



Pumped up

Gasoline, oil prices hit new records.

Please go to E-2.



Stock gauge falls nearly 9 percent

► Of the 70 companies in the Tulsa Index, 56 produce negative returns for the quarter.

By LAURIE WINSLOW
World Staff Writer

The Tulsa Index fell 8.8 percent in the first quarter but still managed to eke out a slightly better performance than two larger national stock indexes.

The Standard & Poor's 500 Index, a composite of the nation's largest companies, had a negative return of 9.4 percent for the quarter. The Russell 2000, an index of smaller companies, had a negative return of 9.9 percent.

"I was surprised we didn't perform a little better," said Jake Dollarhide, CEO of Longbow Asset Management Co. in Tulsa, in a telephone interview. "After what has been a phenomenal performance for the last two years, I would have expected us to have done better."

Each quarter, Dollarhide calculates the Tulsa Index, which is based on "Stocks of Local Interest," a listing that appears Tuesday through Saturday in the Business section of the Tulsa World. Tulsa

Index stocks include companies that have headquarters or other significant operations in the newspaper's readership area.

Of the 70 companies included in the index, 56 produced negative returns for the quarter.

The oil and gas sector held up well, as did many of the financial sector stocks.

"We don't have a lot of the conspicuous subprime outlays in our local stock index. We have a lot of regional banks," Dollarhide said.

Sectors such as aerospace, travel, cable television and other consumer discretionary industries suffered in light of the national

economic pullback.

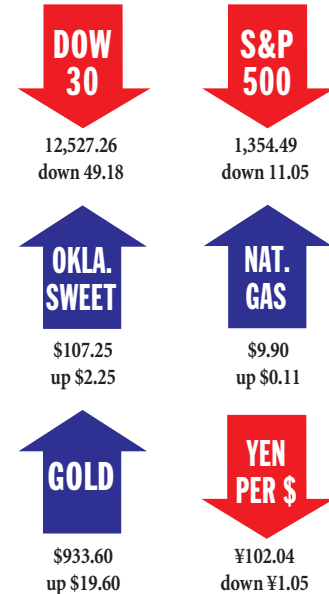
Dollarhide said he wouldn't be surprised if the Tulsa Index advanced 3 percent to 5 percent in the second quarter and then remained flat in the third quarter.

Regardless of what happens in the presidential election, Dollarhide speculates that the local index could post a positive return for both the final quarter and the year. He figures that investors have a lot of pent-up demand, and they need some signs and reassurance.

"Lower interest rates, improving economic conditions and getting

SEE INDEX E-2

MARKET WATCH



Checks disrupt American again

► The airline cancels 1,000 more flights to inspect MD-80 wiring.

By D.R. STEWART
World Staff Writer

American Airlines canceled more than 1,000 flights Wednesday, including five in Tulsa, in the second day of maintenance reinspections of wiring bundles in MD-80 aircraft.

Combined with the nearly 500 flights canceled Tuesday because of the Federal Aviation Administration-mandated wiring reinspections, American has canceled nearly a third of its 4,600 scheduled flights over the past two days, company executives said.

Additional flight cancellations are expected Thursday because of the deliberate pace of wiring inspections and maintenance, officials said.

At Delta Air Lines, which flies 117 MD-88 aircraft, about 20 flights were canceled Wednesday due to the wiring bundle reinspections, a company spokeswoman said.

American executives said the company is rebooking passengers on canceled flights while advising them to check their flight status on American's Web site at www.tulsaworld.com/AA.

Tulsa passengers may verify their flight status by going to Tulsa International Airport's Web site at www.tulsaworld.com/airport.

"We apologize for the inconvenience this has caused our customers," American Chairman and CEO Gerard Arpey said in a prepared

SEE AA E-2

HAIL DAMAGE: REPAIR BACKLOG MOUNTS



STEPHEN HOLMAN / Tulsa World

David Miller, president of Trinity Restoration, removes a tarp Wednesday to display the rear window of a customer's car that was damaged by hail early Tuesday.

Dented vehicles fill body shops

By ROBERT EVATT
World Staff Writer

David Miller, owner of the Trinity Restoration auto body shop, knew he was in for a lot of repair work just hours after Monday's hail storm.

"We had 150 cars in our lot that were finished or waiting to be repaired that got hit," he said.

Hundreds of people looking to fix dings, dents and even holes in their cars have flooded body shops with calls. Repair workers say the car owners likely face thousands of dollars in repair bills.

Chris Harris, president of Hourglass Collision Repair, said Monday's storm wasn't the worst he's

seen, though it was severe.

"I saw it come down, and there was so much of it for a long period of time — maybe four minutes," he said.

Because the storm hit before dawn, many cars were in garages and shielded from the hail, which was up to the size of eggs in parts of the metro area. Miller said the midday hailstorm of April 2005 resulted in 100,000 claims of damage, so Monday's hailstorm may have caused just half that.

But cars that were parked outside may have sustained more wide-

spread damage than those that were moving, Harris said.

"Hail damage usually favors one side of the car," he said. "Here, all the panels have been hit."

However, not all cars in the same area sustained the same damage. Miller said some cars in his lot received only minor dents, while others had holes punched through their windows.

The final repair bill for a damaged car depends on the severity of the dents, the number of panels hit and the amount of window damage.

SEE HAIL E-2

Boeing Co. delays 787 jet another six months

CHICAGO (AP) — Boeing Co. pushed back its off-delayed 787 jetliner by another six months Wednesday, postponing the jet's debut in commercial service until the third quarter of 2009, further jolting the company's credibility and likely costing it billions of dollars in additional costs and penalties.

The latest delays — the third revision to its delivery schedule and fourth switch in the plans for first test flight — underscore the problems Boeing is having keeping to a schedule while leaning heavily for the first time on outside contractors to do most of the manufacturing

work. The aircraft touted for its potential to be more fuel-efficient than other large jets is now more than a year behind the original schedule.

The inaugural test flight now isn't expected to take place until the fourth quarter as Boeing builds more time into the schedule to reduce the risk of further delays. The company initially planned to begin test flights last August or September and deliver the first plane to Japan's All Nippon Airways this May — a delivery it had recently rescheduled to early 2009.

Some components for the Boeing 787 are being manufactured in Tul-

sa by Wichita-based Spirit AeroSystems Inc.

Customers are increasingly uneasy about the ongoing setbacks. All Nippon Airways spokesman Rob Henderson said the carrier was "extremely disappointed" with the latest delay. He said that until Boeing provides a definitive schedule it cannot assess the impact on its route planning.

The more than 50 airlines that have placed 892 orders for the top-selling plane will be entitled to hefty compensation for the delays, and Boeing's reputation for reliability also is at stake. The company can ill

afford any more program glitches or renegotiating on schedule commitments.

No customer has yet to cancel an order, but the backlog is valued at a whopping \$151 billion.

The company blamed the newest delay in part on slower-than-expected progress on work that suppliers didn't complete, which Boeing has had to do on the final assembly line, and on engineering changes that had to be made on the plane's center wing box.

The Tulsa World Business staff contributed to this story.

BIZ QUICKS

High oil prices help send Wall Street lower

Wall Street extended its losses Wednesday as higher oil prices and a profit warning from United Parcel Service Inc. raised investors' anxiety about the economy.

Petroleum futures jumped following a government report showing that U.S. inventories fell by more than expected last week. The rise further hurt shares of airline and trucking companies.

UPS, the world's largest shipping company, cut its first-quarter earnings forecast because of higher fuel costs, a weakening economy and reduced domestic package volume.

Bill Schultz, chief investment officer at McQueen, Ball & Associates in Bethlehem, Pa., said profit warnings are to be expected.

"We know the first quarter is not going to be good," he said. "UPS is sort of indicating that maybe things are continuing to be not so positive out there."

The Dow Jones industrial average fell 49.18, or 0.39 percent, to 12,527.26.

Broader stock indicators also declined. The Standard & Poor's 500 index fell 11.05, or 0.81 percent, to 1,354.49, and the Nasdaq composite index declined 26.64, or 1.13 percent, to 2,322.12.



MLP

McClendon: Teaming with a private equity firm.

Chesapeake planning midstream partnership

Chesapeake Energy Corp. is planning to create a master limited partnership with a private equity firm for its gas-processing business, CEO Aubrey McClendon said Wednesday.

"Look for something in the next 30 to 60 days," McClendon said at a conference in New York sponsored by the Independent Petroleum Association of America.

He did not identify the private equity firm.

Oklahoma City-based Chesapeake expects to raise about \$1 billion from selling a stake in the partnership for the gas processing — or midstream — business, company spokesman Jeff Mobley told Bloomberg News.

Chesapeake announced its intentions to form an MLP for the unit in September.

"We've made some progress moving toward the target," Mobley said.

McClendon said the company is considering MLPs for other assets that might raise about \$2 billion.

Shares of Chesapeake rose \$1.04, or 2.2 percent, to \$48.99 on the New York Stock Exchange. The stock has risen 50 percent in the past year.

Venezuela booting Exxon Mobil from refinery

Venezuela wants to replace Exxon Mobil Corp. as its partner in an oil refinery near New Orleans that's partly controlled by its state-run oil company.

Oil Minister Rafael Ramirez said Wednesday in Caracas that Venezuela is "planning to have another operator" for the refinery in Chalmette, La., that is jointly owned by Exxon Mobil and Petroleos de Venezuela SA.

"It cannot be Exxon Mobil," Ramirez said.

The refinery processes about 190,000 barrels of crude a day.

PDVSA and the Irving, Texas-based Exxon are locked in a legal battle over compensation for Venezuela's nationalization of a jointly owned heavy oil project in Venezuela's Orinoco Basin.

Ramirez said last month that PDVSA began rerouting oil to China that previously was sent to Chalmette because Exxon had stopped ordering crude for the refinery amid continued legal wrangling between the two companies.

From Bloomberg, AP and staff reports

IN BUSINESS

TALKS RESUME

Formal negotiations resumed Wednesday between American Axle and Manufacturing Holdings Inc. and the United Auto Workers union in an effort to end a six-week strike at the auto parts maker.

Full bargaining teams met in the morning and continued their talks until late in the day. They had not met since March 10.

About 3,600 workers at five American Axle plants in Michigan and New York went on strike Feb. 26, mainly over wage and benefit cuts the company seeks.

That has caused a parts shortage, forcing General Motors Corp. to close or curtail work at 29 factories, as well as a Hummer plant run by AM General LLC.



NEW CHAIRMAN

Former AT&T chief executive David Dorman will become chairman next month at Motorola Inc.

Wednesday's announcement comes two days after Motorola ended a proxy fight with activist investor Carl Icahn, agreeing to seat two of his nominees on its board.

Dorman, 54, will assume the chairmanship May 5 after chairman and ex-CEO Ed Zander retires at the company's annual meeting.

Dorman joined the board of Schaumburg, Ill.-based Motorola in 2006.

Motorola announced two weeks ago that the company will split its core cell phone unit from its other operations to form two separate publicly traded companies.

20-SOMETHINGS

They're the youngsters in the workplace — those born since 1980.

They're classified as "millennials," and they come — like other generations before them — with their own mindset, writes Tulsa attorney Jeffrey B. Tracy in today's Business Viewpoint.

That's not necessarily bad. "Millennials want to learn and have a strong desire to be a part of something that they can believe in," Tracy writes, adding that "this new generation — when managed properly — can bring qualities and attributes to a company like none other before it."

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