

BUSINESS



Cell-phone earpieces get smaller, D4

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themorningcall.com/extra ► **HOW DID THE MARKET DO THIS WEEK?** Use our tool to find out which stocks are up and which are down.

	Dow Jones Close: 12,625.62 +24.43
	Nasdaq Close: 2,464.58 +16.31
	S&P 500 Close: 1,394.35 +3.64



FUEL-EFFICIENT CARS such as Honda Civics, Dodge Neons and Chevrolet Cavaliers are the must-haves at used car lots as gas prices approach \$4 a gallon. Eric Eberhardt, owner of Eberhardt Motors on Main Street in Egypt, shows the available used cars on his lot in Whitehall Township.

Monica Cabrera The Morning Call

BRIEFING

MEDICARE RECORDS WILL BE OPENED FOR RESEARCH

WASHINGTON | Federal health officials are getting new authority to mine prescription drug usage by millions of participants in the Medicare drug program to look for safety problems with medicines and medical devices after they hit the market.

The Food and Drug Administration has been under increasing pressure to develop a drug surveillance system since the painkiller Vioxx was pulled from the market in 2004 after it was linked to increased risk of stroke and heart attack.

New regulations unveiled Thursday by the Department of Health and Human Services will enable federal agencies, states and academic researchers to use Medicare claims data. Protections will be put into place to protect patient privacy and trade secrets. (AP)

GOOGLE SEEKS FEDERAL COURT FOR 'STREET VIEW' LAWSUIT

PITTSBURGH | Internet search leader Google Inc. wants a lawsuit filed by a suburban Pittsburgh couple over online photos of their home moved to federal court.

Aaron and Christine Boring say photos of their Franklin Park home on a Google Web site violated their privacy, devalued their property and caused them mental suffering. They are seeking more than \$25,000 in damages.

The couple filed the suit in Allegheny County Common Pleas Court in April. Google filed its motion Wednesday.

The suit targets the Mountain View, Calif., company over street-level images available through its "Street View" mapping tool.

The couple's attorney, Dennis Moskal, says Google is "scrambling" because it has "serious problems." He says he welcomes litigating the case in any forum. (AP)

THREE DEPRESSED STATES DRAG DOWN HOUSING INDEX

WASHINGTON | A home-price index considered to be the most comprehensive reading of the U.S. market posted the sharpest decline in its 17-year history, and analysts say housing has yet to bottom out.

Rapidly falling home prices in California, Florida and Nevada skewed the national results.

The Office of Federal Housing Enterprise Oversight said Thursday that home prices fell 3.1 percent in the first quarter compared with last year.

It was only the second quarter of price declines since the index started in 1991. The price index first declined on a year-over-year basis in the final quarter of 2007, when it dropped 0.45 percent. (AP)

US AIRWAYS: GAS TOO PRICEY FOR NEW FLIGHTS TO CHINA

US Airways Group Inc. asked federal regulators for a one-year delay in starting new flights to China because of the soaring cost of jet fuel.

US Airways follows UAL Corp.'s United Airlines in making such a request to the U.S. Department of Transportation. U.S. Airways, of Tempe, Ariz., wants to begin the Philadelphia-Beijing route in 2010, according to a letter to employees Thursday.

Jet-fuel prices have climbed 94 percent during the past year, and fuel now accounts for as much as 40 percent of airlines' operating expenses. (Bloomberg)

Getting rid of those gas guzzlers

National trend of trading in SUVs for more fuel-efficient cars hits Valley.



Monica Cabrera The Morning Call

ERIC EBERHARDT says Honda Civics are the most coveted used cars on the market. 'You can't even find them,' he says. 'And if I do bring them in, they hit the floor, and they're gone.'



Monica Cabrera The Morning Call

'PEOPLE ARE looking for higher gas-mileage cars,' Eberhardt says. Rows of SUVs stand alone in his lot; no one is stopping by to check them out.

By Kevin Duffy
Of The Morning Call

Those big, gas-slurping sport utility vehicles are becoming as forgotten as Cabbage Patch Kids as rising fuel prices prompt consumers to look toward smaller, more fuel-efficient vehicles in trade.

Nationally, smaller vehicles like Honda Civics are commanding prices about 2 percent higher than one year ago at auction, according to data provided by the National Automobile Dealers Association.

"I won't turn any vehicle away. A sale's a sale."

ERIC EBERHARDT
owner of Eberhardt Motors

The flip side, according to NADA: Full-size SUVs have dropped over the same stretch of time.

In the Lehigh Valley, that trend is playing out for dealers such as Eric Eberhardt, president of Eberhardt Motors in Whitehall Township.

Compact cars are soaring in price at the auctions he attends. "Every other week they jump by hundreds or thousands a car," he said.

And that factors into what's printed on the price tags on the vehicles crammed into Eberhardt's lot. The asking price for used compacts is about \$1,500 more than a year or two ago, he said.

Want to swap your Jeep Liberty or SUV? You can expect to get about \$1,500 less.

"They've grown to understand

USED CARS PAGE D5

Ford cuts production, profit goal

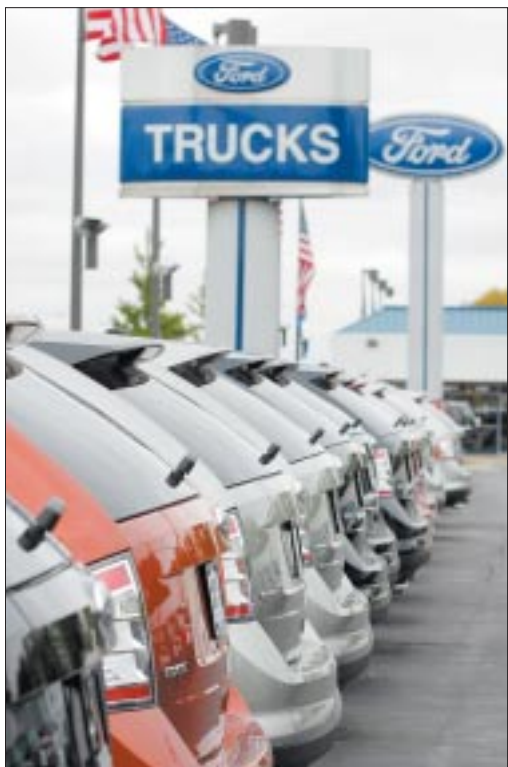
By Dee-Ann Durbin
Of The Associated Press

DETROIT | Ford Motor Co. is cutting North American production of pickups and SUVs as car buyers eyeing record gas prices turn toward more fuel-efficient models. The automaker says it no longer expects to return to profitability by 2009 and didn't rule out layoffs and plant closures.

Ford, of Dearborn, also on Thursday cut back its projections for total U.S. light vehicle sales in 2008 to between 14.7 million and 15.1 million vehicles. That's down from 17 million vehicles as recently as 2005. Light vehicle sales exclude heavy trucks.

"We all would like the basic business environment to not have deteriorated, but clearly the most important thing we can do for the long-term success of the Ford Motor Company is deal with this reality," Ford President

CUTS PAGE D2



Bill Pugliano Getty Images

SEVERAL FORD Edge vehicles sit on a dealer's lot Thursday in Royal Oak, Mich.

Global food prices to remain high, U.N. says

They will fall a bit, but not enough to keep world hunger at bay.

By Marta Falconi
Of The Associated Press

ROME | World rice prices that have tripled in Asia over the course of the year may come down, but overall food prices will remain high for years to come, leaving millions more hungry, a U.N. food agency warned Thursday.

High oil prices, growing demand, flawed trade poli-

cies, panic buying and speculation have sent food prices soaring worldwide, triggering protests from Africa to Asia and raising fears that millions more will suffer malnutrition.

On Thursday, tens of thousands of workers in Senegal — from teachers to tax officials, fishery and port workers — stayed home as part of a strike staged by unions to protest the spiraling cost of rice, fuel and other basic goods.

Surging food prices have also sparked riots in Haiti and fed worries about supplies in the Philippines.

The Food and Agriculture

Organization said it had some good news: The world prices of most agriculture commodities have started to drop.

The bad news: The prices are unlikely to fall back to pre-2007 levels, the agency said in a report Thursday.

"We are facing the risk that the number of hungry will increase by many more millions of people," said Hafez Ghanem, assistant director-general of the FAO.

Conditions on the global rice market could ease as new crops are harvested around the world. But price



Luis Liwanag Getty Images

CHICKENS are for sale at a market in Manila. In the Philippines, poor people spend nearly 60 percent of their income on food.

FOOD PRICES PAGE D5