

Market watch

Dow 30	11,229.02	↑ 81.58
S&P 500	1,253.39	↑ 8.70
Okla. Sweet	\$138.25	↑ \$5.75
Natural gas	\$11.83	↓ \$0.27
Yen per \$	¥107.02	↑ ¥0.19
Gold	\$940.90	↑ \$13.60

Tulsa lassos horse event

Expo Square signs the Breeder's Invitational.

BY JEFF POSTELWAIT
World Staff Writer

A three-year contract with Expo Square means the Breeder's Invitational, a competition highlighting "cutting horses," will gallop into Tulsa at least through 2011.

At a press conference Thursday announcing the agreement, Frank Merrill, president of Breeder's Invitational, hinted at an even longer stay.

"Our hope is that if this turns out to be a great venue, we may find a permanent home here," he said. "Hopefully we can make a partnership that lasts even longer."

Tulsa beat out other cities for the contract, including Kansas City, Mo., Houston and Oklahoma City, Merrill said, adding that his organization picked Tulsa for its facilities, people and central location.

"You have a wonderful fairgrounds and facilities that you've spent a lot of money on," he said. "It's a place where I think we can really cultivate some interest not just for people who like horses, but also for laymen and neophytes — people who are new to what it is that we do."

A cutting horse is an animal specially bred and trained to separate calves from a larger group of cattle. In competition, cutting horse riders are judged for the skill with which they can cut.

The Breeder's Invitational will make its initial appearance in Tulsa next May.

The nonprofit corporation last held its event in Las Vegas, drawing 700 entries. More than \$8 million in prize money has been paid out in the event's six-year history, Breeder's Invitational said.

Suzann Stewart, senior vice president for the Tulsa Metro Chamber's Convention and Visitors Bureau, said Tulsa could expect an economic impact of \$3.3 million every year and more than 5,000 stays in local hotels and motels during the events.

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Hangar takes off



Carmine Romano, senior vice president of maintenance and engineering for American Airlines, addresses participants in Thursday's ground-breaking for the carrier's \$10 million hangar at Tulsa International Airport. Photos by STEPHEN PINGRY/Tulsa World

Ground broken for American facility

BY D.R. STEWART
World Staff Writer

Fifty government officials and representatives of American Airlines held a ceremonial ground-breaking Thursday for the first aircraft maintenance hangar built at Tulsa International Airport in 20 years.

Although heavy rains scuttled the shovels, participants still were enthusiastic about American's new hangar and the growing aerospace industry in Tulsa.

"This takes a team, an incredible group of volunteer citizens at the Tulsa airport board, the

Tulsa Industrial Authority, Tulsa Technology Center, Tulsa Public Schools system and, of course, a great aerospace work force and great aerospace executives in this community," Mayor Kathy Taylor said.

"There's an industry in this state and the city of Tulsa that is going to lead us into the future."

Taylor noted that American's \$10 million hangar is also the result of cooperation between the city and the state.

Concerned a year ago that American could transfer maintenance work elsewhere if suitable facilities weren't available

in Tulsa, Gov. Brad Henry approved the tapping of \$10 million from the state's Opportunity Fund, which contains surplus money that is used to create jobs.

Spirit AeroSystems Inc., the former Boeing Co. unit that builds wing components for every Boeing commercial plane except the 717 model, received \$4.3 million of the \$10 million to overhaul one of its facilities.

The city is pairing \$5.7 million of the state money with \$4.3 million in local funds to build

SEE AA E2



Meredith Siegfried, chairwoman of the Tulsa Airports Improvement Trust, calls the hangar a milestone in Tulsa International Airport history.



Steve Luis, president of Transport Workers Union Local 514, says labor appreciates the work of all those who helped with the hangar project.

BIZ QUICKS

Wall Street posts modest gains

Wall Street stumbled through another volatile session but ended with a respectable gain Thursday after news of Dow Chemical's \$15 billion acquisition of rival Rohm and Haas helped offset concerns about the financial sector.

Shares of Wachovia Corp. sank Thursday after the bank named a new CEO Wednesday night. Wachovia fell \$1.16, or 8.1 percent, to \$13.13.

Analysts noted that market players are cautious ahead of quarterly earnings due out next week from many financial institutions.

"Investors lack real clarity from the banks," said Marc Pado, U.S. market strategist at Cantor Fitzgerald in New York. "It's this uncertainty that keeps investors out of the market."

The Dow Jones industrial average finished up 81.58, or 0.73 percent, at 11,229.02.

Broader stock indicators also finished higher. The Standard & Poor's 500 index gained 8.70, or 0.70 percent, to 1,253.39, while the Nasdaq composite index rose 22.96, or 1.03 percent, to 2,257.85.

CEO of GM dismisses talk of bankruptcy

The CEO of General Motors Corp. dismissed speculation Thursday that



POSITIVE

Wagoner: Carmaker's cash balance is robust.

the largest U.S. automaker might soon seek bankruptcy protection. Comments in the past week about a potential bankruptcy are "not at all constructive or accurate," Rick Wagoner told Dallas business leaders during a luncheon.

GM has \$24 billion in cash and \$7 billion in credit facilities, he said.

"Under any scenario we can imagine ... our cash position will remain robust through this year," Wagoner said.

The bankruptcy talk has increased and GM stock has been hammered over the past two months, losing more than half its value. Dealers are worried that the negative chatter will hurt sales.

"That kind of news isn't helpful, but as long as we can get the dealers the right information ... I think we can address it," he said.

Shares of GM continued their slide Thursday, falling 64 cents, or 6.2 percent, to \$9.69. Last week, GM stock closed under \$10 for the first time since 1954.

U.S. vehicle sales have slumped significantly this year.

Mortgage rate edges higher

The nation's benchmark mortgage rate edged up this week.

The average 30-year, fixed-rate home loan is going for 6.37 percent, up from 6.35 percent last week, mortgage company Freddie Mac reported Thursday after conducting its weekly nationwide survey.

Earlier this week, fresh signs emerged that the painful housing slump is likely to drag on. The National Association of Realtors' pending home sales index slipped 4.7 percent in May to the third-lowest reading on record.

Foreclosures have hit record highs across the nation as sagging home values have left some borrowers owing more on their mortgages than their homes are worth. With more empty homes being dumped on an already glutted market, prices are being pulled lower.

From Bloomberg, AP and staff reports

Editor says unused capacity ups oil price

BY ROBERT EVATT
World Staff Writer

Global oil demand is slowing, but shrinking "spare capacity" is making investors nervous and pushing up prices, says Bob Tippee, editor of the Oil & Gas Journal.

Tippee said Thursday that potential production capacity not being used by some oil exporting nations has tightened and may contract further, which would make them unable to maintain current levels of output should cataclysmic weather or political upheaval damage oil fields.

"That's why you can have Saudi



PROBLEM SEEN

Tippee: Investors are worried that oil-exporting nations won't meet needed output levels during disruptions.

Arabia pledging to produce several hundred thousand more barrels per day and have oil prices go up," Tippee said during his annual presentation before the Energy Advocates group at the Petroleum Club. "It's

investor psychology."

Oil prices rebounded strongly Thursday as another missile test by Iran stoked worries that escalating Middle East tensions could reduce supplies flowing from the region.

A day after Iran tested a missile capable of reaching Israel, Secretary of State Condoleezza Rice warned the oil producer that the United States will defend its allies. Iran responded with another missile launch.

After falling by nearly \$10 a barrel Monday and Tuesday, light, sweet crude for August delivery soared \$5.60 to \$141.65 a barrel on the New York Mercantile Exchange.

Tippee said government mandates to use more corn-based ethanol in gasoline production are having unintended inflationary effects both in and out of the energy sector. Ethanol, unlike oil, can't be transported by pipeline and has to be moved via diesel-powered ground methods.

"As ethanol use grows, ethanol transportation will have to grow, and that's diesel," Tippee said.

The government mandates will increase ethanol use each year through 2012, though Tippee said market realities may soon force Congress to

SEE OIL E2

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FYI: BUSINESS

New iPhone goes on sale

The new version of the iPhone goes on sale at area AT&T Wireless stores and the Apple Store at 8 a.m. Friday.

Mark Simone, area retail sales manager for AT&T Wireless, said Thursday that he expected supplies to be ample, although buyers would likely be lined up when the stores open.

The upgraded model from Apple Inc. takes advantage of the faster 3G network, includes more precise global positioning capabilities and sells for \$200 less than the original iPhone, introduced last summer.

In most cases, a 8GB iPhone will cost \$199 and a 16GB will cost \$299 with a two-year contract.

If a customer is already an AT&T customer and is not yet eligible for an upgrade, the iPhone will cost \$399 or \$499.

Service plans for the device start at \$69.99 a month, up \$10 from pricing plans for the original model. Data use is unlimited, though text plans start at \$5 a month.

Whirlpool closing pair of plants

Whirlpool Corp., the world's largest appliance maker, said Thursday it will close plants in Oxford, Miss., and Puebla, Mexico, cutting 985 jobs at those locations.

Production of ovens and washers will shift to sites in Cleveland, Tenn., and Celaya, Mexico, the Benton Harbor, Mich.-based company said in a statement.

Whirlpool, which also makes kitchen ranges at a Tulsa plant, said in April that 2008 profit will be lower than it previously forecast on higher costs for steel and copper. Sales have slowed in North America as the U.S. housing market faces its worst slump since the 1930s.

About 640 positions will be added at the Tennessee and Mexico plants, Whirlpool said.

GE to spin off key business

General Electric Co. announced Thursday that it wants to spin off its iconic lighting and appliance businesses, the latest aggressive move by one of the world's largest companies to reshape its portfolio to focus on faster growth businesses.

The consumer and industrial businesses have 50,000 of GE's 300,000 employees, sales of \$13.3 billion and a profit of slightly more than \$1 billion last year.

Fairfield, Conn.-based GE announced in May that it planned to sell or spin off its appliance business, but now says it is looking to spin off the entire unit, which includes household appliances such as dishwashers and clothes dryers as well as lighting, motors and electrical distribution.

GE, an industrial, financial services and media conglomerate, said it continues to explore all options for the consumer and industrial operations, but believes it makes the most sense to spin off the entire unit to existing shareholders, keeping its leadership teams and employees intact.

From Bloomberg, AP and staff reports

Oklahoma Agriculture

Oklahoma Markets
O KLAHO MACITY (AP) — The state Department of Agriculture reported the following closing prices Thursday.

U.S. No 1 HARD RED WINTER WHEAT: 1 to 5 cents lower. 7.33-7.76.
Davis N/A, Banner, El Reno, Geary, Okarche, Okeene, Watonga 7.33, Frederick, Lawton, Temple 7.34, Clinton, Weatherford 7.36, Hobart 7.39, Eldorado 7.44, Shattuck 7.47, Buffalo 7.53, Alva 7.57, Cherokee 7.59, Manchester, Medford 7.61, Miami 7.67, Perry, Stillwater N/A, Ponca City 7.70, Keyes, Hooker 7.76, Gulf 8.78½.

MILO: Mostly 14 to 16 cents lower. 9.39-10.89.

Eldorado 9.39, Shattuck 10.35, Alva, Buffalo 10.51, Manchester 10.57, Medford 10.63, Weatherford 10.70, Miami 10.75, Keyes 10.82, Hooker 10.89, Gulf 11.10½.

SOYBEANS: 19 to 30 cents higher. 14.50-15.40.

Shattuck 14.50, Alva, Buffalo 14.62, Ponca City 14.68, Medford 14.71, Hooker 14.75, Stillwater 14.87, Miami 15.40, Gulf 16.65.

CORN: 6.37-6.68.

Manchester 6.37, Ponca City 6.46, Miami 6.57, Keyes 6.59, Hooker 6.68, Gulf 7.11.

Grade 41, Leaf 4, Staple 34 Cotton in Southwestern Oklahoma averaged 60.75 cents per pound F.O.B. railcar or truck.

Alfalfa hay, 130.00-150.00. Grass hay, 65.00-85.00.

Eggs: Large \$1.15, medium 91 cents, small 74 cents.

Prepare yourself for the inevitable heat wave

Dear Action Line: It's been so rainy and cool most of this summer, we have forgotten that extreme heat is just around the corner. How are people supposed to cope with heat, other than staying inside with the AC cranked up? — L.R., Tulsa.



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The Office of Homeland Security and Emergency Management considers a county in a period of possible "heat emergency" when the National Weather Service forecasts a Heat Index exceeding 110 degrees for three consecutive days.

When the index exceeds 105 degrees for two consecutive days and is expected to continue, the Office of Emergency Management begins a "heat watch" and through the media encourages people to take protective actions.

When the index exceeds 105 degrees for four consecutive days and is forecast

to continue, a "heat warning" is issued. During a heat warning, county officials begin an aggressive media campaign to alert the public to the dangers of heat exhaustion and heat stroke.

The departments of Aging, Health and Social Services are asked to identify the vulnerable population — infants and children up to four years of age, people 65 or older, people who are overweight and people who are physically ill, especially with heart disease or high blood pressure, or who take certain medications, such as for depression, insomnia or poor circulation.

What many of us forget

over the winter is that in summer, to prepare to go out into the heat, we must prepare by drinking several cups of water even if we aren't thirsty. Just as putting on a coat is necessary for staying warm in the cold, putting back extra water for perspiration needs is necessary for staying cool in the heat.

Water is necessary to the healthy function of all internal organs and must be consumed to replace that lost during basic activities, says the American Council on Exercise. Water makes up 75 percent of muscle tissue and 25 percent of fatty tissue and transports nutrients to and carries waste away from cells. It keeps the body cool by carrying excess heat off in evaporated sweat.

The problem with high heat and humidity is they work against the body's heat removal system. When you watch the Weather Chan-

nel or read it on the Tulsa World's weather page, it always gives you the "feels like" (heat index) temperature. That's because the body enters the "heat illness danger zone" when atmospheric conditions produce a feels-like temperature of 90 or above. The body loses a quart of water per hour during moderate exercise in air of 80 to 90 feels-like degrees; and if there's not enough water for the body to cool itself by perspiring, the body begins to dehydrate.

A dehydrated body is unable to cool itself and this can lead to heat exhaustion and heat stroke. Without adequate water the body will lack energy and muscles may develop cramps.

To prevent dehydration, people exerting themselves in the heat should drink before, during and after exercise. Drink before you are thirsty, as thirst is a sign you are dehydrated. Drink more

than thirst demands and continue drinking throughout the day.

Drink one to two cups of fluid one hour before exercising and eight ounces of fluid 20 to 30 minutes before exercising. Drink four to eight ounces of fluid every 10 to 15 minutes while exercising. Drink an additional eight ounces of fluid within 30 minutes of ceasing exercise. Drink two cups of fluid for every pound of body weight lost after exercise. Avoid caffeine and alcohol as they have a diuretic effect, so be sure to compensate for this additional water loss. Replace lost electrolytes by eating salty snacks, soups or vegetable juices. Don't take salt tablets.

Submit Action Line questions by calling 699-8888 or by e-mailing phil.mulkins@TulsaWorld.com or by U.S. mailing it to Tulsa World Consumer, PO Box 1770, Tulsa OK 74102-1770.

OIL:

Tippee says subsidies will start to "unravel."

FROM E1

scale back the program.

While domestic refining capacity should increase 1.3 percent by the end of the year, actual output of refineries may decline by close to 1 percent, Tippee said. The drop will likely be caused by a variety of factors, chief among them more state and local laws calling for special blends of fuel.

"Refineries have to make fuel for a variety of different standards," he said. "If you have to make an adjustment in one part of the refinery to make a different blend, you have to shut it all down."

Although many factors could work to push up prices, they may be countered by falling demand for oil, Tippee said. He predicted that worldwide consumption will rise only 0.9 percent this year to 86.8 million barrels per day.

Changing habits in the face of skyrocketing fuel prices should lessen demand in the United States, but even nations with cheaper gasoline, thanks to government subsidies, will be hit with price increases that may cause drivers and industries to tighten their belts, Tippee said.

"In the last few months, these subsidies have begun to unravel, especially in Asia."

Tippee predicted that the oil supply will reach 874 million barrels per day by the end of the year, with OPEC members still providing the majority of crude.

Production increases by non-OPEC nations haven't materialized, he said.

"Russia hasn't met expectations largely due to government crackdowns on oil producers and overproduction in earlier years," Tippee said.

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OPEN FOR BUSINESS



Cliff Wood, vice president of Richmond, Va.-based CarMax Inc., speaks Thursday at the grand opening of the used-car retailer's superstore at 9131 S. Memorial Drive. A 35,985-square-foot showroom and 12-acre lot will be displaying up to 500 vehicles. CarMax's no-haggle policy means the sticker price is what buyers pay. SHANE BEVEL/Tulsa World.

AA:

Locals funds for the project total \$4.3 million.

FROM E1

American's new 80,000-square-foot hangar.

Meredith Siegfried, chairwoman of the Tulsa Airports Improvement Trust, reminded the dignitaries of the city's first cooperative aviation effort, which resulted in the founding of Tulsa Municipal Airport on July 3, 1928.

"When the 21st century

arrived, another group of civic leaders got together to establish the North Development Area," Siegfried said. "Welcome American Airlines, the first future tenant of the North Development Area."

Carmine Romano, American's senior vice president of maintenance and engineering, thanked the mayor, governor and other city and state officials who made the new facility possible.

"American Airlines is the largest private employer in the state," Romano said. "American Airlines is the only U.S. airline that remains committed to keeping aircraft maintenance in house ... from

engines, landing gears, aircraft overhauls and avionics components, as well as aircraft maintenance for companies around the world."

American employs 7,000 people in Tulsa, most of them at its Maintenance & Engineering Center, the largest aircraft maintenance base in the world.

American executives said the new hangar will expand capacity for maintenance of the airline's 600-aircraft fleet as well as that of other U.S. and foreign airlines, many of which are outsourcing heavy maintenance.

Steve Luis, president of Transport Workers Union Local 514 in Tulsa, said the

new hangar will mean jobs.

"This land is about to be molded by the hands of labor," he said. "Some (aircraft mechanics) will spend their first day on the job of a lifetime here. ... From labor, we say thank you."

Construction on American's hangar is expected to begin in August and be completed next spring, said Jeff Hough, deputy airports director of engineering and facilities.

Low bidder for construction was the Ross Group of Tulsa, with a bid of \$9.72 million.

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