

Motor City Files For Bankruptcy

BY COREY WILLIAMS AND ED WHITE
Associated Press

DETROIT — Once the very symbol of American industrial might, Detroit became the biggest U.S. city to file for bankruptcy Thursday, its finances ravaged and its neighborhoods hollowed out by a long, slow decline in population and auto manufacturing.

The filing, which had been feared for months, put the city on an uncertain course that could mean laying off municipal employees, selling off assets, raising fees and scaling back basic services such as trash collection and snow plowing, which have already been slashed.

"Only one feasible path offers a way out," Gov. Rick Snyder said in a letter approving the move.

Kevin Orr, a bankruptcy expert hired by the state in March to stop Detroit's fiscal free-fall, made the filing in federal bankruptcy court under Chapter 9, the bankruptcy system for cities and counties.

Orr said Detroit would continue paying its bills and employees.

But, said Michael Sweet, a bankruptcy attorney in Fox-Rothschild's San Francisco office, "They don't have to

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RICK SNYDER

pay anyone they don't want to. And no one can sue them."

The city's woes have piled up for generations. In the 1950s, its population grew to 1.8 million people, lured by plentiful, well-paying auto jobs. But like many American cities, Detroit began to decline late that decade as developers starting building suburbs.

Then beginning in the late 1960s, auto companies began opening plants in other cities. Property values and tax revenue fell, and police couldn't control crime. In later years, the rise of autos imported from Japan started to cut the size of the U.S. auto industry.

Detroit lost a quarter-million residents between 2000 and 2010. Today, the population struggles to stay above 700,000.

In recent months, the city has relied on state-backed bond money to meet payroll for its 10,000 employees.

Orr was unable to persuade a host of creditors, unions and pension boards

to take pennies on the dollar to help with the city's massive financial restructuring. If the bankruptcy filing is approved, city assets could be liquidated to satisfy demands for payment.

Orr said Thursday that he "bent over backward" to work with creditors, rejecting criticism that he was too rigid. "Anybody who takes that position just hasn't been listening."

The bankruptcy could last through summer or fall 2014, which coincides with the end of Orr's 18-month appointment, he said.

Snyder determined earlier this year that Detroit was in a financial emergency and without a plan for improvement. He made it the largest U.S. city to fall under state oversight when a state loan board hired Orr. His letter was attached to Orr's bankruptcy filing.

"The citizens of Detroit need and deserve a clear road out of the cycle of ever-decreasing services," Snyder wrote. "The city's creditors, as well as its many dedicated public servants, deserve to know what promises the city can and will keep. The only way to do those things is to radically restructure the city and allow it to reinvent itself without the burden of impossible obligations."

U.S. Heat Wave Stuck In Reverse

BY SETH BORENSTEIN
AP Science Writer

WASHINGTON — The oppressively hot weather in the Northeast has surprised meteorologists: It's moving backward across America, something that rarely happens.

Normally U.S. weather systems move west to east. The western Atlantic high pressure system behind the hot dry weather started moving east to west last week and by Tuesday was centered over lower Michigan, said Jon Gottschalck, the operations chief at the National Weather Service's prediction branch.

"It's definitely unusual and going the wrong way," Gottschalck said Thursday. "This is pretty rare."

He said the high pressure is about to return eastward, extending the Northeastern heat wave an extra day or so until the weekend.

And just before the high pressure moved east to west, a rainy and cooler low pressure system moved from the Mid-Atlantic to Texas, he said. That storm system broke off the jet stream, which is parked up in Canada, and made the U-turn first.



Sam Johnson cools off in front of a mister, as lacrosse players tried to stay cool at camp Thursday at St. Thomas University in St. Paul, Minnesota.

JERRY HOLT/MINNEAPOLIS STAR TRIBUNE/MCT

The unusual movement wasn't seen in computer models until four or five days in advance, which is relatively late for these models so meteorologists were surprised, he said.

Gottschalck said there's no evidence pointing at man-made climate change, but this is likely just natural chaos in the atmosphere. He

couldn't say how often these backward weather flows occur, but they are less frequent than once a year.

Thursday, the heat index, which factors in humidity, hit 106 degrees in Washington, Baltimore and Philadelphia and was in triple digits along much of the Northeast. The air temperature hit a

record 100 at New York City's John F. Kennedy International Airport Thursday, according to the National Weather Service.

The weather service issued heat advisories and warnings Thursday for parts of 23 states. More than 141 million people live in those areas.

Senate Reaches Deal On College Loans

WASHINGTON (AP) — A bipartisan compromise on student loans promises better deals for students and parents over the next few years but could spell higher rates as the economy improves.

The Senate deal pegs the interest rates on new loans to the financial markets and was expected to come to a vote next week, well before students returning to campus this fall had to sign their loan agreements.

Under the deal, undergraduates this fall could borrow at a 3.9 percent interest rate. Graduate students would have access to loans at 5.4 percent, and parents would be able to borrow at 6.4 percent. Those rates would climb as the economy improves and it becomes more expensive for the government to borrow money.

The compromise heads off the doubling of rates on some students loans, which would cost students an extra \$2,600.

"We have gone through weeks of negotiations and we have an agreement," said Sen. Dick Durbin, D-Ill.

Whitey Bulger Faces Former Comrade

BOSTON (AP) — His hands on his hips in a you-want-a-piece-of-me stance, Stephen "The Rifleman" Flemmi glared at James "Whitey" Bulger in the courtroom, and the two men snarled what sounded like obscenities at each other.

Bulger and his once-loyal comrade came face to face Thursday for the first time in nearly two decades as Flemmi testified against the reputed Boston crime boss at Bulger's racketeering trial.

In his brief 15 minutes or so on the stand before court recessed for the day, Flemmi, a ruthless underworld executioner, told how he and Bulger were secret FBI informants for 15 years while they ran the Winter Hill Gang, the city's murderous Irish mob.

Flemmi said he was with Bulger and heard him give information to FBI agent John Connolly "hundreds of times" over 15 years.

That comment seemed to rattle Bulger, who insists that he was never an informant and told people that being a "rat" was the worst thing anyone could do, according to testimony.

Uncertainty Hurts Economic Forecasters

WASHINGTON (AP) — Politicians and economists are straining to get a clearer view of what the economy will look like a year from now, when midterm political campaigns are heating up. Republicans see the glass as half empty; Democrats view it as half full. And the economists aren't sure.

"Our economy is recovering at the slowest rate since World War II," House Speaker John Boehner, R-Ohio, lamented to a group of manufacturers. "Quarter after quarter, the growth numbers barely move, unemployment stays about the same."

Democrats beg to differ. "There are a lot of reasons for us to feel optimistic about where we're headed as a country," President Barack Obama tells audiences, citing steady jobs gains, a falling deficit and a more stable housing market.

Which is it? Economic forecasters are torn.

And their forecasts are suddenly all over the map. Some see U.S. growth stuck below 2 percent for some time, while others — among them the Federal Reserve and the White House — predict it will climb above 3 percent as soon as next year.

S. Africans Celebrate Mandela's 95th

JOHANNESBURG (AP) — Hospital visitors say Nelson Mandela smiled and nodded Thursday — his 95th birthday — and South Africans celebrated upbeat reports about the former president's health after weeks of worrying that he was on the verge of death.

Children sang "Happy Birthday" at school assemblies nationwide, and many honored the man known as "the father of the nation" by performing acts of charity for 67 minutes, symbolizing Mandela's 67 years of public service. World leaders praised the anti-apartheid leader's life of sacrifice and vision.

Outside the Pretoria hospital where Mandela was admitted for a recurring lung infection, well-wishers paid tribute to him and some received slices of a large birthday cake doled out from inside the compound.

Obama Extols Health Care Law Amid Doubts

BY NEDRA PICKLER
Associated Press

WASHINGTON — Facing public doubts and embarrassing setbacks to his signature health care law, President Barack Obama stepped forward Thursday to extol the program's benefits, emphasizing that some Americans already are receiving insurance rebates and lower premiums.

Obama said the program is working the way it was supposed to with "better benefits, stronger protections, more bang for your buck." The assertion was ridiculed by Republicans, with House Speaker John Boehner calling the Affordable Care Act "a train wreck" that he will keep working to repeal.

Obama dismissed the GOP's so-far-futile votes — the House logged its 38th attempt to repeal or scale back the law on Wednesday — with an exasperated sigh and shake of his head during a White House speech.

"What I've heard is just the same old song and dance," Obama said of his critics. "We're just going to blow through that stuff and just keep on doing the right thing for the American people."

While the fate of the health care law will play a major role in defining his legacy, Obama has not devoted much time or energy to selling it to the country, speaking on the subject only occasionally as Republicans have pressed a determined campaign to undermine the program. Obama is returning to the subject now because enrollment begins Oct. 1 for subsidized private coverage through new online markets. Goals of the overhaul are to provide coverage to nearly 50 million uninsured people

and restrain skyrocketing costs, but Americans remain skeptical about how their coverage may be affected. Even Obama's allies in the labor unions have turned around their former support of the law out of fears that it will jeopardize benefits for millions of their members by increasing costs. Union leaders also say companies are scaling back work time to avoid providing coverage required for employees who work 30 hours or more. Some labor leaders are now calling for repeal or reform of the law.

Obama launched an impassioned defense of the law at the White House in front of several families who have received refund checks under a provision that requires insurers to spend at least 80 cents of every premium dollar on medical care and quality improvement or reimburse the difference. The president said rebates are being sent for 8.5 million Americans this summer, averaging \$100 each. However, much of the money goes to employers who provide insurance and are required to use the money to benefit employees in some way.

Health status of exchange enrollees

How the health status of those most likely to enroll in the state insurance market exchanges compares to that of people who get health insurance through their employer.

Percent with chronic conditions

Legend:
■ Likely exchange enrollees*
■ Have employer-sponsored insurance

Obesity: 23.7% (exchange), 27.2% (employer)

High blood pressure: 18.8% (exchange), 22.5% (employer)

Smoking: 13.7% (exchange), 16.8% (employer)

Arthritis: 13.7% (exchange), 15.4% (employer)

Asthma: 7.3% (exchange), 9.0% (employer)

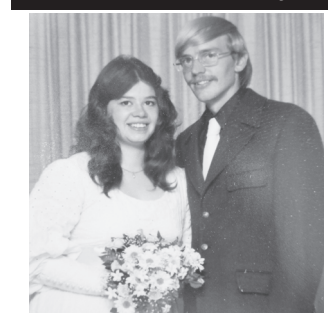
Heart disease: 5.2% (exchange), 6.3% (employer)

Diabetes: 5.3% (exchange), 6.0% (employer)

*Includes those currently uninsured or already enrolled in individual coverage, earning above 138 percent of the federal poverty level, but without affordable employer

Source: Urban Institute
Graphic: Judy Treible © 2013 MCT

40th Anniversary Celebration



Mr. & Mrs. Bernard Goeden
Mr. and Mrs. Bernard and Robin Goeden will be celebrat-

ing their 40th wedding anniversary on July 20, 2013.

Bernard (Bernie) Goeden and Robin Cutts were married on July 20, 1973 at the Vangen Lutheran Church in Mission Hill, SD.

They have three children; Amy (Jason) Schander of Sioux Falls, SD; Anna (Pat) Hartly of Sioux Falls, SD and Tessa Hansen of Yankton, SD. The couple have eight grand children.

Their family requests a card shower. Greetings may be sent to them at 3603 Alumax Rd, Yankton, SD 57078.

Introducing Yankton's Newest Ear, Nose and Throat Doctor

Micah M. Likness, M.D.
Otolaryngologist

Dr. Likness completed his bachelors degree at University of South Dakota and his medical degree from the Sanford School of Medicine of the University of South Dakota. He completed his residency with State University of New York.

Please help us welcome Dr. Likness, his wife Tabitha and their son Grady to the Yankton community.

We're H"ear" For You!

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