

BUSINESS

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Market watch

| | | |
|-------------|-----------|-----------|
| Dow 30 | 12,390.48 | ↓ 12.37 |
| S&P 500 | 1,377.20 | ↓ 0.45 |
| Okla. Sweet | \$118.75 | ↓ \$2.00 |
| Natural gas | \$12.16 | ↓ \$0.10 |
| Yen per \$ | ¥105.26 | no change |
| Gold | \$879.90 | ↓ \$1.70 |

80 Vanguard employees moving to St. Louis

► Fallout from the acquisition by Enterprise Rent-A-Car continues.

BY D.R. STEWART
World Staff Writer

Halfway through a methodical 18-to-24-month acquisition, parent company and privately held Enterprise Rent-A-Car is moving 80 employees of Tulsa-based Vanguard Car Rental to its St. Louis corporate headquarters, company executives said Wednesday.

The transfer of Vanguard operations employees will be on Aug. 1,

said Greg Stubblefield, president of Vanguard and its two rental car brands, National Car Rental and Alamo Rent A Car. The move will leave 400 employees of National and Alamo at the 190,000-square-foot corporate offices at the Cherokee Industrial Park.

"Internally, we have had meetings at which we shared with employees this information," said Stubblefield, a Tulsa resident for the past year who will be accompanying operations employees to St. Louis.

The move of Vanguard's operations division to St. Louis comes amid a corporate review and ap-

praisal by Enterprise of its acquisition. Many of the remaining Tulsa staff will focus on shared services.

Stubblefield said it is difficult to predict what impact the remaining 12 months of internal study could have on employment in Tulsa.

The company plans to maintain its existing lease at the Cherokee Industrial Park, which expires in 2015. Enterprise also intends to continue its support of local charities, Stubblefield said.

Enterprise, with 75,000 employees, a U.S. rental vehicle fleet of 643,289 and 2007 revenue of \$7.1 billion, is the largest rental car company in the world. Second-

place Hertz has half as many vehicles and revenue of \$3.9 billion.

Enterprise's strength is in its in-town and insurance replacement businesses.

Vanguard's National and Alamo serve the business travel, leisure and airport markets. The businesses have 9,500 employees companywide, 500 of them in Oklahoma, where 100 work in Oklahoma City at Vanguard's regional offices.

Enterprise acquired Vanguard in April 2007, three years after Vanguard President and CEO William E. Lobeck moved the

SEE MOVE E2

BIZ QUICKS

Financial sector still worries Wall Street

Wall Street ended a wobbly session with a mixed performance Wednesday amid concerns about the financial sector — Moody's Investors Service warned that it might downgrade the ratings on bond insurers Ambac Assurance Corp. and MBIA Insurance Corp.

Some investors looking to sidestep the troubled financial sector moved into technology stocks, giving the Nasdaq composite index the biggest advance of the major indexes. The trading follows two straight sessions of selling that left the Dow Jones industrial average down 235 points.

"Financials again are the lead story. The market is not going to recover until the financials do. They're not going to until all of these balance sheet items are taken care of," said Neil Massa, senior trader at MFC Global Investment Management in Boston.

The Dow fell 12.37, or 0.10 percent, to 12,390.48.

Broader indexes were mixed. The Standard & Poor's 500 index fell 0.45, or 0.03 percent, to 1,377.20, while the Nasdaq rose 22.66, or 0.91 percent, to 2,503.14.



RESPONDING

Ali al-Naimi: Saudi oil minister says his kingdom has ramped up production.

OPEC production up as Iraq output climbs

The Organization of Petroleum Exporting Countries increased oil production 0.9 percent in May as Iraqi output climbed to a pre-war high, a Bloomberg News survey showed Wednesday.

OPEC pumped an average 32.28 million barrels a day last month, up 300,000 barrels from April, according to the survey of oil companies, producers and analysts. April output was revised down by 125,000 barrels a day. Production by the 12 members with quotas, all except Iraq, rose 200,000 barrels to 29.79 million barrels a day.

Iraqi production increased 100,000 barrels to an average 2.49 million barrels a day last month, the highest since October 2002 — five months before U.S. troops invaded the country.

Saudi Arabia, the world's top oil exporter, raised production by 130,000 barrels to an average 9.25 million barrels a day in May. It was the biggest increase among OPEC members last month.

Saudi Oil Minister Ali al-Naimi said May 16 that the kingdom had started ramping up production on May 10 in response to stronger demand from customers. He said output would reach 9.45 million barrels a day in June.

Lightning strikes Magellan KC terminal

Magellan Midstream Partners LP temporarily discontinued operations at its Kansas City fuel terminal after a lightning strike and fire Thursday night that damaged a petroleum storage tank.

Bruce Heine, a spokesman for the Tulsa-based energy company, said that no one was injured and the company is working to bring the terminal back online.

"We are taking steps to resume operations at the rack," Heine said. The fire was contained to one tank that held 28,000 barrels of unleaded gasoline.

The terminal provides gasoline, ethanol blends, diesel and jet fuel to the Kansas City market.

Magellan Midstream Partners, which moves refined petroleum products throughout the Midwest, said there will be minimal supply disruption.

From Bloomberg, AP and staff reports

'Chopper' show's brand on way

BY JEFF POSTELWAIT
World Staff Writer

Orange County Choppers, makers of custom motorcycles, is about to roar into Tulsa as a local bike shop establishes the company's fifth dealership in the nation.

David Miller, owner of Trinity Restoration, is converting part of his location at 8324 E. 97th St. into an Orange County Choppers dealership and store.

Montgomery, N.Y.-based Orange County Choppers began producing motorcycles for sale to the public last year.

Miller said that when the renovations are complete, the shop could inject as much as a \$1 million a year into the local economy. Much of the money to be made could come from selling Orange County Choppers merchandise, which Miller noted already sells quite well.

Orange County Choppers rose to fame after being featured on the cable television reality series "American Chopper," which follows the work and lives of the company's father-and-son co-founders, Paul Teutul Sr. and Paul Teutul Jr.

"They sell a pretty large number of bikes, but last year they sold \$150



Trinity Restoration owner David Miller is bringing an Orange County Choppers dealership to his location at 8324 E. 97th St.

ROBERT S. CROSS/
Tulsa World

million in nonbike merchandise," Miller said, adding that his store will feature a full complement of Orange County Choppers apparel and merchandise.

The updates to the shop could be

completed as early as July, Miller said.

Orange County Choppers was interested in Tulsa because of its location in the center of the country, as well as the size of Miller's shop,

which was built about a year ago for around \$4 million.

"It looks like something out of LA, not something from Tulsa,"

SEE BIKE E2

Oil price continues fall from record heights

BY JOHN WILEN
Associated Press

Oil prices extended their drop from record highs Wednesday, falling to the \$122 level after the Energy Department said gasoline demand fell sharply last week.

U.S. retail gas prices, meanwhile, rose to a new record above \$3.98 a gallon and are likely to hit \$4 in coming days, analysts said. In Tulsa, most retailers were holding at \$3.67 Wednesday.

In its weekly inventory report, the department's Energy Information Administration said demand

for gasoline fell by 1.4 percent over the last four weeks. Meanwhile, gasoline inventories rose by 2.9 million barrels last week, much more than expected.

Concerns about demand have helped pull oil down from its May 22 high of \$135.09. Those concerns were exacerbated Wednesday by the EIA report and by moves by India and Malaysia to cut fuel subsidies, effectively raising prices. Many investors believe subsidy cuts will choke off demand for fuel in the developing world.

"There's definitively smaller demand, (and) you have subsidies

that are going to fall in energy consuming nations," said James Cordier, president of Tampa, Fla.-based trading firm Liberty Trading Group. "The psychology is just changing."

Light, sweet crude for July delivery fell \$2.01 to settle at \$122.30 barrel on the New York Mercantile Exchange after earlier falling as low as \$121.84. It was oil's lowest settlement since May 6. July gasoline futures plummeted 15.74 cents to settle at \$3.1951 a gallon.

The EIA also said inventories of distillates, which include diesel and heating oil, rose by 2.3 million

barrels. Investors shrugged off an unexpected decrease in crude oil inventories.

At the pump, meanwhile, the national average price of a gallon of regular gas rose half a cent overnight to \$3.983, according to a survey of stations by AAA and the Oil Price Information Service. Prices are likely to reach \$4 for the first time regardless of what happens with oil prices, said Fred Rozell, retail pricing director at the OPIS, which is based in Wall, N.J.

The Tulsa World Business staff contributed to this story.

InBusiness

Verizon-Alltel rumors

Verizon Wireless is in talks to buy Alltel Communications LLC, the country's fifth-largest wireless carrier by subscribers, for \$27 billion, according to unnamed sources cited by business news channel CNBC.

If consummated, the acquisition would be the biggest telecom deal since AT&T Inc. bought Bell South Corp. at the end of 2006.

Little Rock-based Alltel was a public company until it was bought out by TPG Capital and GS Capital Partners in November for \$24.7 billion. It has more than 13 million customers.

Verizon Wireless, the nation's No. 2 wireless carrier, uses the same network technology as Alltel's system.



13 percent fewer flights in Tulsa

Tulsa could see a 13 percent reduction in commercial airline flights this fall as carriers try to cut costs, a USA Today report says.

The city would not be the hardest-hit, however. The USA Today analysis of fall airline schedules shows that the nation's most popular vacation destinations will be among the biggest air-service losers. Many flights to Honolulu, Orlando, Las Vegas and other favorite vacation destinations have vanished or will soon because cheap tickets bought by tourists don't cover the cost of getting there.

New York LaGuardia, Chicago O'Hare and Dallas/Fort Worth will probably see the fewest changes.

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Porsche top car

Porsche was the top brand in J.D. Power's annual ranking of initial vehicle quality released Wednesday, which measures both mechanical and design problems in the first 90 days of ownership. Others in the top five were Nissan Motor Co.'s Infiniti, Mercedes-Benz, and Toyota Motor Corp.'s Lexus and Toyota brands.

In rankings by vehicle segments, Honda was the only brand with three winners. Overall, 26 of the 36 nameplates in the rankings improved from last year.

Chrysler LLC's Jeep was the worst performing brand, with 167 problems per 100 vehicles. Other brands in the bottom five were BMW AG's MINI, Land Rover, GM's Saturn, and Suzuki.

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