

Prices fall for second week
rate on 30-year fixed-rate
3.22% this week, down from
3.24%, Freddie Mac said. (Rates, 4B.)

Midwest gas prices
station directed the Federal
probe why gasoline, which costs
in Illinois and Wisconsin, is
Midwest than the rest of the
the Environmental Protection
es requiring oil companies to
reformulated fuel for 90 days



Regular guy: Jim Goodwin, right, UAL's chief executive officer, talks with Dan Condon, director of reservations, sales and operations planning, at United's headquarters in Elk Grove Village, Ill.

Cover story

UAL 'nice guy' in tough spot

CEO Goodwin loses union support over US Airways merger

By David Field
USA TODAY

ELK GROVE VILLAGE, Ill. — He's a beefy, 6-foot-5 guy who looks like any other working stiff waiting to pay for his coffee in the company cafeteria, saying hello to most people by name, as if he's worked there all his life.

In fact, he has. And though you'd never guess it from his genial manner, UAL Chief Executive Officer Jim Goodwin has — figuratively speaking — a lot on his plate.

Goodwin is about to complete his first year at the helm of United Airline's parent company by trying to bring off the largest airline merger ever: the proposed \$4.3 billion takeover of US Airways.

Multibillion-dollar mergers are common these days, but Goodwin's move stands out for uncommon gutsiness. In congressional hearings this week, Goodwin and other executives are trying to convince skeptical members of Congress that combining the nation's largest and sixth-largest airlines is a good idea.

Getting his own employees on board may be even harder.

UAL is the nation's biggest employee-owned company; since 1994, it has been 55% owned by members of its two largest unions and non-contract employees. Goodwin, who got where he is because labor unions backed him over the former CEO's chosen successor, already has rankled the unions by pursuing US Airways. United's unions

can't block a merger, but they can make it more expensive and much more difficult. Goodwin may be off to a bad start. His decision to negotiate to buy US Airways first and win over labor later has put him in conflict with United's pilots, who helped push out two UAL CEOs since 1987.

In an interview at United's headquarters here, near Chicago's O'Hare airport, Goodwin makes no apologies.

As United grows, "employee involvement will be important, but you just can't share decision-making with 100,000 people," he says. "You just can't involve that large a number of people" in corporate matters.

One reason his approach has upset

Please see COVER STORY next page ►

on rise 0.4% in May
at the nation's factories, mines
0.4% in May, the Federal Re-
surprised economists who pre-
climate. Warm weather boosted
ic utilities by 1.4%.

Magazine closes

The Sunday supplement maga-
d the 4½-year-old publication.
frican-American readers, had
d was inserted in 26 newspa-
Vanguard Media, which
l of the magazine in February
television, closed Week-
Emerge, late last month. Van-
cales said he plans to unveil a
with editorial content that re-

Endurance race

adillac returns to the 24 Hours
ace this weekend in France af-
Cadillac will be showcasing its
at the race and will be broad-
ghttime images from its race
porate Web site.

MediaOne purchase

\$44 billion acquisition of
g the company into the USA's
e TV and high-speed Internet
customers.

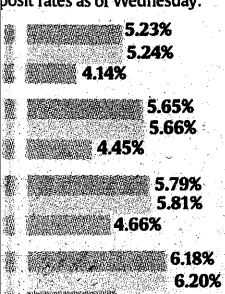
Most efficient in USA

factory spent an average 17.16
ing a Taurus or Sable last year.
l, factory built a Ranger pickup
making them the quickest car
USA. It marks the first time a
Japanese automakers in pro-
larbour Report 2000.

Staff and wire reports

Hotspots®

posit rates as of Wednesday:



Coreboard, 3B

17, www.bankrate.com USA TODAY

More dads tap into family benefits at work

Fathers today say it's important to them to spend time with children

By Stephanie Armour
USA TODAY

A rising number of fathers are putting new emphasis on family, curtailing their hours at the office or even quitting altogether to care for children.

The trend is breaking down biases that have long kept men from tapping into family-related benefits. Now, more employers have fathers who telecommute, take family leave and attend parenting classes.

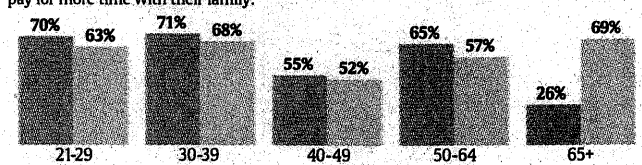
"It's really a revolutionary shift in gender expectations," says Paula Rayman at Radcliffe Public Policy Center in Cambridge, Mass. "Men are saying they want to be in their children's life the way their fathers and grandfathers couldn't be."

More than 70% of men age 21 to 39 would give up some of their pay for more time with their families, based on a poll by Radcliffe Public Policy Center. In fact, they were more likely than young women to give up pay.

The number of fathers who are primary caregivers has soared. The U.S. Census Bureau reports that more than 3 million children live with their fathers only, which is triple the number in 1980.

Family time or money?

In a survey conducted this year, younger men were the most willing to give up some pay for more time with their family:



Source: Radcliffe Public Policy Center

By Alejandro Gonzalez, USA TODAY

"I feel like I'm of service to my family," says Robert Jones, 39, of Tarrytown, N.Y., a stay-home father of two who left his part-time job in 1999 as a pastry chef. "I see dads, with flexible schedules. They're home a lot more. It's much more common."

Deloitte & Touche has fathers who take paternity leave and use flexible work schedules. Merrill Lynch just held a seminar on fathers and adolescence that was broadcast to field offices.

When Charles Schwab held an employee session on balancing work and family lives, more men than women attended.

Several trends are driving the change:

► A tight labor market means employees feel more secure about asking for family accommodations.

► The rise in working mothers means

fathers are assuming more of the child-raising demands and looking for help balancing priorities.

"Women's expectations of their partners have changed," says James Levine, co-author of *Working Fathers: New Strategies for Balancing Work and Family*. "We're in the midst of a very significant evolution."

► Generation X fathers have been raised in families where their mothers worked and are looking to be more involved as fathers.

"A lot of dads don't want the stress anymore of staying at the office until 10 o'clock," says Peter Baylies, 44, of North Andover, Mass., who writes a newsletter for at-home dads and left a programming job in 1993 to care for his two sons. "Now, a good family equals success."

Federal Reserve policymakers and economists see the recent 33% increase in gasoline prices as a temporary blip that won't harm the economy and could help the Fed rein in growth.

"How negatively it will affect the economy depends on how long these rising prices last," says Thomas Hoenig, president of the Federal Reserve Bank of Kansas City. "If this just lasts through the summer, it wouldn't be significant. And we don't expect it to last much longer than that."

Most analysts predict oil and gas prices will begin to come down around Labor Day, when demand for gasoline traditionally falls.

Crude oil trading on the New York Mercantile Exchange closed Thursday up 10 cents at \$32.95 a barrel on concern oil exporting countries won't step up production to nourish thin world oil supplies. That's the highest close since oil peaked at \$34.13 on March 7.

"Rising gas prices act like a giant tax increase," says Dallas Fed President Robert McTeer. "And that slows the economy."

Rising gas prices slow the economy because the \$5 or \$10 extra consumers put in their tanks is that much less they can spend elsewhere.

But many experts are betting that the high prices won't last.

"Even those people who predict (oil exporters) will not increase production aren't calling for another doubling of oil prices over the next few months," says Carl Weinberg, chief economist at High Frequency Economics. "Oil will drop out of the inflation calculus by the fourth quarter."

That's not to say, however, that energy prices haven't taken a toll. Kaiser Aluminum, the third-largest U.S. aluminum maker, is dismissing 400 temporary employees in Washington state because energy costs are forcing it to cut production. Similarly, recreational-vehicle maker Winnebago says rising fuel prices and interest rates are hobbling its business.

Those are the signs of a cooling economy policymakers want to see. McTeer says even if policymakers had known in advance about the impending crunch in energy prices, it wouldn't have changed their decision to raise the federal funds target rate half a percentage point last month. "The risk of inflation picking up is still greater than any downturn," he says.

Fed policymakers meet June 27-28, and many analysts expect them to leave rates unchanged to see if the economy has slowed sufficiently. Both Hoenig and McTeer see signs of slowing.

"I think there is a moderation," says Hoenig, a voting member of the Federal Open Market Committee. "I have talked to a couple of developers, and they are saying we are seeing a slowdown. Now we have to judge how much of a moderation."

► Atlanta Fed president, 6B