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Today: Brad Kava reviews and blogs about the Rolling Stones concert

All week: Kate Folmar reports from Gov. Schwarzenegger's China trip

Thursday: Bruce Newman reviews the new Harry Potter movie



San Jose Mercury News

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SOME ANSWERS TO FLU QUESTIONS

Careful preparation will be the key to dealing with concerns of a pandemic during the usual flu season. **PAGE 3A**

MICROSOFT'S XBOX GAMBLE

Tech Monday: Will the new video game system, on sale Nov. 22, convert the PlayStation faithful? **PAGE 1E**

49ERS' NEW LOW: ONE COMPLETION

Failing to score a touchdown for the third consecutive game, the 49ers lose 17-9. The Broncos beat the Raiders 31-17. **PAGE 1D**

The Week Ahead

TODAY

NIGHTLY DETOUR ON HIGHWAY 87

Southbound Highway 87 will be closed from Julian and Auzeais, midnight to 6 a.m. through Saturday. Detour will be posted.

TUESDAY

MEDICARE PLAN SIGN-UPS START

Medicare recipients can begin signing up for the new prescription drug coverage. More information at www.medicare.gov.

WEDNESDAY

HOLIDAY MOVIE PREVIEW

Hollywood has wrapped its seasonal presents. Bruce Newman rattles the boxes to see what film pleasures (or pains) await.

FRIDAY

OUTDOOR ICE SKATING

Downtown Ice returns under the palm trees in San Jose. 5 p.m. to midnight. More info: www.sjdowntown.com.

SATURDAY

5 DAYS UNTIL THANKSGIVING?!

Get your creative culinary juices stirring at the "San Jose Cooks!!" show all weekend at the McEnery Convention Center.

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WEATHER

Sunny
High: 71-75
Low: 51-55

Complete forecast, 8B

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>KNIGHT RIDDER<

Jordan suspect had been detained

HOTEL BOMBER'S NAME IS ON U.S. LIST IN IRAQ

By **Hannah Allam**
Knight Ridder

AMMAN, Jordan — One of the suicide bombing suspects in the deadly attacks on three luxury hotels in Jordan's capital apparently was detained and released last year by U.S. forces in Iraq who determined that he was not a threat to security, a U.S. military official said Sunday.

The Jordanian government identified four bombing suspects Sunday: three Iraqi men who died in the attacks and an Iraqi woman who survived when the explosives in her vest failed to detonate. The name of one of the male attackers, Safah Mohammed Ali, matches the name of a man who was detained for about two weeks during fierce clashes between insurgents and Marines in Iraq's western insurgent stronghold of Al-Fallujah, said the military official, who spoke on condition of anonymity.

Ali and the other bomb suspects are accused of killing 57 people and injuring at least 100 during three nearly simultaneous bombings at upscale hotels in Amman on Wednesday. Al-Qaida in Iraq later claimed responsibility for the attack.

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CHINESE IS HOT CAMPUS SUBJECT

Language skill sought as Asian nation booms

By **K. Oanh Ha**
Mercury News

Faisal Mostamandy, a San Jose State University graduate of Afghan ancestry, hopes to have a future in his homeland. To help him get there, he's learning Chinese.

"Afghanistan borders China, and China is an emerging power," said Mostamandy, 27. With the pace of economic globalization, he added: "You'd be a fool not to learn Chinese."

That seems to be the thinking for thousands across America, particularly in the Bay Area, where business and cultural ties with China are deep and broad. As globalization ushers China's economy onto center stage, unprecedented numbers of students, professionals and even preschool children — many of whom are not of Chinese ancestry — are clamoring to learn Mandarin, the language spoken by one-fifth of the world's population.

Most Chinese-learners feel they need to prepare for a fu-

See **CHINESE**, Page 4A

MORE MERGERS AHEAD

(And fewer IPOs)

Mergers on the rise

Value and number of mergers and acquisitions of U.S. tech and telecom companies

2005 Through October	\$206 billion (1,558 mergers and acquisitions)
2004	\$208 billion (1,966)
2003	\$84 billion (1,687)
2002	\$71 billion (1,861)
2001	\$232 billion (2,281)
2000	\$487 billion (4,299)

Source: Dealogic

Meanwhile, IPOs are down

Initial public offerings of stock in the United States

2005 Through Nov. 10	237 IPOs
2004	305
2003	149
2002	142
2001	101
2000	440

Source: Bloomberg Financial

Going public has lost allure in valley's post-bust era

By **Chris O'Brien**
Mercury News

If these were still the boom years, the next step for hot Fremont start-up NextWeb would have been clear: Cash in on its cachet by going public in the grand tradition of the Silicon Valley IPO.

After all, NextWeb's broadband wireless service is a sought-after technology. The 6-year-old company is profitable. Its roster of customers is multiplying like rabbits. And it raised five rounds of venture capital.

But this is the post-bubble, post-bust Silicon Valley of 2005 where mergers and acquisitions have replaced IPOs as the defining financial symbol of a more sober era. And so, very quietly last month, NextWeb sold itself to Covad Communications of San Jose for \$24.7 million.

Silicon Valley's embrace of the merger is just the latest sign that the technology industry is maturing. In this new age of mergers and acquisitions, growth promises to slow. Entrepreneurs settle for becoming millionaires, rather than mega-mega-millionaires. Big companies get even bigger. And the resulting consolidation often creates job cuts that are another wet blanket on a lifeless job market.

Over the past two years, the level of tech-related mergers and acquisitions activity has exploded while the number of IPOs has slowed to a drip. This shift has come about in large

See **MERGERS**, Page 11A

WHY IT MATTERS

The merger trend can be bad news for employment (job cuts usually accompany mergers) but can help bigger companies grow and expand more easily.

Forced into long-distance marriages

IMMIGRANTS WITH WORK VISAS OFTEN MUST WAIT YEARS TO BRING NEW SPOUSES TO U.S.

"Marriage is not like going to a store and purchasing something. I can't just wish it to happen. Marriages are made in heaven, not by visa status."
— **Ajit Natarajan, 32, Campbell, founder of UniteFamilies.org**

By **Truong Phuoc Khanh**
Mercury News

Since his wedding day four years ago to a young lady from his boyhood village in Bangladesh, Masud Syed has been back to see his wife exactly 10

times. The last visit, in September, was both exhilarating and excruciating. He witnessed the birth of his son; three weeks later, Syed flew back to America, alone.

In a post-Sept. 11 world, extremely long separations between newlyweds across continents are a fact of life for many immigrants who come to the United States to work. They end up staying as permanent residents, but their hearts summon them back home when time comes to choose a mate.

Many Asians, from India to Korea to Vietnam, belong to cultures that still engage in the practice of arranged marriages. Instead of "love at first sight," some call it "love after introduction."

But U.S. immigration laws do not allow permanent residents who marry after they obtain their "green cards," such as Syed, to have their spouses or children stay with them in America while their green card applications are

See **SEPARATED**, Page 11A

DISCONNECTED COUPLE



Guarav Negi, a Cisco engineer, is engaged to wed. He may try to move to Canada so that he can live with his wife.



Rohina Rawat is in India with no visa. Her wedding to Negi is planned for December but she has seen him just three times.

INFORMATION FOR LIFE



JORDANIAN TV

On Jordanian TV Sunday, Sajda Mubarak al-Rishawi confesses to her suicide bombing attempt Wednesday.

JORDAN | U.S. had suspect in custody after battle

Continued from Page 1A

Insurgent sources in Iraq and one of Ali's colleagues at a factory in Al-Fallujah said in separate interviews that Ali was detained in November 2004, when he was injured while fighting U.S.-led forces — information that corresponds with the U.S. military's account.

"A detainee by the name of Sa-fah Mohammed Ali was detained for a period of about two weeks at a division holding area in November 2004 as a result of operations in Fallujah," the military press officer wrote in an e-mail response to Knight Ridder. "A review of the circumstances of his capture by the unit determined there was no compelling evidence that he was a threat to the security of Iraq, and he was therefore released."

The press officer emphasized that the U.S. military could not be certain that the detainee was the same man who allegedly blew himself up in Amman last week. In Iraq, however, those who knew Ali said they were sure it was the same person.

The spiritual leader of the rebel council that ruled Al-Fallujah when it fell under insurgent control said in a phone interview that he remembered Ali as a fighter in the Black Banners Brigade. That Al-Fallujah cell was led by Omar Hadid, a local insurgent who rose to prominence as a close associate of Abu Musab al-Zarqawi, the Jordanian-born leader of Al-Qaida in Iraq. Hadid later died in clashes with the U.S. military.

The spiritual leader, or mufti, said Ali's anti-U.S. stance was hardened after he was detained by U.S. forces in the same mosque where a Marine shot to death an unarmed Iraqi man in a controversial incident captured on video by an embedded U.S. journalist. The military ruled the shooting justified.

Ali's co-workers at an Iraqi Ministry of Industry factory in Al-Fallujah described him as a computer specialist who was badly injured while fighting U.S. forces last year. They said he disappeared after his release from U.S. custody.

"He never showed up to work again," said Salam Ali, who is no relation to the bombing suspect. "I asked his family, and they said, 'We don't know where he is.' When I saw the name on TV today, I was shocked knowing that a colleague of mine would blow himself up in Amman."

The triple suicide bombings shattered Jordan's image as one of the most tranquil nations in the Middle East. On Jordanian TV Sunday, the surviving female suspect confessed that she tried to blow herself up at a crowded wedding party at the Radisson SAS Hotel, but the explosives vest she wore under an evening gown failed to detonate.

With a stony face and unwavering voice, 35-year-old Sajda Mubarak al-Rishawi described how she and her husband crossed into Jordan from Iraq with fake IDs, rented an apartment in Amman and practiced how to detonate vests that authorities said were packed with up to 22 pounds of the powerful explosive RDX. The woman was described as the sister of Zarqawi's key lieutenant in Iraq.

She said she and her husband drove to the hotel and mingled with the wedding guests. From separate corners of the ballroom, she said, they prepared to strike.

"There were women and children. I tried to detonate, but I failed. It didn't go off," said Rishawi. "My husband told me to get out. He succeeded in detonating. After the explosion, I ran out with the other people."

The Mercury News strives to avoid use of unnamed sources. When unnamed sources are used because information cannot otherwise be obtained, the newspaper generally requires more than one source to confirm the information.

SEPARATED | New spouses must wait to join immigrants in U.S.

Continued from Page 1A

being processed. The wait time varies from country to country, but it is currently about five years for India, China and the Philippines.

A group started in the Bay Area in 2002 called UniteFamilies.org is working to spotlight what its members say is unreasonable immigration policy. Its leaders protest that recent rules leave thousands of legal, tax-paying U.S. residents in emotional limbo, often forced to choose between marriage and a green card.

Many in Syed's predicament come to the United States as temporary workers with an H-1B visa, which allows them to become permanent residents once they obtain a green card. Of the 386,821 H-1B visas issued in fiscal year 2004, 152,723 were for workers from Asia.

Thousands of miles apart, Syed says he and his wife, 24-year-old Lina, have forged a deep bond. The couple talk by phone at least five times a week. She scolds him if he leaves for work without breakfast.

"I have a picture of my son and my wife right in front of me at work," said Syed, a 31-year-old electrical engineer who lives in Sunnyvale. "At the end of the day, I feel very empty. I call just to hear him cry, anything."

"Part of the reason for avoiding visits to India is I do not have courage to look her in the eyes and tell her that this separation will end soon as I myself do not see any resolution to our wait."

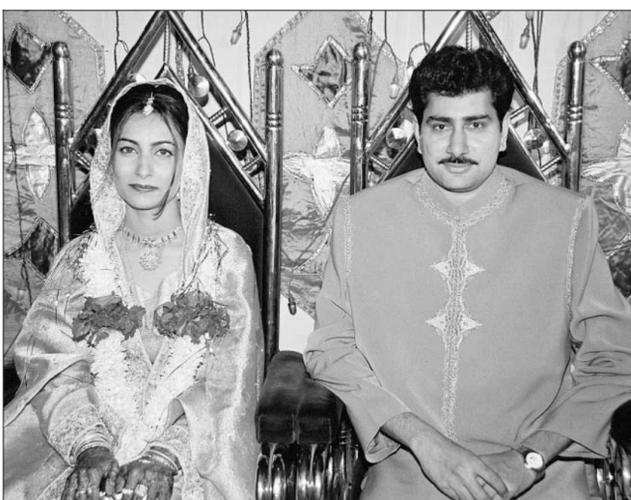
— Anis Kasmani, 32, software engineer, Fremont

UniteFamilies has the backing of four Bay Area congressional leaders. They co-sponsored a bill, HR 1823, that would allow families to live together in the United States while waiting for green cards. The bill was referred to a committee earlier this year, but with a conservative Republican majority in power a pro-immigration bill has little chance of coming to a vote.

Supporting the bill, written by Democrat Rep. Robert Andrews of New Jersey, are: Rep. Zoe Lofgren, D-San Jose; Rep. Anna Eshoo, D-Palo Alto; Rep. Mike Honda, D-Campbell; and Pete Stark, D-Fremont.

"They say people ought to play by the rules, but it ends with absurd results sometimes," Lofgren said. "If you look at it broadly, what public policy is being served here? None."

Another way to gain entry to the



ANIS KASMANI — SPECIAL TO THE MERCURY NEWS

Anis Kasmani, right, and his wife, Tabassum, at their wedding. He's a software engineer in Fremont; she remains in India until she is considered for a green card and U.S. residency.

United States, through the State Department's visitor visa, is all but impossible since the law requires applicants to prove they are not coming to stay. Anecdotally, many say as soon as they disclose they are visiting a spouse in the United States who is a permanent resident, their chances of getting visitation rights are practically nil.

A spokeswoman with the State Department said the government primarily cares if your "visit" might become permanent.

"You must overcome a presumption of immigration," said Angela Aggeler, spokeswoman for the Bureau of Consular Affairs. "It's incumbent on the applicant to prove their intent is not to immigrate."

Last year, there were 946,142 new immigrants to the United States; a quarter of them were family-sponsored and 155,330 — like Syed — earned the privilege to stay permanently through employment.

If Syed were in the United States as a foreign student or a temporary worker with an H-1B visa, and he married overseas, his wife and children could almost immediately join him with a visitor's visa since neither spouse would have permanent privilege to stay in the United States.

But since Syed became a permanent resident first and then married a year later, his wife and child wait 7,600 miles away and he dwells in Sunnyvale until her visa number is

called.

"It's important for people to take immigration laws into consideration as they plan life events," said Sharon Rummery, a spokeswoman for the immigration agency.

"The whole situation is very strange to me. If I marry someone before my green card is approved, she will automatically get a green card too. On the other hand, if I marry someone after I get my green card, we will be unable to live together for five or six years."

— Alex Maslov, 30, Sunnyvale

The Federation for American Immigration Reform (FAIR) is split on the issue. While it supports placing a priority on uniting nuclear families, it also wants to restrict immigration to 300,000 people a year.

Ira Mehlman, a spokesman for FAIR, reflected this ambivalence when he said, "No one is stopping them from going back to their country to reunite with their spouse."

Under the Clinton administration, the Immigration and Naturalization Service implemented a V visa program to allow certain spouses and minor children of permanent residents to reside and work in the United States while waiting for their own green cards. That program, created specifically to clear a heavy INS backlog, has expired. The proposed bill would revive the V visa.

Alex Maslov came to the United

Countries of origin of H-1B workers

Top 10 countries of origin for H-1B recipients in 2004:

India	83,502
U.K.	32,128
Canada	23,862
Mexico	17,910
France	15,446
China*	14,626
Japan	14,319
Germany	14,255
Venezuela	11,495
Colombia	11,022

*Including People's Republic of China and Taiwan
MERCURY NEWS

States in 1995 as a graduate student studying physics. Ten years later, he's a researcher in nanotechnology for a company in Mountain View.

Now that he is a permanent resident, Maslov said his hope to marry someone back home in Russia is dim.

"If I marry someone who doesn't have residence in the U.S., I will not be able to live with her in the U.S.," said Maslov, 30. "Five years' wait is just too long."

It's also too long for Guarav Negi, a software engineer at Cisco in Milpitas. Before he received his green card in July 2004, Negi had heard about the marriage pitfalls for green card holders. At the time, he had no marriage plans.

Then on a visit home to India in October 2004, his parents introduced him to 24-year-old Rohina Rawat.

"She's not a technical girl," said Negi, 29, "but the thing is I want to marry her."

He has seen his fiancée three times, and their wedding is planned for December.

"In the U.S., marriage doesn't last five years and now we have to wait five years to start our married life," Negi said.

Negi is looking for an employer in Canada willing to sponsor him with a work visa.

Asked which country his fiancée would prefer, Negi replied: "She doesn't care, she just wants to live with me."

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MERGERS | Tech giants on buying spree

Continued from Page 1A

part because two sets of Silicon Valley players have found their interests aligned: Tech giants with boatloads of cash are gobbling up small companies that are finding the prospect of becoming an independent public company more daunting than ever.

For companies like NextWeb, it means cashing out at a level that, while respectable, represents a fraction of the sky-high valuations that seemed to be the birthright of hot, young companies before the bust.

"Those days are gone," said NextWeb CEO Graham Barnes. "That was probably great for those that enjoyed the good times. But nowadays, those types of valuations are pretty rare. They're just not seen as being realistic."

Different estimates

M&A numbers are up, though how much depends on who is counting, because each calculation involves some estimates of deals where the details aren't all public:

■ According to the 451 Group, a tech research firm that monitors M&A activity, there were 2,013 deals announced in the first nine months of 2005, worth \$219 billion. That's already more than the 1,949 deals in 2004, worth \$207 billion, and a big leap from the 1,426 deals worth a mere \$50 billion in 2003.

■ According to Dealogic, another M&A research firm, in the first 10 months of 2005 there were 1,558 deals, worth \$206 billion, compared with 1,966 in all of 2004, worth \$208 billion. Those are both dramatic increases from the 1,687 deals in 2003 worth \$84 billion.

■ In contrast, there have been only seven IPOs in Silicon Valley this year, raising \$519 million, compared with 16 in 2004 that raised \$2.8 billion — including Google, which single-handedly raised \$1.67 billion. Both are a far cry from the 78 IPOs in 2000 that raised \$8.1 billion.

"IPOs are no longer the holy grail," said Tim Miller, vice president and general manager of the 451 Group. "I always wondered why so many companies were eager to deal with the agony of being a public company — except for the cash."

That pain — and the expense — has grown in recent years. And as NextWeb learned, that makes the prospect of being a small, publicly traded company less alluring and a merger more attractive.

The company was founded in 1999, what NextWeb CEO Barnes calls "an unfortunate time for the market."

Still, NextWeb survived and raised five rounds of venture capital, grew to 60 employees, and signed up 3,000 customers. The company even made five small acquisitions along the way. And it was poised to post its first annual profit in 2005.

Last year, the board began to ask the big question: What's next?

Less attractive

Early on, the goal had been an IPO. But as the board began to take a hard look, the signs were discouraging. There had been no major telecom IPOs since 2000. Where once a company probably needed \$20 million in revenue, the bar had been raised to \$50 million. And the new reporting requirements imposed by the Sarbanes-Oxley reforms that passed in the wake of corporate scandals like Enron and WorldCom have proven to be especially expensive for small companies.

"The attractiveness of the IPO really plummeted," Barnes said. "When we saw what it's going to take to operate a public company, all these things really stepped up the threshold."

At the same time, the company couldn't stand still. Bigger competitors were threatening to enter the market, and the technology was evolving and required continued investment.

So NextWeb hired a small tech investment bank earlier this year, and on Oct. 5 announced it was being acquired by Covad.

"On one level, there's no doubt there will be some loss of autonomy," Barnes said. "But on another level, it's exciting, the fact we're still growing and we'll have an even bigger opportunity."

The public company blues are also being sung by those who have managed to pull off an IPO. Corporate customers say they want to buy tech gear from fewer companies. And investors are less forgiving when companies miss earnings targets or fail to show growth.

That is pushing more companies into the arms of deep-pocketed suitors.

"I think it's driven by an increased appreciation that being a small public company can be a challenge in today's capital markets," said Jon Woodruff, managing director and head of technology M&A for Goldman Sachs.

The growing pressure has also added a new wrinkle to the tech financial scene: the buyout firm. More public companies are being taken private by big private equity firms, like Menlo Park's Silver Lake Partners.

"The M&A landscape has been fueled by technology buyout firms, and that's something that will become more prevalent," said Paul Crisci, managing director of Jefferies Broadview, a technology investment bank.

Between private equity firms and tech giants, more public companies are being taken off the market. In California, 75 public companies have been acquired in 2005 for \$23.9 billion — up from 38 public companies for \$12.9 billion in 2004.

For big companies, this means an opportunity to get even bigger.

According to David Ketsdever, chief executive officer of SVB Alliant, the investment bank arm of Silicon Valley Bank, tech giants are generally doing deals for two reasons: to consolidate an industry or to find ways to grow, or both.

In either case, Ketsdever sees the acquisition binge as good news: After hunkering down during the bust, companies are becoming more aggressive.

"As companies feel like they have their own house in order, that's when they start to look outside. It's a very positive sign about the economy that these companies are thinking about

more M&A," Ketsdever said.

Focus on consolidation

Locally, Oracle exemplifies a company primarily intent on consolidating an industry — in this case enterprise software. It's sitting on record amounts of cash to do just that.

Last year, Oracle won a bruising battle to acquire rival PeopleSoft in a hostile takeover. In September, the company bought struggling rival Siebel Systems. And very quietly, the company has acquired three more companies in the third quarter.

Those big acquisitions like PeopleSoft generally come with job cuts. According to the most recent employment report from outplacement consulting firm Challenger, Gray & Christmas, tech-related job cuts in the first months of 2005 are 18.8 percent higher than the same period last year — in large part because of merger activity.

Only some of this job loss is being offset by companies doing acquisitions for growth. That's been the case at VeriSign, the Mountain View company best known for running the Internet domain name registration system.

After spending much of 2002 and 2003 focused on restructuring, the company has been on an acquisition tear. VeriSign is often buying companies for both the technology and the people, so most employees are retained, according to Robert Korzeniewski, VeriSign's executive vice president for corporate development and strategy.

The company spent \$419.9 million in 2004 on five acquisitions, including Jamba, a mobile phone ring-tone company. So far in 2005, VeriSign has announced four more acquisitions for \$361.8 million.

And with plenty of cash still on its balance sheet, it's getting more offers to buy than it can handle.

"Once you become the leader in that space, everyone who is looking to do something in this space, they come to your doorstep," Korzeniewski said. "And these days, we find there are a lot of people knocking on our doorstep."

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