THE DAILY CLIPS

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Richard L.
Spivey Sr.

Mr. Richard L. Spivey Sr., 81, passed away on Wednesday, March 12, 2008. A private service was held on Friday.

Mr. Spivey was born and reared in the Rich Square, Murfreesboro area. He spent his adult life in Greenville. He served as a Merchant Marine during WWII. He was a founding member of the ECU Pirates football team.

He was preceded in death by his father, mother, and nine siblings.

Mr. Spivey is survived by four children, Richard Spivey Jr. of Winterville, Walter Spivey and wife, Vickie, of Greenville, Cynthia Spivey of Winterville, and Susan Lazzerino and husband, Roger, of Sugar Hill, Ga.; nine grandchildren; and eight great-grandchildren.
Davidson team tops NCAA academically

By Jane Stancill
Staff Writer

A North Carolina basketball team is your new national champion. And get this, sports fans: this squad wears red — not light or dark blue.

The 10th-seeded Davidson College Wildcats may not make it to next month's Final Four showdown in San Antonio, but in the battle of brainsy ballplayers, the team sits atop the NCAA brackets, according to Inside Higher Ed, an online publication for the world of academe.

Before the tournament’s first tipoff, Inside Higher Ed filled out its bracket using just one measurement: the NCAA’s most recent Academic Progress Rate. The formula awards points for athletes that stay in good academic standing and remain enrolled from year to year. The NCAA will begin using the measurement this year to penalize teams that fall below a certain score for academic performance.

The Wildcats aren’t too shabby outside the classroom, either. The team has a 22-game winning streak — the nation’s longest — and will play seventh-seeded Gonzaga on Friday at the RBC Center in Raleigh.

For Davidson President Tom Ross, the Wildcats are already champions. And who knows, maybe they’ll nab the trophy at the big dance, too. “When you’re talking about six games,” Ross said Monday, “anything is possible.”

As for the state’s other teams, UNC made it to Inside Higher Ed’s Final Four, but there were upsets, too. In a stunner, the Duke Blue Devils fell in the first round to Belmont, a Baptist university in Tennessee.

Belmont advanced to the title game before losing to Davidson.

BRIEFS
FROM STAFF REPORTS

ORANGE COUNTY

UNC-CH to honor life of Eve Carson

CHAPEL HILL — UNC-Chapel Hill will celebrate the life of Eve Carson at 4 p.m. today in the Dean B. Smith Center.

Carson, UNC-CH's student body president, was shot to death March 5. Two suspects have been charged in her slaying.

The doors to the Smith Center will open at 3 p.m., and the university is encouraging those attending to wear Carolina blue.

Students, faculty and staff on campus are urged to walk to the Smith Center or use the campus RU and U buses. The general public should use special park-and-ride shuttles from the Friday Center off N.C. 54; across from Meadowmont. Shuttles will begin running at 2 p.m. and will continue until service attendees depart the Smith Center about 6.
Tobacco plants get gene therapy

Safer, not safe, products possible

BY WADE RAWLINS
STAFF WRITER

RALEIGH - Knocking out a specific gene in burley tobacco plants significantly reduces harmful carcinogens in cured tobacco leaves, scientists at N.C. State University have shown.

The findings could lead to less harmful tobacco products, in particular smokeless forms such as chewing tobacco. The research was sponsored by the tobacco company Philip Morris.

In large-scale field trials involving hundreds of genetically altered plants in three states, Ralph Dewey and Ramsey Lewis, crop scientists at NCSU, teamed with colleagues from the University of Kentucky to silence a gene that turns nicotine into nornicotine, which converts to a carcinogen as the tobacco is cured, processed and stored.

"As far as modifying the genetics of the tobacco plant itself, it's novel in that sense," Dewey said. "There is a lot of research being done in this area, but it's a fairly new field of research."

Dewey and Lewis stressed that the best way for people to avoid the health risks of tobacco is to avoid using tobacco products. Smoking causes 87 percent of lung cancer deaths, according to the National Cancer Institute, and smokeless tobacco is linked to mouth and throat cancers.

"We don't want to claim we're making tobacco products safe," Lewis said. "It's having an incre-
TOBACCO
CONTINUED FROM PAGE 18
mental impact that will have more effect on smokeless tobacco than on cigarettes. This is really for people who are going to use tobacco products anyway. They may be made a little safer.”

Smokeless products
Dewey said the research may have greater potential with smokeless tobacco because the class of carcinogens they studied was more plentiful in those products. Cigarettes have more carcinogens, but the majority of them are products of combustion, he said.

“As far as the reduced harm aspect, we think it has more potential with the smokeless products, just because this class of carcinogens is a more major part of a smokeless product,” he said.

The findings show that targeted gene silencing can work in the field. The field tests in Kentucky, Virginia and North Carolina compared cured burley tobacco plants with the troublesome gene silenced and plants that had not been genetically engineered.

Researchers are working on reducing carcinogens in burley tobacco; such as this crop in Nash County.

The researchers reported a sixfold decrease in the carcinogenic chemical N-nitrosornicotine in the genetically modified tobacco plants, as well as a 50 percent overall reduction in the class of harmful compounds called tobacco-specific nitrosamines.

The research results were published online in Plant Biotechnology Journal, a peer-reviewed scientific journal.

David Sutton, a spokesman for Philip Morris USA, said the cigarette company had supported the research as part of its commitment to reduce the harmful compounds in tobacco products.

“This study is an important part of that ongoing effort,” Sutton said. “We’ll be reviewing this research to determine future applicability in our products.”

Under way for about six years, the research started with an effort by Dewey and a Kentucky researcher to identify and isolate which among the 40,000 to 50,000 genes in the tobacco plant causes a nicotine molecule to convert to the compound nornicotine. Once they did that, they then used the techniques of biotechnology to shut that gene down and keep nornicotine from forming.

“If you greatly reduce the amount of nornicotine, you by default reduce the amount of NNN,” Dewey said.

Next: Plant breeding
But the intent is not to introduce genetically modified tobacco plants. Dewey said the next phase will be to develop tobacco plants that have the same low nornicotine characteristics without genetic engineering and to develop similar characteristics in other varieties of tobacco. But plant breeding is a slow process.

“Once you find a trait of interest, introducing that trait into varieties that a farmer would grow takes numbers of years,” Dewey said.

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Shortage of primary care threatens health care system

By Kevin Pho

Crippling health care bills, long emergency room waits and the inability to find a primary care physician just scratch the surface of the problems that patients face daily.

Surveys suggest that health care is a top domestic priority in the presidential election, and there is no lack of ideas on how to fix our system. Republicans favor using market forces and increasing the burden of health care costs on patients. Democrats, however, focus on covering the uninsured. Sadly, the candidates are missing the bigger picture. We need to address the fundamental issue at the root of our problems: the primary care shortage.

Primary care should be the backbone of any health care system. Countries with appropriate primary care resources score highly when it comes to health outcomes and cost. The United States takes the opposite approach by emphasizing the specialist rather than the primary care physician.

Fragmented care

A recent study from The New England Journal of Medicine analyzed the providers who treat Medicare beneficiaries. The startling finding was that the average Medicare patient saw a total of seven doctors — two primary care physicians and five specialists — in a given year. Contrary to popular belief, the more physicians taking care of you does not guarantee better care. In fact, studies show that increasing fragmentation of care results in a corresponding rise in cost and medical errors.

How did we let primary care slip so far? The key is how doctors are paid. Known as “fee for service,” most physicians are paid whenever they perform a medical service. The more a physician does, regardless of quality or outcome, the better he’s reimbursed. Moreover, the amount a physician receives is heavily skewed toward medical or surgical procedures. A specialist who performs a procedure in a 30-minute visit can be paid three times more than a primary care physician using that same 30 minutes to discuss a patient’s hypertension, diabetes or heart disease. Combine this fact with annual government threats to indiscriminately cut reimbursements despite rising office and malpractice costs, physicians are faced with no choice but to increase quantity to maintain financial viability.

Driven from the field

Primary care physicians who refuse to compromise quality are either driven out of business or to cash-only concierge practices, further contributing to primary care’s decline.

Medical students are not blind to this scenario. They see how heavily the reimbursement deck is stacked against primary care. Whether they opt to become a specialist or a primary care physician, they graduate with the same $140,000 of medical school debt. The recent numbers show that since 1997, newly graduated U.S. medical students who choose primary care as a career have declined by 50%. This trend results in emergency rooms being overwhelmed with patients without regular doctors.

Furthermore, if the Democrats’ universal health care proposals come to fruition, the primary care system will be inundated with at least 45 million newly insured patients. As Massachusetts is finding out in its pioneering attempt to provide universal coverage, our system is not ready for this burden. Universal coverage is useless without primary care access.

How do we fix this problem? It starts with reforming the physician reimbursement system. Remove the pressure for primary care physicians to squeeze in more patients per hour, and reward them for spending time with patients, optimally managing their diseases and practicing evidence-based medicine. Make primary care more attractive to medical students by forgiving student loans for those who choose primary care as a career and reconciling the marked disparity between specialist and primary care physician salaries.

We are at a point where primary care is needed more than ever. Within a few years, the first wave of the 76 million Baby Boomers will become eligible for Medicare. Patients older than 85, who are in the most need of chronic care, will rise by 50% this decade.

Who will be there to treat them?

Kevin Pho is a primary care physician in Nashua, N.H., and blogs at www.kevinmd.com
Colleges' debit-card deals draw scrutiny

By Kathy Chu, USA TODAY

The ID card at Portland State University in Oregon has long been the key to campus life, allowing students to check out books, get into buildings and access their meal plans. A few years ago, the school created another use for the IDs: buying books and school supplies.

Students just had to activate their ID as a debit card by opening a bank account promoted by the university. The school, under an exclusive deal with a bank, earned money when students swiped their cards and signed for a purchase. It also profited based on how much money students kept in their accounts.

STORY: Cuomo examining pacts between colleges, banks
EXCLUSIVE: Debit-card policies at the 15 largest universities
CHART: How overdraft fees impact young consumers

Hundreds of students protested, angry that the school was promoting a bank account they felt cost students more than other banking options. Their objections now are being echoed by a growing number of consumer groups and college students across the nation. They argue that universities are profiting at students' expense through exclusive debit card and checking account deals that can net a school hundreds of thousands of dollars a year.

"I'm not an angry long-haired hippie against corporations," says Ryan Klete, 25, a graduate student at Portland State. "But it's a bad idea when the university and the company have a vested interest in you spending your money so they can make money off you."

Such concerns are beginning to draw attention from state officials.

New York Attorney General Andrew Cuomo, who investigated the student-loan industry last year, has begun examining debit card relationships between colleges and banks, his office said late last week.

Cuomo's inquiry into student-loan providers led to changes within a system in which major colleges apparently received financial perks for touting lenders that didn't necessarily offer the best deals for students.

Banks have long pitched credit cards on campuses through exclusive deals with university alumni and athletic groups. But in marketing financial products to students, debit card partnerships have become the next frontier.

Why? One major reason is that debit card use is growing faster than credit card use, and young adults have proved especially willing to embrace the financial industry's push for cashless payments.

Students also tend to be short on cash. That makes them a reliable source of fees for banks, which charge up to $38 each time consumers overdrew their accounts. There's another factor, too: Banks want to forge ties with students that will last well beyond the college years.

"You'd hope that if we have established a relationship with an individual in college, when they go to buy the first car, their first house, they would think of us," says Steve Dals, a spokesman for U.S. Bank, which has partnered with 28
colleges to issue ID cards that can double as debit cards.

Such deals are particularly attractive to public universities facing severe cuts in state funding. That helps explain why, even as some colleges limit credit card marketing on campus, they still let banks pitch accounts and debit cards to students.

Banks want to attract students with debit cards — through combination ID cards and then sell them other products, such as credit cards, says Robert Huber, who consults with colleges on multipurpose cards.

Debit card partnerships are "not a backdoor way but a gateway for banks to market other products," says Ed Mierzwinski, consumer program director at the U.S. Public Interest Research Group.

Far fewer colleges have debit card than credit card alliances, but more are joining the move to ID-debit cards. In 2007, 127 schools had joined with banks to issue ID cards that double as debit cards, a 144% jump from 2002, according to CRéditCards.com, an industry publication.

A USA TODAY survey of the nation's 15 largest universities by enrollment reveals that more than half now have bank card relationships with financial institutions. In most cases, that means the student ID card doubles as a debit card.

"If the big universities are doing it, then it's likely the smaller ones will follow," says Margaret Reed, an accounting professor at the University of Cincinnati. "If I were a student, I wouldn't be happy" that colleges are pushing a product that earns them money.

Students shouldn't assume the bank account and debit card promoted by the university will be a good deal for them, says Greg McBride, a senior financial analyst at Bankrate.com.

"In life, you're going to pay for convenience," McBride says. "If the goal is to get the most out of your money, it pays to shop around."

'Hard to walk away from'

Under these contracts, large universities can generate revenue — up to $1 million or so a year, USA TODAY found.

The University of Minnesota has one of the most lucrative deals among the 15 largest schools. It receives a guaranteed $1 million a year — on top of a $2 million signing bonus — under its contract with TCF Financial.

The university uses that revenue for student services, including scholarships and late-night buses, says Shirley Everson, director of University of Minnesota's campus card office.

"You can go from university to university, and they'll tell you that the revenue carrot is hard to walk away from," says Andrew Perkins, campus card manager at Arizona State University, which hopes to soon link its ID card to a bank card that students can use anywhere in the world.

Portland State's 4-year-old deal, was reviewed by USA TODAY, projects that the school will reap more than $300,000 and save hundreds of thousands more in administrative costs from the ID-debit card over five years.

Portland State and other schools say money isn't the main reason they seek partnerships with financial institutions.

"Frantically, the money is not enough for us to do much with," says Dee Winder, Portland State's associate vice president for finance, adding that the school is getting "much less" than originally projected.

"We wanted to move our systems away from Social Security numbers, and this was a way to record the campus" without significant cost to the school, Winder says. (Typically, banks bear the administrative costs of reissuing ID cards under the deals.)

The school encourages students to open a bank account with its bank partner, Higher One, and to have any financial aid transferred electronically — rather than by check — to save them time and the school money, Wender says.

Portland State students are issued a free ID card with a MasterCard logo, but they're not required to link it to the bank account and use it as a debit card. Those who prefer a regular ID card that can't double as a debit card can get one for $20.

The school agreed to provide the alternative ID after students protested the new card, Wender says. But only 110 current active students — out of about 25,000 — have paid for the alternative ID, she notes.

The university and Higher One also have addressed other student concerns, they say, such as revamping the card-activation process after students complained that it was too easy for them to accidentally sign up for the bank account.

Some consumer groups worry that colleges are choosing financial partners mainly for the revenue they stand to receive and ignoring bank fees imposed on students of modest means.

One big moneymaker for banks is letting customers overdraw their accounts, then hitting them with a fee for doing so.

The Center for Responsible Lending, a consumer advocacy group, estimates that overdraft fees cost consumers $17.5 billion each year — 11% more than the $15.8 billion that consumers are overwithdrawing on their accounts. College students tend to be hurt disproportionately, the center says.
"More so than anyone else, they are willing to use their debit cards for small-dollar transactions," says Eric Halperin, director of the center's Washington office. "When they do overdraft, it can be amazingly expensive."

Young adults ages 18-24 pay more than $3 in fees on average for every $1 overdrawn, compared with nearly $2 in fees paid by other adults, the center's data show.

Because of the outsized impact of these fees on college students, Halperin says, schools that strike deals with banks should require the financial institution to deny a transaction — at no charge to the student — if there isn't enough money to cover it.

If the bank mistakenly approves a transaction that overdraws an account, Halperin adds, it should waive any resulting fee.

Colleges with ID-debit card deals typically let banks charge students overdraft fees.

"Given the debt loads students have, the last thing a university should be doing is adding more debt to a student's life, and that's what overdraft fees do," Halperin says.

But Gail Cunningham, a spokeswoman for the National Foundation for Credit Counseling, says she believes that "it's OK for (college students) to be charged overdraft fees as long as they're not (excessively) punitive.

"The reality," Cunningham says, is that "in the real world, no one is going to coddle them along."

Banks say the earlier students learn about financial management, the better.

By charging students fees for overdrawing their accounts, says Nessa Feddis, senior federal counsel at the American Bankers Association, banks are providing them with "an opportunity to learn to manage a bank account."

Jean Ann Fox, director of financial services at the Consumer Federation of America, rejects that argument: "That's like saying we're going to let you drive into trees so you can learn (not to abuse) alcohol."

**Coffee overdrafts: $150**

Kevin Wendt, a graduate student at the University of Minnesota, says he sees nothing wrong with his school teaming with a bank, TCF Financial, to provide him with a student ID that doubles as a debit card.

"Because the university had a relationship with the bank, I know exactly where to go," says Wendt, 23, adding, "I even got a free sweatshirt for opening up an account."

Wendt overdrew on his account a few times, he says, but "almost every time, I'd be able to call up and say, "Can you reverse it?" And (the bank) did."

TCF doesn't always waive overdraft fees. But its overdraft policies are "well-publicized, and students know the rules and generally abide by them," TCF spokesman Jason Kostange wrote in an e-mail.

Meanwhile, PNC Bank automatically waives the overdraft fee for first-time offenders at the 14 schools it partners with on ID-debit cards.

Wachovia, with 16 such alliances, gives all students who open a new checking account a one-day free pass on overdraft fees.

Brad Vehafic, a junior at Portland State, signed up for a bank account linked to his student ID card when he was a freshman.

He bought a couple of coffees with the card one day, he says, assuming he had enough money in the account. The debit-card transactions went through, but because he didn't have enough money to cover them, he was charged about $150 in fees.

He asked Higher One to refund the charges, he says, but was denied. Vehafic paid the fees and closed his account soon after.

Mark Volchek, Higher One's chairman, says the bank account it offers to students charges no monthly fees and requires no minimum balance, but "like any other checking account, there are some times when students will incur fees."

Overall, the fees charged are comparable to those of other national banks, he adds.

If students lack enough money in their accounts, Higher One, unlike many other financial institutions, generally denies the debit card transaction, Volchek says.

But that's not always possible, he notes, because some merchants will authorize a purchase without checking the buyer's available balance. In such cases, Volchek says, if an overdraft occurs, the bank charges students a fee to offset its costs and to hedge against losses if students don't repay the amount overdrawn.

Vehafic says that if banks are partnering with universities to pitch products to college students, they should be more lenient with their fees — and more willing to forgive minor transgressions.

"Why charge $30 for a $2 cup of coffee?" he asks. "It's obvious that some profit angle is associated with it, and that's not congruent with student
HOW OVERDRAFT FEES IMPACT YOUNG CONSUMERS | Story

Overdraft fees hit young people’s wallets harder because the group tends to use debit cards more often for small transactions.

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* — median fee divided by median amount overdrawn does not equal fee per $1 borrowed due to rounding. Source: Lightspeed Research and Center for Responsible Lending

Find this article at:
http://www.usatoday.com/money/industries/banking/2008-03-16-cover-college-debit_N.htm

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