

Chrysler's sharp turn

Automaker swerves away from trucks, SUVs.

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Tom LaSorda



Home-building rebounds in area

► The 382 houses that were started in August was 22 percent above the 313 logged in July.

By **ROBERT EVATT**
World Staff Writer

Home construction in Tulsa quickened in August after an unusually slow July, boosting year-to-date totals ahead of the 2005 pace once again.

The 382 homes that were started in August was 22 percent above the 313 logged in July, according to data released Monday by New Orders Weekly, a construction tracking service.

For the year through Aug. 31, 3,488 starts were logged, compared with

3,381 through the first eight months of 2005. Soft July construction this year had put year-to-date housing starts at 2 percent below the 2005 total, the first such drop in more than two years.

David Blackburn, president of the Home Builders Association of Greater Tulsa, said the recovery shows the area's home market remains strong.

"The overall news is still good, since a single slow month doesn't necessarily indicate a trend," he said.

Tulsa's home construction fared much better than the industry nationally, as numbers released last week showed that home-building dropped 6 percent in August. Builder confidence also dropped in September for the eighth consecutive month and now stands at the lowest point in more than 16 years.

Blackburn said he's still confident in the Tulsa market because the local economy, including employment figures, remains healthy.

The area has also avoided most of the effects of the national housing slowdown so far.

"Tulsa's the last one to go into these slowdowns, and they're the last

ones to come out," he said.

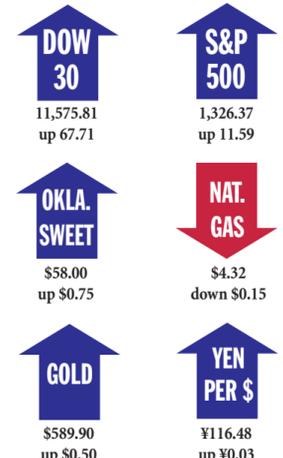
The unexpected decline in interest rates may also keep the market strong. Last week, mortgage giant Freddie Mac reported that the nation's average 30-year, fixed-rate home loan was going for 6.40 percent, a six-month low.

Blackburn said the only real negative factor that could affect the market is nervousness by potential homebuyers who fear the national slowdown could spread here.

"It's like the stock market," he said. "Often, people speculate based on emotions."

SEE **STARTS** E-2

MARKET WATCH



BIZ QUICKS

Fed official's comments help boost stock prices

Stocks rose smartly Monday after Dallas Federal Reserve President Richard Fisher suggested inflation will be dampened by a slowing economy and said that while the housing and auto sectors are economic weak points, the rest of the U.S. economy is doing "extremely well."

"The recent tempering of U.S. economic growth to a more sustainable rate . . . should act to lower the inflation rate over time," Fisher told reporters after a speech in Monterrey, Mexico.

The Dow Jones industrial average gained 67.71, or 0.59 percent, to 11,575.81.

Broader stock indicators also advanced. The Standard & Poor's 500 index rose 11.59, or 0.88, to 1,326.37, and the Nasdaq composite index rose 30.14, or 1.36 percent, to 2,249.07.

Turner pushes biofuels on global scale

Ted Turner, the founder of Cable News Network Inc., considers biofuels the answer to restart stalled world trade talks, reduce poverty and tackle global warming.

By investing in alternative fuels such as ethanol from sugar or biodiesel from corn and soybeans, poor nations would spend less on energy, rich nations would become less dependent on foreign oil and the world would consume fewer polluting fossil fuels that contribute to global warming, Turner told journalists Monday in Geneva, Switzerland, after pressing World Trade Organization negotiators to renew efforts to forge a global trade agreement.

"It's absolutely essential to phase out fossil fuels," Turner said. Cutting farm subsidies and tariffs and promoting demand for biofuels will "reduce greenhouse gas emissions, revive the agriculture industry and help eliminate the conflict over subsidies that's stalling crucial advances in world trade."

By encouraging farmers to supply as much as 20 percent of global fuel demand through biofuel crops over the next decade, the market for agricultural products could "double or triple" in value, said Turner, who established the United Nations Foundation with a \$1 billion grant.

"We're not going to stop using energy, so we've got to start using a different kind of energy," he said.

"I haven't made a significant investment yet" in biofuels, he said, "but I'm hoping to if I can find the right point of entry."



Turner

Murphy Oil settles case over Katrina spill

Murphy Oil Corp. has agreed to a \$330 million settlement in a lawsuit over an oil spill that contaminated thousands of homes last year during Hurricane Katrina, a spokesman for the plaintiffs said Monday. A federal judge still must sign off on the deal.

Trial in the case was slated to begin next week in New Orleans.

El Dorado, Ark.-based Murphy said in a statement it had reached an agreement with the plaintiff attorneys over the spill from an oil storage tank at its Meraux refinery in St. Bernard Parish near New Orleans. One million gallons of oil coursed into canals and homes after storm surge moved the tank off its base.

"Obviously, the community is eager to move forward, and so are we," said Murphy spokeswoman Mindy West.

The proposed settlement includes \$80 million paid so far to settle roughly 2,700 household and business claims, said Sidney Torres, the court-appointed liaison for the committee. The class consists of a total of about 6,200 claims, he said.

Another \$160 million would go toward property buyouts and paying property owners in the area, while the remaining \$90 million would be for cleanup, he said.

From Bloomberg, AP and staff reports



SHERRY BROWN/Tulsa World

Trinity Restoration owner David Miller and his crew are customizing this 2006 Lamborghini for a car enthusiast.

Restoration shop gears for growth

Trinity constructs auto repair facility, awaits broadcast of reality TV show

By **Debbie Blossom** | World Staff Writer

A baby boomer-fueled love of classic cars and the popularity of reality television has revved up business at a Tulsa company that is expanding its space and adding jobs to meet the demand.

Trinity Restoration owner David Miller expects sales at his collision repair and restoration firm to approach \$6 million annually after he opens a new 25,611-square-foot automobile repair facility in south Tulsa next year.

An official ground-breaking on the multimillion-dollar building is set for mid-October on 2.5 acres at 8324 E. 97th St., just east of the intersection of Memorial Drive and 98th Street.

Construction on the \$3 million project actually began Sept. 11, and is expected to be complete by mid-March — in time to celebrate Trinity's 20th year in Tulsa.

"It will be the biggest free-standing shop in town," said Miller, who has quadrupled the business since he took over the company three years ago.

"I've been real aggressive about

SEE **CARS** E-3

AMERICAN AIRLINES TARGET: NEW REVENUE STREAMS

AA seeks China route, 787 shop work

► The airline says 96 members of Congress back its bid for Beijing flights.

By **D.R. STEWART**
World Staff Writer

American Airlines has received strong support from political and business leaders for its proposal to operate daily nonstop air service between Dallas-Fort Worth International Airport and Beijing beginning March 25, airline executives said Monday.

American's proposal is one of four being considered by the U.S. Department of Transportation, which is expected to select one by year-end or early next year.

Twenty-eight U.S. senators, 68 members of the U.S. House of Representatives, nine governors, more than 100

mayors and other elected officials, and more than 400 companies have endorsed American's proposed Beijing service, said Will Ris, American's senior vice president of government affairs, in a telephone press conference.

"This new route will deepen the important cultural and economic ties between China and North Texas while providing convenient online connections for 95 airports in 32 states and the District of Columbia — approximately 80 percent of the total U.S. population," Ris said.

American began service to China in April when it inaugurated daily nonstop service between Chicago and Shanghai.

The carrier's competitors for the new China routes include Continental Airlines, which proposes to fly daily

SEE **CHINA** E-3

Sole maintenance contract for 'Dreamliner' users eyed

FROM STAFF AND WIRE REPORTS

American Airlines said Monday it's bidding to become the sole provider of maintenance for North American companies that buy Boeing 787 aircraft with a service program.

Chicago-based Boeing Co. says an order backlog for 377 of the planes, valued at more than \$60 billion, has made the "Dreamliner" its most successful aircraft introduction. Carriers such as Continental Airlines, Northwest Airlines and Air Canada have

ordered 83 of the planes.

American, the world's largest airline, since late 2004 has focused on winning third-party maintenance contracts to boost revenue, help stem losses and preserve jobs. The approach differs from most other U.S. carriers, which in recent years have increased use of contractors outside the U.S. to cut costs.

"American has been trying to turn its maintenance facilities into a prof-

SEE **787** E-3

Reporter finds new NASA craft quite spacious

► The Orion Crew Exploration Vehicle is designed to replace the space shuttle fleet.

By **SETH BORENSTEIN**
Associated Press

HOUSTON — For the last 10 minutes, I've been trying to nuzzle the Orion space capsule up to the international space station to dock, but I keep drifting left, smack into a European lab.

Then I look slightly past the flat-panel screen that displays my incompetence with the joystick, through the window and straight up. I see the moon. It's filling the view and grabs my attention from the docking job at hand.

The moon is what this is all about.

I'm in a full-scale mock-up of Lockheed Martin Corp.'s Orion Crew Exploration Vehicle that's supposed to replace the space shuttle fleet and eventually take astronauts back to the moon. The actual ship is still a few years away from being built, and it won't fly until at least 2013.

Two weeks before my test drive, NASA awarded Lockheed Martin an \$8 billion contract to build Orion, a capsule NASA refers to as "Apollo on steroids." It's the latest in a long line of planned next-generation spacecrafts for NASA, none of which

has ever taken off.

Lockheed Martin built the mock-up to help understand the volume and geometry involved in the design and construction of the Orion. NASA has developed its own model, which is slightly different.

"It starts to give you an idea of the real size involved," said Cleon Lacefield, Lockheed Martin's vice president and the company's Orion program manager. "It really comes up to be pretty spacious."

Three other people are standing in the capsule and Marc Sommers, a Lockheed Martin avionics engineer, is sitting in the left-hand seat next to me, trying to get me to dock correctly.

This capsule is downright roomy. If the Apollo capsules were Volkswagen Beetles from the 1960s, cramped but useful, then Orion seems like a 1990s minivan, extended version. It's good enough for a long road trip, which is pretty much what NASA envisions in a three-day one-way trip to the moon.

NASA Orion project manager Skip Hatfield said it was designed to be much more spacious per crew member than Apollo. Unlike Apollo, which had three astronauts, Orion will carry



Associated Press reporter Seth Borenstein (right) is positioned in a seat of an Orion spacecraft mockup in Houston with help from Lockheed Martin engineer Marc Sommers. Borenstein attempted to simulate a docking of the Orion with the International Space Station.

four astronauts to the moon, six for the much shorter hop to international space station.

So for the lunar trip, Orion will have about 95 cubic feet per astronaut, compared with 70 cubic feet per Apollo astronaut. Orion's trip to the space station will be a little more crowded

with each of the six astronauts getting 63 cubic feet.

It looks even roomier because there's no other equipment inside the Orion capsule. While most of the gear will be stored below and behind the capsule interior, stuff has a way of accumulating inside a vehicle so Ori-

on will eventually seem more crowded, Hatfield said.

There are actually two connected simulators here. One is a standard-seat model with a lot of screens and the sounds of jets. The other, which I used, offers no sounds and only one screen and a joystick a tad better than

the run-of-the-mill video game. The ship doesn't move, but it has a sense of realism because you are inside a large capsule in the prone position.

Before I get into position to simulate docking, Sommers and Hatfield tell me it's easy. I say I've never flown a simulation successfully because of bad hand-eye coordination. Even an 8-year-old docked successfully when Lockheed Martin allowed families a sneak peak, Sommers said.

Once inside, I find myself in a reclining z-shape, sitting on my back with my thighs straight up, my calves horizontal and my head looking up at the screen.

Then I tried to dock. And failed. I lined up in front of the docking ring and went astray — far astray, almost leaving the space station environs. Sommers kept giving me tips and I kept moving the joystick wrong.

Maybe it's because I can't hear the thrusters in the simulator, Sommers offers as an excuse. That's not it.

To my credit, I never actually crashed. After about 15 minutes of drifting away and inching back only to drift away again, I just gave up. I quit. It was humiliating and others were waiting to take this baby out for a spin — and probably laughing.

It's just this spaceship needs a better driver.

Chrysler aims for global market with smaller cars, fewer trucks

By **TOM KRISHER**
Associated Press

DETROIT — Chrysler is moving to become a company that's less reliant on trucks for profits and more competitive internationally with a portfolio of smaller cars, its top executive said Monday.

Tom LaSorda, president and CEO of DaimlerChrysler AG's Chrysler Group, said trucks and bigger sport utility vehicles historically have accounted for more than 70 percent of Chrysler's U.S. sales. So the company has been hit harder than any other manufacturer by the shift toward more fuel-efficient vehicles, he said.

"We're addressing those issues and moving our product portfolio to a mix that's more in line with the recent realities and market trends," LaSorda said during a speech to the Automotive Press Association.

DaimlerChrysler last week projected Chrysler's third-quarter loss would be \$1.52 billion, more than twice what it had previously anticipated.

High gasoline prices also have hurt cross-town rivals Ford Motor Co. and General Motors Corp., which also log most of their sales in the truck segment, while the more fuel-efficient car seg-



PAUL SANCYA / Associated Press

Chrysler Group CEO Tom LaSorda speaks to automotive media Monday in Detroit. LaSorda said the U.S. arm of DaimlerChrysler AG is in the midst of transforming itself from a manufacturer that relied on trucks to make money into a more international company with a portfolio of small cars.

ment is dominated by Asian competitors.

LaSorda said Chrysler has 10 new models coming out this year.

"Many of those new entries catch the wave of the move to more fuel-efficiency," he said, touting the Dodge Caliber and Jeep Compass small SUVs and the Chrysler Sebring sedan.

The company also will step up its international sales initiatives because those markets are growing while North

American demand has remained stable, he said. During the first eight months of the year, Chrysler's international sales rose 14 percent, he said.

Chrysler is particularly interested in entering the subcompact car market across the globe, but LaSorda said the only way to do that profitably is through an alliance with another manufacturer.

He would not confirm reports in German news magazine Der Spiegel and in The

Detroit News that Chrysler is looking at selling cars made by China's Chery Automobile Co. Ltd. for North American and international markets, but he said an alliance with a Chinese manufacturer has not been ruled out.

LaSorda acknowledged that he moved too slowly in reducing Chrysler's bloated inventory of trucks and SUVs.

The company announced last week that it will cut retail shipments by 16 percent in the second half of the year to 705,000 vehicles from the previous target of 840,000.

The cuts mean some plants will see temporary shutdowns between now and the end of the year. Chrysler officials said mostly truck plants would be affected, but they declined to pinpoint exactly which plants.

Executives have said there were no immediate plans to slash jobs or close plants permanently as Ford and GM have done recently, but they didn't rule anything out.

With the production cuts and new models coming out, Chrysler should turn around in a few months, LaSorda said.

"We should be in good shape by the end of the year — that's our plan," he said.

CHINA:

Continental, United and Northwest also are competing for new Chinese routes.

FROM E-1

nonstop flights between Newark, N.J., and Shanghai; United Airlines, which has bid for flights between Washington, D.C., and Beijing; and Northwest Airlines, which wants to start service from Detroit to Shanghai.

Last week, SH&E, a Boston-based airport consulting firm, estimated that the proposed Beijing service from DFW would generate an annual economic impact of \$180 million to the North Texas and regional economies. If the new China service is approved by DOT, it would provide

one-stop Beijing service for 30 airports in eight states, officials said.

"Texas has strong economic ties to China, and it continues to grow annually," Texas Gov. Rick Perry said in a written statement. "Approval of American Airlines' application for a DFW-Beijing flight will benefit not only the business men and women who travel there regularly but will boost tourism between the two destinations."

American's proposed China service would be the first from the southern U.S., officials said.

China is Dallas-Fort Worth's largest trading partner, with total trade valued at more than \$13.6 billion in 2005. In addition, officials said, China is second only to Mexico as the largest trading partner with the state of Texas, with more than \$22 billion in imports and exports last year.

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787:

A formal bid process began earlier this year.

FROM E-1

it center," said James Corridore, a New York-based airline equity analyst at Standard & Poor's. "They have taken on a lot of outsourced maintenance for other airlines, and this would keep their maintenance bases full and probably make them some nice money."

In Tulsa, where American employs 6,000 aircraft mechanics at the largest aircraft maintenance base in the world, management and the Transport Workers Union have set a goal of cutting costs or increasing third-party revenue of \$500 million by the end of this year. The Tulsa base is more than halfway toward its financial goal.

American has set similar value-creation goals at its maintenance bases in Kansas City, Mo., and Fort Worth.

By keeping its aircraft maintenance in-house, American is in an industry-leading position of performing 80 percent to 90 percent of all maintenance work and 100 percent of its heavy aircraft maintenance at its own bases.

In comparison, the U.S. Department of Transportation reported in 2005 that the U.S. airline industry as a whole outsourced 47 percent of its aircraft maintenance work.

With carriers such as Northwest and United Airlines shedding their maintenance bases and unionized mechanics, American finds itself nearly alone among major airlines in having the facilities and trained work force to perform third-party aircraft maintenance.

American managers said in-house maintenance has significant advantages over outsourced work. The pluses include a significant parts inventory, facilities and equipment, extensive technical support and expertise, manufacturing capabilities, a stable work force and shorter and more dependable turn times.

American landed its first third-party maintenance work in May 2005 when it reached agreement

on a multimillion-dollar contract with Latin America-based Synergy Aerospace Inc. to perform maintenance work on 29 Fokker F100 aircraft.

Third-party work won by the Tulsa Maintenance & Engineering Center has included an engine change on Pace Airlines' Boeing 757; auxiliary power unit work on AAR Corp.'s Boeing 777; disassembly of four CF6 engines for GE Aviation Materials; CF6 engine work for Capitol Cargo; and MD80 landing gear work for AAR Corp.

The bid for work on the Boeing 787 planes "is in step with American's overall strategy," John Hotard, a spokesman for the Fort Worth-based carrier, said in an interview Monday. "We're a full-service provider" and would perform both engine overhauls and overnight repairs if it wins the 787 contract.

A formal bid process began earlier this year to pick a North American provider of the maintenance, overhaul and repair services, said Charles Bickers, a spokesman for Boeing.

The aircraft maker will choose the provider by early 2007, he said. Bickers declined to confirm American's bid or say what other companies are being considered.

American generated more than \$65 million in revenue in this year's first seven months for maintenance for other airlines.

It's too early to say how the 787 work would be distributed among the American bases if the contract is won, Hotard said.

CEO Gerard Arpey has said the carrier is interested in flying the 787. He has declined to comment on any purchase plans.

Boeing is spending about \$8 billion to develop the aircraft, which would seat 250 to 300 passengers. The first 787 is to be delivered in 2008.

Wing components for the plane are being manufactured in Tulsa by Spirit AeroSystems Inc.

The Tulsa World Business staff contributed to this report by Mary Schlangenstein and James Gunsulsky of Bloomberg News.

CARS:

The TV show's pilot episode was shot in July.

FROM E-1

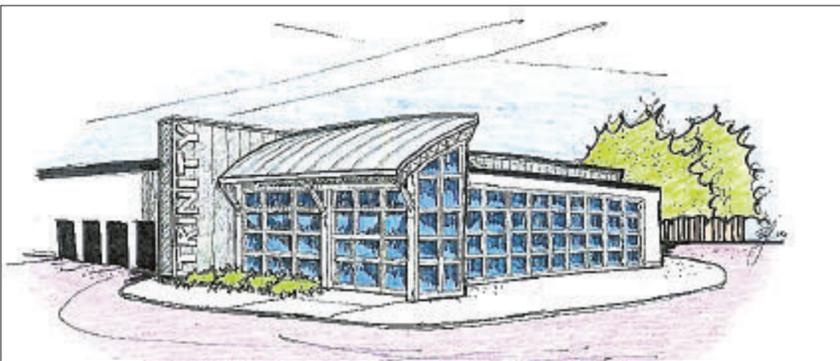
it," he said, and this latest expansion will also mean doubling the staff of 15 employees to handle the workload.

Trinity Restoration offers paint and body work, including paintless dent repair, and for the first time full mechanical services. The new facility will include the latest paint, body and mechanical equipment, and a car dealership-style showroom displaying several restored classic automobiles and motorcycles.

Miller is holding on to Trinity's current space at 8618 E. 46th St., though, turning over the original building and two smaller ones to the portion of his business that handles classic car restoration and complete-kit car construction.

"We're busy and we need the space," Miller said, but the expansion also provides a chance to show off his creativity and expertise with custom-car designs on a reality show on CMT, or Country Music Television.

"We've been chosen to do a car restoration show called 'My First Ride,'" Miller said.



Courtesy

An artist's rendering depicts Trinity Restoration's 25,611-square-foot automobile repair facility, which is being built at 8324 E. 97th St. by Rupe Construction of Tulsa. The \$3 million project was designed by Brad Lechtenberger and Tom Daman.

The show is part detective work — staffers hunt down someone's first car, at the request of family members — while the remainder of the broadcast has Miller and his team transforming it into the dream car that the former owner always wanted but often never had.

"They bring the car to me, and I restore it," Miller said. "People are very passionate about their first car, they have very strong feelings about it."

And that's what makes the show so special.

"These are people's dreams," he said. "I love the concept."

The pilot was shot in July, Miller said, and the show could

debut next spring.

The opportunity to showcase his passion for classic cars and Trinity Restoration came about by chance.

TV production crews based in Joplin, Mo., for another CMT show, "Trick My Truck," which turns beat-up trucks into works of art, began scouting out Tulsa for "My First Ride" after they couldn't find a suitable car restoration firm in Joplin.

"It just kind of fell into my lap," said the 38-year-old Miller, who grew up around cars and watched his mechanic father work on Cameros and Corvettes for years. "There were always lots of hot rods sitting around that needed a lot of work and

personal attention.

"After awhile I started to like it — I guess it's in my blood," the Tulsa native said.

Miller is Trinity's second owner — he bought the business from the husband-and-wife team who founded it in 1987.

"It started as a Mustang restoration shop, but it just grew into fixing everyone's car," Miller said.

But now the TV show could put Trinity on the map.

"We're doing the kind of work people think is only being done in places like Los Angeles or Phoenix," Miller said. "It has the potential to be huge for us."

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