

Even though United Airlines has canceled almost 2,000 flights this month, the airline is promising to get U.S. Olympic athletes and their equipment to Sydney for the 2000 Summer Games, which start Sept. 15. U.S. Olympic Committee President Bill Hybl said United Vice President Roger Gibson has assured him the Olympic team's flights will not be impeded. Many athletes have already run into problems flying United to Olympic trials and other competitions. United has been the U.S. Olympic team's official airline since 1984.

### Verizon contract talks continue

A strike by nearly 90,000 East Coast workers against local phone giant Verizon Communications dragged into a fourth day as orders for repairs and new lines piled up. A Verizon spokesman said the company has about 82,000 pending service requests, compared with about 36,000 a month ago. Storms and vandalism that have damaged phone lines have compounded delays caused by the strike. The company remains in contract talks with union leaders. Verizon's shares sank to a second-consecutive 52-week low as investors continued to react to the company's warning Wednesday that acquisition-related costs and spending will cut profit growth this year and next.

### Software.com, Phone.com to merge

Phone.com said it will buy Software.com for \$6.4 billion in stock. The combined company will develop software to send phone calls and e-mail to wireless devices connected to the Internet. Former Cisco Systems executive Donald Listwin will run the firm.

### Economy starts to slow, Fed says

The Federal Reserve says economic growth slowed down across the nation in the late spring and early summer and there is little evidence of inflation. In its latest survey of business activity, the Fed found slower activity in consumer spending, manufacturing and construction in June and July. (Fed's beige book, 6B.)

### Starbucks raises prices on a cup of coffee

Starbucks raised prices on its coffee beverages by about 7 cents a cup at its 2,800 U.S. and Canadian shops, the company said. The increase is the first in North America in 15 months, which a spokesman attributed to "ongoing increases in staffing costs" as well as occupancy and other expenses. He added that recent concerns about potential bad winter weather in coffee-growing regions of Brazil had not influenced Starbucks' decision to boost prices.

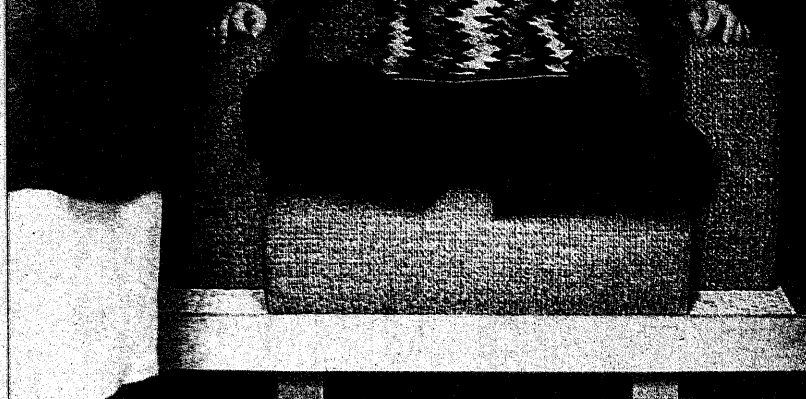
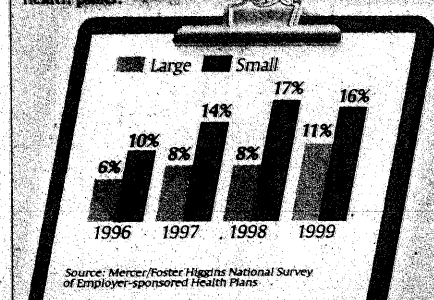
By Anne R. Carey from staff and wire reports

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#### More small firms have same-sex benefits

Large (500+ workers) vs. small (10-499 workers) employers that include same-sex domestic partners as dependents in their health plans.



By Todd Pitt

**Design by numbers:** Jhane Barnes uses computers and math to design her hot-selling menswear fashions. Barnes Inc. recorded sales of close to \$100 million last year and plans to have 18 to 20 stores in the USA by

### Cover story

## Casual clothes by intense design

### Jhane Barnes wields software to weave menswear empire

By Gary Strauss  
USA TODAY

NEW YORK — Jhane Barnes is not your typical apparel industry fashion doyenne. She's more comfortable engaging in e-mail with physicists than hobnobbing in the Hamptons. And she's much happier doing yoga than attending pretentious fashion shows.

There's the gender-obscure name that even some major clients can't pronounce, even though she's been using it since 1979. (The h in Jhane is silent). And then there are the physicist and applied mathematician Barnes has on retainer for daily consultations.

Strange? Maybe. But it all has helped her quiet, privately held menswear company, Jhane Barnes Inc., rack up sales of about \$100 million last year, making Barnes one of the leading women designers in the high-end, designer-label menswear market. Donna Karan, her far better-known competitor, had \$113 million in designer menswear sales last year, but the bulk came from Karan's lower-priced

DKNY line.

Barnes' clothing isn't for the fashion-timid challenged. The typical Jhane Barnes aficionado self-assured and, unlike most fashion-impaired being noticed, Barnes' highly distinctive con signed ties, shirts, sweaters and suits are a blend of colors and textures with geometric designs based on mathematical schemes that can be manipulated into countless patterns. Technical aspects aside, the clothing is cool win a clientele that includes President Clinton Wynton Marsalis, comedian Jon Stewart, Los Angeles coach Phil Jackson and actor Don Johnson. Barnes so designed the uniforms of the National Basketball Association's Orlando Magic, says scores of high-tech workers are also fond of her apparel.

At 46, Barnes has run her 20-person company a quarter-century. In the early years, a woman's

Please see COVER STORY

## Star manager at Janus funds leaves to lead ch

By John Waggoner  
USA TODAY

For Janus investors, it's more bad news: James Craig, one of the biggest names in the mutual fund industry, said Wednesday that he will leave the Janus funds next month to run a family foundation.

His departure comes at a difficult time for the Denver-based fund company. Many Janus funds have had rocky performances this year because of the recent downturn in technology stocks.

Craig, 44, powered the flagship Janus fund to a 983% gain from June 1986 through December 1999. That trounced the Standard & Poor's 500-stock index, which rose 758% during the same period.

For many of those years, Craig kept 20% or more of fund assets in money market securities, or cash — the money management equivalent of tying one hand behind

your back. The fund lagged in 1996, however, and Craig throttled cash levels back to 3% or less. Since then, Janus has been a stellar performer.

Craig stopped managing the Janus Fund in December to be chief investment officer — chief mentor and adviser for the funds' managers and analysts. An executive committee he set up more than a year ago will assume his Janus duties. The committee

includes some of the group's best-known managers, including Blaine Rollins, Janus Balanced fund manager, and Helen Young Hayes, Janus Worldwide manager.

Craig downplayed his exit. "The company is in the best shape it has ever been in, and in the strongest shape it has been in, and I feel very comfortable that there



Craig: Plans to leave next month.

will be nary a departure," he said.

Like Fidelity manager Peter '80s, Craig is close with the company for most of his life as a Janus analyst and took over from CEO Tom in a statement, accept when a done so much holders and o decides to move on."

Like Lynch, Craig will his time to charity. The C will help disadvantaged Denver area. "It's been a time to do something like

► Analysis: Janus still a