LONG-DISTANCE: SBC Communications, the regional phone giant that serves the West and Midwest, asked the Federal Communications Commission on Monday for permission to offer long-distance service in Texas. Texas regulators have endorsed SBC's request, saying SBC has passed the necessary tests to show that its local phone business in Texas is open to competito snow that its local priorie distincts in reason to show that its local priorie distincts in reason to show that its local priorie distinct. It is shown that its local priorie distinct in the shown that it is local priorie distinct in the shown that it is local priorie distinct in the shown that it is locally the shown that it is local priorie distinct in the shown that it is local priorie distinct in the shown that it is local priorie distinct in the shown that it is local priorie distinct in the shown that it is local priorie distinct in the shown that it is local priorie distinct in the shown that it is local priorie distinct in the shown that it is local priorie distinct in the shown that it is local priorie distinct in the shown that it is local priorie distinct in the shown that it is local priorie distinct in the shown that it is local priorie distinct in the shown that it is local priorie distinct in the shown that it is locally distinct in the distance in New York last month. The FCC has 90 days to act on

LINUX BOOST: IBM said it will configure its four lines of computer servers to work with Linux, an operating system that is distributed free on the Web and championed by legions of independent programmers. The computer hardware giant said it feels Linux will be superior to Unix or Microsoft Windows for future Internet commerce.

NET DEAL: NextLink Communications said it will buy Internet access provider Concentric Network in a \$2.9 billion stock deal, the latest acquisition that allows the company to expand its high-speed data and Internet services.

MICROSOFT LAWSUTTS: The Supreme Court refused, for the second time in two years, to free Microsoft from possibly having to pay thousands of former temporary employees who were not allowed to join the company's lucrative stock-purchase program. Eight people who once worked for the software company sued in 1992, saying they and thousands more had been shut out of a program that lets employees buy Microsoft stock at a discount.... Computer software maker Caldera and Microsoft settled an antitrust lawsuit that charged Microsoft with using its leverage to kill Caldera's DR DOS operating system in favor of Microsoft's MS-DOS. Microsoft did not disclose the amount of the settlement but said it will reduce its first-quarter earnings by 3 cents a share.

TRADE DEAL: The United States reached a trade agreement with India to eliminate barriers in agriculture, textiles and other key sectors, said U.S. Trade Representative Charlene Barshefsky. The agreement calls for India to lift more than 1,400 specific import restrictions.

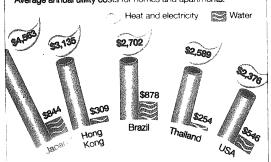
PLAYBOY.COM IPO: The Internet division of Playboy Enterprises, Playboy.com, filed on Monday for an initial public offering designed to raise \$50 million. Christie Hefner, the 47year-old daughter of Playboy empire founder Hugh Hefner, will serve as the acting CEO and chairman of Playboy.com. She already holds the chairman and CEO posts at Playboy Enterprises, which publishes the famed Playboy magazine and operates adult cable channels.

Written by Sara Nathan from staff and wire reports

USA SNAPSHOTS®

A look at statistics that shape your finances

Utility costs around the world Average annual utility costs for homes and apartments:



By April Umminger and Quin Tian, USA TODAY

that seemed to separate the new and old universes

Time Warner has decisively embraced digital communication — especially the Internet — as a vehicle for distributing material from its movie and TV studios, cable operation, music companies and magazines. And AOL tapped into a mother lode of news and entertainment for its online service.

major

This is the first time a ma-Internet company has combined with a major media company, and the opportunities are endless," says AOL chief Steve Case, who'll be chairman of the merged company, AOL Time Warner.

Outsiders have already let their imaginations run. Among the possibilities:

▶ AOL customers could create personalized news pages with video clips from CNN, news stories from Time magazine and downloadable books from a Time Warner publisher.

▶ Users could create an entertainment portal with their favorite Warner Bros. movies archived, news about celebrities from Entertainment Weekly and information from AOL's MovieFone about where similar movies or films with their favorite actors are playing.

► AOL's new broadcast venture, AOL TV, could provide another outlet for Time Warner movies - and interactive programming to accompany a film.

▶ And if technology takes a big leap forward, consumers might one day see TV-

COVER STORY next page ▶

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Rich get richer once deal's c

By Gary Strauss USA TODAY

Who wants to be a billionaire?

Given his present estimated worth of about \$7 billion, Ted Turner is already sitting pretty. But his holdings could be worth an additional \$5 billion once a Time Warner-America Online merger is completed.

Turner holds 9% of Time Warner's outstanding shares, based on stock and stock options, according to the company's latest proxy. Under a change-ofcontrol agreement, another 2 million options automatically vest upon completion of a merger. Turner's contract also calls for a future award of an additional 600,000 options. Paper value of Turner's holdings based on the proposed merger price, valued at \$106% per share Monday: \$12.3 billion.

Time Warner CEO Gerald Levin could be close to the \$1 billion club, too. Levin's stock and stock option holdings would be worth almost \$900 million after a merger. President Richard Parsons' holdings would be worth about \$230 mil-

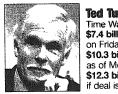
Even Turner's estranged wife, former actress/ fitness guru Jane Fonda, stands to benefit from an AOL merger. She holds 770,000 Time Warner shares. Paper value upon completion of a deal: \$82 million vs. \$49 million before it was announced. AOL executives also stand to benefit. According

to AOL's latest proxy, all unexcercisable stock options automatically vest if 30% of company stock is acquired by one outsider. Following a merger, Time Warner shareholders would hold 45% of AOL. CEO Stephen Case would be able to exercise options currently not exercisable, worth \$440 million.

AOL, however, may need to restructure its pay and bonus plan — paltry compared with Time Warner's. In 1998, Levin received \$9.5 million in total compensation, and Turner, about \$7.3 million.

Case was paid a mere \$1.5 million, while COO Robert Pittman was paid \$1.7 million, according to AOL corporate filings.

Major players sta stunning financia









Sources: Company filings with the Securities TODAY research

Foreign makers horn in on big-truck arena

Hot sales, high profits jack up pressure on Detroit

By James R. Healey USA TODAY

DETROIT - Toyota unveiled a production-ready, fullsize sport-utility vehicle here Monday, and Volkswagen displayed a prototype full-size sport-utility truck, clarion signals that foreign automakers are flercely attacking Detroit's high-profit, big-truck strong-

Toyota's 2001 Sequoia, derived from the company's Tundra pickup, will go on sale late this year as a premium model: 4.7-liter V-8 engine, anti-lock brakes, seating for eight.

VW's Advanced Activity Concept (AAC) is an extended-cab pickup with stubby cargo box, powered by a V-10 diesel. AAC is based on the platform that also will underpin a VW sportutility vehicle being jointly developed with Porsche. The AAC, or something like it, would be about 21/2 years off.

In addition, Honda is said to be working on a full-size pickup for the U.S. market in 2003 or '04. Jim Hall of industry consultants AutoPacific says the Honda trucks probably would be powered by General Motors' V-8 truck engines. Nissan, meanwhile, continues develop-



Big competition: Sequoia will go on sale later t automakers are trying to break into the USA's b

ment work on a full-size truck for the USA in '03.

It's easy to see the attraction. Big SUVs and pickups sell in huge numbers for high prices,

earning likewise big profits. But the truck market soon might choke on its own success. "Once everybody gets their

trucks and ning, the (intensify) more mod vid Power sultant J.F. ciates

Too, it's automaker