



ON THE FRONT PAGE

Putting heat on drivers

The Energy Department forecast U.S. gasoline prices this summer will average \$2.62 a gallon — 25 cents higher than last year's summer average.

DallasNews.com

Wednesday, April 12, 2006

OPENING BELL A double take on deficits

It's twin deficit day on Wall Street. At 7:30 a.m. Dallas time, the trade deficit report for February is due. Thanks to modestly lower oil prices in the month, most economists expect the gap to have narrowed to \$67 billion from January's record \$68.5 billion. At 1 p.m., the Treasury Department's monthly budget report will be released. The consensus estimate calls for a March deficit of \$85 billion, up from last March's \$71.2 billion. The month contained five Fridays on which tax refunds were mailed, accounting for part of the difference.

Danielle DiMartino

THE MARKETS

Dow -51.70 11,089.63	Nasdaq -22.92 2,310.35
S&P 500 -10.05 1,286.57	10-year Treasuries +7/32 4.93%

Inflation worries deflate stocks

An upbeat earnings report from Alcoa fails to allay investors' worries over higher energy and commodities prices. 4D

Danielle DiMartino

The financial markets have become hooked on credit. How long will they have to wait for their next fix? 4D

ENERGY WATCH

Crude \$68.98 +0.24 Near-term futures, per barrel	Gas \$2.780 +\$0.010 Dallas, regular unleaded
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INSIDE BUSINESS

Skilling denies heading conspiracy

Ex-Enron CEO Jeffrey Skilling downplays the importance of partnerships allegedly created to hide the company's debt and boost earnings. 2D

FCC chairman sees problems with plan

FCC chief Kevin Martin says proposed family-friendly cable programming tiers may not be viable. 2D

Outsourcing deals hit a record in U.S.

Plano-based Electronic Data Systems is among the companies that benefited from a first-quarter surge in contracts. 3D

Westwood's Byrne offers a fresh take

Westwood Holdings founder Susan Byrne sees a slow-down — but not a recession — on tap for the economy. 5D

Robert Miller

Business Day column, 2D

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Penney gets back into cosmetics

Retailer teaming with Sephora to offer products in its stores

By MARIA HALKIAS
Staff Writer

J.C. Penney Co. said Tuesday that it's getting back in the cosmetics business and turning to European beauty specialist Sephora to be its partner.

Sephora shops within J.C. Penney department stores will start appearing this fall, and Penney's online shoppers will be linked to Sephora's Web site, one of the largest online sources of prestige beauty products.

The shops will carry the breadth of makeup, skin-care, fragrance and accessories products

sold in Sephora's 120 U.S. stores.

That's a coup for Penney, which has been blocked from the top-brand beauty business for decades by exclusive agreements held by other department stores in the mall.

Department stores such as Macy's and Dillard's have maintained a 20 percent market share in the \$40 billion U.S. beauty business, according to NPDI Group.

It's one merchandise category in which department stores have been able to preserve their market share; other categories have declined as discount chains and specialty stores have expanded.

Sephora has a house brand and 250 suppliers including Clinique, Lancôme, Dior, Channel and Bare Escentuals. It's not clear

which brands will be available in the Penney Sephora shops.

Penney's connection to Sephora came through chairman and chief executive Mike Ullman, who headed Paris-based LVMH Moët Hennessy Louis Vuitton when it first opened Sephora stores in the U.S. in 1998.

"Sephora has talked to its top 15 resources and all are very enthusiastic about this opportunity to expand their distribution. We know 20 million Penney shoppers today that don't have access to Sephora," Mr. Ullman said.

David Suliteanu, president and CEO of San Francisco-based Sephora U.S.A., said the joint venture is a way to "dramatically increase our retail presence while



Sephora

This fall, Sephora shops will start appearing within J.C. Penney department stores.

See PENNEY Page 3D

Pass the salmon and pass the test



KYE R. LEE/Staff Photographer

Nikolini Café/Organicity's wild Alaskan salmon has been endorsed by Medical City Dallas Hospital as heart healthy. Offerings undergo scrutiny by a hospital dietician.

A HEARTY MEAL

A dinner of salmon, Greek potatoes and asparagus at Nikolini Café/Organicity will keep you in good standing with your cardiologist.

432
Calories

20g
Total fat

3g
Saturated fat

581g
Sodium

125mg
Cholesterol

SOURCE: Medical City Heart

Restaurants seek hospital endorsement of healthier meals

By KAREN ROBINSON-JACOBS
Staff Writer

Heart attack on a plate. Stroke on a bun. The cardiac arrest special. In recent years, the catch phrases linking restaurant food and fitness have not been flattering.

Now at least five Dallas-area restaurants have a new ally that helps them look less like the bad guys in the battle of the

bulge. In February, Medical City Dallas Hospital's cardiac center launched a program called Heart Healthy. It endorses menu items at select restaurants that can pass muster with a hospital dietician.

The program is part of a growing movement nationwide, already seen in the packaged foods industry, in which restaurants form alliances with

health care providers and trade groups.

The match-ups give participating restaurants a healthier glow and help fend off potential lawsuits.

"Every food company in the country is looking for an opportunity to offer healthier products or to leverage that trend and to hold off critics," said Kathleen Seiders, a Boston College marketing professor

who has written extensively on food marketing and the nation's obesity crisis. "And it probably will work. It's going to be much more difficult to [successfully] sue those restaurants."

Three years ago, the restaurant industry — particularly the fast-food segment — came under harsh criticism for sell-

See EATERIES Page 6D

A global outlook on labor

Dallas Fed chief urges perspective in debate over immigration

By ANGELA SHAH
Staff Writer

Following a spate of rallies on labor reform, Dallas Federal Reserve Bank president Richard W. Fisher once again extolled the merits of globalization.

"You cannot stop firms from seeking the best workers for the money," he said in a speech Tuesday. "Labor's best option in a globalized world is to adapt, compete and get stronger."

The Dallas Fed chief is a familiar and constant champion of borderless economies. Still, he acknowledged that the free flow of labor does bring challenges.

"It's called 'creative destruction' for a reason," Mr. Fisher said, referring to economist Joseph Schumpeter's theory of a constantly evolving economic system.

"But the benefits outweigh the drawbacks."

Mr. Fisher was speaking before a luncheon held by the Dallas Friday Group, an organization of business people who share an interest in public affairs.

These are turbulent times in the debate over labor and globalization.

In recent days, hundreds of thousands of people have taken to the streets, in Dallas and across the country, to demonstrate that immigrants play a key role in the economy.



Richard Fisher

See DALLAS Page 3D

Salespeople emerge as a hot commodity

Sales Company principal says it isn't a job of last resort

It's practically impossible to get good sales help these days. I hear this constantly from big companies and small.

Salespeople, sacrificed early in the downturn, are the hottest property in town now that the economy's improving.

No one knows this better than Debbie Mrazek. The 51-year-old principal of the Sales Company, a Plano-based sales coaching firm, is being inundated.

The first quarter is over. Results are far better than business owners expected.

"They're saying: 'This is beyond recovery. We are back. And we've got to get back into the game.'"

The two big obstacles: Finding



CHERYL HALL

good salespeople and persuading the right candidates to try it.

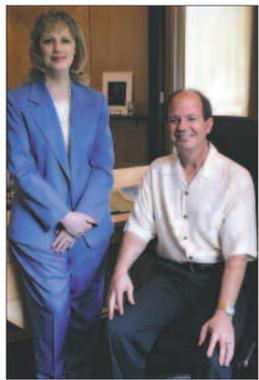
If you've ever doubted the importance of sales, consider this: Ross Perot's first hire at Electronic Data Systems Corp. was a salesman.

Nevertheless, it's often considered a job of last resort.

Ms. Mrazek argues that it should be the career opportunity of choice.

It's all a matter of changing the emphasis from hounding to helping the customer.

"I hate sales, and you should,



MILTON HINNANT/Staff Photographer

Debbie Mrazek has helped convince client Dan Hanson that he's better at communicating with prospective clients than anyone he could hire.

too," says Ms. Mrazek (pronounced mar-EYE-zek), who has a Web site called www.ihatesales.com.

See MORE Page 6D

Bausch & Lomb's stock dives 14.6%

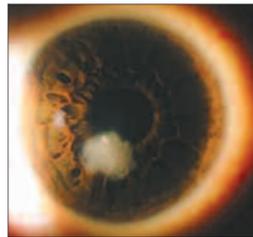
Contact lens fluid suspected in fungus outbreak in eyes

Associated Press

ROCHESTER, N.Y. — Shares of Bausch & Lomb Inc. tumbled 14.6 percent Tuesday after the eye-care products maker halted shipments of a contact lens solution linked by federal officials to a rare fungal infection that can cause blindness.

Bausch & Lomb said late Monday it was voluntarily suspending U.S. shipments of its ReNu with MoistureLoc contact lens solution.

The company stopped short of pulling the brand, made at its factory in Greenville, S.C., but merchants led by Wal-Mart Stores Inc. and Walgreen Co. began removing it from store shelves Tuesday.



Bascom Palmer Eye Institute

An eye fungus possibly tied to a Bausch & Lomb solution is potentially blinding.

Analysts cut their ratings on Bausch & Lomb, fearing the news could hurt sales of the company's other products. The stock dipped \$8.41 to close at a 2½-year low of \$49.03.

See BAUSCH Page 6D

Eateries team up with hospital

Continued from Page 1D

ing calorie-laden goodies that expanded the nation's waistline. Mega-meals promoted lawsuits against several mega-chains, including McDonald's Corp., which is still facing a 2002 "fat suit."

As consumer groups turned up the heat, the industry began boosting its offerings of healthier fare.

Easy to spot

Under the Heart Healthy program, that fare would be easier to find.

The program is the brainchild of Ryan Eason, community outreach consultant for Medical City Heart. So far, participants include locally owned, sit-down eateries such as Nikolini Café/Organicity and Gershwin's Restaurant, and a private chef service.

Mr. Eason hopes eventually to sign on some chains, but fast-food outfits need not apply.

"We'd probably kindly decline all fast food," said Mr. Eason, citing the heaping portion of public criticism. The same goes for any restaurant with PR issues, he said.

Even so, he figures that hundreds of North Texas restaurants could fit the bill.

"Dallas is such a restaurant-eating town," Mr. Eason said. He theorizes that all that dining out may have contributed to Dallas' dubious distinction as the nation's sixth-fattest city in 2005, according to *Men's Fitness* magazine. (Houston was No. 1).

The Dallas program, which backers say is the first in North Texas, is similar to the Heart Healthy Restaurant program sponsored by Dr. Paul E. Lemanski in the Albany, N.Y., area and the Heart Healthy Dining program launched in November by the MCG Cardiovascular Center in Augusta, Ga.

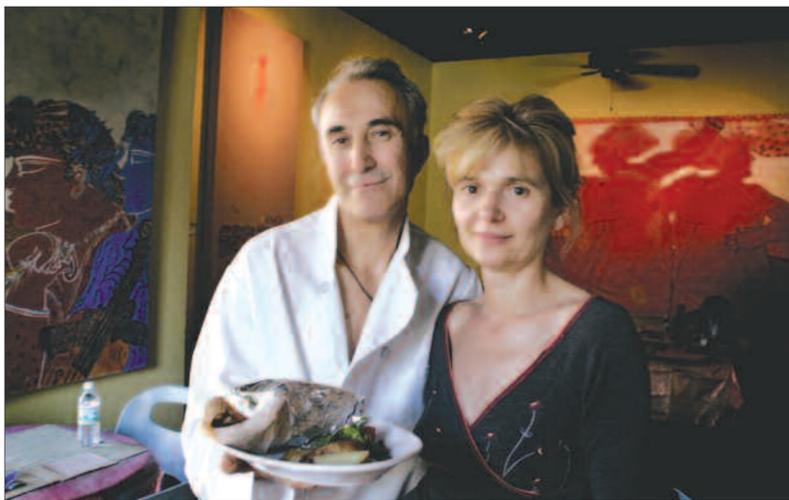
"We wanted to develop a program where we could positively affect the community without being threatening or 'in your face,'" Mr. Eason said. "We're not the food police. We just want the restaurants to identify what items already on their menu are heart-healthy."

Mr. Eason and others say the need is clear for players on both sides of the table to address the link between food and health.

Battling No. 1 killer

Cardiovascular disease — including heart disease, hypertension and stroke — is the nation's No. 1 killer, claiming nearly 1 million lives each year.

Eating too many foods high in



Nikolini Café/Organicity owners Gino and Olina Nikolini were the first to join Medical City's Heart Healthy Dining program. About 75 percent of their menu qualifies for the program.

Photos by BRAD LOPER/Staff Photographer

DigitalEXTRA

Links: Learn more about the program and find participating restaurants and nutritional information.

saturated fat — such as fatty cuts of beef, lamb, pork and poultry with the skin — can boost cholesterol levels, which increases the risk of heart disease.

Enter Mr. Eason, who's working with the Greater Dallas Restaurant Association to promote the dining program.

'Not all tofu salad'

"My goal is to educate the community that heart-healthy food tastes good — and it's not all tofu salad," he said.

Participation is a sign that "the industry does recognize that people are more concerned about their health needs," said Tracey Evers, executive director of the local restaurant association, which is planning to send a program mailer to members this month.

To qualify, restaurants send in recipes to be scrutinized by a registered dietitian at the hospital. The prepared recipes — mostly for entrees and side dishes already on the menu — are checked for nutrition attributes based on dietary guidelines from the American Heart Association.

Items must have limited levels of total fat, saturated fat, calories, sodium and carbohydrates. No trans fat is allowed.

On their menus and Web sites,

restaurants may label each item that makes the grade with the Medical City logo and note the endorsement on its menu.

Nikolini Café/Organicity, a restaurant cum fashion boutique on McKinney Avenue in Uptown, was the first local eatery to sign on. About 75 percent of the menu qualifies, Mr. Eason said.

"I believe in what they are trying to do," said co-owner Gino Nikolini, offering up a smoothie made from beets, peach juice and a cactus leaf. "Ryan said, 'We'll send you people who want to change.'"

Medical City lists the participating restaurants for free on its Web site and in its quarterly and annual publications.

Some food industry critics see the listing as a potential problem — consumers may think the endorsement applies to the entire menu rather than select items.

Gershwin's on Walnut Hill Lane serves steak in addition to the giant sea scallops in linguine with fresh tomatoes and champagne clam sauce that got the Medical City seal of approval.

Steak or fish?

"When people get to the restaurant, they may forget about everything else and head for the steak," said Gary Ruskin, executive director of watchdog group Commercial Alert.

He has criticized the American Diabetes Association for forming a multiyear partnership last year with Plano-based Cadbury Schweppes Americas Beverages that will net the group more than \$1 million.

Gershwin's general manager, Stacy Crossley, doesn't consider that a fair charge. She said fish makes up 50 percent of entrée sales, compared with about 30 percent for steak.

Mr. Eason said the program has merit, even if diners stray from the suggested items.

"Anything you do can be criticized," he said. "I'm hoping I'm going to be copied."

Still, he acknowledged that since he conceived the program eight months ago, he's had to develop stricter criteria for inclusion, increasing the number of heart-healthy items an eatery must offer to perhaps five.

Restaurants that have signed up haven't exactly seen sizzling sales.

The program has drawn only a handful of people so far at Gershwin's, though Ms. Crossley thinks that business will increase when the program is more established.

"But do I think it'll make a huge difference? Not really," Mr. Nikolini said a few diners have come to his restaurant because of the program, "and they left happy."

Even without a big sales boost, the restaurateurs were determined to stick with it.

"In Dallas, it's hard," said co-owner Olina Nikolini, as her husband dashed off to cut fresh mint from the restaurant's garden. "It takes time for these things to work."

"Ryan, I believe in him," she added. "I'm going to make it work."

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SEAL OF APPROVAL

So far, only a handful of Dallas food purveyors have menu items that qualify as heart healthy under the Medical City Heart program. The participants and some sample items:

Gershwin's Restaurant

- 8442 Walnut Hill Lane
- Romaine Greek salad with hearts of palm, olives, capers, feta cheese and pine nut vinaigrette
- Chicken piccata with whipped potatoes and sautéed spinach.

Mattito's

- 3011 Routh St.
- Pollo con salsa de maiz — grilled chicken breast over poblano black bean sauce topped with a roasted corn relish
- Snapper a la parrilla — grilled Caribbean snapper served with Spanish rice and grilled vegetables.

Nikolini Café/Organicity

- 2714 McKinney Ave.
- Moussaka — eggplant, potatoes and ground beef

- topped with béchamel sauce
- Risotto — organic brown rice, steamed asparagus and olive oil

Parigi Restaurant

- 3311 Oak Lawn Ave., Suite 102
- Roasted squash stuffed with quinoa, peas, carrots, parsnips, spinach and asiago.

Pop-Overs Personal Chef and Dinner Party Service

- Lake Highlands
- Dover sole meunière
- Beef filet with pan sauce.

The Chef's Gallery

- at the Art Institute of Dallas
- 8080 Park Lane, Suite 100
- Baby spinach salad with cinnamon-lemon vinaigrette, English cucumber and spiced almonds

SOURCES: Medical City Heart; the restaurants



Ryan Eason, community outreach consultant for Medical City Heart, hopes to sign up some chain restaurants for the Heart Healthy program, but not the fast-food kind.

CHERYL HALL

More firms are making a pitch for salespeople

Continued from Page 1D

"Nobody wants to be sold. People like to buy. So if we can get people to buy a product or service that they need from us, then we all love sales."

Small-business owners looking for sales help should look in the mirror first, she says.

"It's the American culture: I'm the president, this is my company, therefore I don't sell."

But chances are that nobody knows the products or services better, is more passionate about achieving results or can empathize as much with the customer's issues.

Plus it's easier, she says, to find staff for administrative tasks and other daily operations.

Sales count

Dan Hanson, principal of Technology Innovation Group Inc., is a convert.

The 50-year-old Dallasite holds advanced degrees from University of Oregon and Harvard University and was an investment banker before the financial bust of the late 1980s.

"I never had to deal with sales, so I thought anyone in sales was there by default," says Mr. Hanson, who started his technology consulting company in 2002.

"I've since learned that sales are at least half of the equation."

He's also learned that he's better at communicating with pro-

spective clients than anyone he could hire.

"It's about understanding people's needs, putting yourself in their shoes and then finding the best fit. It's not about getting them to pay you money."

So how does Ms. Mrazek teach that?

"Remember Johnny Carson and Karnack?" she asks.

"You know the answer you want: You want the customer to say yes. So what is the question you need to ask so that your product offers the solution the customer wants?"

"Then, instead of having to ask, 'Will you buy from me?' the question becomes, 'OK, so when do we get started?' That's a whole different perspective."

Her best advice: Shut up. "The worst thing about salespeople is they want to talk all the time."

Good salespeople have inquiring minds.

"I was the greatest 6-year-old on the bakery tour," she says. "I've always had a natural curiosity about how things work."

From clerk to \$400,000

So why do people listen to her?

Ms. Mrazek, who started as a clerk at Texas Instruments Inc.'s plant in Lubbock, moved up the sales chain and eventually made nearly \$400,000 a year in commissions for a technology company.

DEBBIE'S SALES TIPS

- Have real sales projections based on market research. Hope is not a strategy.
- Create a dossier on the business prospect before the first meeting.
- Ask open-ended questions to learn what the customer wants to achieve. Then you can offer the solution.
- Don't expect to close a deal in one shot. This is about building relationships.
- Shut up and listen.
- Be kind to the receptionist. There's usually only one door into a company, and that person is the gatekeeper.

SOURCE: The Sales Company

And that was a decade ago.

Roy Miller of the TransSynergy Group in Irving would rather craft words for his public relations practice than drum up business for it.

"Deb's part evangelist, part counselor, part parent who keeps me accountable," he says.

"She builds a structure for my goals and then drills it down to what I need to do today. I don't think like that. I'm not very linear."

Coaching fees

She charges \$800 a month for a half-hour of coaching each week and \$1,250 a month for a full hour.

She expects the Sales Company — a one-woman show — to bring in about \$500,000 in revenue this year, half from coaching and half from corporate assignments.

Ms. Mrazek tries not to make those big gigs "training" events.

She loathes that word, too. "Companies want to cookie-cut people into their way of selling. That's a mistake," she said.

"I'm not about strengthening people's weaknesses. You need to strengthen people's strengths so they can really excel."

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Bausch & Lomb shares dive after link to fungal infection

Continued from Page 1D

Shares of rival producers Alcon Inc. and Advanced Medical Optics jumped. Alcon, a Swiss company with U.S. headquarters in Fort Worth, jumped \$2.80, or 2.8 percent, to \$104.02. Advanced Medical Optics gained \$3.01 to \$48.48.

The fungus, called fusarium, is commonly found in plant material and soil in tropical and subtropical regions. Without eye-drop treatment, which can last two to three months, the infection can scar the cornea and blind its victims.

Symptoms can include blurry vision, pain or redness, increased sensitivity to light and excessive discharge from the eye. It is not transmitted from person to person.

The Centers for Disease Control is investigating 109 reports of infection in patients in 17 states since June 2005. It has made no direct link between ReNu and the infections, but a high incidence of the affected people had used the solution.

In February, Bausch & Lomb stopped shipments of ReNu in Singapore and Hong Kong after a similar spike in infections was reported in contact lens wearers there. It is partnering with health authorities and researchers to investigate the extent and cause of the outbreak, which also surfaced in Malaysia.

More than 30 million Americans wear contact lenses, and the ReNu brand generated \$45 million in U.S. sales last year.

"We've never had an instance where a contact lens care product has had any direct link to infection of this scale," said Dr. Art Epstein, a Long Island optometrist who chairs the American Optometric Association's contact lens and cornea section. "My guess is that there are significantly more patients in the field who have this infection or



FILE 2004/Staff



Associated Press

Alcon employees package and label Opti-Free Express contact lens solution at the company's Fort Worth plant. Alcon stock rose 2.8 percent to \$104.02 Tuesday after competitor Bausch & Lomb stopped shipments of its ReNu with MoistureLoc (left), a contact lens solution possibly linked to an eye fungus.

will have this infection and be subjected to analysis."

Dr. Daniel Schultz, director of the Food and Drug Administration's Center for Devices and Radiological Health, said it was too early to determine if Bausch & Lomb's solution was the cause of the infections.

Federal and state health officials have so far interviewed 30 of the 109 patients. Of the 28 who wore soft contact lens, 26 reported using

the ReNu brand or a generic solution also made by Bausch & Lomb.

Five of the 26 also reported using other types of solutions, Bausch & Lomb said.

"The numbers are pretty high for this to be pure coincidence," said analyst Suey Wong of Robert W. Baird & Co. in Milwaukee. "Bausch has not typically had problems of this nature, [but] there's going to be probably some spillover effect onto their other lens care products."



5 25 50 75 95