

THE WALL STREET JOURNAL

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DJIA 8270.87 ▼ 9.72 -0.1% NASDAQ 1591.56 ▼ 0.15 pt. NIKKEI 7969.03 ▼ 1.3% DJ STOXX 50 2045.23 ▼ 0.03% 10-YR TREAS ▼ 14/32, yield 3.028% OIL \$39.56 ▼ \$0.61 GOLD \$892.40 ▼ \$21.50 EURO \$1.3013 YEN 91.44

What's News—

Business & Finance

World-Wide

Cisco Systems sold \$4 billion in bonds to bolster its war chest for acquisitions, the latest company to take advantage of healing credit markets and falling interest rates. Since the beginning of the year, U.S. companies have sold \$78.3 billion of investment-grade corporate bonds that aren't guaranteed through a government program. **A1**

Rio Tinto's chairman-designate resigned amid disagreement over plans to sell a stake in assets to a Chinese company. **B1**

Roche launched a reduced \$86.50-a-share offer for Genentech and disclosed that the biotech firm was asking for \$112 a share. **B2**

GM's product chief, Robert Lutz, will leave the post April 1 and retire by year end as the auto maker scales back vehicle launches. **B1**

Japan's Aozora Bank, whose majority owner is Cerberus Capital Management, is expected to report a group net loss of around \$2.2 billion. Its CEO stepped down. **C1**

OPEC members have put 35 drilling projects on hold until oil prices recover. **A12**

Oil fell 1.5% to \$39.56 a barrel ahead of a barrage of reports that are expected to show another rise in U.S. inventory levels. **C7**

Stocks were little changed ahead of action on packages for government spending. The 10-year Treasury yield was its highest since Nov. 25. **C1**

A U.K. official called for tougher EU bank regulation, even by a single authority, a reversal of British policy. **A10**

Some junk-fund managers are dabbling in the market, seeing opportunity after average yields hit 18% late last year. **C1**

Barclays asserted that it won't need fresh capital from the U.K. as its 2008 profit was better than expected. **C3**

FedEx is laying off 900 workers, or about 2.5%, from its freight division amid plummeting volumes in the trucking industry overall. **B1**

U.S. retailers urged Congress to roll back part of a children's-product safety law taking effect Tuesday, citing the impact on jobs. **B3**

France said it would give \$8.4 billion in loans to Renault and Peugeot in return for pledges the car makers will protect jobs. **B2**

The euro and pound advanced against the dollar as risk appetite returned. **C5**

Survivors of Bob Marley and a private-equity firm are preparing a major push to license the reggae icon's likeness and trademarks. **B1**

J.C. Penney plans to focus its spring advertising campaign only on its most fashion-forward clothing lines. **B9**

The boards of Ticketmaster and Live Nation approved a merger pact to create an entertainment giant. **B7**

Disney reached a six-year distribution and marketing deal with DreamWorks SKG. **B7**

Newsstand magazine sales in the U.S. fell at their fastest rate in decades in the second half of 2008, shrinking 11% from a year earlier. **B9**

The SEC reached a partial settlement with Madoff that bars him from working in the financial industry again. **C4**

Obama argued for his economic-stimulus package.

At his first prime-time news conference, the president said the plan's success should be judged by whether it creates or saves up to four million jobs, stabilizes the housing market and frees up credit. He declined to give details on the financial-rescue plan to be unveiled by Geithner, which is expected to include a "stress test" for banks. Earlier, the Senate cut off debate on its \$800-billion-plus stimulus bill, setting the stage for a final vote Tuesday. **A1, A3**

Turning to foreign policy, Obama said his administration is looking for opportunities to engage in direct talks with Iran.

The Justice Department backed the Bush administration's arguments in a suit involving "extraordinary rendition" of terror suspects. **A4**

A suicide car bomber in northern Iraq killed four U.S. soldiers and an Iraqi interpreter, the deadliest attack against U.S. forces in nine months. **A12**

Australia's wildfire toll rose to over 170 deaths. Police suspect arson had a role in at least some of the blazes. **A6**

Flames engulfed a 44-story building in Beijing. The government blamed fireworks. **A6**

Pakistan said it found most Mumbai attackers were Pakistani but needs more evidence from India to try suspects. **A10**

At least 13 civilians were killed in northwest Pakistan during a battle between the military and Taliban militants.

Israeli polls say the election is too close to call, but hardliners are expected to have an edge in a likely coalition.

Israel and Hamas have narrowed gaps over a longer-term truce in Gaza at talks in Egypt, the militant group said.

Israeli aircraft struck two targets in Gaza Strip and a militant died in a border clash. **A12**

A poll in Afghanistan found a sharp drop in support for the government and for U.S. and European troops.

Ex-eBay CEO Meg Whitman launched an exploratory committee for a run for governor of California in 2012. **A2**

A suspected Tamil rebel blew herself up as Sri Lankan soldiers frisked her, killing 20 troops and eight civilians. **A12**

Alex Rodriguez said he used performance-enhancing drugs with the Texas Rangers from 2001 to 2003. **A4**

Spain blamed ETA for a blast outside the firm building a rail link between Madrid and the Basque region. **A12**

A Kyrgyzstan lawmaker said a vote on shutting a U.S. base will be delayed until Russia delivers promised aid.

Multivitamins didn't cut the risk of cancer, cardiovascular disease or death among women, a new study found. **D2**

California must release tens of thousands of inmates to relieve prison overcrowding, a panel of judges ruled.

The Italian woman at the center of a right-to-die case died. She had been in a coma since a 1992 car crash. **A12**

Obama ordered a cyber-security review to examine how U.S. agencies protect data.

An Oregon flu study found a correlation between low humidity and virus transmission.

Obama Warns of 'Lost Decade'

President Says Federal Government Is the Only Remaining Option to Jolt Economy

BY LAURA MECKLER AND JONATHAN WEISMAN

President Barack Obama, saying the U.S. faces a "profound economic emergency," prosecuted the case for his economic stimulus plan and left the door open for the government to spend billions more on a controversial bank-bailout plan during a prime-time news conference Monday.

The president's tones alternated between bipartisan out-

reach and tough words for Republicans who, he said, backed failed policies that helped drive the country into economic distress. Mr. Obama set benchmarks for his economic recovery plan, saying its success should be judged by whether it creates or saves four million jobs, stabilizes the housing market and gets credit markets operating again.

The East Room session also touched on several world hot spots. He said his administration

is looking for opportunities to engage in direct talks with Iran, adding: "Now it's time for Iran to send signals that it wants to act differently as well." Mr. Obama said it is in the mutual interest of Pakistani and U.S. governments to pursue terrorists hiding in safe havens in the tribal regions of Pakistan. He also declined to give a timetable for withdrawal of U.S. troops from Afghanistan.

The news conference—an hour taken up by 13 questions that followed with often lengthy

answers from Mr. Obama—came a few hours after the latest version of the stimulus plan survived a key Senate vote, setting a final vote Tuesday that will be followed by tough negotiations between the House and Senate to resolve competing versions of the more than \$800 billion program.

Mr. Obama's prime purpose was to sell the plan to an uncertain public, part of a weeklong series of events aimed at regaining

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'I Was Young, I Was Stupid. I Was Naive.'



FALLEN STAR: Alex Rodriguez became the most accomplished baseball player yet to admit to using steroids. In a television interview Monday, he said he used the drugs between 2001 and 2003. See article on page A4.

Market For Bonds Shows Sign Of Thawing

BY BEN WORTHEN AND KELLIE GERESSY

A growing number of big companies are taking advantage of the thawing credit markets to raise large sums of money at low interest rates, with Cisco Systems Inc. Monday selling \$4 billion in bonds to bolster its war chest for acquisitions.

The big Cisco offering follows a string of successful efforts just in the past five weeks to tap the market for corporate debt. The size of the offering—and the relatively low-risk premiums attached to the bonds—indicate that investors are hungry for debt from highly rated companies.

The San Jose, Calif., company, which makes routers and other gear that form the backbone of computer networks, said it would use the debt for acquisitions, buying back stock and paying off a previous \$500 million loan. Chief Executive John Chambers has said he anticipates using the company's financial might to expand into areas where it hasn't historically competed. "People know we are going to be aggressive during a downturn," Mr. Chambers said in an interview last week.

Cisco is taking advantage of credit markets that have healed significantly since last fall, when the global financial crisis made it nearly impossible for companies

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Local TV Stations Face a Fuzzy Future

BY SAM SCHECHNER AND REBECCA DANA

LAS VEGAS—Lisa Howfield, general manager of KVBC, the NBC affiliate here, watched last year as the broadcast-television business began to shrink. She started cutting. She combined departments. She made do with old equipment, and did away with luxuries like yearly sales getaways.

In December and January, she laid off 15 employees, or 6% of her staff. After the weatherman left last month, one of the morning news anchors took on both jobs. "It's like a bad roller-coaster ride," says Ms. Howfield. Her station's full-day viewership is down

7.7% this TV season from the same period last year, according to Nielsen Co., and Ms. Howfield expects her ad revenue in 2009 will be down 30% from 2008.

Local television stations like Ms. Howfield's dominated the TV business for more than half a century. They inspired the term "network": a web of Channel 7s and 11s that delivered shows from ABC, CBS, NBC—and later, Fox—plus local news, syndicated reruns and talk shows. Because the stations owned the licenses to the airwaves that broadcast TV signals, big networks couldn't distribute content without them. In turn, local stations became the vehicles for

the greatest mass-market advertising blitz in history.

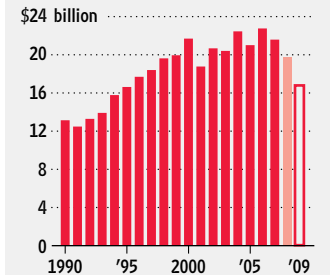
Now, with their viewership in decline and ad revenue on a downward spiral, many local TV stations face the prospect of being cut out of the picture. Executives at some major networks are beginning to talk about an option that once would have been unthinkable: eventually taking shows straight to cable, where networks can take in a steady stream of subscriber fees even in an advertising slump.

In December, CBS Corp.'s chief executive, Leslie Moonves, told an investor conference that moving the CBS network to cable would be "a very interesting proposition."

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Fading Out

Revenue for all TV stations, including networks' affiliates and independent stations



Note: 2008 is a preliminary estimate; 2009 is projected. Source: BIA Financial Network

Brunch as a Religious Experience Is Disturbing Berkeley's Karma

As Throngs Gather at Temple for Cheap Curry, Neighbors Say They've Had Their Fill

BY GEOFFREY A. FOWLER

BERKELEY, Calif.—This hotbed of philosophical debate since the 1960s has a new question to ponder: Can brunch be a protected religious activity?

Every Sunday for nearly two decades, Berkeley's Thai Buddhist temple, Wat Mongkolratanaram, has dished up one of the most popular brunches in town. Starting at 10 a.m., hundreds line up outside the suburban temple, carrying away plates of curry and mango with sticky



Tahn Manas

rice to eat at picnic tables or on the nearby lawn of the city's "tool-lending library."

But last spring, some of the temple's neighbors decided they'd had their fill. They asked the city's zoning board to shut

down what they call a "commercial enterprise" operating in a residential zone. At a public hearing, a dozen neighborhood opponents sounded off: Some said they couldn't stand the "offensive odors" of Thai food being prepared; others objected to litter, traffic and clanging pots early in the morning. One compared the temple to a McDonald's.

At a hearing in September, neighbor Carolyn Shoulders complained: "If anybody whose neighbor on the other side of their backyard fence had a thousand people over every weekend, they would really get tired of it."

In a recent interview, she said she has lived on the street behind the temple for 10 years. "They don't have to, in essence, run a

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TODAY'S AGENDA

Geithner to Lay Out Bailout-Revamp Plans

Treasury Secretary Timothy Geithner is expected to outline the Obama administration's revamp of the financial-system bailout. Plans have evolved over the past several weeks as the administration has considered and discarded a host of ideas, and markets are anxiously awaiting details. **11 a.m. EST**

Company Inventories Likely Shrank in Month

The U.S. wholesale inventories report for December is expected to show companies shrank inventories at a greater rate than the previous month as they struggle to fight costly buildups. Consensus estimate: decline of 0.8% following November's decline of 0.6%. **Commerce Department, 10 a.m. EST**

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