

# RATE:

Rising rates have cooled home loan refinancing.

FROM E-1

boom in mortgage refinancing activity," Federal Reserve Governor Ben Bernanke said in a speech Thursday.

"Since those consumers who had the most to gain from refinancing have mostly already done so, a slowdown in refinancing is unlikely to have a significant effect on household spending," he added.

The nationwide averages for mortgage rates do not include add-on fees known as points. Each loan type had an average fee of 0.6 point this week.

A year ago, rates on 30-year mortgages averaged 6.15 percent, 15-year mortgages were 5.56 percent and one-year adjustable mortgages stood at 4.35 percent.

Freddie Mac Web site  
www.freddiemac.com



TANNEN MAURY / Bloomberg News

**Workers frame a house under construction in Deerfield, Ill. Even as rates on 30-year mortgages climbed this week to the highest level since last summer, sales of new and previously owned homes are expected to post record highs this year.**

# WOOD:

The roaring home-building market also is a factor.

FROM E-1

reusable crates that are used in the shipping and airline industries. He said the high wood prices do not significantly affect his business because he simply charges his customers more.

"I'm not a company complaining about this hurting my business," Graves said. "But at the expense of certain industries, our government is fostering this."

Ahluwalia, the NHBA economist, said a certain amount of "panic buying" also is driving up prices, as wholesalers lock in future orders in a market where the supply is limited.

Clark Wiens, owner of Cedar Creek, a wood wholesaler in

Tulsa, said he has never seen a market situation this bad during his 30 years in the business.

His company buys wood and sells it to major retailers such as Home Depot Inc. and Lowe's Cos.

"We speculate on the wrong side of the market, but we have to do that," Wiens said.

Other issues contributing to a rise in some wood prices include a roaring home-building market, capacity constraints and seasonal factors, Ahluwalia said.

The Defense Logistics Agency, which supplies the military with everything from blankets to nails, purchased a total of 660,000 sheets of CDX, or exterior-grade plywood, for flooring in troop tents and force protection, Dearden said.

"It's being used for troop support," she said. "It's not being used for the reconstruction effort in Iraq."

The State Department is handling the reconstruction effort,

but an inquiry about the amount of wood being used was not immediately answered.

The government orders so far represent about 20 million square feet of wood, a small percentage of the 16 billion square feet used annually in the United States, NHBA reported.

The two products that have seen the sharpest increase are wafer board and plywood, according to Random Lengths, a weekly report published in Eugene, Ore., that NHBA uses.

The Aug. 22 report showed that plywood purchased from mills cost \$420 per 1,000 square feet, compared with \$330 for the same quantity a month earlier and \$260 a year earlier.

Wafer board, used widely for roof decking, showed an increase to \$390 per 1,000 square feet from \$340 a month earlier and \$180 a year earlier, the report said.

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# Seniors alerted to new scams

By MARCY GORDON  
Associated Press

WASHINGTON — Kenneth Reusser of Beaverton, Ore., an 82-year-old former Marine aviator and decorated veteran of more than 200 combat missions in three wars, says he lost more than \$260,000 in a high-yield investment scheme he learned about from friends he met through a club called "Life After 50."

Reusser and his wife, Trudy, filed a personal bankruptcy petition last week, a step ahead of the anticipated foreclosure of their hand-built home worth more than \$1 million.

Often living on fixed incomes and sometimes desperate about money, older investors are being targeted with complex investment scams promising huge returns as the stock market churns and health care costs climb, state securities regulators said Thursday.

The North American Securities Administrators Association is alerting seniors to the dangers of investment fraud and urging them to take control of their finances. The group, which represents state and provincial securities regulators in the United States, Canada and Mexico, announced new investor education programs and a senior investor resource center on its Web site.

Scams currently in vogue targeting older investors include sales of unregistered securities, bogus promissory notes and charitable gift annuities, viatical settlements in which terminally ill people sell their life insurance policies for upfront cash, and Ponzi schemes that pay some investors returns with money raised from later investors, according to the regulators' group.

It cited recent cases in Arizona, Delaware, Maine and Massachusetts. In that state, regulators discovered a training manual for salespeople who pushed seniors into selling their securities to buy annuities. "Assume you're selling to a 12-year-old who is blind yet smart," the manual states.

Senior Investor Resource  
Center Web site  
www.nasaa.org

# WORK:

Businesses are cautious when it comes to hiring.

FROM E-1

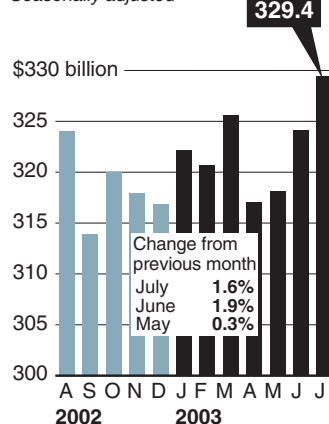
tered job market will be one of the last areas of the economy to recover.

With other parts of the economy on the mend, economists believe the Federal Reserve will hold a key short-term interest rate steady at a 4.5-year low of 1 percent when it meets Sept. 16. If the job market doesn't turn around, however, Bernanke didn't rule out a Fed rate reduction down the road.

"Growth that is generated solely by increased productivity, and that is unaccompanied by substantial employment growth, may possibly require monetary ease, rather than monetary tight-

## Factory orders

Here is a look at total new orders to American factories. Seasonally adjusted



SOURCE: Department of Commerce AP

ening, in the short run," he said.

The 6.8 percent productivity growth rate registered in the second quarter was three times faster than the 2.1 percent

growth rate posted in the first quarter, which from an economic perspective is good news.

For the economy's long-term health and rising living standards, solid productivity gains are crucial. They allow the economy to grow faster without triggering inflation. Companies can pay workers more without raising prices, which would eat up those wage gains. And, productivity can bolster a company's profitability.

One recent consequence of improving productivity, however, has been an ability of many businesses to pare existing work forces and still meet increases in demand, says Fed Chairman Alan Greenspan.

In the second quarter, businesses produced more with fewer employees, leading to a decline in hours worked.

Businesses boosted output at a brisk 4.4 percent rate in the second quarter, up from a 1.4 percent growth rate in the first quarter. But workers' hours

were cut at a 2.3 percent rate in the second quarter, following a 0.7 percent rate of decline in the prior three months.

People who kept their jobs, however, made gains. Workers' hourly compensation, adjusted for inflation, rose at a 3.2 percent rate in the second quarter, up from a 0.2 percent growth rate in the first quarter.

Companies' unit labor costs, meanwhile, fell at a rate of 2.8 percent in the second quarter, boding well for profit margins. That compared with a 2 percent growth rate in the first quarter.

"Companies are learning more and more to use what they have," said Clifford Waldman, economist at Manufacturers Alliance/MAPI, a research group. "It is a survival instinct."

Productivity and jobless claims  
Web site  
www.dol.gov/

# JOBS:

Ameristar employs more than 450 people.

FROM E-1

While most companies in its field design and engineer fuel facilities, Aircraft Fueling Systems' capabilities include design; engineering; system integration; construction; commissioning and start-up; training and support; facility operation management; and maintenance.

With six professional engineers and 15 designer-draftsmen on staff, Aircraft Fueling Systems produces three-dimensional Computer-Aided Design drawings of all phases of a fuel facility's construction and operation.

"It allows us to produce a virtual walkaround of a fuel facility for a customer," said Glenn Holder, the company's vice president of sales and marketing. "They can see it, get a feel for the way it will be completed. Everything is scaled to size."

Among the company's recently completed projects are the engineering and construction of a \$20 million, 24-gate fuel line at Baltimore-Washington International Airport and the engineer-

ing, design and operator training for a \$35 million fuel facility for Southwest Airlines at McCarran International Airport in Las Vegas.

Ameristar Fence Products, a 20-year-old Tulsa company started by one man with a little fence-building background and a lot of vision, is steadily adding jobs to keep up with high production demands.

Ameristar employs more than 450 people and sells \$100 million in products every year, company officials said. By the end of the year, the company will have already reached the employment level it projected when it entered the Oklahoma Quality Jobs Program.

The 10-year contract with the program says that by the end of the contract Ameristar should have created 475 jobs, a number the company has nearly realized, said Ameristar spokesman Bruce Scott. The bulk of the jobs are manufacturing and sales positions, he said.

In the next three years, Ameristar expects to expand its facilities in northeast Tulsa and steadily add workers for an estimated total employment of about 700 people. Company officials also predict Ameristar sales will double to \$200 million in five years.

Ameristar specializes in steel

and aluminum ornamental fences that are used around golf courses, schools, parks, housing developments, stores and other facilities. The fences are installed around new projects but are just as often used to replace old fences, company officials said.

The company's newest and fastest-selling product is a fence so strong that it can stop a 15,000-pound vehicle traveling 40 mph, which is the federal requirement outlined in an anti-ramp certification drawn up by the State Department.

Heightened security since the terrorist attacks of Sept. 11, 2001, has increased the need for such fences around government and military operations where a vehicular bomb could be used, company officials said.

Ameristar has already sold the fence for use around two Air Force bases in California, one in Missouri and another near Washington, D.C., he said. The Pentagon also is considering one, the company said.

This latest security fence adds to a long line of ornamental fences, fence hardware and fence coatings that Ameristar has been designing and building since Oklahoma native Eddy Gibbs founded the company.

In the early days, Gibbs was known to load up a truck with fence products and start driving.

He wouldn't come back until he had sold everything and the truck was empty. After the company's fence hardware went over well, Gibbs started cultivating the niche of ornamental fencing, said Mark Meek, national marketing and sales manager.

The Oklahoma Quality Jobs Program allows qualifying companies creating new quality jobs to receive incentives to locate or expand in Oklahoma. The program provides quarterly cash payments of up to 5 percent of new taxable payroll directly to a qualifying company for up to 10 years.

The amount of each company's incentive is determined through a cost-benefit analysis prepared by the Oklahoma Department of Commerce. Costs to the state resulting from in-migration may decrease the amount of benefit the state receives from a company, which would receive a lower incentive payment.

State incentive payments under the Quality Jobs Program cannot exceed 5 percent of payroll and have averaged about 4.5 percent, state officials said.

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World staff writer Tom Droege contributed to this story.

# FYI: BUSINESS

## Albertsons must pay for scanner overcharges

A judge has ordered Albertsons Inc. to pay \$1.85 million for scanner overcharges in its California grocery stores.

Superior Court Judge Lisa Foster's ruling covers penalties, costs and improvements at Albertsons stores to ensure accurate pricing, according to the San Diego District Attorney's office.

Albertsons also must hire a scan coordinator whose sole duty is to make sure that prices advertised in the media and in the store are the same prices charged at checkout.

The decision stems from a 16-month investigation of Albertsons stores around the state. Inspectors discovered 780 items were incorrectly priced, resulting in overcharges of more than \$700.

The settlement doesn't reimburse consumers for previous overcharges. However, the judge also imposed an injunction on the grocery chain to institute a "give away" program in its California stores. When an item rings up at a higher price than advertised, Albertsons must give the customer the item for free.

Albertsons, based in Boise, Idaho, operates about 2,300 grocery and drug stores in 31 states around the country, under banners including Albertsons, Jewel-Osco, Acme and Sav-on Drugs.

The company said in a statement that most of the citations occurred shortly after the company bought Lucky Stores in 1998 and that the issues raised in the court order "are now behind us."

## ForcePro of Tulsa shares in funding

Five start-up companies, including a Tulsa firm, were awarded a total of \$550,000 through the Oklahoma Center for the Advancement of Science Technology Business Finance Program, the state-funded organization said Thursday.

The companies include ForcePro of Tulsa, Norman-based FrontRow Technologies Inc. and EKIPS Technologies Inc., Edmond-based NanoBioMagnetics Inc. and Oklahoma City-based Alchem Field Services.

ForcePro designs, manufactures and sells molding machines that provide a low-cost manufacturing solution for a wide range of plastics manufacturers.

The business finance program is administered by the Oklahoma Technology Commercialization Center to help qualified technology firms.

## Tedford Insurance buys Fort Gibson firm

The Jenks-based Tedford Insurance Agency announced its acquisition Thursday of Cooper Insurance Agency of Fort Gibson.

Tedford Insurance operates six offices in northeast Oklahoma and plans to merge the Cooper office into its Muskogee operation, the company said.

The purchase of the Fort Gibson agency is the ninth agency Tedford has acquired in the past few years. The company has about 50 employees and is licensed for business in 38 states.

The former owner of the Cooper Insurance Agency, Tom Turner, will join the Tedford operation in Muskogee and continue to serve his clients.

## Sunoco dividend increase first since 1985

Sunoco Inc. boosted its quarterly dividend 10 percent Thursday to 27.5 cents a share from 25 cents.

The Philadelphia-based company is projected to earn \$4.01 a share this year and \$4.26 in 2004, the average estimate of analysts surveyed by Thomson Financial. Sunoco had a loss of \$47 million, or 62 cents, last year.

The dividend increase is the first since late 1985. The dividend is payable Dec. 10 to shareholders of record Nov. 10.

"Refining is going to be good now and good into the future, and the chemical sector is starting to turn around," Thomas Hofmann, chief financial officer, said at an energy conference Wednesday.

## Brazilian gas discovery larger than initially reported

The largest natural gas reserves ever discovered in Brazil hold more than five times the amount initially reported, Brazilian newspapers said Thursday.

Brazilian oil giant Petrobras said in April that the reserves were estimated at 70 billion cubic meters of gas but raised the estimate to 400 billion cubic meters after performing additional tests, Petrobras executives told the O Estado de Sao Paulo and Folha de Sao Paulo newspapers.

The well is located in the Santos Basin off the country's southeastern coast. Brazil, a traditional oil importer, has raised production with offshore finds and expects to reach oil self-sufficiency by 2005.

## Navistar to keep Canadian plant open

Navistar International Corp. said Thursday it will keep open its assembly plant in Chatham, Ontario, after Canadian and provincial officials extended as much as \$45 million in subsidies.

The plan will preserve about 750 jobs, said Roy Wiley, a spokesman for the Warrenville, Ill.-based company. The plant has another 1,450 workers on furlough, he said.

Navistar said last year that it would close the plant in 2003 because it was too expensive to operate, resulting in severance and other expenses. Keeping the plant open will result in an "adjustment" to those costs, said Wiley, who declined to elaborate.

Navistar will disclose the adjustment and the costs of an early retirement program for U.S. union workers when it reports fiscal fourth-quarter results Dec. 2.

Navistar had planned to shutter the plant July 18 after failing to reach an agreement with the Canadian Auto Workers union on wage concessions and other cost-cutting measures. Union workers at the factory later voted in favor of a new agreement to save the plant.

The Canadian government will contribute as much as \$23 million and the province will provide as much as \$22 million, the company said.

Navistar operates a school bus manufacturing facility in northeast Tulsa.

## Travelers to buy U.S. business of British firm

Travelers Property Casualty Corp. said Thursday it agreed to buy most of the U.S. businesses of British insurer Royal & SunAlliance Group PLC for at least \$25 million.

Hartford, Conn.-based Travelers said the acquisition will expand its distribution network in personal lines with as many as 500 new agents, adding to the 6,500 agents now offering its products.

Travelers said it may pay \$35 million to \$40 million for the assets, depending on business volume.

## Best Buy Inc. raises earnings outlook

Strong sales of notebook computers for students returning to school boosted earnings of Best Buy Co. Inc. in the fiscal quarter that ended Aug. 30 and prompted the company to raise its earnings estimate for the second time in a month.

The Richfield, Minn.-based company said Thursday it expects second-quarter earnings from continuing operations to range from 41 cents to 43 cents a share, compared with a consensus estimate of 40 cents by analysts surveyed by Thomson First Call.

Best Buy, the nation's largest consumer electronics chain, said Aug. 7 that it expected to earn from 37 cents to 42 cents a share in the second quarter, 10 cents higher than its previous estimate. Analysts then boosted their consensus estimate by a dime.

Best Buy, which opened 14 new U.S. stores in the second quarter, said 24 percent of its quarterly revenue came from digital products, including digital, plasma and LCD televisions, digital cameras and recorders, DVD hardware and software, cellular telephones and digital broadcast systems.

From Bloomberg, AP and staff reports

# OKLAHOMA AGRICULTURE

## Oklahoma Markets

OKLAHOMA CITY (AP) — The state Department of Agriculture reported the following closing prices Thursday:  
U.S. No 1 HARD RED WINTER WHEAT: 1-3 cents lower. 3.23-3.37. Buffalo, 3.23. Altos, Miami 3.24. Davis 3.25. Keyes 3.26. Alva, Cherokee, Manchester 3.27. Shattuck 3.29. Lawton 3.30. Banner, Clinton, El Reno, Frederick, Geary, Hobart, Kingfisher, Medford, Temple, Watonga, Yukon 3.32. Okeene, Weatherford 3.34. Eldorado, Ponca City 3.35. Perry, Stillwater 3.37. Gulf 4.03.  
MILK: 5-9 cents higher. 3.54-3.91. Weatherford 3.54. Ponca City 3.63. Alva, Buffalo 3.70.

Manchester 3.71, Medford 3.77, Keyes, Shattuck 3.88, Altos, Miami 3.91, Gulf 5.23.  
SOYBEANS: 4-8 cents higher. 5.36-5.93. Shattuck 5.36. Alva, Buffalo 5.38. Medford 5.45. Kingfisher 5.69. Altos, Miami 5.84. Ponca City 5.88. Stillwater 5.83, Gulf 6.39%.  
CORN: 2.35-2.57. Altos, Miami 2.35. Weatherford 2.37. Ponca City 2.44. Manchester 2.47. Keyes 2.57, Gulf 2.78%.  
Grade 41, Leaf 4, Staple 34 Cotton in Southwestern Oklahoma Averaged 52.50 cents per pound F.O.B. railcar or truck.  
Alfalfa hay \$80-\$95; Grass hay \$50-\$65.  
Eggs: A large 1.01 cents; A medium 77 cents; A small 54 cents.