TRANSPORTATION

City to get rolling on stations for electric cars

Officials hope first charging posts are ready by month's end

By Lisa Carter

AMERICAN-STATESMAN STAFF

Electric-vehicle charging stations will start appearing outside city buildings this month, as a pilot program between the City of Austin and a Silicon Valley-based company gets rolling.

Coulomb Technologies will install the stations on a mix of public and private properties — including City Hall, some public libraries and business parking lots, said Austan Librach, Austin Energy's director of emerging technologies.

The list of locations isn't final but will include a number of spots in and near downtown, as well as others spread across the city. Homeowners can also apply for the stations and receive up to a \$1,500 rebate from Austin Energy, officials said.

"The cost of putting in wires and upgrading the garage in somebody's home varies depending on the distance between the circuit breaker and the garage," Librach said. "It could be (up to) about \$2,000, so we think \$1,500 will be a good rebate for customers."

The first stations are hoped to be operational by month's end, Librach said. The City Council is set to hold a hearing Thursday on the rates. The proposed rates are about \$23 for six months of unlimited vehicle charging and \$1.85 per hour for nonsubscribers.

Librach said the cost of one charging station varies from \$700 to \$900.

In all, between 100 and 200 stations will be installed in Austin, ideally by the end of June, Librach said. They will be a mix of 110-volt stations (suited for motorcycles, electric bicycles and scooters) and 240-volt stations, which can be used for electric cars.

While electric vehicles and charging stations are still a rarity around town, major carmakers such as Nissan and General Motors have begun to roll out electric and plug-in hybrid vehicles. There

See **ELECTRIC**, B8

MORTGAGES

Rates for 30-year home loan climb higher than 5 percent

Job security, increased spending up along with borrowing costs

By Michelle Conlin

Janna Herron

ASSOCIATED PRESS

NEW YORK — The days of the superlow mortgage rate are over.

The average rate for a 30-year home loan rose above 5 percent this week for the first time since April — just as Americans are feeling more secure in their jobs and confident about the economy, and just before the big spring home-

buying rush.

Freddie Mac said Thursday that the average rate was 5.05 percent, almost a full percentage point higher than in November, when it hit a 40-year low.

Economic signals suggest the recovery is gaining momentum. New claims for jobless benefits came in this week at the lowest level in three years, and the unemployment rate has fallen nearly a full percentage point in two months. Americans are spending more and saving less.

The exception is the beleaguered housing market. Record foreclo-

See **HOMES**, B8



Gene J. Puskar ASSOCIATED PRESS

As the busiest time for homebuying draws near, mortgage rates have climbed above 5 percent, though foreclosures have kept prices down.