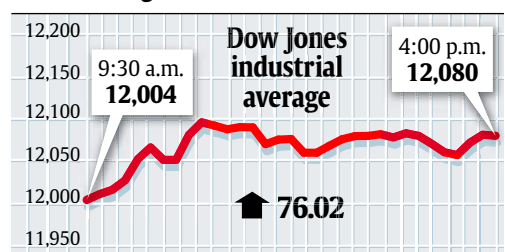


TUESDAY, JUNE 21, 2011

Moneyline

Monday markets



Index	Close	Change
Nasdaq composite	2629.66	▲ 13.18
Standard & Poor's 500	1278.36	▲ 6.86
Treasury note, 10-year yield	2.96%	▲ 0.02
USA TODAY Internet 50	157.03	▲ 0.32
Oil, light sweet crude, barrel	\$93.26	▲ 0.25
Euro (dollars per euro)	\$1.4304	▼ 0.0011
Yen per dollar	80.32	▲ 0.26

Sources: USA TODAY research, MarketWatch.com

▶ Market scoreboard with currencies, 6B

Quotes on your cellphone
 Send text message to 4INFO4 (446364) with STOCK TICKER (DELL) or FUND TICKER (AGTHX).

Google to digitize British Library books

About 250,000 books will be made available online in a deal between Google and the British Library. The agreement will let Internet users read, search, download and copy thousands of texts published between 1700 and 1870. It's a step toward the library's goal of making the bulk of its 14 million books and 1 million periodicals available in digital form by 2020. The deal with Google will see 40 million pages digitized in the next three years. ... **Borders Group** hopes to name a bidder by July 1, according to bankruptcy court filings. The bookseller, which filed for bankruptcy protection in February, said an auction is likely on July 19, with a hearing on July 22 and sale closing on July 29. Borders also said a financing condition has been amended that would have required it to close 40 stores. It will close them only if a sale does not occur by the end of July.

Researcher convicted in trade fraud

Winifred Jiau, a finance researcher who prosecutors said used code words such as "recipes," "cooks" and "sugar" to disguise an insider-trading scheme, was convicted of wire fraud and conspiracy to commit securities fraud in one of the first trials to result from a crackdown of Wall Street middlemen suspected of peddling inside data as if it were legitimate research. Jiau worked as a consultant for Primary Global Research.

Banks sold in \$3.6 billion deal

PNC Financial Services Group said that it is buying the U.S. retail operations of Royal Bank of Canada for \$3.6 billion. PNC said that the transaction will bring its total to 2,870 branches and make it the fifth biggest among U.S. banks. RBC Bank (USA) has 424 branches and about \$25 billion in assets.

Anadarko to pay \$17M in settlement

The Justice Department says Anadarko Petroleum, Kerr-McGee and affiliates have agreed to pay more than \$17 million to settle allegations of knowingly underpaying royalties on natural gas produced from federal land and Indian leases. With the settlement, oil and gas companies have paid more than \$249 million to settle allegations of shortchanging the government on royalties.

IHOP to open in Middle East

DineEquity, owner of the IHOP chain, plans to open 40 IHOPs in the Middle East with Kuwait-based franchiser M.H. Alshaya in its first major expansion outside the U.S. The restaurants will begin to open in the next 12 months in Kuwait, Saudi Arabia, Jordan, Lebanon, Qatar, the United Arab Emirates, Oman, Bahrain and Egypt. No financial terms were disclosed.

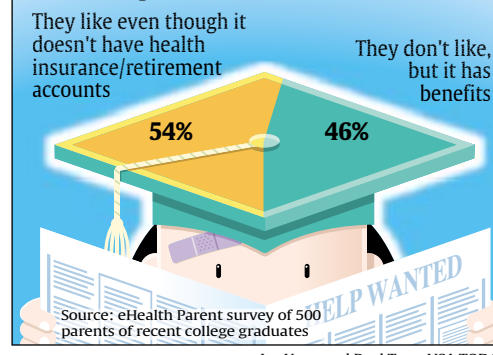
From Associated Press reports

Traveling for business today?

Read Ben Mutzabaugh's daily Today in the Sky blog at blogs.usatoday.com/sky

USA TODAY Snapshots®

As the parent of a recent college grad, I'd rather he/she finds a job that ...



Unrest: Greek police clash with protesters in Athens.

World

What's going to happen in Greece?

Greece's economic woes continue to rattle world finances. What's the outlook? 3B

Hybrid share of car sales tapers off

40-mpg conventional models catch buyers' eyes

By Chris Woodyard
 USA TODAY

Despite months of high gas prices, a bevy of new fuel-stingy cars with conventional gas engines may be eating into sales of pricier gas-electric hybrids.

Sales of high-mileage, high-value conventional compacts such as the Hyundai Elantra, Ford Focus and Chevrolet Cruze are hot, while hybrid sales have stagnated.

The hybrid share of U.S. auto sales peaked at 3.6% in July 2009, Edmunds.com says. Last month, it was 1.6%, depressed also by production cuts for some models due to the Japan disaster, but not enough to account for all the drop.

The new conventionally powered cars use vari-

ous strategies to boost gas mileage to near hybrid levels — without the batteries and electric motors that can add \$6,000 on average to a vehicle's cost, according to J.D. Power and Associates.

"Even with the fuel savings, it doesn't make sense to buy a hybrid" for many buyers, says Power senior manager Mike Omotoso. "This year, we had \$4 gas (in many cities), but we saw the introduction of compacts that get 40 mpg. All of these cars are considerably cheaper than hybrids."

While the nation's top-selling hybrid, the Toyota Prius, has a 50 mpg combined rating, other hybrid sedans get less. Ford's Fusion hybrid gets 41 mpg in the city and 36 mpg on the highway; Hyundai's Sonata hybrid gets 35 city and 40 highway.

Meanwhile, all Elantras and at least some Focus, Cruze and Honda Civic models are rated at 40 mpg or more on the highway.

Ford dealer Annette Sykora of Smith South Plains in rural Levelland, Texas, says hybrids have seen huge demand, but the new crop of high-mpg

▶ Virginia Tech wins EcoCar contest, 2B

sedans like Focus now has caught buyers' eyes. "Our customers are thrilled," she says.

Don't be so quick to count out hybrids, says Toyota division general manager Bob Carter. With a wagon about to join the sedan in the Prius lineup, more models will mean more sales.

"There are three things you can carve in stone: death, taxes and expansion of the hybrid market," Carter quips. He says hybrids have gone mainstream as more people are attracted by rewards of gas savings and environmentalism.

Future hybrids, however, likely will include more luxury models where the extra cost is not as big a factor in the overall price.

In any case, automakers face making more hybrids, whether buyers demand them or not. "In order to meet (rising federal gas-mileage standards), the whole fleet will get some form of hybridization," says Rebecca Lindland, analyst for IHS Automotive.



By Haruyoshi Yamaguchi, Bloomberg News

Back in business: Shortages of autos and parts from Japan hurt sales in the U.S. Production is recovering now.

Fed meets today amid uncertain economy

Has U.S. lost its footing on the path to growth?

By Scott Patterson
 USA TODAY

The U.S. economy is at a pivot point, teetering between another downturn and a return to the growth path it was on until earlier this year. That problem is sure to weigh on the mind of Fed Chairman Ben Bernanke as the Federal Reserve convenes today.

One corner of the economy that could tip the scales toward renewed growth: a bounce in auto sales and manufacturing in the second half of the year.

Growth isn't likely to surge, economists say. But it could tick up enough to reverse the slowdown seen in the auto sector, which took a hit after a devastating tsunami struck Japan and crimped supply lines and sales.

It's virtually guaranteed that policymakers won't boost short-term rates, which have hovered slightly

Less optimism at the Fed

The Federal Reserve will release its latest economic projections Wednesday, updating its April forecast. These are its 2011 forecasts' made in April and last June:

June 2010 projections	April 2011 projections
Change in real GDP	
3.5% to 4.2%	3.1% to 3.3%
Unemployment rate	
8.3% to 8.7%	8.4% to 8.7%
Inflation rate	
1.1% to 1.6%	2.1% to 2.8%
Inflation rate (excluding food and energy prices)	
0.9% to 1.3%	1.3% to 1.6%

1 — Projections for change in GDP and inflation are from 2010's fourth quarter to 2011's fourth quarter. The unemployment rate is for the fourth quarter of 2011.
 Source: Federal Reserve

Please see COVER STORY next page ▶

Facebook ad prospects shine in report

By Jon Swartz
 USA TODAY

SAN FRANCISCO — If there are lingering doubts about Facebook's IPO prospects, its fortunes in advertising should quell them. A new report says the social-networking giant is poised to overtake Yahoo this year for top spot in the U.S. online display-ad market.

Facebook, which is likely to go public in a mega-initial stock offering next year, could rake in \$2.19 billion in display-ad sales this year. That's good for an 18% share of the \$12.3 billion domestic market, eclipsing Yahoo's 13% and Google's 9.3%, researcher eMarketer says.

The lure of Facebook's nearly 700 million members and the amount of time its fervent users spend on it has prompted advertisers such as Coca-

Cola, JPMorgan Chase and Adidas to pour money into banner ads, videos, animated ads and sponsorships on Facebook, the study says.

Facebook's display-ad revenue more than doubled in each of the past two years, and will surge 81% in 2011, eMarketer forecasts.

"There is room for plenty of growth in online advertising," says David Hallerman, an analyst at eMarketer. He notes big advertising expenditures by automakers and makers of consumer-package goods, such as cereal and detergent.

Facebook had no comment. Google remains dominant in on-line search advertising, with 76% of the \$14.4 billion U.S. market for on-line search ads. But in display ads, Google will be in a dead heat with Yahoo in 2012, while Facebook will represent about one in five display-

ad dollars, Hallerman says.

That not only bolsters the case for Facebook's IPO, but underscores the pervasive power of social media as an advertising vehicle, he says.

Evidence is "everywhere," says Victoria Ransom, CEO of Wildfire Interactive, a social-media marketing service that converts views and clicks on Facebook ads into sales leads. She says more businesses are finding social media — in particular, Facebook, Twitter and YouTube — as practical, effective vehicles to reach hundreds of millions of consumers of all ages at all times of the day.

The ad projections should also calm jittery investors, after Forrester Research wrote about Facebook's weakness in generating online shopping and e-commerce sales, and the reluctance of some teens to use it to interact with brands.

20M may see bogus phone charges

'Cramming' involves unauthorized fees

By Mike Snider
 USA TODAY

As many as 20 million Americans may have unauthorized charges hidden on their land-line telephone bills, the Federal Communications Commission estimates.

This practice of "cramming" charges, typically from \$1.99 to \$19.99, for unauthorized products or services onto monthly statements often goes unnoticed ... for months, says FCC Chairman Julius Genachowski. "Consumers too often get bilked out of hundreds of dollars."

Genachowski today plans to propose that the FCC craft and adopt anti-cramming rules. "This is both about making sure consumers aren't getting ripped off and also about fostering trust in communication services," he says. "Practices that hurt the trust and confidence consumers have in communication services are bad for our economy."

The FCC and Federal Trade Commission stepped up their investigation of cramming in recent months after complaints to the FCC jumped, Genachowski says. For every victim of cramming, there are perhaps another 19 who don't notice that they are being victimized on their bills, the FTC found.

Phone service providers and third parties are typically the culprits, often improperly charging for voice mail or long-distance services. Genachowski cited as an example a St. Louis woman who was charged for 25 months of long-distance service she never authorized or used.

"We've seen people getting charges for yoga classes, cosmetics, diet products, and, yes, psychic hotline memberships," he says. "These mystery fees are often buried in bills that can run 20 or so pages, and they are labeled with hard-to-decipher descriptions like U-S-B-I."

The investigation resulted last week in the FCC issuing \$11.7 million in fines to four Pennsylvania-based companies: Main Street Telephone; VoiceNet Telephone; Cheap2Digital Telephone; and Norristown Telephone.

The Senate Commerce Committee plans a hearing on cramming and will soon issue a report on the practice, says the panel's chairman, Sen. Jay Rockefeller, D-W.Va.

The FCC launched a tip sheet at www.fcc.gov/consumers and urged consumers to review their bills every month, and report discrepancies to their phone company. "We all want to send a clear message: If you charge consumers unauthorized fees, you will be discovered, and you will be punished," Genachowski said.