

OIL DEAL: Phillips Petroleum emerged as the leading candidate to buy Atlantic Richfield's Alaska assets, a deal that could clear the way for Arco and BP Amoco to merge, Reuters reported Wednesday. The Federal Trade Commission sued Feb. 4 to halt BP Amoco's acquisition of Arco, citing concern that the merger would be anti-competitive, increasing BP Amoco's market power when it sells Alaska crude oil to refineries on the West Coast. . . . **Occidental Petroleum** said it will pay \$3.6 billion for Altura Energy, an oil and gas producer jointly owned by BP Amoco and Royal Dutch-Shell.

TOYS R US EARNINGS: Toys R Us reported fourth-quarter earnings of \$235 million, or 98 cents a share, including charges related to opening its Internet business. That compares with \$310 million, or \$1.23 a share, including charges, the year before. Revenue was \$5 billion vs. \$4.9 billion. Stores open at least a year saw sales drop 2% for the holiday selling season, reflecting the impact of video hardware and significant shortages of hot products. The fledgling Internet business ended the year with \$49 million in sales. . . . **Online toy sales** industrywide vaulted to \$425 million in '99 vs. \$45 million a year earlier, NPD Group said.

PITCHING PEPSI: Pepsi-Cola is adding another home-run hitter to its pitch team. Ken Griffey Jr., the Cincinnati Reds' new superstar, joins Chicago Cubs slugger Sammy Sosa on Pepsi's summer roster of soft-drink pitchers, says Katie Lacey, Pepsi's director of sports marketing. The ad begins March 26 during ABC's Academy Awards telecast.

GREENSPAN WARNING: Federal Reserve Chairman Alan Greenspan told bankers during a speech in Texas that he was worried about "a troubling trend" in which institutions no longer viewed the economic boom as "extraordinary and exceptional, but rather as ordinary and expected." If such an attitude dictates lending decisions, Greenspan said, it could have "grave consequences" for the industry's ability to weather an economic downturn.

TECH MERGER: Networking hardware maker Cybert Computer Products will merge with Apex, which makes server management and switching equipment, in a \$2 billion deal.

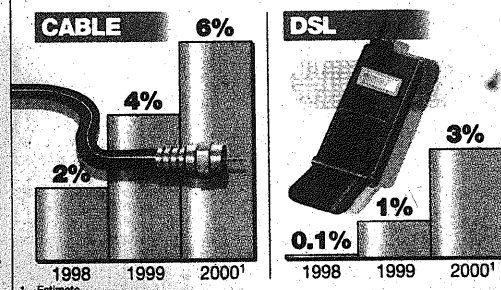
Written by Sara Nathan from staff and wire reports

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By Web Bryant, USA TODAY

COVER STORY

Could Linux outdo Windows?

Web sites, manufacturers turn to low-cost upstart

By Deborah Solomon
USA TODAY

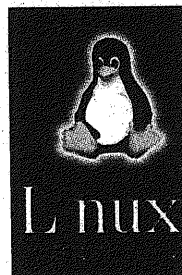
PALO ALTO, Calif. — When Yodlee.com was looking for an operating system to power its Web site, the company — founded by former Microsoft and Amazon executives — bypassed Windows NT and turned instead to Linux.

The start-up, which aggregates and manages online accounts for Web surfers, needed tough, reliable software that could serve up information from a multitude of sites. And they needed it on the cheap.

"We didn't have a lot of capital, and Linux is a low-cost operating system we can run on any machine," says Matt Idema, a Yodlee vice president. One copy of Linux costs about \$80 and can be copied as often as needed. A Microsoft Windows 2000 upgrade will cost companies \$970 to \$1,640 per computer, Giga Information Group estimates.

Yodlee's decision to entrust its business to Linux demonstrates how a free, open operating system has risen from an obscure plaything of hackers and engineers to become the darling of Web sites, Wall Street and hardware manufacturers across the globe.

Linux was relatively unknown just two years ago. Today it powers 31% of all Web servers — the machines that run Web sites



Linux: Operating system powers 31% of servers, the machines that run Web sites.

— and is used in cutting-edge devices such as pocket-size computers and set-top boxes. IBM, Sun Microsystems, Dell Computer and Intel are embracing Linux, creating products to support the operating system and investing in Linux-based businesses. The software has sparked an investor frenzy. The five main publicly traded Linux firms are valued at about \$20 billion.

The groundswell of support is nothing less than a revolution, shaking up the software industry and posing a real threat to Microsoft. While Windows is in no immediate danger of losing its dominant position, analysts predict Linux will creep into many Internet-enabled devices and back-end systems over the next two years.

"Linux is something that should be paid attention to," says Dan Kusnetzky, an analyst with research firm IDC. "It's a disruptive technology" that over time could challenge or even supplant Windows, he says.

Its popularity is bred by several factors. It can be downloaded from the Net free. It works on any computer. It can be customized for an individual business, and it's stable, meaning it's less likely to crash.

But Linux faces its own set of challenges: ► Microsoft last month unveiled Windows 2000, an upgrade to its desktop and server software. It can power large Web sites and is supposed to be more reliable than past Win-

Please see COVER STORY next page ►

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School safety

By Jayne O'... USA TODAY

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