Dow Jones: 10,110.14 +69.32
S&P 500 1,098.35 +7.12
Nasdaq: 1,838.02 +18.13

BUSINESS

IN BRIEF

FROM BLADE STAFF AND WIRE REPORTS

January hearing to focus on OC asbestos liability

PHILADELPHIA — A hearing to sort through conflicting estimates of **Owens Corning's** asbestos liability will be held early next year, U.S. District Judge John Fullam has ruled.

Resolution of the issue is a key hurdle in the Toledo Fortune 500 company's four-year-old Chapter 11 case. The judge, in a ruling this week, said he will hold a hearing in January on the matter and will oversee pretrial motions, court filings show.

Judge Judith Fitzgerald, of U.S. Bankruptcy Court in Delaware, had been expected to oversee the pretrial portion of the process. Bank creditors, who dispute estimates of asbestos liability submitted by other creditors and who have objected to rulings by the bankruptcy judge, had asked Judge Fullam to take charge. Current and future claims arising from the firm's former production of asbestos insulation have been estimated as high as $16 billion.

S&P 500 posts its biggest weekly gain in 10 months

As crude oil prices retreated, U.S. stocks rose yesterday, sending the Standard & Poor's 500 Index to its biggest weekly gain in 10 months.

The Standard & Poor's 500 Index climbed for the fifth day in six, gaining 0.7 percent to 1098.35. For the week, it jumped 3.2 percent, the biggest gain since the week ended Oct. 3, 2003.

The Dow Jones Industrial Average yesterday climbed or 0.7 percent, to 10,110.14, finishing the week up 2.9 percent, its best week since May, 2003. The Nasdaq Composite Index increased 1 percent for the day, to 1838.02. For the week, it climbed 4.6 percent.

United granted extra time to file reorganization plan

CHICAGO — A U.S. bankruptcy court judge yesterday granted **United Airlines** another 30 days of exclusivity, giving it until the end of September to file its own reorganization plan without competing plans from creditors.

United, a unit of **UAL Corp.**, had asked for a four-month extension but reached a deal with creditors on the shorter period.

Judge Eugene Wedoff approved changes to the carrier's debtor-in-possession financing, providing United with an added $500 million to operate as it reorganizes.

Much of the hearing focused on United's decision to skip more than $500 million in pension payments while in bankruptcy. In court papers this week, United said it likely will have to cancel and replace all of its pension plans.

General Motors recalls more than 32,000 Aveos

WASHINGTON — **General Motors Corp.** is recalling 32,301 of its new Aveo cars because the rear seatbelt can lock and become unusable, the National Highway Traffic Safety Administration said yesterday.

All cars in the recall are from the 2004 model year. GM plans to start notifying owners about the recall next month.

Charter One plans cuts in Cleveland positions

CLEVELAND — Cleveland-based **Charter One Financial Inc.** plans to cut roughly 100 jobs in its hometown as part of its buyout by **Citizens Financial Group**, a city official said.

Mayor Jane Campbell said Thomas Hollister, Charter One's Midwest region's new chief executive, told her Thursday that about 100 people would lose their jobs in Cleveland. Mr. Hollister would not confirm how many jobs will be cut, but said most of the cuts will be in management and technology.

Charter One employs 8,400, including 2,500 in Cleveland.

Kmart's sale of stores may eliminate 1,200 jobs

TROY, Mich. — **Kmart Holding Corp.'s** sale of 13 stores to **The Home Depot Inc.** could cost up to 1,200 Kmart employees their jobs in coming months.

Kmart said it will sell no fewer than 13 stores for $173 million in cash and up to 19 stores for $288.5 million. Nine stores have been sold. The first three stores Kmart is selling to Home Depot will close later this month.

Fees aid phone companies, irk consumers

Challenge to surcharges pending before FCC

ASSOCIATED PRESS

NEW YORK — **T-Mobile USA Inc**.'s first-quarter financial results looked great this year, but it wasn't because customers were spending more time chatting on their cell phones.

The wireless company's revenues were up $1 per customer compared with the previous quarter. That was because T-Mobile, for the first time, counted as revenues two fees it tacks onto customer bills. Without those surcharges, the average revenue per customer would have dropped.

The surcharges certainly make T-Mobile more attractive to investors — they added $58 million in revenue during the quarter.

The fees aren't taxes, though they may look that way on your bill. Wireless, long-distance, and local phone service companies use fees like these chiefly to recoup normal business expenses, including property taxes and the cost of posting their rates on the Internet.

And that's led to a challenge before the Federal Communications Commission by consumer advocates, including officials from nine states and the District of Columbia.

The fees have raised consumers' ire. Ken Juler of Angwin, Calif. said he pays "under objection" the 99-cent monthly fee that **AT&T Corp**. adds to his bill.

"These were costs the company was supposed to pay themselves out of operations," Mr. Juler said. "They want to make the bottom line look better, so they stick the customer with it. It's dishonest."

Very little from the fees goes to the federal government, said Patrick Pearlman, deputy consumer advocate for West Virginia's Consumer Advocate Division. "Regulatory costs are not the reason for the fees, they're the cover for the fees," he said. "Any industry has a cost of complying with government regulation. You don't get nailed with a National Environmental Policy Act surcharge by General Motors when you buy a car."

One problem for consumers: Companies' advertised rates don't include extra fees.

"The explosion of line items has made it all but impossible for consumers to compare rates and shop around," FCC Commissioner Michael J. Copps said in March. "You need a lawyer and an accountant — preferably both — to root out what you're being charged for and why."

Regulators and consumer advocates are petitioning federal regulators to ban the line-item fees phone companies add to bills.

A petition before the FCC, filed by the National Association of State Utility Consumer Advocates and supported by the National Association of Regulatory Utility Commissioners, maintains that surcharges should be built into companies' rates. The commission is accepting individual comments on the peti-

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SHOPPING INDUSTRY CONSOLIDATES

No. 2 mall syndicate acquires rival Rouse

REUTERS

NEW YORK — **General Growth Properties Inc**. said yesterday it will buy **Rouse Co**. for $7.2 billion, adding such swank shopping centers as Chicago's Water Tower Place and Boston's Faneuil Hall to what is already the nation's second-largest mall portfolio.

Through the acquisition of Rouse, funded mostly by debt, General Growth will expand its geographic reach from New York to Hawaii and move into the planned-community industry, which Rouse essentially invented with its development of Columbia, Maryland, in 1967.

The agreement is the latest deal in the quickly consolidating shopping mall industry.

The General Growth purchase doesn't have an immediate impact on the Toledo area, as neither General Growth nor Rouse has local malls. Rouse owned the Franklin Park Mall in Toledo until it was sold a few years ago to **Westfield America Trust**, and General Growth has proposed a large shopping center off of U.S. 24 near the U.S. 23/I-475 interchange in Maumee.

With the purchase, General Growth will acquire 37 regional malls, four community centers, and six mixed-use projects.

The company, with a portfolio of 178 regional shopping malls in 41 states., is second only to **Simon Property Group Inc**. among U.S. mall owners.

With sales per square foot of $439, Rouse provides General Growth with a large portfolio of A-quality retail property, compared with its own average properties, which typically generate about $345 per square foot. It can use the Rouse malls to get upscale tenants to also take space in its "B" malls, an analyst said.

"This is the equivalent of five years of acquisitions in one fell swoop," said John Bucksbaum, General Growth Chief Executive.

ASSOCIATED PRESS

The Fashion Show Mall in Las Vegas is part of a large portfolio of properties purchased by General Growth Properties Inc.

Ohio jobs down 44,000 from last year

Lucas County drops 3,300

By **JULIE M. McKINNON**
BLADE BUSINESS WRITER

Ohio last month had 44,000 fewer jobs than a year ago, and the unemployment rate rose to 5.9 percent in July as more residents were looking for work, a state official said yesterday.

"There has been losses over the year, and we have not seen the gains in employment to make up for that," said Dennis Evans, a spokesman for the Ohio Department of Jobs and Family Services.

Ohio lost 8,000 jobs between June and July this year. In the manufacturing sector, the state gained 3,000 jobs between June and July, although the 827,700 factory jobs statewide still fell 12,500 short from a year ago, according to state figures released yesterday.

Lucas County, meanwhile, had 3,300 fewer jobs last month than a year ago, including 2,300 fewer in Toledo.

Manufacturing employment in northwest Ohio has improved the last couple of months, according to results of a local monthly index, and more companies are looking to locate here or expand, said Eileen Granata, interim chief operating officer of Toledo's Regional Growth Partnership.

Still, a substantial number of jobs likely won't be added until the end of the year, she said. Lucas County's unemployment rate last month was down last month from the month before, as was Toledo's.

"I think things will be turning around," Ms. Granata said. "It's always a concern when you're losing jobs, though."

Wood County also has experienced job losses, with 1,000 fewer positions than a year ago.

The county's July unemployment rate rose to 6.7 percent, higher than June and than the same month last year.

In northwest Ohio, Hancock County had the lowest jobless rate last month at 4.8 percent, and Seneca County had the highest rate at 10.2 percent.

The national rate in July was 5.5 percent.

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Latest area jobless numbers

County	Labor force	Total jobless	Unemployment rates 7/04	6/04	7/03
Allen	53,900	4,100	7.6	6.8	8.3
Defiance	21,400	1,600	7.4	6.6	9.7
Erie	48,300	2,800	5.9	5.6	5.9
Fulton	23,800	2,300	9.5	5.3	9.7
Hancock	44,000	2,100	4.8	4.4	6.0
Henry	17,900	1,500	8.3	6.1	9.1
Huron	28,800	2,400	8.4	9.5	10.4
Lucas	230,200	19,500	8.5	8.6	9.7
Toledo	161,300	16,000	9.9	10.0	11.3
Ottawa	23,800	1,500	6.3	6.4	7.1
Paulding	9,800	600	6.2	5.8	9.0
Putnam	21,300	1,400	6.5	6.1	7.0
Sandusky	32,800	2,800	8.5	6.8	9.0
Seneca	30,200	3,100	10.2	7.4	9.8
Van Wert	15,900	1,100	7.1	4.7	8.8
Williams	19,600	1,500	7.8	6.5	9.8
Wood	67,700	4,600	6.7	5.6	6.4
State of Ohio	5.9 mil	349,000	5.9	5.8	6.3
United States	148 mil	8.2 mil	5.5	5.6	6.2

Source: Ohio Department of Job and Family Services

Foreign-trade zones promoted

Official says they are hope for future development

An Ohio Department of Development official says foreign-trade zones could be one of the state's best hopes for future economic development.

The biggest companies use them, and the eight zones in Ohio could be an attraction for many other firms, he said.

A federal official promised yesterday that the benefits of such zones soon will be available soon to thousands of small and middle-sized companies around the United States.

Foreign-trade zones were the topic at a seminar yesterday at the Wyndham Hotel in downtown Toledo that drew about 70 participants, including trade-zone officials, business executives, and economic-development leaders from several states. It was sponsored by Toledo's Regional Growth Partnership international trade unit.

> The Toledo seminar downtown drew about 70 participants

Trade zones, which have been around since 1934, allow businesses to assemble, manufacture, repackage, process, and store products, including imported goods, while deferring customs duties until they are marketed in the United States, and exempt the products from certain state and local taxes.

Such zones are a great tax

See **TRADE**, Page 13

OT law will bolster pay, Labor Dept. says

KNIGHT RIDDER NEWSPAPERS

WASHINGTON — The deputy labor secretary this week defended new federal overtime rules that take effect Monday that they will mean lower take-home pay for up to 6 million American workers.

The rules will strengthen, rather than erode, protections for workers' pay, Steven Law said.

The administration-drafted rules redefine the criteria that determine which administrative, professional, and executive employees get federally mandated time-and-a-half pay after 40 hours.

Ultimately, how employers use the rules and how overtime is redefined will be resolved in administrative judgments and courts.

A wide swath of occupations, including some registered nurses, nursery school teachers, store and restaurant managers, computer workers, funeral directors, and chefs are likely to lose their eligibility for overtime pay.

On the other hand, the new rules guarantee that anyone earning $23,660 a year or less is eligible for overtime. Until now, only workers who made less than $8,060 a year qualified automatically.

The administration says 1.3 million lower-income and "blue collar" workers in fields such as retail, manufacturing, food service, and hospitality industries will gain from this change.

Other likely losers are in a new category of "highly compensated" workers who will be exempt from overtime pay provisions.

They earn at least $100,000 annually and perform some administrative or executive duty such as managing one or more employees.

Police, firefighters, and other "first responders," plus practical nurses, health therapists and some military veterans, are exempt from the curb and are eligible for overtime regardless of their earnings.

Also exempt — from any part of the rules — are union members who are working under collective-bargaining agreements.

Critics of the new rules worry that roughly 6 million workers, most of whom earn $23,600 to $100,000, could lose overtime pay depending on the way their employers interpret the rules and define their jobs.

A recent study sponsored by the AFL-CIO found that, with the large exception of the higher-income threshold for overtime eligibility, "in every instance where the department has made substantive changes to the existing rules, it has weakened the regulatory criteria for, and thereby expanded the reach and scope" of exemptions that make employees ineligible for overtime pay.

"They certainly have a differ-

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