

SPECIAL ISSUE

AMERICA'S LARGEST CORPORATIONS FORTUNE

DISPLAY UNTIL JULY 21, 2008

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FIRST

NEWS, ANALYSIS & INFORMED OPINION

Growth Engines

AN ECONOMIC BELLWETHER struck a sour note when General Electric (No. 6 on the 500) reported disappointing earnings in the first quarter. But in Erie, Pa., GE is still bringing good things to life. There, GE Transportation builds locomotives (don't call them trains) for railways in places like China, Kazakhstan, and Australia. The company is Erie's largest employer, with 3,900 unionized workers, including the three in blue uniforms seen in the lower-right corner. Says Mayor Joe Sinnott: "They've used free trade as a positive here."
—Telis Demos

900 LOCOMOTIVES roll out of Erie every year; each takes 20 days to build. Since their hybrid diesel engines use the momentum of a long freight train as a power source, GE's new models are 15% more efficient than its older ones—and produce 50% less greenhouse gas.

17 PERCENT first-quarter earnings growth of GE's infrastructure division—which includes its transportation business—made it the company's fastest-growing unit. A 20% drop in commercial finance dragged overall earnings down from \$4.6 billion to \$4.3 billion, an unexpected miss that led to calls for the company to shed its media and finance divisions and focus on its manufacturing businesses.

\$26 AN HOUR is the starting wage for GE's blue-collar workers in Erie, or \$52,000 for a 2,000-hour year, according to Jacob Rouch of the Erie Regional Chamber and Growth Partnership. Compare that with Google, where an engineering grad's reported \$85,000 a year doesn't look as good after adjusting for student-loan payments and cost of living.

PHOTOGRAPH BY CHRISTOPH MORLINGHAUS



DOING THE
LOCOMOTION
GE TRANSPORTATION'S
PLANT IN ERIE, PA.