

COMING MONDAY

■ Exercising purchasing power is like voting in an election. As we enter the year's holiday shopping season, Texans would be wise to consider buying Texas- or American-made gifts.

CIVIL JUSTICE

Texas law can stymie victims of abuse



DEAN ROHRER

■ Legislation shields some 'accomplices' of child abuse

By STEVE WALDMAN

If a situation like the one (alleged) at Penn State occurred in Texas, would a coach and school that covered up child abuse be liable under Texas law for protecting a child molester? Unfortunately, Texas civil law shields "silent accomplices" to child abuse.

Child abuse is a crime of opportunity. Child sexual predators seek situations where they are trusted, and they thrive when others turn a blind eye.

The details of the Penn State investigation reveal a twisted tale of people in authority looking the other way as children were abused. How many victims would have been spared a lifetime of torment had someone put a stop to what they must have known was happening? When a person in a position to stop abuse fails to act, he or she becomes a silent accomplice to the abuse.

Texas law (Chapter 261, Texas Family Code) imposes a duty to report child abuse. If any person has "cause to believe that a child's physical or mental health or welfare has been adversely affected by abuse or neglect," that person must report the abuse to law enforcement, Child Protective Services,

Please see **ABUSE**, Page B9

THE COST OF COLLEGE

5 MYTHS ABOUT STUDENT LOANS

Students need the data to make informed decisions and avoid crippling debt.

By MARK KANTROWITZ

HERE are five popular myths about student loans:

1 Forgiven student loan debt would help stimulate the economy.

People who want all student loan debt forgiven argue that getting rid of monthly loan payments would lead to increased consumer spending, thereby providing a quick boost to the struggling U.S. economy. However, only about 40 percent of all outstanding student loan debt is actively being repaid. The remaining borrowers are still in school or otherwise not paying their loans back, so they wouldn't immediately benefit from forgiveness.

And a "forgiveness stimulus" would have a limited impact. According to my calculations based on data from the Education Department's Direct Loan Program, annual payments and default collections total about 5.6 percent of these outstanding direct loans. If this proportion is similar for other kinds of education debt, then forgiving the nearly \$1 trillion in outstanding student debt would inject at most \$56 billion per year. Not a paltry sum, but certainly small compared with more significant stimulus efforts.

2 All education debt is good debt.

Certainly, taking out loans to pay for college is an investment in your future and a key to a better-paying job. So it's good debt. But too much of a good thing can be bad for you.

Students who graduate with high debt often must abandon certain career aspirations. I've spoken to hundreds of borrowers who are behind on their student loans, and they tell me they have delayed major life events, such as buying a car or a home, getting married, having children, or saving for their children's

college education or for retirement. According to a recent survey by Monster Learning, about a third of recent college graduates have to move back in with their parents to save on living expenses.

A good rule of thumb is that students' total debt at graduation should be less than their expected starting salary — ideally, a lot less. This will allow them to repay their loans in 10 years. Otherwise, they will need to use an alternate repayment plan, which reduces the monthly loan payment by stretching it out over 20, 25 or even 30 years. This means that when their own children start college, some of these people will still be paying off their old loans.

3 If you declare bankruptcy, your student loans go away.

Neither federal nor private student loans can be discharged in a bankruptcy unless the borrower files an "undue hardship" petition — which often involves a very harsh and high standard that was set in a New York state case more than 20 years ago. It requires that the borrower cannot maintain a minimal standard of living while repaying the loans, that the circumstances that prevent repayment will probably persist for most of the life of the loans and that the borrower made a good-faith effort to repay the loans. In the words of one bankruptcy judge, a successful undue hardship petition requires a "certainty of hopelessness."

According to the Educational Credit Management Corp., a guarantee agency that manages the student loans of federal borrowers with an active bankruptcy filing, about 72,000 federal student loan borrowers filed for bankruptcy in 2008, but only 29 succeeded in obtaining a full or partial discharge of their loans. That's 0.04 percent. You're more likely to die of cancer or in a car crash than to have your loans discharged in bankruptcy.

4 Widespread defaults on federal student loans would worsen the government's deficit.

Some people argue that the student loan "bubble" could be the next to pop. Yet despite the recent increase in default rates to nearly 9 percent, federal education loans remain profitable for the government.

And the government has strong powers to compel repayment on defaulted loans. For example, it can garnishee up to 15 percent of take-home pay without a court order for a borrower who is 12 months behind on student loan payments. The government can also intercept federal and state income tax refunds and lottery winnings, and offset up to 15 percent of Social Security disability and retirement benefit payments. Default rates would have to more than triple for the government to lose money on federal education loans.

5 The federal government should get out of the student loan business — the private sector can do it better.

Private loans make up a relatively small percentage of total education debt. Some private loans currently offer lower interest rates than federal education loans — but most of those rates are variable and restricted to borrowers with excellent credit or with a creditworthy co-signer (usually a parent). Interest rates are unusually low now, but the rates on variable loans are likely to start increasing soon.

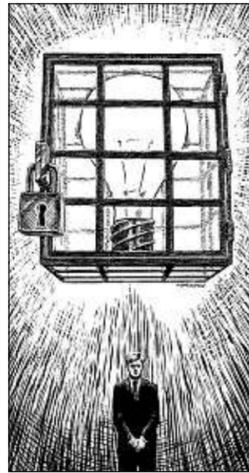
The federal government, on the other hand, seeks to increase access to a higher education in addition to earning a profit. The federal Stafford loan is available to all students without regard to the borrower's credit history. The federal PLUS loan requires that borrowers not have an "adverse credit history," but this is a weaker standard than the ones used by private lenders.

But there's more the federal government can do. The Consumer Financial Protection Bureau and

Please see **MYTHS**, Page B9

TECHNOLOGY

The wrong way to stop online piracy



TIM BRINTON

■ Proposed bills would not effectively end property theft

By CHRIS BRONK

INTELLECTUAL property (IP) is the lifeblood of post-industrial economies, including our own. From architectural diagrams and business plans to engineering schematics and pop songs, intellectual products of human beings are among the most valuable assets on the planet. In the past 20 years, creation of IP has almost entirely shifted to computer.

Increasingly, however, anything having to do with computers also equals vulnerability. Attempts to subvert water systems, including one in South Houston reported on Nov. 20, are only the latest in an ongoing narrative of the engineering failures of the digital age. We must remember that a piece of infrastructure connected to the Internet is vulnerable to attacks launched from just about anywhere.

With such great vulnerability, political leaders have rightly expressed a need to intervene

Please see **IP**, Page B9



DEAN ROHRER

IP: Proposed laws won't stop piracy

CONTINUED FROM PAGE B8 in protecting our cyber infrastructure. Two bills in Congress — the Preventing Online Threats to Economic Creativity and Theft of Intellectual Property (PROTECT IP) Act and the Stop Online Piracy Act (SOPA), the latter sponsored by U.S. Rep. Lamar Smith, R-San Antonio — aim to do just that. These bipartisan bills, a rarity in our current legislative climate, would endow the U.S. Department of Justice with the power to blacklist foreign web sites used to distribute digital products in violation of U.S. law, and remove from Internet searches links to such items on the web.

As a producer of intellectual works, I am familiar with copyright infringement and digital theft. In the 1990s, I managed the development of software for export. After a large envelope from the FBI showed up on my desk containing bootleg copies of our software found in Hong Kong in 1998, our Asian revenues dropped to almost nothing. Lesson taught: The cost to copy almost anything in digital form is essentially zero. Stretched thin, the U.S. government could do little to help.

Despite this experience, I don't support the bills. They represent yet another attempt to legislate away the problem of digital theft with little knowledge of how the Internet, computing or even innovation works. The lobbies of the movie and recording industry have fanned the flames of fear held in other industries of digital espionage, and produced legislation that will protect their narrow interests while doing little to actually secure the innovations of pharmaceutical, energy, defense and information technology companies.

Fears of IP theft are valid. At a recent FBI-led counterintelligence working group meeting dedicated to the problem of economic espionage, we discussed at length the very real problem of U.S.-sponsored R&D being stolen by foreign operatives via the Internet. U.S. firms are essentially one good breach away from being

out of business. This is a problem in need of solution. Lamentably, neither SOPA nor PROTECT IP provides one.

Worse, provisions in the bills would actually serve to derail nearly a decade's worth of security research and engineering undertaken in partnership between the U.S. government and private companies. PROTECT IP and SOPA offer instructions as to how the domain name system (DNS) that serves as the distributed architecture of the Internet is to be tweaked by the U.S. government, walling off the U.S. from foreign digital thieves. In doing so, the bills essentially outlaw security enhancements to DNS (DNSSEC), which would protect online identity and enhance trust between actors online.

Furthermore, nobody sponsoring the bill appears to have checked with the National Institute of Standards and Technology, which has developed regulations under mandate of the Office of Management and Budget on the deployment of DNSSEC by federal agencies in compliance with the evolving requirements of the Federal Information Security Management Act.

The powers proposed in SOPA and PROTECT IP do not secure the Internet or protect the overwhelming number of U.S. companies, from tech startups to law firms, with IP concerns. Yes, Congress needs to think about how government and industry must cooperate on protecting IP, but it needs to do so in a manner that accepts technological reality and embraces the innovative, entrepreneurial nature of the Internet ecosystem.

A simpler, better idea: Locate the funds to hire 50 additional FBI cyber agents able to serve as legal attachés in foreign countries, prosecuting the most egregious IP violators under current law.

Bronk, the information technology policy fellow at Rice University's James A. Baker III Institute for Public Policy, has worked in the software industry.



TEXAS HISTORY

1936 EXPOSITION HELPED TEXANS IN HARD TIMES

Art Deco park provides legacy of our state's past

By JIM PARSONS and DAVID BUSH

Seventy-five years ago this week, the Texas Centennial Exposition ended its six-month run in Dallas. For Texans who had endured years of drought and depression, the fair offered an optimistic vision of a future straight out of *Buck Rogers*, complete with robots, television and microwave cooking, all in a carefully crafted setting of clean, modern architecture. By the time the giant cash register on the exposition grounds tallied attendance for the last time on Nov. 29, 1936, more than 6 million people, a number equal to the state's entire population, had passed through the turnstiles. The centennial celebration was such a source of pride that a new word was coined to describe it: Texanic.

In a state where half of the residents lived on farms or in towns of less than 2,500 people, the Centennial Exposition was as different from everyday life as the Emerald City was from sepia-toned Kansas. Even today, visiting the restored exposition grounds at Fair Park — the largest surviving collection of Art Deco art and architecture from the golden age of world's fairs — the whole thing can seem like a dream, a monument to Texan swagger in the face of adversity.

Like every American exposition of the 1930s, the Texas Centennial Exposition was a response to hard times. Texas was rich in history, but her people were poor: half of them depended on cotton for their livelihoods, and cotton prices had plummeted by two-thirds since the late 1920s. East Texas oil discoveries promised a brighter future, but rampant overproduction cut oil prices in half — and then came drought and the Dust Bowl. In the mid-1930s, the majority of Texas farmers were tenants or sharecroppers.

It was against that backdrop that state officials set their sights on a great centennial celebration, which they predicted would create "a general forward-looking spirit through the State." The effect, they said, "would be more stimulating than anything we can think of, and this effect would be immediate." The centerpiece of the yearlong celebration was to be the Centennial Exposition, a massive fair intended to showcase Texas — and attract tourist dollars.

Houston, the biggest city in the state, seemed a natural choice for exposition host, but the disinterest of its most influential businessman, Jesse Jones, helped end the city's bid for the fair. Jones thought centennial celebrations should focus on history, not commercialism. His counterparts in Dallas had no such qualms, leading voters to approve \$3.5 million in municipal bonds for the exposition. Sales of private bonds were expected to raise another \$2 million, and Dallas businessmen guaranteed the city would host the world's fair with or without state and federal help. Cash was important, but Dallas' trump card was the city-owned exposition site at Fair Park, which was provided essentially free of charge.

The Texanic task of designing and building dozens of structures and landscaping more than 200 acres of fairgrounds in less than a year fell to George L. Dahl, a 41-year-old Dallas architect with a clear vision for the exposition. Dahl wrote that he wanted contemporary architecture influenced by classical design, adding that he expected "a great deal of glamour, but still a monumental and dignified effect."

Dahl hired an army of contractors, architects, designers and artists to build the exposition. When everything was tallied up, the fair cost somewhere north of \$25 million, and it put some 15,000 people to work. Unlike many world's fairs, which were impermanent, 60 percent of the Centennial Exposition's buildings were designed for continuing use by the State Fair of Texas.



RICH IN HISTORY: The high ceiling and soaring columns of the Hall of State in Dallas' Fair Park drew comparisons to Westminster Abbey on opening day in 1936.

When the gates swung open on June 6, 1936, visitors streamed into a new world. The main entrance led to the quarter-mile Esplanade of State, featuring massive modernistic exhibit halls decorated with monumental statues, huge murals and allegorical reliefs, all bathed in colored lights that could be seen from 50 miles away. In a state where only 2 percent of farms had electricity, visitors could walk a mile in air-conditioned comfort, catch ice-skating shows in the heat of the summer, have a drink in a replica of the ocean liner *Normandie* and see demonstrations of electric eyes, long-distance telephoning and automatic milking machines.

The centerpiece of the exposition was the State of Texas Building, which remains one of the country's most impressive Art Deco designs. At \$1.2 million, it was one of the most expensive state-financed buildings in Texas history. Nearby, the federal government's \$800,000 pavilion sported one of the

tallest structures at Fair Park, a slender 179-foot tower topped by a stylized gilded eagle.

At the urging of the Dallas Negro Chamber of Commerce, the federal government's participation was contingent on there being an official African-American presence at the exposition, a first for any world's fair. Rather than lose the federal pavilion, exposition commissioners reluctantly allowed construction of the Hall of Negro Life using \$100,000 from Washington.

Unfortunately, the Hall of Negro Life and several other major buildings — Humble Oil's Hall of History and the huge Ford Motor Co. pavilion among them — have been demolished. Even so, an amazing array of architecture survives and is open to the public, including the State of Texas Building (now the Hall of State, by Houston architect Donald Barthelme Sr.), the Federal Building and many of the exhibit halls.

Maintaining Fair Park was difficult from the start. Rather than spending money on the murals and reliefs, officials painted over them; building repairs were delayed or carried out piecemeal. Because most visitors came when the State Fair's attractions rendered the exhibit buildings all but invisible, the 1936 exposition became a fading memory.

That began to change in 1986, when concerned citizens formed the Friends of Fair Park to preserve the park's art and architecture, plan for its future and encourage year-round use of the site. The Friends' ongoing efforts, supported by the city of Dallas and its citizens in the form of millions of dollars in municipal bonds, have produced amazing results. Original murals have been uncovered and protected, sculpture has been re-created and the Esplanade of State has undergone a thorough restoration.

Today it is possible to walk through Fair Park and get a sense of how it felt to attend the exposition in 1936. In a state that has never stopped looking to the future, the impressive fairgrounds are a striking reminder of our past — and a testament to the Texanic task of creating a dazzling spectacle in the darkest days of the Depression.

Parsons and Bush are staff members of the Greater Houston Preservation Alliance. Their new book, "Fair Park Deco: Art and Architecture of the Texas Centennial Exposition," will be released in September 2012 by TCU Press. They are also the co-authors of "Houston Deco: Modernistic Architecture of the Texas Coast."

MYTHS: Data needed to limit loan debt

CONTINUED FROM PAGE B8 the Education Department have proposed a plan to standardize financial aid award letters, so that they provide better disclosures of college costs and aid. College is becoming less affordable. Tuition rates at public colleges are growing at above-average rates, and low- and moderate-income students are increasingly being priced out of a higher education. Families need federal and private student loans to help pay for college,

but they also need clear, correct and comparable information about college costs and financial aid so they can make informed decisions about affordability, and so students can graduate without crippling loan debt.



Kantrowitz is the publisher of FinAid and Fastweb, financial aid Web tools, and the author of "Secrets to Winning a Scholarship." This article is being re-published with permission from The Washington Post.

ABUSE: Civil statute can provide a shield for 'accomplices'

CONTINUED FROM PAGE B8 or "the state agency that operates, licenses, certifies, or registers the facility in which the alleged abuse or neglect occurred." Proper reporting leads to prosecution, which stops the abuse.

However, if this tragedy happened in Texas, and a victim sued a school and its personnel for failing to protect a child from being

raped, the school may escape any responsibility because of a law passed in the 2003 round of tort reform supported by Gov. Rick Perry.

If sued by the abused child, the school would designate the rapist as a "Responsible Third Party." When the case went to trial, the jury would be required to assign a percentage of blame to the school and

the rapist. The school would be exonerated from any responsibility for the percentage of blame assigned to the rapist. If the jury placed 90 percent of the blame on the rapist, the school would pay only 10 percent of the child's damages. In other words, the school would get a slap on the wrist. If the rapist had no money (and most criminal defendants spend

all their money on legal fees), the child would get virtually nothing.

It may sound fair to hold the rapist responsible for the harm he caused, but in a civil claim, how will a school ever be held accountable for enabling and facilitating the rape of a child if it can hide behind the rapist? This terrible "Responsible Third Party" law was part of Perry's 2003 tort-reform

legislative agenda, and it is bad law. It also allows parking lot and apartment complex owners to ignore rampant violence. They can even designate unknown attackers as "John Doe Responsible Third Parties."

Other laws (including the Tort Claims Act, Chapter 101, Civil Practice & Remedies Code) protect public schools and universities from liability, and

those could keep a child from winning a lawsuit. But Perry's Responsible Third Party law shields all silent accomplices to child abuse. Why are our laws protecting those who cover up child abuse?

Waldman, a Houston lawyer, is certified in Texas personal injury trial law by the Texas Board of Legal Specialization.



L.M. OTERO: ASSOCIATED PRESS
STATE SPIRIT: The Spirit of the Centennial statue stands in front of a mural on the Women's Museum at Fair Park in Dallas.