

Dow 30 industrials
9,587.90
up 19.44

S&P 500 index
1,027.97
up 1.70

Posted Oklahoma sweet
\$25.75
down 0.50

National gas spot price
\$4.71
up 0.03

Gold
\$372.90
down 1.00

Dollar in Yen
¥116.77
up 0.82

TULSA WORLD

[SECTION E]

FRIDAY, SEPTEMBER 5, 2003

INSIDE

LOCAL STOCKS: E-5

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Business

Sinking the putt

Callaway wins court approval to buy Top-Flite.

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BIZ QUICKS

Stock market gauges continue to climb

The Nasdaq composite index notched its longest winning streak in more than three years Thursday. Other market gauges also advanced, reaching heights not seen in more than a year.

Analysts said investors were willing to make modest bets on the market — particularly in tech stocks — even after several days of rallies.

"It's hard to doubt the economy is just going to get stronger and stronger," said Peter Dunay, chief market strategist at Wall Street Access, a New York-based brokerage firm. "Productivity numbers are very positive. Factory orders are picking up. Retail sales continue to be strong."

The Nasdaq climbed 16.07, or 0.9 percent, to 1,868.97, for a seven-day gain of 104 points. The last time the tech-focused index notched seven straight days of gains was the period ended February 8, 2000; Thursday's close also was the highest level since March 19, 2002.

The blue chips also rose. The Dow Jones industrial average advanced 19.44, or 0.2 percent, at 9,587.90, for a five-day gain of 254 points. The blue-chip average is at its highest level since June 18, 2002.

And the Standard & Poor's 500 index rose 1.70, or 0.2 percent, to 1,027.97, for an eight-day gain of nearly 35 points. The last time the index posted an eight-day winning streak was the period ended March 21; Thursday's close is the highest level since June 18, 2002.

Northwest to halt domestic mail shipments

Northwest Airlines Corp. said Thursday it will stop hauling U.S. mail within the country because revenue from the service has fallen and the carrier wants to use the aircraft space for higher-profit cargo.

Northwest said it will keep carrying U.S. mail to international locations and plans to work with the U.S. Postal Service on a smooth conclusion of domestic deliveries during the next few weeks.

"The reduced prices and traffic make it unattractive to continue carrying the U.S. mail," chief executive Richard Anderson told employees in a taped message.

The airline, which has major hubs in Minneapolis, Detroit and Memphis, got 7.8 percent — or \$735 million — of its sales last year from hauling cargo, including mail. The St. Paul, Minn.-based company declined to say how much of the cargo revenue comes from U.S. mail.

Northwest doesn't expect the effect of the mail decision on its financial results "to be material because we hope to replace it with higher-yielding cargo business," company spokesman Kurt Ebenhoch said.

Marathon to cut 265 jobs, close office in Denver

Marathon Oil Corp. said Thursday it plans to cut 265 jobs, mostly at its Houston headquarters, and close its Denver office to save more than \$65 million a year.

The company will record \$40 million in pretax expenses from a reorganization plan that includes consolidating U.S. production offices. About 230 positions will be transferred to Houston from Anchorage, Alaska; Cody, Wyo.; Lafayette, La.; Midland, Texas; Oklahoma City; and Denver.

"Our overhead cost structure is too high," said spokesman Paul Weeditz. Marathon last month agreed to sell its western Canadian assets to Husky Energy Inc. for \$588 million and is targeting more than \$1 billion in asset sales this year.

Marathon said it may hire other companies to handle information technology, finance and accounting, procurement, human resources and administrative services in order to trim costs.

Marathon is the nation's fourth-largest oil company, ranking behind Exxon Mobil Corp., ChevronTexaco Corp. and ConocoPhillips in 2002 revenue.

Boeing hires Sprint as long-distance provider

Sprint Corp. said Thursday it has won a multiyear contract to provide calling service to Boeing Co.

Terms of the order were not disclosed. Sprint said it will become the main supplier of long-distance calling at Chicago-based Boeing's corporate, branch and field offices, as well as at its manufacturing plants.

Sprint Chief Executive Officer Gary Forsee is reorganizing the company to make it easier for corporate clients to purchase a suite of phone services. Boeing already was a Sprint customer, buying wireless and data-transmission services from the Overland Park, Kan.-based carrier.

Boeing's long-distance suppliers had included AT&T Corp., Sprint spokesman Jeff Shafer said. AT&T spokesman Gary Morgenstern declined to say whether Boeing remains a customer.

Boeing chose Sprint through a bidding process based on price, technology and customer service, Boeing spokeswoman Bev Clark said.

From Bloomberg, AP, staff reports

Two firms see 400 Quality Jobs

► Aircraft Fueling Systems and Ameristar Fence are in the state program.

By D.R. STEWART
World Staff Writer

Two Tulsa companies are expected to hire more than 400 people in the next few years as they expand operations as part of the Oklahoma Quality

Jobs Program, state and company officials said Thursday.

Aircraft Fueling Systems Inc., 4500 S. Garnett Road, a full-service designer, builder and operator of aviation fuel delivery and storage systems, and Ameristar Fence Products Inc., 1555 N. Mingo Road, a commercial and ornamental fence manufacturer, are among four Oklahoma companies that are expected to add more than 900 jobs as part of the state program during the next decade, officials said.

Aircraft Fueling Systems, a 9-year-old Tulsa company that employs 100 people, will triple employment during the next 10 years under the program, said Parker Strickland, chief financial officer.

"We'll add 25 to 50 jobs over the next 12 months," Strickland said. "We're among three companies that have received a \$47 million one-year contract with the U.S. Navy to update and maintain fuel control systems for automated fuel handling equipment

around the world.

"We have additional bids in place for military contracts, and we also are expanding the commercial side of the business."

The keys to Aircraft Fueling Systems' growth from fewer than 30 employees three years ago to its current count of 100 is the versatility, efficiency and speed the company brings to a project, company executives said.

SEE JOBS E-2

Lumber a casualty

Sales to military raise demand, price

By TOM DROEGE
World Staff Writer

A truckload of lumber is costing a Tulsa crate builder \$12,000 more than it did three months ago, due in part to government orders of plywood headed for Iraq.

"It's thrown the market into a tailspin," said Rex Graves, owner of Viking Packing Specialist at 10221 E. 61st St. "They're creating a hardship on the construction industry."

The military's prime supplier, the Defense Logistics Agency, recently purchased more than 600,000 sheets of plywood costing about \$13.3 million for troop support in Iraq, said Dawn Dearden, a spokeswoman for the agency.

The government's purchase is "small" compared with the overall amount of wood sold each year, but it — and the possibility that more wood will be used in Iraq — has some businesses worried that prices will keep surging, said Gopal Ahluwalia, an economist at the National Home Builders Association.

"In wood, product prices go up and down, but it could be a bumpy ride if this continues," Ahluwalia said.

Local home builder Tony Frank of SunCraft Homes Inc. said framing for a typical one-story home normally costs about \$10,000, but lately the cost has approximately doubled. Frank said he cannot easily mark up the price tags on his houses to cover the extra cost, so he can only hope that wood prices don't continue to climb.

"We're having to absorb most of it right now," the builder said.

At Viking, Graves orders a truckload of plywood, or about 1,400 sheets, every week so his employees can build a variety of

SEE WOOD E-2



MICHAEL WYKE / Tulsa World

Rex Graves of Viking Packing Specialist stands beside a stack of plywood at the company's southeast Tulsa facility. Graves has seen a 200 percent increase in the price of plywood since the end of the Iraq war.

'It's thrown the market into a tailspin. They're creating a hardship on the construction industry.'

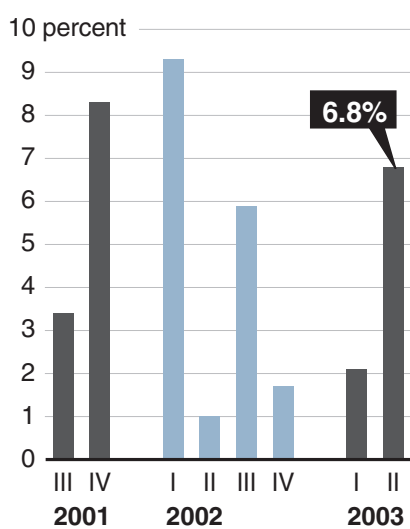
REX GRAVES

ON THE HIGHER PRICE OF PLYWOOD DUE TO GOVERNMENT SHIPMENTS TO IRAQ

Productivity

Here is a look at non-farm business productivity, percent change from previous quarter.

Seasonally adjusted



SOURCE: U.S. Bureau of Labor Statistics

AP

Productivity up; job tally falls

► About 170,000 jobs were shed during the second quarter.

By JEANNINE AVERSA
Associated Press

WASHINGTON — America's businesses pumped out more with fewer employees last quarter in a big boost for productivity, and new claims for unemployment benefits are rising, underscoring the strains facing workers even as the economy gains momentum.

Productivity — the amount an employee produces for each hour of work — soared at an annual rate of 6.8 percent in the April-to-June quarter, marking the largest increase since the first quarter of 2002, according to revised figures released Thurs-

day by the Labor Department. That was even stronger than the government's initial estimate of a 5.7 percent growth rate.

The productivity gain comes as 170,000 jobs were shed during the second quarter and businesses squeezed more efficiency out of the workers they kept.

In another report from the department, new applications for jobless benefits rose last week by a seasonally adjusted 15,000 to 413,000, the highest point since mid-July.

"While companies may be getting a bit more optimistic on other fronts, they have not yet taken that last step to add to their staffs," said Carl Tanenbaum, chief economist at LaSalle Bank. "Hiring people back full time is a significant commitment, so demand has to be absolutely solid for them to think about bringing people back."

Other economic news suggested

that consumers' and businesses' appetites are perking up. U.S. manufacturers saw demand for their products rise by a sharp 1.6 percent in July, the Commerce Department said.

Although recent economic reports suggest the economy is rebounding, businesses still are cautious when it comes to hiring, economists said.

"I don't fully understand the sources of this conservative behavior on the part of company management, and for that reason, I cannot be entirely confident that caution will not continue to predominate in the executive suite," Fed Governor Ben Bernanke said in a speech Thursday.

Economists expect the nation's unemployment rate to stay stuck at 6.2 percent when the government releases the employment report for August on Friday. Economists said the bat-

SEE WORK E-2