

# MARKETPLACE

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## PORTALS

By LEE GOMES

### Committees Are Useful And Very Efficient—Well, in the Tech World

COMMITTEES DON'T HAVE the best reputation, what with all the jokes about designing a horse and ending up with a camel. As far as the tech world goes, though, it's a bum rap. Committees are the unsung heroes of technology, not to mention the source of many of its advances—something that a looming change in PC disk drives makes clear.

Thus, this homage to committees. If you look inside your PC and find your hard disk drive, you'll see a two-inch-wide cable coming out of it. Soon, new PCs will have a much thinner cable, and with it a faster and more power-efficient way for computers to talk to their disk drives.



For those of us who like nothing better than to scrape their knuckles raw fiddling around the sharp metal edges inside a PC, it's hard to imagine bigger news.

This new disk-drive connection system is called Serial ATA, and it was willed into existence in a span of two years by a standards-setting committee comprised of representatives from a number

of PC companies. In making proprietary products such as Windows and the Pentium, companies like Microsoft and Intel own the whole ballgame and essentially can do whatever they want. But for the other parts of a PC whose basic blueprints are owned by no one—disk drives, power supplies, Wi-Fi networking cards—a committee usually comes up with the specifications that make sure everyone's version of the product works the same way.

HOT-SHOT PROGRAMMERS and eureka-shouting entrepreneurs may get all the glory, but the real grunt work in the tech world gets done by these collections of engineers sitting around conference tables arguing about voltage levels and pinout schematics.

People who study these committees, like Joel West of San Jose State University, note that they sometimes get hijacked by companies. One famous story involves Rambus, a chip maker accused of persuading a standards committee to adopt a particular design for a new breed of fast memory, but not disclosing it held patents on the design. Rambus says it disclosed everything it needed to.

But in the case of Serial ATA, "the process worked just the way it is supposed to work," says Mark Geneen, chairman of International Disk Drive Equipment and Materials Association, a trade group.

Intel was a prime mover behind Serial ATA. The company is routinely involved in standards-setting committees. While skeptics would say Intel's goal is to keep the rest of the PC as standardized and inexpensive as possible so people can afford its nonstandardized and expensive Pentiums, one shouldn't look this gift horse in the mouth.

Jason Ziller, the Intel manager who chaired the Serial ATA committee for two years, said Intel started thinking about the need for a new design in the late 1990s. Intel's CPUs were becoming more power-efficient, he said, and the company wanted to bring down voltages everywhere else in the PC, including the connection to the disk drive.

At first, Intel, Dell, some disk drive makers and a few others were involved. Eventually, hundreds of companies joined up. The process took two years. There were regular telephone calls, occasional face-to-face meetings, endless drafts posted on Web sites: It's Jeffersonian democracy, geek style.

THE END RESULT is a 310-page "final spec," a document comprehended only by folks on familiar terms with "error-burst-rate thresholding."

In the process of lowering the signal voltages for disk-drive connections, the committee managed to speed up the communications process and come up with a thin, flexible replacement for the bulky, brittle ribbon cable currently used. Serial ATA disk drives are just now starting to ship en masse, and are expected to completely take over in a few years.

In this particular committee, the effort went pretty smoothly because no big player had a vested interest in pushing a particular technology. But even in something as innocuous as drive-connection systems, there are strategic interests to be considered.

Some members of the committee wanted to design the new ATA standard so it aggressively competed with a rival connection system known as SCSI, for Small Computer System Interface. But SCSI drives are a source of great profit for some of the disk-drive makers on the panel. So it was agreed that the first versions of the standard would tread lightly around SCSI, largely by not making Serial ATA too fast, too soon.

Sure, it was the sort of compromise that gives committees a bad name. But the Serial ATA folks also left the standard open-ended, and newer and faster versions of the spec are being developed even now.

So the next time you walk past a hotel conference room and see a bunch of guys sitting around a table staring at an overhead slide showing something you don't understand, don't disturb them. They may be inventing the future.

Send your comments to lee.gomes@wsj.com, and check back on Friday for some selected letters at WSJ.com/Portals.

## Hospitals Urged to End Harsh Tactics for Billing Uninsured

By LUCETTE LAGNADO

FACING A GROWING public backlash, the hospital industry is weighing fundamental changes in the way it bills and collects payments from needy patients who have little or no health insurance.

The American Hospital Association, an industry trade group, dispatched an "Alert" on June 10 to the chief executives of 4,800 hospitals across the U.S., as well as every state hospital association. It suggested they perform the equivalent of an "audit" of their billing, charity-care and debt-collection practices.

The Alert, including a cover letter from the AHA's president and a three-page memo, warns of increased media scrutiny of how hospitals bill the uninsured and notes that a congressional committee "has expressed a high level of concern." The House Committee on Energy and Commerce confirms that its oversight and investigations subcommittee has launched a preliminary investigation into hospital pricing.

Rick Wade, an AHA senior vice president, says that congressional staffers appear to be interested

in the thorny issue of "charges," which are the retail prices that hospitals list for their services. "We have offered to cooperate," he adds.

The charges issue has become a focus of health-care advocates, who have flagged a major inequity in the billing system: While hospitals negotiate discounts with insurers and HMOs that require payment of only a fraction of the listed charges, they ask the uninsured to pay the full rates and then pursue them aggressively to collect.

The AHA Alert urges members to stop using harsh bill-collection tactics that reflect poorly on the industry. If hospitals are hounding people who have no resources and aren't informing them about available resources and charity care, "that is inappropriate and they should stop," Mr. Wade says. "Hospitals exist because they have a relationship with their communities that is built on trust and compassion, and that compassion has to go from the bedside to the billing office."

Mr. Wade also stresses that the "vast majority" of his member hospitals work hard to stay true to their charitable roots, and take their responsibilities to minister to the needy and the

### Industry trade group warns members of media and congressional scrutiny of aggressive collection tactics.

uninsured seriously.

In recent months, The Wall Street Journal has provided extensive coverage of the billing and collection issues addressed by the Alert. In March, the Journal described the case of Quinton White, a 78-year-old widower who was trying to pay an ever-expanding bill incurred by his late wife at Yale-New Haven hospital 20 years before. The hospital subsequently forgave the debt and announced significant changes in its collection practices. The Journal also explored the case of Rebekah Nix, a 25-year-old uninsured woman who amassed \$19,000

in hospital and doctor bills for an appendectomy at New York Methodist Hospital in Brooklyn. Those fees were considerably higher than an HMO, insurer or Medicaid would have paid. The hospital ultimately cut its portion of her bill sharply.

The AHA memo outlines remedial measures hospitals should consider, ranging from the cosmetic to the substantive. Hospitals are urged to be more transparent about what they charge; to be proactive in identifying low-income patients who may qualify for assistance and helping them obtain subsidized or charity care; and, finally, to be, in effect, kinder and gentler in collecting what is owed to them. Hospitals frequently employ outside collection agencies and lawyers who use such methods as filing lawsuits, slapping liens on homes, seizing bank accounts, and garnishing wages to extract payment.

The AHA memo suggests these practices need to be re-examined—especially since such tactics can result in a predatory image at odds with a hospital's charitable mandate. "Demand that the individuals or agencies involved in billing or debt collection on behalf of your hospital or health system

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## Denim Gets Daring in Asia



Shopping for Levi jeans in Singapore; Levi Strauss has opened stores in Asia selling only women's jeans (inset).

### New Sexy, Hip-Hugging Jeans Attract Women Who Avoided Casual 'Weekend' Image

By CRIS PRYSTAY

SEVERAL PAIRS of blue jeans lurked at the back of Chin Chelliah's closet for some time. Now, an entire bunch occupy a prime space up front.

The 33-year-old Ms. Chelliah, who shops for clothes everywhere from flea markets to designer boutiques, has bought eight pairs of jeans—top-end brands like Seven, Earl and Marc Jacobs—in the past year alone.

Across Asia, women are hanging up their skirts and tailored slacks in favor of jeans. It's not just urban teenagers, and it's not the classic look that's gaining ground. Rather, upwardly mobile and fashion-conscious women are snapping up snug-fitting jeans that sit lower on the hips, emphasizing

curves and creating a sexy look.

"In the past, jeans weren't as feminine as they are now," says Ms. Chelliah, the owner of Asiatic Collections, a furniture store here.

For the past 18 months, more Asian women than men have been buying jeans, according to market research conducted by Levi Strauss & Co. Asia's jeans market grew to about \$7 billion last year from \$6.4 billion in 2001, Levi says. The jeans market in the U.S., in contrast, shrank 8% to \$10.1 billion last year, says STS Research in Cambridge, Mass.

Denim has been slow to catch on here because many Asian women preferred a dressier look and because most advertising for jeans targeted men. But the newer low-cut jeans work particularly well on slim Asian figures, and women pair them with high-heeled shoes and a feminine blouse.

Asian women are wearing such outfits everywhere, even to formal events. "One friend wore jeans, a nice trench coat, a silk top and high-heeled boots to a wedding banquet recently," says Janice Ngai, a regional buying director at Hong Kong-based retail chain Giordano International Ltd., which has expanded its line of women's jeans. "In the past,

you'd never imagine that in Hong Kong."

The popularity of denim comes at a time when young Asian women are earning and spending more. In Hong Kong, women made up 26% of the \$20,000-to-\$30,000-a-month salary segment in 2001, compared with just 17% in 1995, according to ACNielsen. Singapore's UOB Bank says women who hold its Ladies' Credit Card, which is

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## Old-Style Cartoons Fade to Black Amid Computer Animation

By BRUCE ORWALL And JOHN LIPPMAN

AS THE TERMINATOR made a modest comeback on a tepid Fourth of July weekend for movies, the audience's near-complete rejection of DreamWorks SKG's "Sinbad: Legend of the Seven Seas" amplified the death rattle emanating from traditional animated movies.

The DreamWorks film—which was made primarily with two-dimensional drawings rather than computer-generated three-dimensional images—sold just \$6.8 million in tickets over the weekend, for a total of \$10 million since opening Wednesday. That is even less than the debut last November of Walt Disney Co.'s notorious "Treasure Planet," which became the biggest financial bomb in the history of Disney animation.

Traditional animated movies enjoyed a profitable renaissance in the late 1980s and early 1990s when Disney—then being revived by new Chief Executive Michael Eisner and his studio chief, Jeffrey Katzenberg—enjoyed a run of big hits including "The Little Mermaid," "Beauty and the Beast," "Aladdin" and "The Lion King."

But when Mr. Katzenberg left Disney and started DreamWorks with Steven Spielberg and David Geffen, competition for top animators drove salaries through the roof. Combined with the expense of technical advances, that made the cost of making an animated movie the old-fashioned way prohibitive. Where "Lion King" cost Disney about

Digital Dreaming	
Traditional and computer-animated movies released by DreamWorks and their domestic box-office take:	
Traditionally animated movies	
The Prince of Egypt (1998)	\$101.3 million
The Road to El Dorado (2000)	\$50.8
Spirit: Stallion of the Cimarron (2002)	\$73.2
Sinbad: Legend of the Seven Seas (July 2, 2003)	\$10
Computer-animated movies	
Antz (1998)	\$90.7
Shrek (2001)	\$268

\$50 million to produce, 1999's "Tarzan" cost more than \$150 million. Disney and DreamWorks have both been laboring in recent years to drastically reduce the expense of traditional animated films, largely through salary reductions and changes in the production process.

At the same time, computer-animated films were beginning to take off. Disney and Pixar Animation Studios' "Toy Story" became a surprise hit in 1995, and turned into the first of an unbroken

string of computer-animated winners made by Pixar. These films have often made traditional cartoons look dated by comparison, especially to the young boys who once turned out in droves for them.

This summer, Pixar and Disney's "Finding Nemo" is likely to pass \$300 million in domestic ticket sales, making it the "Lion King" of computer animation. Yet such computer-animated films are themselves pricey, costing about \$1 million for each minute of film on the screen.

While a couple of 2D films have done well in recent years—notably Disney's "Tarzan" and "Lilo & Stitch"—most have been disappointments, culminating with the disastrous "Treasure Planet," which cost \$140 million to make and prompted Disney to take a \$98 million write-down.

DreamWorks has done even worse in traditional animation than Disney. The \$70 million "Sinbad" is on track to sell less than \$25 million in tickets domestically, meaning that the four traditional films DreamWorks has made—"The Prince of Egypt," "The Road to El Dorado," "Spirit: Stallion of the Cimarron" and "Sinbad"—will together have grossed less than the \$268 million in tickets sold by DreamWorks' computer-animated "Shrek." DreamWorks distribution chief Jim Tharp said the studio had been "preparing ourselves for disappointment [over "Sinbad"], but this is obviously lower than we thought." In today's world, Mr. Tharp said, "it has become difficult to make [traditional animation] compelling to a broad audience."

Both Mr. Katzenberg, who wasn't available to

comment, and Disney officials have insisted that it is the quality of the film, not the type of animation, that audiences respond to. But with DreamWorks likely to lose \$50 million or more on "Sinbad," the studio is saying "enough" when it comes to 2D animation: It has no other traditionally animated films in the pipeline, which is filled through 2006 with computer-animated titles like "Shrek 2," "Sharkslayer," "Madagascar" and "Over the Hedge." Disney still has several future 2D releases, including "Brother Bear" in November and "Home on the Range" next year.

Meanwhile, the \$175 million "Terminator 3: Rise of the Machines," financed by Germany's Intermedia Film Equities and released domestically by AOL Time Warner Inc.'s Warner Bros., topped the box office with \$44 million in tickets, for a total of \$72 million since its Tuesday-night opening. That is well below Hollywood expectations for such an expensive movie.

The take for "Terminator 3" indicates the movie will struggle to achieve the \$205 million in U.S. ticket sales reached by "Terminator 2" more than 13 years ago. "Terminator 2" went out to generate a further \$309 million in ticket sales overseas, underlining the fact that star Arnold Schwarzenegger's box-office appeal has frequently been greater abroad than at home.

For Warner Bros., "Terminator 3" will become meaningfully profitable once the movie achieves about \$150 million in U.S. ticket sales, said Dan

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MEDIA & MARKETING

Workplaces Grow Gay-Friendly

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that could affect benefits and other workplace-related issues, such as legalized gay marriage. At the least, the ruling makes it impossible for employers to argue that lesbian employees are engaging, even technically, in criminal behavior, supporters said.

For corporations who may want to do this, believe it's the correct business decision, but are afraid of some political fallout, it provides some cover that says, 'We don't have to exclude,' says Berta E. Hernandez-Truyol, a law professor at the University of Florida, who specializes in human-rights matters.

In turn, says Arthur Leonard, a professor at New York Law School, corporate nondiscrimination policies could influence state and local legislatures, where gay and lesbian groups have had a harder time making headway. Currently, there is no federal antidiscrimination policy specifically protecting gays and lesbians, while 14 states and numerous municipalities have such laws.

Wal-Mart says it had no political agenda. It points out that its May 1 decision predated the Supreme Court ruling, and it played down the influence of activists who have lobbied the company for years. The company says it has been most affected by gay and lesbian employees who said they felt excluded under the prior policy. Others, like Eli Lilly, have argued that adopting gay-friendly benefits is simply necessary to compete for talent in today's job market.

Such justifications mirror the arguments of gay-rights advocates in lobbying companies: that gay-friendly policies boost employee retention and woo gay and lesbian consumers. Gay-rights groups also have worked hard to recruit shareholders and organize gay and lesbian workers as well.

They also have reaped gains from corporate diversity initiatives, while winning over many baby-boomer executives taking over at large companies. At GE, for instance, which next year will start offering domestic-partner benefits as part of its new labor contract, unions seeking such benefits made more progress with Chairman and Chief Ex-

ecutive Jeffrey R. Immelt than his predecessor, John F. Welch Jr.

At a companywide meeting in March, Mr. Immelt, who succeeded Mr. Welch nearly two years ago and is 20 years younger than Mr. Welch, made it clear he supported such benefits. "It's very important for us to have an inclusive culture where everyone feels comfortable that they can get any job when they walk through the door and people can prosper in this company," he told employees. "That's been true about gender and about race and it's going to be true in the future about gay and lesbian rights."

Advocates on both sides of the issue emphasize that it is far from settled. "It's still a challenge for a small employer, where if you've got 50 or fewer employees, the idea of offering domestic-partner benefits can be very difficult, because it's hard to get insurers to write those policies," said Kim Mills, education director for Human Rights Campaign, who focuses on workplace issues. She and other activists also noted that recipients of such benefits must pay taxes on them, while other workers don't, one of several ways, they say, that gays and lesbians still lack parity with co-workers.

Opponents, meanwhile, warn of a possible backlash among religious employees, or others disapproving of homosexuality, who, they say, feel indoctrinated by employers when they enact new policies and diversity training. Last fall, Eastman Kodak Co. was sued by an employee who was fired after he criticized a company initiative on behalf of gay workers, the most visible of several recent disputes in which workers have claimed their right to religious expression has been violated by corporate policies advocating gay acceptance.

Gay-rights advocates, said the Culture and Family Institute's Mr. LaBarbera, "have got the momentum now. Nobody disputes that. But this will play out for years and years and years."

—Ann Zimmerman,  
Kathryn Kranhold and Kris Maher  
contributed to this article.

Advertising / By Suzanne Vranica

Extreme Sports, Challenging Spots

In Crowded Playing Field, ESPN Must Tread Lightly With 'X Games' Campaign

AS COMPETITION to attract fans of extreme sports goes into overdrive, Walt Disney's ESPN is launching a celebrity-studded ad campaign today to promote its upcoming "X Games IX."

The summer games get under way next month in Los Angeles and will air on Walt Disney's ESPN, ESPN2 and ABC Sports. The nine-year-old competition includes such potentially bone-jarring sports as in-line skating and skateboarding. The games take place twice a year, and primarily attract kids, teens and men in their 20s—a desirable but hard-to-reach audience.

Although ESPN was among the first to embrace extreme sports, the landscape is becoming increasingly crowded. Last week, for example, News Corp.'s Fox Entertainment Group launched "Fuel," a 24-hour extreme-sports channel. And General Electric's NBC has broadcast the "Gravity Games" since 1999; the next round gets under way in Cleveland this fall.

In addition, Viacom's MTV and AOL Time Warner's WB network are both airing shows that center on a surfing competition, which these days is being marketed as an extreme sport.

All of which makes for a crowded playground. "ESPN was there first, but now they walk a fine line in making sure the market doesn't get oversaturated with these events," says Kevin Adler, a vice president at Publicis Groupe's Relay Sports & Event Marketing. Intent on pro-



Hugh Hefner stars in a new X Games ad.

tecting its turf, ESPN is using the new campaign to remind viewers that the X Games "is the Mack Daddy of action sports events," says Spence Kramer, vice president of advertising and promotion at ESPN.

The new promotion, created by the independent agency Ground Zero, based in Los Angeles, will appear on teen-targeted cable stations such as MTV. One TV spot, titled "Uninvited," features pro skateboarder Bob Burnquist skating in a backyard pool, where he is confronted by the pool's unhappy owner—Hugh Hefner.

A second spot takes place on a Hollywood movie set, where a movie is being made about Kenny Bartram, a pro on the Moto X motocross circuit. The kicker: Kenny is played by Luke Perry, former

star of TV series "Beverly Hills, 90210." The commercials end with rapper Snoop Dogg exulting: "X Games comes to L.A. It's off the hizzle fo' shizzle, dizzle." That means it's cool.

This is ESPN's largest ad effort for the X Games. The cable network is spending \$3 million to \$5 million on ads that run off the network and an additional on-network promotion that is valued at more than \$5 million.

Ratings for the X Games have been strong. Last year, X Games events airing on ABC attracted 2.56 million viewers on average, while NBC's Gravity Games lured 2.16 million viewers on average, according to research compiled by Interpublic Group's Magna Global USA. X Games events on ESPN last year attracted \$71,000 viewers on average.

ESPN has attracted 13 high-profile sponsors for this year's event, among them PepsiCo's Mountain Dew; Yum Brands' Taco Bell; General Motors' Saturn, and Gillette's Right Guard Xtreme. Marketers are being offered various ad packages priced between \$1.5 million and \$3 million that include commercial time on Disney's media properties, signage at the game, and even some product sampling at the events.

Despite the sports' hip appeal, youth-market experts warn that ESPN needs to tread lightly. "They run the risk of the games being perceived as overcommercialized," says David Morrison, president of Twentysomething, a Philadelphia youth-marketing consultancy.

ESPN says it is aware of the potential for a backlash. "We absolutely get the fact that if you lose the authentic nature of what you are doing, you will lose these consumers," says Ed Erhardt, president of Disney's ESPN/ABC sports customer marketing and sales.

DirecTV to Offer Gay-Theme Films On Pay-Per-View

By JOSEPH PEREIRA

Gay- and lesbian-themed films—which for the most part have been relegated to the out-of-the-way confines of film festivals and art theaters—are about to be pipelined into the family room.

Under an agreement to be announced today, DirecTV, the satellite broadcaster operated by General Motors Corp.'s Hughes Electronics Corp. division, will begin airing four to eight gay films a month via its pay-per-view broadcasting services. The movies will be provided by Here Films, a new gay- and lesbian-oriented programming service operated by Los Angeles film production company Regent Entertainment.

The venture, scheduled to debut Aug. 29, will be the first in on-air gay programming, but others are expected to follow soon. Viacom Inc.'s MTV and Showtime reportedly are collaborating on a gay- and lesbian-themed cable channel. Closely held MDC Entertainment has announced plans to develop a similar channel.

The gay film offering is coming after years of resistance by distributors of mainstream entertainment. The taboo against gay subjects is breaking down thanks to a growing number of critically acclaimed gay-themed motion pictures such as "Gods and Monsters," which won the best-screenplay Oscar in 1999, and the popularity of TV shows such as NBC's "Will & Grace" and Showtime's "Queer as Folk."

Paul Colichman, president of Regent and head of Here Films (and a co-producer of "Gods and Monsters"), said many of the gay films airing on DirecTV will be aimed at what he calls the "Home Depot gays," who are more conservative in outlook, and thus perhaps the shows will appeal to straights as well. Next month's programming will open with "Sordid Lives," a 2000 film pinned on a "coming out of the closet" theme as a Texas family gathers for the matriarch's funeral.

For DirecTV, the agreement is expected to give it a leg up in the tightly competitive satellite-broadcast market. DirecTV, based in Los Angeles, has 11.4 million viewers. Its chief competitor, EchoStar Communications Corp., Littleton, Colo., has 8.5 million viewers.

Rupert Murdoch's News Corp. agreed to purchase a 34% stake in Hughes Electronics for \$6.6 billion last April. The move, which is subject to regulatory approval, would turn over the assets and operations of DirecTV to Mr. Murdoch.

Many advertisers and large companies are aggressively going after the gay and lesbian market, partly because the group has one of the largest disposable incomes among various household groups, noted Michael Thornton, DirecTV's senior vice president of programming acquisitions. The agreement with Here Films "puts us ahead of the pack," he added.

Changes Urged in Medical Billing

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tem treat your patients with dignity and respect," the Alert advises.

Hospitals generally blame their pricing on HMOs and reductions in reimbursements for medical care. They also contend that Medicare rules that require uniform pricing have forced them to adopt policies that reduce their flexibility.

Indeed, slashing charges for the uninsured is fraught with peril because of arcane government regulations that require hospitals to charge uniform prices but permit discounts following formal negotiations with HMOs and other insurers. Recently, Tenet Healthcare Corp., a for-profit chain, announced with great fanfare that it would adopt a Compact With Uninsured Patients under which it would cease any harsh practices and charge the needy uninsured the rates it charges HMOs. HCA Inc., a for-profit chain based in Nashville, Tenn., also vowed to make changes.

But when the two chains sought approval from the government's Centers for Medicare & Medicaid Services, the agency sent out letters that were ambiguous. The letter to Tenet suggested that its plan could potentially conflict with existing guidelines. The letter to HCA gave qualified approval to its plan, which would offer graduated discounts to low-income, uninsured patients. Spokesmen for the companies expressed optimism that they would soon be able

to offer better service to the indigent uninsured.

The missive from the AHA is welcomed by some health-care advocates, who have tried for years to focus attention on the plight of America's 41 million uninsured. "This memo is extremely significant," says Mark Rukavina, who heads the Access Project, a Boston-based research group that focuses on health care and the uninsured. The Alert "exposes a dirty little secret—the fact that people who get sick can have liens put on their properties, can have their bank accounts attached. The general public and many policy makers are probably unaware that these practices are going on."

Some of the proposed measures may seem simple, such as posting signs indicating that charity care is available. But they are precisely the types of actions for which advocates have spent years fighting.

The Greater New York Hospital Association, which represents over 100 institutions, including some leading teaching centers, says it backs the Alert and that its members are prepared to try to implement some of the suggestions. "My assumption in all of this is that there is no hospital that intends to treat their patients badly whether they are insured or uninsured," says Patricia Wang, a senior vice president at Greater New York. "We all know that with large complex institutions, sometimes communications can break down."

Wal-Mart Loses Ruling in Union Fight

By RAYMUND FLANDEZ

The Arkansas Supreme Court lifted an injunction barring union workers from soliciting members in Wal-Mart Stores Inc. properties, sending the larger question of whether union recruiters are trespassing in stores back to a state court for trial.

In a 6-1 decision, the state Supreme Court ruled Wal-Mart didn't fully show evidence of "irreparable harm" in its stores from the actions of the United Food and Commercial Workers International Union. It also said the trial court in Benton County, Ark., abused its discretion in granting a nationwide injunction not limited in scope.

New Channel Plans To Feature Programs For Middle America

ORLANDO, Fla.—A former CNN business executive, convinced that television isn't speaking to Middle America, has rounded up partners and backers to launch a new cable channel, the America Channel.

The channel promises to stay away from New York and Los Angeles and feature entertainment programming about everything in between. Planned shows for the channel, which aims to launch in the second quarter next year, include profiles of college students filmed by their peers, a tale of a young couple driving on a cross-country road trip and a show about how foreign media portray America.

Doron Gorshein, who has worked in the industry as director of international contracts at AOL Time Warner Inc.'s CNN from 1989 to 1992 and later as vice president and associate general counsel at EchoStar Communications Corp., will be the channel's chairman and chief executive.

Mr. Gorshein will work with Rick Newberger, managing director at Vanguard Media Corp., who designed the advertising and programming model for the channel, and Andrew Kessler, vice president of Waller Capital Corp. as financial adviser and investment banker.

The America Channel executives say they need about \$65 million to launch and operate and decline to say how much they have raised so far.

Jeans Take on Asian Flair: Curvy

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marketed to career-oriented women age 25 to 35, charge about 30% more than other credit-card holders.

As a result, retailers are scrambling to meet demand. "The low-rise jeans trend really hit Asia in a big way. It's opened our eyes to the buying power of the female consumer," says Steve Castledine, vice president of Levi's Asia Pacific division.

Levi, which says women still account for only 30% of its sales in Asia, is working to change its macho image there. Asian women "have an overwhelming impression that Levi's won't provide the right style for them," says Mr. Castledine. Little wonder, since most Levi ads in Asia have featured male models and have been directed at the male audience.

This year, most of the retailer's Asian television ads will target women, according to the company's agency, Bartle Bogle Hegarty. Brands like Guess and Calvin Klein have increased their Asian advertising for women's jeans as well.

This past spring, Levi opened two pilot stores, in Hong Kong and Kuala Lumpur, stocked with merchandise for women only. Most of its Asian units introduced four new styles of women's jeans last year; Mr. Castledine says the retailer aims for an average of six a year. Levi stores, by contrast, in the U.S. and Europe roll out about four new styles a year.

It's unclear whether Asia can sustain its jeans sales as sales slow in the U.S. and amid fallout from severe acute respiratory syndrome. "It's not selling as strong this year" in Asia, concedes Simon Hughes, chief operating officer of Calvin Klein Jeans Asia, which began selling more denim to women than men in the region in 2002. Still, the company opened 27 stores in China in the past 18 months and plans eight more there.

Other retailers are also forging ahead. Laura Wenke, senior vice president of marketing and sales at Lane Crawford, a Hong Kong-based department store that operates in Singapore and China, says the store has added new names, like Joe's Jeans and Yanuk, both U.S. brands, and French-made Corleone to its women's line. Denim, she reckons, will be incorporated into other trendy styles, like cargo-style or cropped pants, and that will boost sales.

Patricia Yuen, 36, a dermatologist in Singapore, has bought a pair of jeans

each month for the past 18 months. Her favorites are low-cut jeans by Seven and Helmut Lang. "I love the way they make me feel," says Dr. Yuen, who normally shops at Jil Sander and Prada for conservative workday clothes. "They're low-waisted, they're snug. They fit well, and they make you feel good."

Dr. Yuen's latest purchase was a pair of embroidered cotton cargo pants, but she still loves denim. "Cargo is certainly in," she says. "But nothing beats jeans."

Old-Style Cartoons Do a Fade to Black

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Fellman, president of domestic theatrical distribution. He believes reaching that level will "not be too difficult" but acknowledged going far beyond it would be hard "given the way movies are falling off this summer." Warner Bros. paid \$50 million for U.S. rights and is spending about \$40 million more to market and distribute the movie.

The reason "Terminator 3" needs to reach such a high level in ticket sales—which also signals how the movie will sell in the all-important digital-video disc market—is due to the extraordinary non-production costs associated with resurrecting the franchise after a 13-year hiatus. In addition to the \$27 million that Mr. Schwarzenegger received, \$50 million was spent to acquire sequel rights, pay producers and pay fees to people and entities that arranged financing and brokered the deal.

Also last weekend, Metro-Goldwyn-Mayer Inc.'s \$45 million "Legally Blonde 2: Red, White & Blonde" sold \$22.9 million in tickets, for a total of \$39.2 million since Wednesday. "Blonde" stands to be solidly profitable for MGM, though it, too, performed below what the studio expected on opening weekend. Overall, weekend ticket sales were off nearly 9% from last year's holiday weekend, continuing a downward trend in which the audience has clearly signaled its dissatisfaction with marketing-driven "franchise" movies like "Charlie's Angels: Full Throttle" and "The Hulk."

At the Box Office

Figures are through yesterday.

FILM	DISTRIBUTOR	WEEKEND/CUMULATIVE (MILLIONS)
Terminator 3: Rise of the Machines	Warner Bros.	\$44.05/\$72.53
Legally Blonde 2: Red, White & Blonde	MGM	\$22.90/\$39.19
Charlie's Angels: Full Throttle	Sony	\$14.20/\$27.21
Finding Nemo	Disney/Pixar	\$11.00/\$274.90
The Hulk	Universal	\$8.20/\$117.00
Sinbad: Legend of the Seven Seas	DreamWorks	\$6.80/\$10.00
28 Days Later	Fox Searchlight	\$6.07/\$20.69
The Italian Job	Paramount	\$4.28/\$4.02
Bruce Almighty	Universal	\$4.00/\$228.70
2 Fast 2 Furious	Universal	\$2.40/\$119.30

NOTE: Figures include Sunday, July 6, and are estimated.  
Source: Exhibitor Relations Co.

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