



QUICK HIT | AIR MERGER: Shareholders at Delta Air Lines Inc. and Northwest Airlines Corp. are to vote Sept. 25 on the stock swap that would join their companies.

BUSINESS

Leading indicators

	DOW	NASDAQ
Friday	▼-128.48	▼-18.77
Close	11,100.54	2,239.08
The week	▼-188.00	▼-6.30

Inside
Stocks 10
Mutuals 11

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8A

HE SAID
“We make our own weather. The Internet wins.”

Google CEO **ERIC SCHMIDT**, speaking of the impact of the economic downturn on the Internet search giant.



CASINOS
Greektown, MotorCity revenues down

Greektown Casino's revenues fell to the lowest level since 2001, the first full year the casino was open.

The casino, which filed for bankruptcy protection on May 29, reported revenues of \$23.2 million for June, down from \$28.5 million in June 2007.

Greektown spokesman Roger Martin said customers had the mistaken perception that the casino was closed immediately after it filed for bankruptcy protection at the end of May.

“The fact is we have remained open for business as usual, winners are getting paid without delay, and we urge people to come on down because the action and fun continue,” Martin said, adding that construction on I-375 has ended, which makes the casino more accessible.

Only MGM Grand Detroit's revenues were up. It reported \$48.7 million in June, up from \$38.6 million in June 2007.

Revenues for MotorCity were also down in June from the same month last year. It reported \$38 million, down from \$42.3 million in June 2007.

TAXES
More stimulus checks arriving

The government on Friday sent out the last of the economic stimulus checks for people who filed tax returns before April 15.

But the Internal Revenue Service stressed that it's not too late for those who haven't yet filed returns to benefit from the payments.

The tax agency said it will continue processing tax returns and issuing stimulus checks for much of the year.

In particular, it is urging about 5 million Social Security recipients and veterans who don't normally need to file returns to do so this year so they can qualify for checks.

SUPPLIERS
Magna International shares decline

Magna International Inc., North America's largest auto-parts maker, fell to its lowest level since 2000 as Goldman, Sachs & Co. put the shares on a sell list because of reliance on sales to U.S.-based automakers.

“Magna has the second-highest Big Three exposure and the largest Chrysler exposure in our coverage,” Goldman Sachs analyst Patrick Archambault said Friday in a note to investors. He added the Aurora, Ontario-based company's stock to the firm's “conviction sell” list.

The parts supplier got 53% of its revenue from North America last year, and its first-quarter earnings fell 5% as automakers in the region built fewer vehicles because of declining U.S. sales.

Anheuser-Busch likely to OK bid

After weeks of public bickering, Anheuser-Busch Cos. Inc.'s board is likely to accept a sweetened buyout offer from the Belgian-based brewer InBev SA as early as this weekend, a published report said.

The New York Times and the Wall Street Journal both cite unnamed sources in reports Friday that the talks have become friendly.

The Journal reported that InBev has boosted its takeover offer for the St. Louis-based maker of Budweiser, Bud Light and other beers by \$5 a share to \$70. It said the Anheuser-Busch board is likely to accept the offer this weekend.

Oil price passes \$147 a barrel briefly

It's only July, but it might be time to start loading up on blankets and sweaters. Oil hit a new trading record as hostilities rise between the West and Iran — raising the likelihood that this winter's heating bills will be the priciest yet.

Crude oil's brief jump past \$147 a barrel Friday arrived not only as the United States and Israel view Iran as a growing threat, but also as the U.S. dollar fell and worries erupted over possible supply disruptions in two other major oil-producing nations: Nigeria and Brazil.

Light, sweet crude for August delivery soared to an all-time high of \$147.27 a barrel before settling at \$145.08, up \$3.43.

Free Press staff and news services

IN THE SUNDAY FREE PRESS
Pinnacle Race Course south of Detroit Metro Airport opens Friday

Blue Cross rate hike OK'd

Insurer contends average increase will be 23%

By **PATRICIA ANSTETT**
FREE PRESS MEDICAL WRITER

Michigan's insurance commissioner approved Friday a rate hike sought by Blue Cross Blue Shield of Michigan for 22,000 non-elderly people who buy their own insurance.

The rate increase wasn't as much as Blue Cross sought — 24.3% on average. The state Office of Financial and Insurance Regulation said it did not know how much the rate hike would be.

But Blue Cross spokeswoman Helen Stojic said Friday seven

policies would be increased an average, or composite, of “about 23%.” The amount includes a 10% interim increase approved last year by former insurance commissioner Linda Watters.

The insurer also said Friday it did not know exactly how much rates will go up.

Blue Cross originally sought rate hikes of 23.9% to 41.9%

The decision in the long-awaited case affects 22,000 people in seven plans who buy their own Blue Cross coverage. It does not affect people in five other individual Blue Cross plans, or people who once had Blue Cross coverage in a former

See **BLUE CROSS, 9A**

SLURP CITY, U.S.A.



Photos by **REGINA H. BOONE**/Detroit Free Press

Bill Powers, 29, of Dearborn Heights gets a Slurpee on Monday to split with his 2-year-old son Noah at a Dearborn 7-Eleven. He says he has bought three Slurpees in the last two weeks. It is a part of their running ritual.

Hot spot for cold treat

Metro Detroiters are biggest U.S. fans of 7-Eleven Slurpees

By **CHRISTY DUAN**
FREE PRESS SPECIAL WRITER

It's Slurpee season. And Detroit is king. More than a million of the frozen treats are sold per month — twice as many as the average national 7-Eleven store — in 150 metro Detroit locations. Of the 6,190 stores that sell Slurpees in the nation, Detroit's southwest suburbs reign at No. 1 while the northwest 'burbs follow at second.

Jim Baronowski, 7-Eleven's upper Midwest merchandise manager, attributes the thirsty reputation to a cultural trend.

“Slurpees started here

about 35 years ago in the early '70s. For grandparents and parents, this was their treat. And now they're passing it along to their children,” Baronowski said. “If you observe the behavior in a store, whole groups of kids and whole families come in to buy Slurpees.”

7-Eleven is cultivating that trend with 34,400 stores internationally from Singapore to Scandinavia. In 2006, the company opened the northernmost store in the world in Tromsø, Norway.

Baronowski says variety is central to Slurpee

See **7-ELEVEN, 9A**

“For ... parents, this was their treat.”

JIM BARONOWSKI, 7-Eleven's upper Midwest merchandise manager



A small cherry Slurpee.

Where did the idea for Slurpees come from? What's behind the BrainFreeze? How many Slurpees do Detroit-area 7-Elevens sell each day? Find out on 9A.

Ford sues to collect interest

\$445 million is sought from IRS

By **SARAH A. WEBSTER**
FREE PRESS BUSINESS WRITER

Ford Motor Co. is suing the federal government, saying the Internal Revenue Service owes it nearly half a billion dollars in interest for overpayments on corporate taxes.

In a lawsuit filed on Thursday in U.S. District Court in Detroit, the struggling Dearborn automaker says it is owed \$445,292,207 for miscalculations of interest on taxes for the calendar years 1983 to 1989, 1992 and 1994, which were generally more profitable times for Ford.

That is a significant amount of money for Ford, which has lost a combined \$15.3 billion over the past two years and also expects to post significant losses this year because of plummeting sales of profitable trucks.

Through March, Ford had \$40.6 billion in cash on hand. However, Ford expects to burn through as much as \$14 billion of that through 2009, as it tries to restructure in a difficult market. Consequently, the automaker has been hustling to preserve and raise cash however it can.

Ford spokeswoman Marcey Evans said the federal government has repaid Ford for its overpayment of taxes in the years in question in the lawsuit, as well as some interest.

However, the dispute at hand involves a disagreement about how the interest should be calculated and how much interest Ford is actually owed.

“The IRS' calculation of ... overpayment interest is not

See **FORD, 9A**

Crush of traffic stymies Apple iPhone 3G debut

It was an iPodocalypse.

What should have been a spectacular day for Apple had a pretty shaky start Friday.

The activation and synchronization of the much-awaited new iPhone 3G, coupled with a huge software update for millions of old iPhone users, so overwhelmed Apple's Web servers that many customers ended up frustrated, angry and phoneless for much of the day.

“Apple should have seen this



MIKE WENDLAND

coming,” said Jodi Friedman of West Bloomfield, who tried to upgrade her iPhone for the Apple site and lost phone connectivity and access to all her data because the device could



GREGORY BULL/Associated Press

not synchronize with her computer. “I rely on my iPhone for my home business.”

Things improved by mid-afternoon as Apple's Web servers, staggered from a crush of

traffic, began to recover.

The problems started an hour or so after the phone was released to customers, most of

See **WENDLAND, 9A**

People wait in line Friday to buy an iPhone 3G in Mexico City. Apple began selling the new half-price version of its popular smartphone to eager buyers worldwide.