



A Wi-Fi Solution Via Electrical Outlets

Walter S. Mossberg on a way to boost a home network's range
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Rocawear's Fine Line: Hip and Mainstream

As Jay-Z's fashion label grows up, will his young hip-hop fans follow?
MARKETPLACE | B1



A Custody Battle—Over Mom

Lawyers are seeing a rise in feuds over the care of elders
PERSONAL JOURNAL | D1

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DOW JONES Newswire

Out of Boston

An Entrepreneur Has Quixotic Goal Of Wiring Rwanda

Greg Wyler's Internet Outfit Offers High-Tech Service In War-Ravaged Country

'A Booming Metropolis!'

By CHRISTOPHER RHOADS

MOUNT KARISIMBI, Rwanda—Greg Wyler, an American tech entrepreneur, dreams of bringing the Internet to this troubled country. There are a few hurdles. One is a battered communications tower atop this 14,787-foot volcanic peak. The air is too thin for helicopters to transport the several tons of equipment needed for repairs. Instead, it has to go by hand.

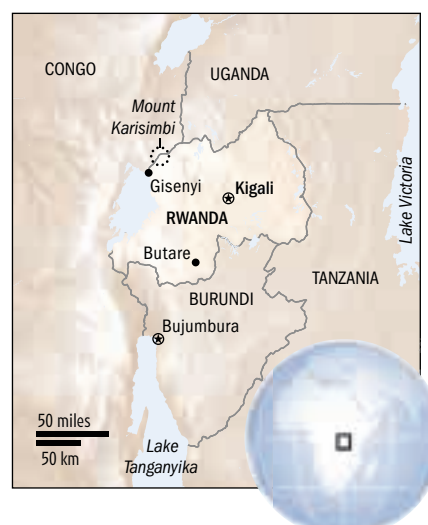
One recent morning, as mist covered the mountain, a group of 20 Rwandans lugged a 1,300-pound transformer with ropes and pulleys through deep mud.

Rains had turned part of the trail into swamp. Mr. Wyler, 36 years old, was checking on their progress. He had recently hired a South African mountain-rescue company to advise on navigating the steeper sections.

"We are pushing the boundaries of technology here," Mr. Wyler said, as the muck oozed up around his knees.

Mr. Wyler's company, Terracom, expects the tower to start beaming services in the coming months, including, for the first time, cellphone coverage, Internet access and television. Rwanda is among the least-connected countries in the world. Mr. Wyler wants it to be the first completely wired African nation, with citizens paying \$80 a month for Terracom's Internet service.

Right now, Rwandans earn on average an annual income of about \$200. Outside Rwanda's major towns, few homes have power. Rwanda still bears



the scars of the genocide that consumed this nation 12 years ago when ruling Hutus slaughtered more than 800,000 Tutsis in a 100-day period. The country's telecom minister, Albert Butare, supports Mr. Wyler's efforts but acknowledges the obvious.

"We've had to rebuild everything from nothing," Mr. Butare says. "So when people need shelter, water and energy, they ask, 'Do I really need a computer?'"

On a recent break-neck tour by Land Cruiser of Terracom's projects around the country, Mr. Wyler stopped at his

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What's News—

Business and Finance

HEWLETT'S NET SURGED, helped partly by CEO Mark Hurd's cost-cutting campaign, and the company raised its earnings forecast. The computer and printer maker posted a 5.4% revenue increase. H-P also unveiled a \$6 billion share buy-back, the largest in its history. The news sent H-P shares up sharply in after-hours trading.

(Article on Page A3)

Core consumer prices rose 0.2% in July from June after a string of 0.3% increases. The slower pace suggests the Fed may end its rate-increase campaign.

The Dow industrials jumped 96.86 to a three-month high of 11327.12 on the benign inflation news. Bonds rose; oil fell to \$71.89.

(Articles on Pages A2, C1, C3 and C5)

Cable-TV operators may require another expensive round of upgrades to compete with high-speed Internet rivals, a report suggests.

(Article in Column 5)

R.R. Donnelley is entertaining takeover offers from at least two leveraged buyout firms. The printer's shares rose 1.8% to \$34.36.

(Article on Page C4)

Satellite providers dropped out of the radio-spectrum auction, forcing them to find other ways to offer wireless-Internet service.

(Article on Page A2)

Investor Nelson Peltz's allies may have won up to three seats on Heinz's board, though the proxy fight's outcome remains unclear.

(Article on Page A3)

Teck won't proceed with an increased \$17.83 billion bid for Inco, leaving CVRD the apparent front-runner to acquire the nickel miner.

(Article on Page C4)

Boeing plans to take steps toward winding down its C-17 cargo-plane program after failing to secure Pentagon pledges for orders.

(Article on Page A2)

Danone said it plans to spend between about \$640 million and \$1.3 billion a year over the next three to five years on acquisitions.

(Article on Page C1)

South Korea's Shinhan edged out two other bidders for a majority stake in LG Card with an offer of more than \$7.5 billion.

(Article on Page C4)

Dell's battery recall may hurt its back-to-school business but is less likely to cause long-term problems, some analysts predict.

(Article on Page B4)

Ukraine's prime minister said he has secured Russia's assurance that it will forgo any steep price increase for natural gas this year.

(Article on Page A4)

Wall Street bonuses are on track to top last year's totals, including a 20% to 25% jump for stock-focused investment bankers.

(Article on Page C2)

Several exchanges have talked with the Nybot about making an offer for the futures marketplace.

(Article on Page C3)

—Markets—

Stocks: NYSE comp. vol. 2,513,084,041 shares, Nasdaq vol. 2,054,207,309. DJ industrials 11327.12, ▲+96.86; Nasdaq composite 2149.54, ▲+34.53; S&P 500 index 1295.43, ▲+9.85. Bonds (4 p.m.): 10-yr Treasury ▲+16/32, yld 4.871%; 30-yr Treasury ▲+24/32, yld 4.998%. Dollar: 115.83 yen, -0.27; euro \$1.2843, +0.58 cent against the dollar. Commodities: Oil futures \$71.89 a barrel, ▼-\$1.16; Gold (Comex) \$628.70 per troy ounce, ▲+6.20; DJ-AIG Commodity 172.025, ▼-0.065.

World-Wide

THE ISRAELI ARMY STARTED handing over positions to the U.N. Israel stepped up withdrawal from southern Lebanon after the Lebanese government agreed to deploy troops near Israel's border but fell short of an agreement to seek to disarm Hezbollah. Aid is starting to flow to Lebanon, but efforts are plagued by logistical hurdles, political tension and an absence of cash from the West. Iran's Khamenei, in a message to Hezbollah head Nasrallah, described the fighting as a victory for Islam. (Page A4)

British investigators will have until next week to hold terror suspects without charging them, a judge ruled. Meanwhile, continued airport delays are prompting some airline officials and security specialists to call for passenger profiling to help trim the number of intensive searches. (Page A5)

Baghdad bombs killed 21, and gunmen attacked the governor's office in Iraq's second-largest city. An Iraqi official said violence killed 3,500 Iraqis in July, the highest monthly civilian death toll since the war began in 2003.

Abbas and Hamas will renew talks to form a unity government. A Palestinian boy was killed in southern Gaza in fresh Fatah-Hamas fighting.

The Coast Guard arrested Mexican drug cartel leader Francisco Javier Arellano-Felix as he was deep-sea fishing off the coast of La Paz, Mexico.

Fighter jets escorted a London-to-Washington flight to an emergency landing in Boston after a claustrophobic passenger caused a disturbance.

A man suspected in the murder of JonBenet Ramsey 10 years ago was arrested in Thailand. The American was held on unrelated sex charges.

Most states meet only some criteria for putting highly qualified teachers in every core academic class, according to a federal review. (Page D1)

Harvard researchers are heading the study of a group of HIV-infected people in whom the virus is virtually undetectable for years. (Page D4)

Drug-resistant staph bacteria are present in 59% of skin and soft-tissue infections treated in emergency care, according to a new study. (Page D4)

Ethiopian flooding has killed over 600 and left hundreds missing as 11 days of heavy rain have overwhelmed the rescuers. More rain is expected.

Mexico City's mayor-elect Ebrard vows he will continue to back López Obrador in his quest for a recount of the presidential vote. (Page A6)

A grenade attack sparked a stampede at a Hindu temple in northeast India. Four were killed and 40, including an American, were injured.

New York released a batch of recently discovered emergency calls made Sept. 11 that reflect the scene's chaos and rescuers' sense of duty.

NASA plans to launch space shuttle Atlantis on Aug. 27 to resume construction of the space station, but two unstable bolts could force delays.

Karen Kozlowski filed for divorce from Tyco ex-CEO Dennis Kozlowski, who threw her a lavish birthday party used at trial to illustrate his excesses.

Died: Alfredo Stroessner, 93, Paraguayan dictator and anticommunist general, after a long exile in Brazil.

—Online Today—

Attention, Shoppers: Internet retailers from Amazon to Home Depot have begun selling some of the Web's hottest commodities—online ads. **What's Your Workout?** Put on your helmet and prepare to wipe out, plus other in-line skating tips from two pros. **Country Rhythm:** Novelist Daniel Woodrell talks about exploring the grittier side of rural life.

Why Ping-Pong Star Had to Spend a Week In a Cucumber Patch

Rowdy Chinese Player Got A Taste of the Simple Life; Shades of Mao Zedong

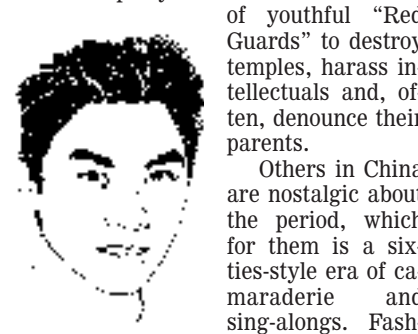
By SHAI OSTER

PANTAO, China—When Chen Qi, a 23-year-old Chinese ping-pong star, lost both a televised match and his temper in March, his coaches drew inspiration from the past.

Harking back to China's Cultural Revolution, they arranged a stint in the countryside to instill in the Olympic hopeful "the quality of trial and adversity." For a week, Mr. Chen clumsily tried to weed cucumbers while hundreds of farmers gathered around to gawk and shout advice. "This is a pilot project. If it works, I'll send the whole team down," declared one of the coaches, Liu Guoliang. "Kids today don't understand hard work."

During the 10 long years of the Cultural Revolution, which began in 1966, Mao Zedong used similar logic to justify sending an estimated 14 million young people, fallen party officials and others to the villages for re-education through backbreaking labor. The forced movement—and the millions of deaths—helps explain why the Cultural Revolution was one of the most scarring episodes in China's history.

For many, talk of the Cultural Revolution remains taboo. The Communist Party officially condemned the episode in 1981, but fears too much discussion today about its role could damage its reputation. Schools don't teach about how Mao and other party leaders exhorted hordes of youthful "Red Guards" to destroy temples, harass intellectuals and, often, denounce their parents.



Chen Qi

Others in China are nostalgic about the period, which for them is a sixties-style era of camaraderie and sing-alongs. Fashionable yuppies have for years flocked to Cultural Revolution theme restaurants, where service comes with Marxist slogans. Meanwhile, younger Chinese, more familiar with McDonald's and the Internet, find that era's stories of deprivation and persecution unreal.

"When you tell these kids about what happened back then, they just don't even believe it," says Huang Biao, the Chinese national ping-pong team's 43-year-old head coach. He was clutching a pack of cigarettes as he shouted instructions to players, all in their twenties, before a recent match.

The son of a policeman, Mr. Chen has always had a rebellious streak. A muscular fellow with spiky hair and a trident tattoo on his biceps, he joined the junior national team in 1999 and was twice kicked off for rowdy behavior. But his aggressive left-handed play earned him a spot on the national team anyway, and he quickly became a star. In the 2004 Athens Olympics, he and a partner brought home gold in the table-tennis doubles event, part of a team that claimed nearly every top spot that year. He now ranks among the top 10 players in the world.

In China, ping-pong players are major celebrities whose off-court antics are watched as closely as their on-court smash serves. The military-like discipline the national team's coaches try to enforce—housing players in dormitories and prohibiting them from dating teammates—hasn't stopped Mr. Chen and his

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INSIDE

Upstarts Dig In On African Copper Where giants struggled, 'junior' mining outfits like Canada's First Quantum Minerals are now dominant. **Money & Investing, C1**
Bacardi Rumble Spills Into U.S. A new twist in a 50-year saga: The spirits maker's version of Cuba's legendary Havana Club rum is taking over Pernod. **Corporate Focus, B2**
Islam Needs a Bit of Irony It's where every offer of peace and acceptance of the 'other' begins, Roger Scruton writes. **Opinion, A8**

Legal Storm

The Gulf Coast, Still Wrecked, Grapples With Insurance Suits

Key Issue: Did Katrina's Wind Or Water Cause Damage? Result May Affect Rates

Judge Guirola's Ruined House

By LIAM PLEVEN

GULFPORT, Miss.—In the federal courthouse here, U.S. District Court Judge Louis Guirola Jr. is playing an unusual role: plaintiff.

Thousands of Mississippi homeowners are suing their insurers saying they were unfairly denied compensation for destruction wreaked a year ago by Hurricane Katrina. Judge Guirola and his wife, whose two-story home was leveled during the storm, are among them.



Louis Guirola Jr.

Their case—like that of many others—revolves around a key issue: Was the nearly \$650,000 worth of damage caused by the storm's winds, making it an event covered by most policies? Or was it caused by the wall of water that slammed ashore, something that insurers typically exclude?

Like many Mississippi homeowners, the Guirolas had no flood-insurance policy, which is usually obtained through a federally backed program. The suit says their house and possessions were "completely destroyed by hurricane wind." Their insurer, Nationwide Mutual Insurance Co., says the home was in essence washed away and denied the claim. In thousands of such cases, the courts are just starting to try to figure out who's right.

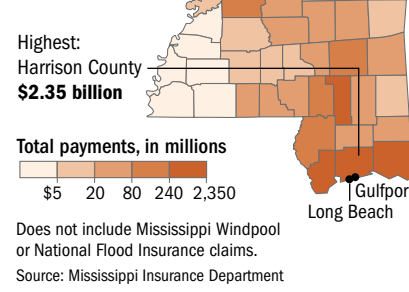
The outcomes will ultimately help determine the pace and scope of rebuilding as the Aug. 29 anniversary of Katrina nears. It will also affect the price and availability of disaster insurance, especially along this debris-clogged coastline. If they lose, insurers say rates may rise for everyone else to cover billions in unexpected liabilities. They could also decide to scale back such coverage.

Whatever the result, policy makers will likely have to consider just who should cover hurricane damages in the first place: the government, private insurers or homeowners. The current system, in which both public and private sectors cover a piece, helps create the disputes clogging the legal system.

On Tuesday, one of Judge Guirola's colleagues, Judge L.T. Senter, issued the first

Mississippi Flooding

Insurance payments from Hurricane Katrina in Mississippi topped \$10.4 billion in June. Payments by county:



Source: Mississippi Insurance Department

verdict in one of the Mississippi cases, which also involved Nationwide. Judge Senter ruled that the insurer did not have to pay most of the policyholder's claim, just the portion that could be attributed to wind damage, a tiny amount in this instance. But the precedent may be limited because the house was still standing, making evidence easier to gather, whereas many others are not. Also, the judge said the insurer was liable for the wind damage, a small portion of the claim.

In Mississippi, the cases are complicated by the fact that much of the state's legal and political leadership has chips in the game. In addition to Judge Guirola, Sen. Trent Lott, U.S. Rep. Gene Taylor and a federal magistrate judge have sued their insurers. Richard Scruggs, a prominent plaintiff's attorney whose firm represents Judge Guirola, also plans to file suit; his house near the water was damaged.

Three federal judges have already disqualified themselves from hearing Judge Guirola's case, which has since been assigned to a federal judge in eastern Michigan. One of those three was Judge Senter. Insurance companies have settled 90% of Katrina-related cases nationwide, with 1.24 million homeowners receiving \$17.6 billion, according to the Insurance Information Institute. Many of these claims were for properties located inland.

Yet in Mississippi alone, there are 3,000 cases pending in federal courts, according to Mr. Scruggs. Thousands of homeowners are also suing their insurers in Louisiana, where a higher percentage of residents, especially in New Orleans, also had flood insurance. Cases there have moved even more slowly.

One problem is lack of evidence. Many homes were, in post-Katrina parlance, "slabbed," wiped away down to their flat, concrete foundations. "There

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Cable Industry May Need to Spend Heavily on Broadband Upgrades

By PETER GRANT

Cable-television operators may require another round of multibillion-dollar network upgrades to keep up with rivals in the fast-growing high-speed Internet hookup business, a report from the industry's research arm suggests.

Its conclusions underscore the challenges posed by the rapid growth of broadband video from popular sites such as YouTube and Google, and the looming threat of a planned \$20 billion rollout of high-capacity fiber lines by U.S. phone giant Verizon Communications Inc.

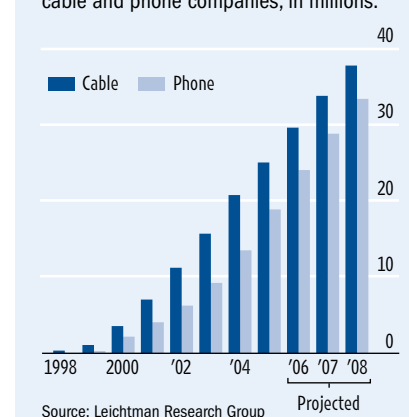
While its findings are most significant for the \$70 billion-a-year cable-TV industry, the report could trigger strategic ripples as phone and satellite companies weigh potential repercussions to their businesses. During the late 1990s, the need to alter cellphone networks to handle high volumes of digital calls cost billions and triggered industry consolidation.

The report, which has been reviewed by The Wall Street Journal, warns that at present growth rates cable operators' existing technology may not be able to compete efficiently with Verizon on Internet services. "At some point, optimization of the (cable) network becomes more expensive than simply deploying" fiber directly to homes, the report warns.

Cable Labs is funded and run by all the major operators whose chief executives sit on its board. The consortium has been instrumental in new technology services that companies have been rolling out, such as high-speed Internet hookups and phone. It also was highly involved in the cable industry's last major upgrade, start-

Down to the Wire

U.S. broadband subscriptions provided by cable and phone companies, in millions:



Source: Leichtman Research Group

ing in the mid-1990s, in which it spent over \$60 billion to offer digital services like video-on-demand.

The report is one of many advisory studies done by Cable Labs for its owners. Ultimately the decision on whether to invest in upgrades is up to individual cable operators. (See related article on page A2.)

But the report, dated July 31, raises the specter that cable operators may have to sharply boost spending on wiring in the future. Companies for several years have been trying to assure investors that big outlays for big network upgrades are over, leaving cash flow for share repurchases and other purposes.

The report is inflaming some cable Please Turn to Page A7, Column 1