

Exhibit 13



Angel answers prayers

Speedy rookie Reggie Willits is tearing up AL pitching for first-place Los Angeles, 1C

Willits: Batting .337 with 18 stolen bases.

USA TODAY

NO. 1 IN THE USA

More than meets the eye



Transformers, including Optimus Prime, return yet again, 1E

By David W. Newman

Fri/Sat/Sun, June 29-July 1, 2007

Newsline

News Money Sports Life

Weekend gas gauge

	Regular	Mid	Premium
Current average	\$2.975	\$3.159	\$3.274
Week ago	\$2.996	\$3.181	\$3.297
Year ago	\$2.859	\$3.036	\$3.146

Source: AAA.com, among other, director of price from previous week

Find prices in 50 states at money.usatoday.com



Bush is dealt a major blow on immigration

Sens. Edward Kennedy, left, and Harry Reid discouraged by bill's failure, 4A



Jobs jittery as iPhone debuts

Apple CEO waits out launch today of much-anticipated device, 1B
Q&A, 6B

role reversal

Your aging parents and you

Are you prepared to aid folks?

Financial planners and experts in elder care say it's never too soon to plan, 3B

How about \$1,300 for a speeding ticket?

Starting Sunday, that's what you could face in Virginia for going 20 mph over the speed limit, 3A

Money: End near for cable boxes

Starting Sunday, cable TV operators must offer a decoder that plugs into DVRs, TVs and computers, 1B

Sports: Milestones for Thomas, Biggio

Blue Jays' Frank Thomas hits 500th home run; Astros' Craig Biggio gets 3,000th hit, 1, 4, 6C

Life: Going to the castle to get married

Celebrities such as Eva Longoria and Tony Parker opt for storybook settings to exchange vows, 12D
10 places to honor USA's independence, 3D

Fed leaves interest rates unchanged, 1B

Index	Close	Change
Dow Jones industrial average	13,422.28	▲ 5.45
Nasdaq composite	2,608.37	▲ 3.02
Treasury note, 10-year yield	5.11%	▲ 0.03
USA TODAY Internet 50	152.75	▲ 0.84

Sources: USA TODAY, Reuters, MarketWatch.com

USA TODAY's 25th Anniversary Snapshots

We salute the nation's charities

Support for families

For more than 30 years, Ronald McDonald House Charities® has helped children and families in 50 countries around the world. Its primary programs:

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- 30 Care Mobiles, bringing medical, dental and educational care to underserved neighborhoods

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Crossword, Sudoku, Editorial/Opinion, 14-15A
Lotteries, 15B
Milestones Today, 15C
Market Scoreboard, 15D
State-by-state, 15E
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Draft follows script: Oden, Durant go fast



Portland takes Greg Oden No. 1; Seattle picks Kevin Durant, 1, 8-10C

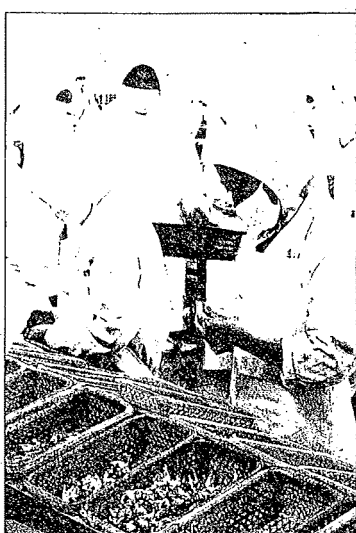


Congratulations Greg Oden, right, shares a hug with his father, Greg Oden Sr., after Thursday's draft in New York City.

By Todd Maiz, USA TODAY

FDA 'detains' Chinese fish

U.S. health officials say Thursday that China must prove five kinds of seafood are free of banned antibiotics before they can be imported.
Food and Drug Administration says tests found contamination, but risk is 'low.'
Chinese officials tell their side of the story.
Stories, 1, 6A



Fish processing: Yungyan Aquatic Food Group has invested in equipment that tests for drugs that the FDA bans in fish for human consumption.

Fish under scrutiny
Shrimp
Catfish
Eel
Bass
Dace

Crisis reflects struggles to improve safety of seafood

FDA refuses more shipments from China than any nation

By Julie Schmitt, Cahm MacLeod, Elizabeth Weise and Barbara Hansen USA TODAY

CHANGLE, China — At the Meihua Aquatic Processing Factory here, hundreds of workers in white coats and masks chop up squid headed for the U.S. market.

The tiled walls and stainless-steel equipment are those of a modern factory. But Meihua also represents the tarnished food-safety reputation that China is trying to shed and the risks facing U.S. consumers who increasingly are eating fish from China, the world's top seafood producer.

In the past 13 months, at least two dozen shipments of catfish, eel and tilapia from Meihua were rejected for entry into the U.S. by the Food and Drug Administration, FDA records show. The products were rejected because of actual or suspected contamination that included an anti-fungal that battles fish diseases but isn't allowed by the FDA because it has been shown to increase cancer rates in lab animals.

Recently there have been massive recalls linked to tainted ingredients in pet food, toothpaste and toy trains that came from China, but U.S. consumers are also likely to encounter Chinese seafood.

Communities blast fireworks as too risky
By Judy Keen USA TODAY
A laser light show will replace traditional July Fourth fireworks in Burbank, Calif., Woodstock, Ga., canceled its fireworks and plans to shut them off on Halloween.
Dozens of communities in drought-stricken areas are scraping public fireworks displays and cracking down on backyard pyrotechnics to reduce the risk of fires.
From a fire standpoint and a safety standpoint, it was an easy call. Burbank Fire Chief Tracy Pansini says. He recommended calling off fireworks at the Starlight Bowl because they're launched from a mountain side covered with vegetation that's "all dead."
It's the only time Burbank's fireworks have been canceled since they were first held at the amphitheater in 1994. "Ticket sales are

Cover story

Please see COVER STORY page 6A

Dry areas must settle for quiet 4th

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It's the only time Burbank's fireworks have been canceled since they were first held at the amphitheater in 1994. "Ticket sales are

pretty slow" for the night's events, says city recreation supervisor Cathryn Villalobos. "People are saying, 'If you're not having fireworks, we're not coming.' Elsewhere: Alabaster, Ala., canceled its public fireworks and Fire Chief Frank Matherson might propose at a City Council meeting Monday that all fireworks be prohibited.

"Most people will comply because they see how dry it is," he says. Water restrictions, including a ban on watering lawns, make fireworks even more risky, he says.

A 120-day ban on fireworks in Kentucky's Daniel Boone National Forest took effect Tuesday, says fire management officer Mitch Gandy. The 700,000-acre forest is popular with families with their own fire works. It's the first ban since 1999.

"We've had 70 fires so far this year," Gandy says. "Fireworks land in the leaves and set fires, which is potentially very dangerous." The ban for possessing or igniting fireworks, 575.

In Madison, Ala., public fireworks were canceled so firefighters can focus on possible fires from illegal but rampant private fireworks.

"We're worried about tying up the manpower because we're afraid we'll be busy elsewhere," Fire Chief Ralph Cobb says.

The July Fourth parade and festival are still on in Woodstock, but residents worried about dry conditions wrote to the city recommending that the fireworks be postponed, says city community affairs director Donna Godfrey.

There have been a record number of fire-danger warnings this year, Fire Marshal Dave Soumas says. The official fireworks always cause "little spot fires" that people don't see, he says. "Imagine how dry it is, and maybe we can't keep those contained."

His advice to anyone planning fireworks: "Have adult supervision and a hose or fire extinguisher in the area."

Contributing: Stefanie Frith of The (Palm Springs, Calif.) Desert Sun

School diversity programs in doubt

Ruling limits use of race as factor

By Joan Bishop USA TODAY

WASHINGTON — A Supreme Court decision striking down programs that consider race in students' school assignments to build district diversity reverberated nationwide Thursday as education analysts said it could threaten an array of public school programs.

The dramatic 5-4 decision throws into legal doubt programs that factor in race, including magnet schools that use race to draw students from different neighborhoods. The ruling is likely to spawn litigation nationwide.

The decision came on the last day of the court's 2006-07 session — a term marked by deep ideological divisions and heated rhetoric. Chief Justice John Roberts announced the decision defying racial balancing in schools. Stephen Breyer, speaking for the liberal dissenters, declared that the legacy of Brown v. Board of Education was at risk. The 1954 case set the nation on the path of desegregation.

The nation's schools use race in countless ways, from set percentages of whites and blacks in school assignments, as did districts from Seattle and Louisville before the court ruling Thursday, to more subtle methods that steer minority students into special programs. It will be left to lower courts to determine what policies meet the standard set by Justice Anthony Kennedy, who provided the key fifth vote for the majority and whose opinion dictates the new rule of the case.

"There are a lot of districts who will say, 'We don't want to run the risk of lawsuits,' and will simply move away from magnet school programs," said Spelman College president Beverly Daniel Tatum.

National School Boards Association executive director Anne Bryant said she hoped schools would continue with "color-blind" race-conscious policies, including magnet programs.

Kennedy wrote separately to distance Roberts' categorical opposition to racial policies and to say that the door is still open to some district efforts that consider schools' racial makeup, rather than individual student's skin color. He said officials could pursue diversity by strategically considering where to build a school or where to allocate resources.

The voluntary integration policies at issue Thursday were part of district efforts to counteract racially segregated housing patterns.

In Louisville, the Jefferson County School Board ensured that each elementary and secondary school had at least 15% but no more than 50% African-American students. In Seattle, a student assignment plan similarly sought a racial balance among high schools. When a school was oversubscribed, officials used various tiebreakers, one of them race, to achieve diversity.

Some parents were a minute dissent, was joined by John Paul Stevens, David Souter and Ruth Bader Ginsburg.

Contributing: Greg Toppo

Movies with impact

Coming Monday: From hobbits to Tarantino, our anniversary look at films that changed Hollywood

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Reuters

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■ Apple CEO waits out launch today of much-anticipated device, 1B

■ Q&A, 6B

role reversal



Your aging parents and you

Are you prepared to aid folks?

■ Financial planners and experts in elder

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USA TODAY

Money

SECTION B

Friday, June 29, 2007

Moneyline

Thursday markets

13,300	9:30 a.m.	Dow Jones Industrial average	13,428
13,400			
13,350			
			▲ 5.45
	4:00 p.m.		13,422
Indices			
Nasdaq composite	2,604.37	▲ 0.92	
Standard & Poor's 500	1,505.71	▲ 0.63	
Treasury note, 10-year yield	5.21%	▲ 0.01	
Treasury note, 10-year yield	5.11%	▲ 0.03	
USA TODAY Internet 50	152.75	▲ 0.84	
e-Business 25	119.45	▲ 1.23	
e-Consumer 25	262.53	▲ 0.72	
Oil, light sweet crude, barrel	\$69.57	▲ 0.60	
Euro (dollars per euro)	\$1.3432	▲ 0.0013	
Yen per dollar	123.18	▲ 0.75	

SOURCE: USA TODAY Markets, Wall Street Journal

Market scoreboard with currencies, 58

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Airlines seek broader antitrust immunity

Northwest and Delta, along with four other members of the SkyTeam global airline alliance, asked the Transportation Department on Thursday for expanded antitrust immunity that would allow them to act together in scheduling, pricing and operating their trans-Atlantic services. Delta now has antitrust immunity with Air France, Alitalia and CSA Czech Airlines, while Northwest and KLM Royal Dutch Airlines have immunity. The request is to expand the immunity to cover all six of the carriers. Four of the carriers, Delta, Northwest, Air France and KLM, also plan to form a joint venture to "create a comprehensive and integrated partnership ... across the Atlantic."

RIM's profit surges; Palm's plummets

BlackBerry maker Research In Motion reported a higher first-quarter profit Thursday, beating expectations and sending its shares higher, as it added more subscribers for its popular wireless e-mail devices than it had forecast. The company also announced a 3-for-1 stock split, which it plans to implement through a stock dividend. RIM said it earned \$223 million, or \$1.17 a share, for the three months ended June 2. That was up from a profit of \$129 million, or 67 cents a share, in the same period a year ago. Adjusted profit was \$120 a share, beating predictions RIM made in April, as well as analysts' expectations. Its shares rose \$2.46 in after-hours trading to \$193.05. ... Meanwhile, Palm reported a 43% plunge in fiscal fourth-quarter profit, and sharply rising costs and blistering competition. For the three months ended June 1, the company said it earned \$15.4 million, or 15 cents per share, on revenue of \$401 million. In the year-ago period, Palm earned \$27.2 million, or 25 cents per share, on sales of \$403 million. Palm shares closed Thursday at \$16.56, up 31 cents or nearly 2%, but lost 42 cents in extended trading after the fourth-quarter results were announced.

Security Benefit to acquire Rydex

Security Benefit, a privately held financial services firm, said Thursday that it agreed to acquire Rydex Investments. Rydex manages more than \$15 billion in mutual funds, exchange traded funds and institutional products. Security Benefit provides mutual funds, annuities and retirement plans and programs. Terms of the deal, which is expected to close in the fourth quarter, were not disclosed. Rydex is known for innovative products such as "inverse" funds that move in the opposite direction of a market or magnify the direction of a move. It was an early entrant in exchange traded funds, one of the fastest-growing investment areas.

Briefly ...

Blockbuster said Thursday that it expects to close about 282 stores this year as it struggles with competition. In an investor presentation filed with regulators, Blockbuster said it closed about 290 stores in 2006. ... An online charity auction for the right to dine with President Warren Buffett has so far fetched a top bid of \$300,100, less than half of last year's \$620,100. The auction ends today at 10 p.m. ET.

Compiled by Eric Nordwall from staff and wire reports

Track stocks, mutual funds online

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USA TODAY Snapshots®

Latest CD yields

Average certificate of deposit yields as of Wednesday.

6-month	This week	3.57%
	Last week	3.57%
	Year ago	3.41%
1-year	This week	3.76%
	Last week	3.76%
	Year ago	3.81%
2½-year	This week	3.76%
	Last week	3.75%
	Year ago	3.93%
5-year	This week	3.86%
	Last week	3.96%
	Year ago	4.17%

Savers' Scoreboard, 38

Source: Bankrate.com. For more interest rates at rates.usatoday.com.

role reversal

Your aging parents and you

USA TODAY

ABC NEWS

By Robert Abrams, USA TODAY

If Mom moves in ...

You might have to do some re-modeling to accommodate an elderly parent's needs. Time to start saving now.

Story, 3B

Road warrior tested. Multitasker approved.

The new, slimmer Palm Treo 755, powered by the nation's largest mobile broadband network.

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Sprint

Together with nextel

Nextel Mobile Broadband Network

iPhone's launch gives Jobs butterflies

Apple CEO says sales of 10 million are 'reasonable'

By Jefferson Graham and Edward C. Baig
USA TODAY

NEW YORK — After all the hype around today's launch of Apple's much-awaited iPhone, Apple CEO Steve Jobs admits he's nervous.

"We wanted to make a phone so great, you couldn't imagine going anywhere without it," Jobs said in an interview Thursday.

That was our goal, and we think we achieved it. That's why we have such butterflies in our stomach. We get to see Friday if people agree with us.

The iPhone — a combination widescreen iPod, cell phone and pocket Internet device — goes on sale at 6 p.m. at Apple's 164 stores and nearly 1,800 AT&T stores. Apple will limit purchases to two per customer. Apple will make orders at its website, but not AT&T. The iPhone is an AT&T customer in North Dakota and parts of Montana, Idaho and Maine, where AT&T has few stores

and Apple has none, stick with Apple's website.

The phones cost \$499 or \$599, in addition to a two-year AT&T contract that starts at \$59.99 a month.

It's not that expensive when you think about how much a BlackBerry is, and how much more you've got with this," says Rebecca Borsma, a student from Michigan who'd been camping out since Wednesday at the Apple Store on Fifth Avenue in New York.

Scott Conley, also waiting in line in New York, says he has room in his pocket for one device and wants something that can give him e-mail and music. USA TODAY showed Conley its loaner review copy, and he was impressed. "This has better resolution than I thought."

In January, when he first unveiled the iPhone, Jobs projected sales of 10 million in the first 18 months, a figure he reiterated on Thursday. "We think 10 million is reasonable," he said.

Some tech and Wall Street analysts believe Apple



Steve Jobs

Q&A with Jobs, AT&T's Randall Stephenson, 6B

could exceed that. "Like the iPod, Apple will come out with many versions and different prices," says Mike McGuire, an analyst at research firm Gartner.

Charles Wolf, an independent analyst at Wolf Insights, expects prices to fall within two years. By 2015, he forecasts sales of 100 million iPhones a year. According to IAC Research, some 1 billion cellphones are sold annually worldwide.

Apple stock, up 44% this year, closed Thursday at \$120.56 a share, near the \$127.61-a-share peak it hit a few weeks ago.

For the iPhone faithful camping out in New York, even waiting through a Wednesday night downpour was worth it.

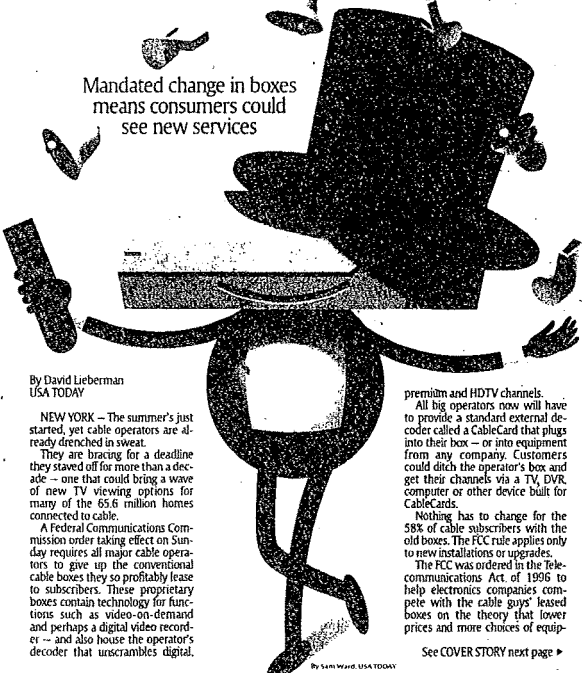
"It's a 30-year-old law that prevented Nguyen, an iPhone hopeful, camped outside the New York Apple Store since 5 a.m. Wednesday. "I've been nuts since January,"

Graham reported from Los Angeles, and Baig, from New York

Cover story

Sunday begins new era for cable subscribers

Mandated change in boxes means consumers could see new services



By David Lieberman
USA TODAY

NEW YORK — The summer's just started, yet cable operators are already drenched in sweat.

They are bracing for a deadline they staved off for more than a decade — one that could bring a wave of new TV viewing options for many of the 65.6 million homes connected to cable.

A Federal Communications Commission order taking effect on Sunday requires all major cable operators to give up the conventional cable boxes they've so profitably leased to subscribers. Their proprietary boxes contain technology for functions such as video-on-demand and perhaps a digital video recorder — and also house the operator's decoder that unscrambles digital

premium and HDTV channels.

All big operators now will have to provide a standard external decoder known as a CableCard that plugs into their box — or into equipment from any company. Customers could ditch the operator's box and their channels via a TV, DVR, computer or other device built for CableCards.

Nothing has to change for the 58% of cable subscribers with the old boxes. The FCC rule applies only to new installations or upgrades.

The FCC was ordered in the Telecommunications Act of 1996 to level the playing field between cable companies and the cable guys' leased boxes on the theory that lower prices and more choices of equip-

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See COVER STORY next page ▶

Fed again leaves interest rates unchanged

Inflation outlook lessens chances of a cut this year

By Barbara Hagenbaugh
USA TODAY

WASHINGTON — Federal Reserve policymakers welcome recent declines in inflationary pressures, but they aren't dashing victory, dabbling any remaining hopes for an interest rate cut in 2007.

The economy Fed officials in a unanimous move left their target for short-term interest rates at 5.25%, the highest in 6½ years, following the conclusion of their two-day meeting Thursday. The Fed has not changed rates since June 2006 after raising them 17 times over two years.

In their post-meeting statement, Fed Chairman Ben Bernanke and his colleagues said the economy was expected to continue to grow at a "moderate pace"

during the rest of the year, suggesting growth is not so strong as to warrant a rate increase to slow the economy.

But while inflation data has "improved modestly" recently, "a sustained moderation ... has yet to be convincingly demonstrated," the Fed officials said.

They warned there was a risk inflation pressures could build, disappointing those who had been hoping the Fed would cut rates soon to boost the economy.

"Some market participants may have been holding out for a signal that (the Fed) will cut rates, and they didn't get it," Raymond James & Associates chief economist Scott Brown says. He expects the Fed will leave rates unchanged for the rest of 2007, but "the next move is as likely to be higher as it is to be lower."

Financial markets erased modest gains seen prior to the announcement. The Dow Jones industrial average closed the day down 5.45 points.

Inflation has moderated in recent months but still remains on the high side

of what some Fed officials, including Bernanke, have deemed their comfort zone of 1% to 2%. The Fed's preferred inflation measure, based on spending excluding food and energy, was 2% in April, down from 2.4% in February.

The Fed's decision to leave short-term rates unchanged means a wide range of borrowing costs and interest rates will likely stay the same.

Consumers with home equity lines of credit, car loans, variable-rate credit cards and other consumer loans tied to the prime rate will likely see little, if any, change in rates. Mortgage rates, which have risen in recent months, will likely not move higher as worries about rate increases diminish, Quicken Loans chief economist Rob Walters says.

Savers hoping for higher rates of return may be disappointed, because rates on certificates of deposit are also not expected to change much.

Contributing: Sandra Block

Ruling may hurt discount pricing

Supreme Court overturns ban on setting minimums

By Christine Dade, Lynne O'Donnell and Laura Petrecca
USA TODAY

Bargain hunters may find fewer deals on high-end apparel, accessories and electronics following a Supreme Court ruling Thursday.

The 5-4 decision overturned a 90-year-old law that prevented manufacturers from setting minimum retail prices. The majority wrote that lifting the pricing ban could benefit consumers if retailers offer better service or selection.

Richard Doherty of technology market researcher The Envisio-nering Group agrees, saying the pricing ruling could lead retailers to use more free products and better service as sales incentives. "It's sure to be to consumers' benefit this summer and through Christmas."

Others predict a different result. "Many prestigious brands will use the decision to require retailers to sell at a specified price," says Washington, D.C., attorney Steve Feinman. "Suggested retail prices had to be suggested to be lawful. Now they can be mandatory."

Consumer advocates say that will be costly to shoppers. "Over the long term ... discounts will be squeezed out of the market," says the Consumer Federation of America's Mark Cooper.

Antitrust lawyer Joe Sims expects limited impact from the ruling. Manufacturers now may set prices, but it will be costly to monitor and enforce that price distribution, says the Washington, D.C., lawyer. And, he adds, if the price is too high, they'll lose customers.

The lawsuit arose when Leggin Creative Leather stopped shipping its Brighton tooled-leather accessories to Dallas-area store Kay's Kiosks, which the store was selling the goods more cheaply than Leggin wanted. After Leggin cut the store off, Kay's filed an antitrust lawsuit.

Burlington Coat Factory, which filed a brief supporting Kay's, worries about the impact on the off-price chain. Burlington attorney Hargrett-Hayes says the decision "an open invitation to manufacturers and high-price retailers to fix retail prices at a higher level. It will be detrimental to our business, but I really can't tell how much."

The Consumer Electronics Association says it supports the court decision but adds, it says, "Sales training, industry marketing and after-sales service" are what many TV and audio gear buyers look for.

Bill Gates, of golf equipment maker Ping, says, "Not every consumer is a bargain shopper. Some consumers are looking for quality, innovation, personalization and customer service when they shop."

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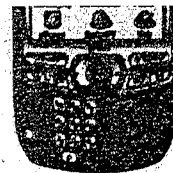
abc NEWS

modeling to accommodate an elderly parent's needs. Time to start saving now. Story, 3B

By Robert Ahrens, USA TODAY

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Sprint Mobile Broadband Network reaches over 200 million people. Not available everywhere—see in-store map for details. Not available in all markets or retail locations.

iPhone's launch gives Jobs butterflies

Apple CEO says sales of 10 million are 'reasonable'

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AP

Steve Jobs

► Q&A with Jobs, AT&T's Randall Stephenson, 6B

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Cover story

Sunday begins new era

Ruling may hurt

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Apple, AT&T CEOs see iPhone as industry game-changer

With the iPhone set to go on sale today, Apple CEO Steve Jobs and AT&T CEO Randall Stephenson spoke with USA TODAY's Jefferson Graham about the hotly anticipated launch and its impact on their companies. Edited excerpts:

Q: Even before its release, the iPhone has taken the country by storm. Why?

Jobs: People throw technology at us constantly, and most of us say, "I don't have time to figure that out."

As people have read about the iPhone, they've seen amazing capabilities, capabilities they themselves could figure out how to use.

We've had millions and millions and millions of views of our videos about the iPhone. One (video) is 25 minutes long.

We've crossed 5 million views of that video on our site, and it went up less than a week ago — and that's not including the copies on YouTube.

We're excited not about the anticipation but about putting this in people's hands.

Stephenson: We use this term a lot at AT&T: We think the iPhone is a game-changer in our industry. It will change how people think about these handsets.

Q: People are lining up now to buy the iPhone. How do you make sure there isn't bedlam?

Jobs: It's happened before. Peo-



By Tony Avelar, AFP/Getty Images

Jobs: Says he's excited about putting iPhone in consumers' hands.

ple line up for our products and are respectful of each other.

We don't anticipate any problems.

Q: Why did you choose 6 p.m. to put the phone on sale, instead of the more traditional 10 a.m.?

Jobs: People are off work. It's a time that's democratic. It's still light out. We wanted everybody to have the same chance.

Q: Many analysts believe the iPhone will sell out on opening night. Are they right?

Jobs: We don't know.



By John Raoux, AP

Stephenson: Edge network more broad-based than 3G network.

Q: How long will it take to get phones if you are sold out?

Jobs: We've made a lot of 'em. It may not be enough, but we will work as hard as we can to get more into the stores.

Q: What if you are sold out by Saturday? Will you let people buy them for pickup later?

Jobs: No, you're going to have to come back in. When you start taking people's money and can't deliver the product, there are lots of legal issues.

Stephenson: Same here. They'll have to come back.

Talking Tech



Check out Ed Baig showing the iPhone to the faithful waiting in line at the Apple Store in New York at tech.usatoday.com.

► iPhone on sale today, 1B

Q: Reviewers were effusive in praise for the iPhone but had issues with AT&T's Edge network, which they say is slower than so-called 3G, or third-generation, networks.

Stephenson: With a device like this, you need a broad-based network that covers every nook and cranny of the country. That's Edge. It does a nice job.

(The iPhone) also has Wi-Fi, which is better than anything you'll find in any handset. Between the two, you'll get a good experience. We're selling tens of thousands of BlackBerry devices, which are all Edge phones, and they perform well. We've tested this nine ways to Sunday, and we think the experience will be great.

Jobs: The iPhone switches to any known Wi-Fi network when it senses one. What we've found is that Edge is terrific for e-mail and basic Internet usage. When people

need more speed, there's Wi-Fi. People are in areas with Wi-Fi much more than they think. I walk into work with the iPhone, and it instantly switches to a Wi-Fi network. If I'm walking down the street in downtown Palo Alto, the iPhone will switch from Edge to Wi-Fi. It's very fluid.

Stephenson: I carry a 3G phone and the iPhone, and in terms of the general experience, it's comparable. I'm not concerned.

Q: What about corporate e-mail? I understand that's an issue for many consumers who may not be able to tap company networks.

Jobs: You'll be hearing more about this in the coming weeks. We have some pilots going with companies with names you'll recognize. This won't be a big issue.

Q: When will the iPhone go on sale overseas?

Jobs: We have no announcement to make now.

Q: Many tech analysts have suggested that with the expected success of the iPhone, Apple is about to be transformed.

Jobs: I hope it doesn't change Apple too much. We like it the way it is. We've got two strong legs on our chair: the Mac business, which is a \$10 billion business, and music — our iPod and iTunes business —

which is \$10 billion. We hope the iPhone is the third leg on our chair. And maybe one day, Apple TV will be the fourth.

Stephenson: It helps us complete our change from Cingular to AT&T and has created a halo effect for the rebranding. I'm with Steve, though: I like it the way we are, and I hope it doesn't change it too much.

Jobs: Working together with a partner like AT&T is a change for us. AT&T knows more about large networks. One of the things that's fun for us is partnering on new features like visual voice mail. Now, we have a radically improved voice mail for the customer, and there's nothing we could have done on our own to make that happen.

Stephenson: Voice mail is one of the least-favorite products I sell. Now, with visual voice mail, it's a product I like.

Q: How long has the iPhone been in development?

Jobs: We started with the iPhone three years ago. We're product folks. We wanted to create a phone we loved. When we started this, none of us loved our phones. We wanted to make a phone so great, you couldn't imagine going anywhere without it.

That was our goal, and we think we achieved it. That's why we have such butterflies in our stomach. We'll get to see Friday if people agree with us.

Mutuals

Mutual fund closing quotations

Track all your mutual funds

EGGR	26.95	02 +6.7	TEVA	12.28	-01 -0.06
ELINC	8.89	+4.5	TECA	16.48	-1
GNMAI	9.93	-02 -2	WASH	37.23	-04 +7.8
GIFI	27.17	+1 +24.7	Ariel Mutual Fds:		
GIGOLD	18.10	+12 -7.2	ABPAC	53.22	+16 +10.3
GROWTH	22.96	+7.9	AARL	58.19	+09 +12.3
HERITAGE	19.69	+07 +24.7	Arlman Funds:		
MCRO	35.13	+01 +7.9	INTL	31.81	+18 +9.7
INTDNC	16.99	+1 +15.5	INTSMC	24.45	+05 +12.0
INTBND	12.62	03 -0.0	INTVIL	29.36	+11 +5.1
INTGRD	11.75	+04 +9.3	MIDCAP	35.14	+01 +15.4

BlackRock Inst:			Columbia Class Z:		
INTVIL	34.26	+06 +10.1	ACORN Z	32.81	+08 +11.7
BOVIL	33.99	-04 +8.1	ACORNINT	23.90	+21 +13.8
BOICAP	29.03	-01 +5.9	ACORNSEL	23.90	+21 +13.8
BONFID	11.71	02 -4	ACORNUS	24	+13 +10.0
NOITHUN	10.37	01 +3	COREBZ	10.31	-02 -1
S&P500	18.67	-01 +7.0	HILNCZ	9.03	+01 +2.3
ValueOp26	57	+02 +9.6	INTBAZ	9.65	02 +4
Brandywine Fds:			INTEBD 10.11		
BLUFIN	35.28	+08 +11.3	INTCZ	18.14	+04 +7.8

CNMA	51.34	03 +2	INTVO	25.81	+03 +12.5
GIBThema	87	+13 +10.9	INTV2	23.81	+03 +12.6
GRINCS	27.77	-02 +3.1	INTV3	24.11	+03 +12.6
INT FDS	67.70	+35 +9.7	INTV4	21.18	+03 +12.7
LEGCOV	23.73	+05 +8.8	GLSPK	10.75	-02 +2.7
LEAFAM	24	+76 +29.9	LCOINT	26.30	+07 +10.2
MDMUNI	58.97	0.00	TM US	27.07	+03 +12.4
DWS Scudder Inst:			TM INTV	21.86	+03 +12.4
EA500L	17.50	-07 +7.1	TAMMUS	17.37	+02 +8.7
LLUSIT	11.39	-01 +4.8	TAMMV2	19.26	+02 +8.8
DWS Scudder Inv:			TAMUS	15.89	+7.5

CoTEB	24.56	-01 -2	FBR Funds:		
EMER	35	+7 +15.5	SMCO	58.58	+01 +8.3
FNAL	49.87	-03 +5.7	FBI Funds:		
DRLEACH	36.40	-01 +13.3	FBI	36.40	-01 +13.3
AGOR	45.76	+5 +17.1	FBI	36.40	-01 +13.3
CSH	44.44	-17 +12.5	FBI	36.40	-01 +13.3
KYTE	1.42	-1	FBI	36.40	-01 +13.3
EVFIRHIA	71	+3.3	FBI	36.40	-01 +13.3
EVFIRHIA	71	+3.3	FBI	36.40	-01 +13.3
EVFIRHIA	71	+3.3	FBI	36.40	-01 +13.3
EVFIRHIA	71	+3.3	FBI	36.40	-01 +13.3

FR2035	13.94	+01 +8.5	INTSCA	20.23	+24 +12.2
FR2040	9.27	-01 +8.7	INTSCB	17.75	+14 +12.7
INCOME	11.66	-13.2	INTSCC	17.75	+14 +12.7
Fidelity Inst:			INTSCD	17.75	+14 +12.7
AGOR	22.84	+08 +13.7	INTSCE	17.75	+14 +12.7
AMAR	14.86	-01 +5.3	INTSCF	17.75	+14 +12.7
AMAR	12.92	+7.0	INTSCG	17.75	+14 +12.7
AMAR	12.92	+7.0	INTSCH	17.75	+14 +12.7
AMAR	12.92	+7.0	INTSCI	17.75	+14 +12.7
AMAR	12.92	+7.0	INTSCJ	17.75	+14 +12.7
AMAR	12.92	+7.0	INTSCK	17.75	+14 +12.7
AMAR	12.92	+7.0	INTSCL	17.75	+14 +12.7
AMAR	12.92	+7.0	INTSCM	17.75	+14 +12.7
AMAR	12.92	+7.0	INTSCN	17.75	+14 +12.7
AMAR	12.92	+7.0	INTSCO	17.75	+14 +12.7
AMAR	12.92	+7.0	INTSCP	17.75	+14 +12.7
AMAR	12.92	+7.0	INTSCQ	17.75	+14 +12.7
AMAR	12.92	+7.0	INTSCR	17.75	+14 +12.7
AMAR	12.92	+7.0	INTSCS	17.75	+14 +12.7
AMAR	12.92	+7.0	INTSCU	17.75	+14 +12.7
AMAR	12.92	+7.0	INTSCV	17.75	+14 +12.7
AMAR	12.92	+7.0	INTSCW	17.75	+14 +12.7
AMAR	12.92	+7.0	INTSCX	17.75	+14 +12.7
AMAR	12.92	+7.0	INTSCY	17.75	+14 +12.7
AMAR	12.92	+7.0	INTSCZ	17.75	+14 +12.7