Syrian Rebels Press Onward Into New Territory

BEIRUT (AP) — Fighter jets unleashed sonic booms and helicopter gunships strafed rebels as they pressed their fight Tuesday into new neighborhoods in Aleppo, Syria's largest city. Farther south, ground troops combed Damascus after the nearly complete rout of the largest rebel assault yet on the capital.

After a series of setbacks, President Bashar Assad's forces are solidifying their grip on Aleppo and Damascus, knowing that their fall would almost certainly spell the regime's end.

The regime appears to be regaining momentum after a series of setbacks that put it on the defensive. But while its forces easily outgun the rebels in direct confrontations, the rebellion has spread them thin — pointing to a drawn-out civil war.

Syria's two biggest cities, home to more than one-third of the country's 22 million people and centers of its political and economic life, have remained largely insulated from the unrest that has ravaged much of the rest of the country during the 16-month conflict.

But this month, rebels from surrounding areas have pushed into both, bringing street battles to previously calm urban neighborhoods.

Budget Office: Health Law Reduces Deficit

WASHINGTON (AP) — President Barack Obama's health care overhaul will shrink rather than increase the nation's huge federal deficits over the next decade, Congress' nonpartisan budget scorekeepers said Tuesday, supporting Obama's contention in a major election-year dispute with Republicans.

About 3 million fewer uninsured people will gain health coverage because of last month's Supreme Court ruling granting states more leeway, and that will cut the federal costs by \$84 billion, the Congressional Budget Office said in the biggest changes from earlier estimates.

Republicans have insisted that "Obamacare" will actually raise deficits — by "trillions," according to presidential candidate Mitt Romney. But that's not so, the budget office said.

Romney. But that's not so, the budget office said. The office gave no updated estimate for total deficit reductions from the law, approved by Congress and signed by Obama in 2010. But it did estimate that Republican legislation to repeal the overhaul — passed recently by the House — would itself boost the deficit by \$109 billion from 2013 to 2022.

"Repealing the (health care law) will lead to an increase in budget deficits over the coming decade, though a smaller one than previously reported," budget office director Douglas Elmendorf said in a letter to House Speaker John Boehner, R-Ohio.

Romney Says Obama Threatens U.S. Security

RENO, Nev. (AP) — Republican presidential candidate Mitt Romney on Tuesday called for an independent investigation into claims the White House had leaked national security information for President Barack Obama's political gain, part of a searing speech that marked a wholesale indictment of the Democrat's foreign policy.

In a race that has so far focused almost entirely on the sluggish economy, Romney also critiqued Obama's handling of Iran's nuclear threat, the violence in Syria and relations with Israel during a speech to the Veterans of Foreign Wars convention.

In his first foreign policy speech since emerging as the likely Republican presidential nominee, Romney accused Obama of putting politics over national security, a serious charge that went straight at a policy area where national polls show the president with the edge.

The turn also was a reminder that the increasingly biting campaign, which paused over the weekend in deference to the deadly movie theater shooting in Colorado, was on again in earnest.

"This conduct is contemptible," Romney said of the leaks of classified information. "It betrays our national interest. It compromises our men and women in the field. And it demands a full and prompt investigation by a special prosecutor, with explanation and consequence."

Satellites Spot Melting All Over Greenland

WASHINGTON (AP) — Nearly all of Greenland's massive ice sheet suddenly started melting a bit this month, a freak event that surprised scientists.

Èven Greenland's coldest and highest place, Summit station, showed melting. Ice core records show that last happened in 1889 and occurs about once every 150 years.

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Astonishment And Anger

Families Of Theater Shooting Victims Get First Look At Holmes

BY P. SOLOMON BANDA AND NICHOLAS RICCARDI

Associated Press

CENTENNIAL, Colo. — Their first look at a dazed-looking James Holmes with wildly dyed red hair stunned and angered some of the people he is accused of shooting and the kin of those killed that night in a Colorado movie theater.

"A coward," said Tom Teves, whose son, Alex, was one of 12 people Holmes is accused of killing. Tom Teves stared at Holmes throughout the former graduate student's first court appearance on Monday. "Somebody had to be in the courtroom to

"Somebody had to be in the courtroom to say, 'You know what? You went in with ballistic protection and guns, and you shot a 6-yearold," he said.

Another 58 people were wounded when authorities say Holmes opened fire at a midnight showing of "The Dark Knight Rises" in Aurora. Seven remained in critical condition Tuesday. "He doesn't look surprised at any of it, but

"He doesn't look surprised at any of it, but he seemed amazed at what was happening," said Robert Blache, who watched video of Holmes with his injured daughter Christina, who was shot in both legs. "I'm pretty sure he's not sane."

Holmes is being held on suspicion of firstdegree murder, and he could face additional counts of aggravated assault and weapons violations. He will be formally charged on Monday, and prosecutors say they may seek the death penalty.

David Sanchez said that would be appropriate if Holmes is convicted. His 21-year-old daughter, Katie Medley, escaped without injury and delivered a son Tuesday at the same hospi"Somebody had to be in the courtroom to say, 'You know what? You went in with ballistic protection and guns, and you shot a 6-year-old."

TOM TEVES

tal where her husband, Caleb, 23, was in critical condition with a head wound.

"When it's your own daughter and she escaped death by mere seconds, I want to say it makes you angry," Sanchez said.

makes you angry," Sanchez said. Allie Young, 19, was shot in the neck, damaging her carotid artery and knocking her into an aisle of the theater. Her friend, Stephanie Davies, said she applied pressure to the wound and also managed to call 911.

"We were laying there in the mouth of hell there's smoke and explosions and guns, bats flying across the screen because the movie's still playing. It's dark. It's every child's worst nightmare," said Davies, 21, a native of Hemet, Calif.

Both said the gunman shouted at several people before shooting them.

"He would shout, 'What are you doing? I said stand up!' And he would pick people up," Davies said. "I saw him stand over someone. I just see hair and him holding the shirt, and 'boom."

Now the families of the dead are left to plan funerals.

A service for A.J. Boik, an 18-year-old high school graduate, was set for Friday in Aurora. The family has asked that news media stay away from the service. A full military funeral and burial was planned Aug. 3 in Reno, Nev., for Jonathan Blunk, 26, who served three tours in the Middle East and planned to re-enlist with the goal of becoming a Navy SEAL.

Holmes' prosecution is likely to be a long road. Police expect months of working with behavioral analysts and scrutinizing Holmes' relationships to establish a motive. A trial might begin in a year or more, said prosecutor Carol Chambers.

Dr. Jeffrey Gardere, an assistant professor of behavioral medicine at Touro College of Osteopathic Medicine, said Holmes' appearance suggested "a psychotic process going on, and we see that being acted out there.

"Or, there might be some sort of malingering going on. In other words, trying to make himself look worse than he actually is. Or maybe a combination of all of those things," Gardere said.

bination of all of those things," Gardere said. In San Diego, where Holmes' family lives, family attorney Lisa Damiani said that "everyone's concerned" about the possibility of the death penalty. When asked if they stood by Holmes, Damiani said, "Yes, they do. He's their son."

In June, Holmes quit a 35-student Ph.D. program in neuroscience for reasons that aren't clear. He had earlier taken an intense oral exam that marks the end of the first year, but University of Colorado Denver officials would not say if he passed, citing privacy concerns.

if he passed, citing privacy concerns. University officials have refused to answer questions about Holmes.

The judge has issued an order barring lawyers in the case from publicly commenting on matters including evidence, whether a plea deal is in the works or results of any examination or test.

NABIL K. MARK/CENTRE DAILY TIMES/MCT

Penn State University Office of the Physical Plant workers remove the concrete landing area that held the Joe Paterno statue, Tuesday, July 24, 2012, in State College, Pennsylvania. The statue was removed on Sunday in the wake of the Louis Freeh report and Jerry Sandusky sexual abuse scandal.

Stocks Drop For 3rd Day As Earnings Slide

BY BERNARD CONDON

AP Business Writer

NEW YORK — A parade of grim news, from weak corporate earnings to a pullback at U.S. factories to spreading fault lines in Europe's debt crisis, sent investors fleeing stocks for a third straight day on Tuesday.

As if that weren't bad enough, Apple delivered a rare earnings disappointment after the closing bell, boding poorly for Wednesday's trading.

day's trading. The Dow Jones industrial average fell 104.14 points, or 0.8 percent, to 12,617.32. It was the third triple-digit point loss in a row for the blue chip index. The last time that happened was September, when fears were rife that the U.S. was on the brink of another recession

Lower earnings forecasts from

12

Three satellites show what NASA calls unprecedented melting of the ice sheet that blankets the island, starting on July 8 and lasting four days. Most of the thick ice remains. While some ice usually melts during the summer, what was unusual was that the melting happened in a flash and over a widespread area.

"You literally had this wave of warm air wash over the Greenland ice sheet and melt it," NASA ice scientist Tom Wagner said Tuesday.

The ice melt area went from 40 percent of the ice sheet to 97 percent in four days, according to NASA. Until now, the most extensive melt seen by satellites in the past three decades was about 55 percent.

Ghana's Vice President Sworn In

ACCRA, Ghana (AP) — President John Atta Mills' election victory secured Ghana's reputation as one of the most stable democracies in West Africa, though his death Tuesday came before the 68-year-old could finish his first term in office.

Hours later, Vice President President John Mahama took the oath of office, further underscoring Ghana's stability in a region where the death of a leader can spark a coup attempt.

Ghanaian state-run television stations GTV and TV3 broke into their regular programming to announce the president's death Tuesday afternoon, which came three days after his 68th birthday.

Mahama was sworn in as president by 8:15 p.m., raising the golden staff of office above his head only six hours after Atta Mills' death.

Ghana had "been hit by an unprecedented tragedy" Mahama said, adding that the late leader "gave himself to bettering the lives of the people of this country."

States Want Help Collecting Internet Sales Tax

WASHINGTON (AP) — The nation's governors are asking Congress to help states recover an estimated \$20 billion in sales taxes that go uncollected by out-of-state online merchants every year.

Tennessee Gov. James Haslam told the House Judiciary Committee on Tuesday that it isn't fair to local businesses to exempt online purchases from state sales taxes. Haslam said affordable computer software now makes it easy for even the smallest merchants to collect and forward sales taxes.

Other Republican governors, such as Chris Christie of New Jersey, have endorsed a bill to make out-of-state Internet merchants charge and collect state taxes.

Steve DelBianco, executive director of NetChoice, a coalition of e-commerce companies, said the bill does not simplify the process of collecting and distributing taxes enough to avoid imposing a burden on small businesses.

Penn State Loses One Sponsor, Others Could Soon Follow

BY MARC LEVY, MARK SCOLFORO AND MICHAEL RUBINKAM Associated Press

STATE COLLEGE, Pa. — State Farm is pulling its ads from Penn State football broadcasts, while General Motors is reconsidering its sponsorship deal and Wall Street is threatening to downgrade the school's credit rating, suggesting the price of the sexual abuse scandal could go well beyond the \$60 million fine and other penalties imposed by the NCAA.

Bloomington, Ill.-based State Farm said it had been reviewing its connection to Penn State since the arrest of retired assistant football coach Jerry Sandusky last November. The insurance company said it will pull ads from broadcasts of Nittany Lion home games but continue to advertise during Penn State's away contests.

"We will not directly support Penn State football this year," State Farm spokesman Dave Phillips said Tuesday. "We just feel it was the best decision."

State Farm had no immediate information on how much money is at stake.

The NCAA imposed unprecedented sanctions against Penn State on Monday, including the fine, a four-year bowl ban and a sharp reduction in the number of football scholarships it may offer.

The governing body also erased 14 years of victories, wiping out 111 of coach Joe Paterno's wins and stripping him of his standing as the most successful coach in the history of big-time college football.

NČAA President Mark Emmert said he relied on a report by former FBI Director Louis Freeh, who found that Paterno and three top officials concealed child sexual abuse allegations against Sandusky more than a decade ago to protect the school and its powerful football program.

With Penn State's once-sterling reputation in tatters, the university could face an exodus of sponsors unwilling to have their brands linked to scandal, said Kevin Adler, founder of Chicagobased Engage Marketing Inc.

Adler said he would advise current sponsors to pull out of their deals with Penn State, adding that most contracts have morality clauses giving advertisers an out.

"I think the public perception is pretty clear and definitive at this point. That brand is damaged beyond the point of short-term repair. It is the sponsorship partner's obligation first and foremost to look after the health of their own brand," Adler said. "None of the sponsors owe Penn State anything."

So far, though, Penn State appears to be hanging on.

GM spokesman Pat Morrissey said the automaker is reviewing its sponsorship but has not made a decision. Morrissey did not immediately return a call about the value of the sponsorship deal.

Other sponsors said they plan to stick with Penn State, including Pittsburgh-based PNC bank and the state's largest health insurer, Highmark Inc.

"Highmark's partnership with Penn State is about health and wellness. We do have a sponsorship with the athletics program. While we routinely evaluate all of our sponsorships, we plan to continue at this time," spokesman Aaron Billger said.

PNC Financial Services Group issued a statement after the July 12 release of the Freeh report that its "ongoing engagement with the university signals our support of the students and traditions of Penn State. ... We believe that the university will learn from this experience and become stronger."

Bank spokesman Fred Solomon said the NCAA sanctions have not changed PNC's position.

Moody's Investors Service said Tuesday that it may cut the school's Aa1 rating. The Freeh report, along with the NCAA sanctions, could hurt enrollment and fundraising, and the school is still under state and federal investigation, the rating agency said.

A downgrade could make it more expensive for Penn State to borrow money for expansion or other projects. corporate bellwethers like United Parcel Service, combined with a weak report on manufacturing, fed fears of more disappointing results from Corporate America in the coming days.

"Our guess is we haven't seen the worst," said Carl Yingst, chief market analyst at Joseph Gunner, an investment bank.

Soon after he spoke came a bit of confirmation from a stock market star. After the close of trading, Apple reported the smallest increases in revenue and income in years, badly missing analysts' expectations. The stock fell \$29.76, or 5 percent, to \$571.19 in extended trading.

"It's a huge swing and a miss for a company that usually knocks the cover off the ball," said Jack Ablin, chief investment officer of Harris Private Bank. "The ill winds of global trade are enveloping everyone, even the high and mighty."

It was a fitting end to a bad day as investors around the world dumped stocks and fled to the relative safety of U.S. government debt. The yield on the benchmark 10-year Treasury note fell to another record low and the dollar hit a two-year high against the euro.



