

TOP LINE



Coming Thursday
Jim Rossman says it's time users of Windows 98 or Windows Millennium upgrade to Windows XP. In Personal Technology

BUSINESS DAY



ROBERT MILLER

Benefits for small businesses

The risk management department of the **Small Business Development Center** will host a free workshop from 9 a.m. to noon Aug. 10 called "Employee Benefits — What's the Plan?"

Dr. **Diane Martindale**, an attorney and a registered representative of **CNS Securities LLC**, will lead the discussion, focusing on "affordable benefits for your employees and yourself."

She will lead the discussion about topics including:

- Types of medical plans
- Voluntary benefits
- Workers' compensation
- Life insurance
- Retirement plans

The workshop will be at the **Bill Priest Campus of El Centro College**, 1402 Corinth St., Room No. 2002, just south of downtown Dallas.

Registration is requested because seating is limited, but drop-ins are also welcome if there's room. Call **Saira** at 214-860-5887.

Partners Card

Want something to take your mind off the heat? How about dreaming of shopping discounts in the fall?

The 2006 Partners Card goes on sale Sept. 15.

The program is presented by **Chase** and benefits the **Family Place**, Dallas' largest family violence agency. The card costs \$60

and entitles you to a 20 percent discount at more than 600 participating retail locations and restaurants between Oct. 28 and Nov. 5.

In addition to the discount, 100 percent of the proceeds from card sales goes to the Family Place.

A little Partners Card background, please.

"This unique charity fundraiser began in Chicago and has been gaining momentum every year for 18 years," said spokeswoman **Elizabeth Cannon**.

"Dallas took to the concept with typical shop-till-you-drop enthusiasm — raising approximately \$782,000 for the Family Place in 2005."

Merchants throughout the greater Dallas area — and in cities north of Dallas — honor the Partners Card. In 1993, the card was accepted at 200 stores.

Last year, more than 600 retailers participated, including boutiques, national stores, high-end retailers and restaurants.

Ainsley Gordon, **Kristy McKnight** and **Lisa Rubey** are co-chairwomen of the Partners Card 2006 presented by Chase.

In 28 years, the Family Place has counseled more than 85,000 clients in residential and outreach programs.

The agency has provided life-saving shelter to more than 14,000 women and children and answered more than 370,000 calls for help.

"Domestic violence is a widespread problem that does not discriminate," said Family Place executive director **Paige Flink**.

"People don't realize how prevalent this problem is and that money from a single Partners Card sale will supply a child in the shelter with nearly a month's worth of diapers. Two card sales will buy nearly two weeks' worth of milk for the shelter."

For more information, visit www.familyplace.org or call the Partners Card Hotline at 214-443-7754.

E-mail bmiller@dallasnews.com

Tenet selling three hospitals

Sale to New Orleans firm is part of effort to improve finances

By **JENNIFER CHAMBERLAIN**
 Staff Writer

Tenet Healthcare Corp. has agreed to sell three New Orleans-area hospitals, including Memorial Medical Center, the hospital at the center of an investigation into patient deaths following Hurricane Katrina.

For Dallas-based Tenet, the deal with Ochsner Health System of New Orleans represents the first concrete step in a major initiative announced last month to boost the company's flagging financials.

Tenet has struggled to recover from hurricane-related damage to its hospitals and investigations into its business practices, which resulted in a \$900 million federal settlement in June.

In addition to Memorial Medical Center, the nonprofit Ochsner will purchase Kenner Regional Medical Center and Meadowcrest Hospital in Gretna, La.

Tenet declined to disclose the estimated sales price until after the close of the transaction, which is expected Aug. 31.

In June, Tenet announced plans to sell 11 hospitals and estimated it would raise between \$250 million and \$275 million in total proceeds. The company also increased its estimate for capital spending in 2006 from around



Reuters

The still-closed Memorial Medical Center is at the center of an investigation into patient deaths after Hurricane Katrina.

\$550 million to \$800 million to invest in new technology and improvements in its remaining 57 hospitals.

Tenet spokesman Harry Anderson said he believes that announcement marked a turning point for the company, and that these sales are a continuation of "putting the past behind us and concentrating on what is important for the future."

At the same time, Mr. Anderson said, the decision to sell the three New Orleans hospitals was difficult.

"The recovery from Katrina has been a lot slower than anyone had anticipated," he said, especially in the center city, where two of its biggest hospitals are located.

"With the slow pace of recovery and the slow pace of the return of

population, it wasn't likely that the returning population was going to need the number of properties that were there," Mr. Anderson said.

Of the five hospitals Tenet currently operates in the New Orleans area, Memorial Medical Center remains closed, as does Lindy Boggs Memorial, which Tenet also intends to sell.

Kenner Regional and Meadowcrest hospitals reopened not long after the storm. Tenet intends to keep NorthShore Regional Medical Center in Slidell, La.

"We think Slidell is in a position to be an area that will grow substantially as the population comes back," Mr. Anderson said.

Warner Thomas, Ochsner's president and chief operating officer, said his firm sees potential in the properties it is purchasing.

Doctor, nurses arrested. IA

"We have actually seen a significant increase in demand, and what's happened is that the amount of health care resources has shrunk more than the population, so there's actually a demand for health care services."

Ochsner hopes to increase the bed capacity at Kenner and Meadowcrest, Mr. Thomas said. Additionally, the firm will continue with the renovation of the New Orleans Surgical Heart Institute on the Memorial campus and plans to open that facility in the fall, he said.

The announcement of the hospital deal came on the same day the Louisiana Attorney General announced the arrests of a doctor and two nurses in connection with patient deaths at Memorial during Katrina.

Rob Mains, an analyst with Ryan Beck & Co., said he found it interesting that the New Orleans properties were among the first sales announced in Tenet's initiative.

"Needless to say, those were somewhat controversial hospitals — and one is not even open," he said. "I know some people that questioned if they were going to be able to sell at all, so the fact that they got anything for it would be a positive."

Tenet's shares fell 7 cents Tuesday to close at \$6.18.

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Inflation worries increase

Rising food, energy prices may be making Fed uneasy, analyst says

Associated Press

WASHINGTON — Wholesale prices rose by 0.5 percent in June, spurred by a big jump in food prices and continuing increases in energy costs.

The bigger-than-expected rise, reported Tuesday by the Labor Department, raised concern about possible further interest rate hikes, but Wall Street took the data calmly.

With Middle East tensions, spiking oil prices and economic uncertainty enveloping the financial markets, investors and analysts were looking to Fed Chairman Ben Bernanke's testimony before Congress today for clear signals on interest rates.

Concern has permeated the markets that higher inflation will prompt further rate boosts by the central bank and contribute to a more severe economic slowdown.

"Overall, wholesale price inflation continues at a pace that makes the Federal Reserve uneasy, even as economic growth slows," said Peter Morici, a professor at



Getty Images

The national average price of regular unleaded gas is now \$2.98 a gallon, according to AAA. The government said wholesale energy prices rose 0.7 percent in June.

the University of Maryland's business school. "If the Fed acts too vigorously to contain inflation, it risks a recession and stagflation."

Core inflation, excluding volatile food and energy prices, edged up just 0.2 percent in June, in line with market expectations.

The government also reported that wholesale food prices increased 1.4 percent last month, with prices for processed chickens soaring 12.1 percent and increases marked by eggs, fresh fruit and dairy products.

Wholesale energy prices rose 0.7 percent. For wholesale prices overall, analysts had been expecting an increase in June of 0.3 percent. The 0.5 percent increase followed rises of 0.2 percent in May and 0.9 percent in April.

In addition to Mr. Bernanke's testimony, analysts were watching closely for a key inflation signpost,

consumer prices for June, which will be released today.

On Monday, the Fed reported that output at the nation's factories, mines and utilities jumped by a stronger-than-expected 0.8 percent last month following a gain of 0.1 percent in May.

The report could stoke anxiety over inflation and prompt Fed policy-makers to raise interest rates next month, experts said.

Economists generally believe that manufacturing will slow in coming months as overall economic growth slows.

The economy expanded at a brisk pace of 5.6 percent in the first three months of the year, but many analysts believe that will slow to around 3 percent in the April-June quarter, as consumers struggle with rising interest rates, soaring gasoline prices and cooling home sales.

U.S. AND WORLD BRIEFS

Toyota considering different hybrids

Toyota Motor Corp., the largest seller of hybrid autos, may produce gasoline-electric models that can be recharged at any outlet to reduce the use of fuel, the company's North American chief said Tuesday.

However, such vehicles could be "years away," depending on how long it takes to improve the types of batteries required, Jim Press, president of Toyota Motor North America, said following a speech in Washington.

Toyota is also "strongly considering" adding models able to use ethanol "in the near term," he said.

Microsoft, Nortel reach alliance on software

Microsoft Corp. and Nortel Networks Inc. said Tuesday that they have formed a partnership to develop software that makes it easier for companies, employees and customers to communicate with each other.

The U.S. software giant and the Canadian network vendor, who agreed to a four-year alliance, aim to create software-based technology that allows people to use one device to access all their phone calls, e-mail, voice mail or instant messages — whether in the office, at home or on the road.

Microsoft chief executive Steve Ballmer said both companies will contribute money to develop and market products as part of the deal.

Microsoft also will pay an undisclosed amount to license patents from Nortel, whose U.S. headquarters are in Richardson.

AT&T testing box for movie downloads

AT&T Inc. is launching a satellite TV set-top box today that also connects to the Internet for movie downloads, reinforcing the phone company's push into video services.

The box, called AT&T Homezone, will be initially available in Ohio and San Antonio to new cus-

tomers of the co-branded AT&T-Dish Network satellite TV service. It will cost \$9.99 a month in addition to Internet and satellite service fees.

AT&T plans to expand the service area in coming months, positioning Homezone as an alternative for those who can't yet receive its premier service, U-Verse, which transmits video over phone lines.

Back-to-school spending expected to increase

The National Retail Federation said the average family plans to spend \$527.08 during the upcoming back-to-school season, up from \$443.77 in 2005.

The retail group's forecast is based on a survey of 9,000 shoppers July 5-12.

Based on the survey, total spending is estimated to reach \$17.6 billion for the back-to-school season, up from \$13.4 billion last year.

Contributing: MarketWatch, Associated Press and Bloomberg News

USDTV files Chapter 7, stays on air

By **TERRY MAXON**
 Staff Writer

U.S. Digital Television LLC, which offers cablelike service over the air, faces an uncertain future after it sought protection from creditors this month in a Delaware federal bankruptcy court.

The filing won't immediately affect USDTV's 7,000 Dallas-Fort Worth subscribers or 9,000 subscribers in other markets while a trustee seeks bids for the company's assets.

The Salt Lake City-based company filed under Chapter 7 of the federal bankruptcy code, a section that provides for liquidation.

Still operating

For now, USDTV continues to transmit its signals in Dallas-Fort Worth, Salt Lake City, Las Vegas and Albuquerque, N.M., as a bankruptcy trustee prepares to take over the operations.

However, all of USDTV's employees lost their jobs after the July 6 filing.

Steve Lindsley, USDTV founder, president and chief executive prior to the filing, said two bidders reportedly are preparing offers to buy USDTV's assets.

USDTV, which launched D-FW service in November, offers a combination of local channels and nonbroadcast channels such as ESPN, Lifetime and Fox News for about \$20 a month. Subscribers receive the digital signal through an antenna and a converter box.

Investors

U.S. Digital Television LLC owns 28.28 percent of the venture, with Hearst-Argyle, LIN Television Corp., McGraw-Hill Ventures Inc., News-USDTV Holdings Inc. and Telcom DTV LLC each owning 12.35 percent.

USDTV had hoped that other station owners and networks would invest to provide an alternative to cable and satellite television, he said.

"When all was said and done, the industry for a number of reasons was not yet prepared to compete with cable and satellite, and fund our operations going forward," he said. "So the board voted to place the company into bankruptcy."

Mr. Lindsley and the management team were "very frustrated after all this work to have the company put into bankruptcy," he said.

"We're hopeful that this will be just a speed bump" and that the company will survive in a "stronger position than ever."

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COMPANIES IN THE NEWS

This index lists companies in *The Dallas Morning News'* Business section today. Not covered are companies mentioned in passing and those listed only in financial tables.

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Plan your future

Aiming to get your financial house in order? Visit our Personal Finance area to get tips for better money management.

Download a movie to watch on your TV

The New York Times

Several large Hollywood studios will start letting people create DVDs of movies in their homes using a new feature of CinemaNow, an online movie-downloading site.

The movie industry has been experimenting with ways to rent and sell downloaded movies, but these efforts have been hampered because the movies generally had to be watched on computer screens. The new service, which begins today, allows the movies to be seen on any television set connected to a DVD player.

"People like to watch movies in their living rooms, and this solves their problem," said Curt Marvis, chief executive of CinemaNow, which is offering the download-to-DVD service. The studios participating include Sony, Disney, Universal, MGM and Lions Gate, which is a major shareholder in CinemaNow.

The picture quality of the discs made through the downloading will not be as high as those on commercial DVDs because the files need to be compressed to reduce the downloading time. Even so, it will take about three hours to download and burn a movie, hardly allowing for impulse purchases.

BUSINESS

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