



BUSINESS

Changing its tune

Kazaa redesigning its file-sharing software to stop illegal downloads. Please go to E-6



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Tulsa job market still growing

The metro area continues to build on a record total

By LAURIE WINSLOW
World Staff Writer

Employment growth edged up by 400 jobs in June for the seven-county Tulsa metro area, according to preliminary data released Thursday by the Oklahoma Employment Security Commission.

June's monthly gain comes after the Tulsa area reached a new job high in May and surpassed a peak of 421,200 set in December 2000.

June's total nonfarm employment of 424,200

reached a new high and exceeded May's revised level of 423,800 jobs. It also was 10,900 more jobs than Tulsa had a year ago at the same time.

For June, Tulsa also saw its unemployment rate dip to 3.9 percent from 4.0 percent in May. A year ago at the same time, the jobless rate was 4.5 percent.

While the Tulsa metro area has been affected by the annual growth slowdown, it continues to fare better than the rest of the state, according to the

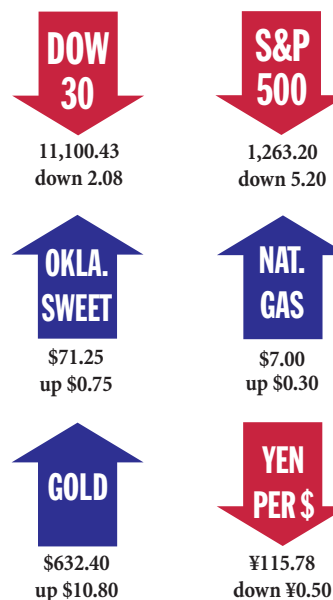
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Tulsa's economy has been on a slightly different pace and has been performing differently than the rest of the state, said Lynn Gray, chief economist with the Oklahoma Employment Security Commission, in a phone interview.

For June, the Tulsa area reported an annual growth rate of 2.6 percent, compared with 2.1 per-

SEE JOBS E-3

MARKET WATCH



BIZ QUICKS

Stocks slip as investors await GDP reading

Wall Street fell modestly Thursday as investors collected profits amid nervousness about the government's second-quarter gross domestic product report.

Robust earnings growth at major oil companies lifted stocks through most of the session, with Exxon Mobil Corp. posting the second-highest profit ever reported by a public U.S. company and Royal Dutch Shell PLC seeing a 40 percent jump in its income.

But the market resumed its recent erratic behavior as traders grew anxious about the Commerce Department's GDP reading on Friday.

The Dow Jones industrial average lost 2.08, or 0.02 percent, to 11,100.43, after rising as much as 85 points earlier. The Dow has barely budged since rising 230 points Monday and Tuesday.

Broader stock indicators also retreated. The Standard & Poor's 500 index dropped 5.20, or 0.41 percent, to 1,263.20, and the tech-heavy Nasdaq composite index fell 15.99, or 0.77 percent, to 2,054.47.

Oil futures posted more gains amid caution about the Middle East conflict and pipeline snags at Shell's Nigerian operations. A barrel of light crude gained 60 cents to settle at \$74.54 on the New York Mercantile Exchange.

Mortgage rates post a slight decline

Mortgage rates declined slightly this week as investors grew more hopeful that the Federal Reserve's long string of rate hikes is drawing to a close.

Freddie Mac, the mortgage company, reported Thursday that rates on 30-year, fixed-rate mortgages dipped to a nationwide average of 6.72 percent, down from 6.80 percent last week, which had been the highest level for rates in more than four years.

The Commerce Department reported Thursday that sales of new homes fell by 3 percent in June, the biggest drop in four months, with the inventory of unsold homes hitting a record high.

Maintenance blamed for AEP net income drop

American Electric Power Co., parent of Tulsa-based Public Service Company of Oklahoma, said second-quarter net income fell 21 percent as it shut plants for maintenance and sold a stake in a Texas nuclear-power generator.

Profit fell to \$175 million, or 44 cents a share, from \$221 million, or 58 cents, in the 2005 second quarter, Columbus, Ohio-based AEP said in a statement Thursday. Sales rose 3.6 percent to \$2.9 billion.

Profit selling power to other utilities fell 24 percent to \$201 million as some coal-fueled plants had to be taken off line to check for boiler leaks, spokesman Pat Hemlepp said. The company also lost revenue because it sold its stake in the South Texas Project nuclear facility, he said.

Japanese government lifts U.S. beef embargo

Japan lifted its six-month ban on U.S. beef, clearing the way for meat-packers to reclaim a share of what was once their biggest export market.

Japanese inspectors said they are satisfied with measures U.S. producers introduced to prevent beef infected with mad cow disease, the agriculture and health ministries said in a statement. They approved beef imports from 34 of the 35 manufacturers they inspected.

More than 60 nations banned U.S. beef after mad-cow disease was found in the country in December 2003. Japan halted imports of U.S. beef on Jan. 20 when banned cattle material was found in a shipment of veal, just weeks after a two-year embargo was lifted. Before the ban, Japan was the biggest buyer of U.S. beef, purchasing \$1.4 billion of the \$3.8 billion exported in 2003.

From Bloomberg, AP, staff reports

H&P sees record earnings

► Demand for the Tulsa company's drilling rigs has been strong.

By RUSSELL RAY
World Staff Writer

International drilling company Helmerich & Payne Inc. reported another quarter of record earnings Thursday.

Net income for the third quarter totaled \$80 million, or 75 cents a share, up from \$30 million, or 28 cents a share, during the same period last year.

Despite the downturn in natural gas prices, demand for drilling rigs remains strong, said CEO Hans Helmerich.

"During our last quarter, the company's fleet surpassed the milestone of 100 U.S. land rigs for the first time in our history," Helmerich said during a conference call with investors.

The Tulsa company has entered commitments to build 66 new rigs known as "FlexRigs" for 16 exploration and production companies since March 2005.

"We're still actively entertaining additional new-build opportunities," Helmerich told investors.

Still, shares of the contract drilling company have plunged from a 52-week high of \$40.23 on May 11. The stock fell 52 cents Thursday to settle at \$27.17.

But the stocks of most drilling companies are down, said Tulsa money manager Jake Dollarhide.

"All of them are down 20 percent to 40 percent," Dollarhide said. "You have a general disinterest in oil and gas stocks."

In addition, natural gas prices have plummeted from the highs recorded last winter. Helmerich said he isn't sure how that's going to affect drilling activity.

"No one knows for sure because it's a function of where gas prices go from here and how long they remain at depressed levels," he said.

But average profit margins for the company's domestic land rig division

SEE H&P E-2

Workforce Tulsa CEO introduced

► The new leader is taking a teamwork approach to managing his organization.

STORIES BY LAURIE WINSLOW
World Staff Writer

Jay Stephens, the new chief executive officer for Workforce Tulsa, thinks this is a great time to be in Tulsa and work with others to impact the area's work force development.

On Thursday, Stephens attended a reception held in his honor at the Greenwood Cultural Center, where he spoke about the challenges and the excitement he has with his new job.

"There is tremendous power in working together and getting our agencies to work together. . . . Ultimately that will help us as we help job seekers find jobs," he said.

Stephens' arrival as Workforce Tulsa's

SEE CEO E-2



Stephens

GATORADE COMES TO PRYOR



MATT BARNARD/Tulsa World

Oklahoma Gov. Brad Henry applauds during the ceremony to announce the creation of a Gatorade plant in Pryor's Mid-America Industrial Park. The beverage plant will include production and distribution facilities and employ about 280 people.

A thirst for growth

► Ground is broken for the drink maker's \$180 million plant.

By JOHN DOBBERSTEIN
World Staff Writer

PRYOR — On a warm, sunny day that would make anyone thirsty, Gov. Brad Henry and NASCAR driver Matt Kenseth helped break ground on Gatorade's ninth U.S. plant.

Kenseth, a Gatorade spokesman, drove a bulldozer onto the construction site during the Thursday ceremony, which celebrated the company's \$180 million investment at MidAmerica Industrial Park in Pryor.

"I was sitting in that bulldozer for a long time, and a lot of thoughts came to my mind," said Kenseth, after getting off the machine.

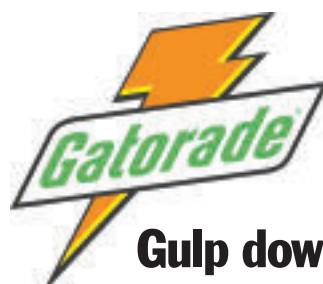
"Then I started thinking of Jeff Gordon's car." Gatorade will hire about 280 people and open the 1.4 million-square-foot manufacturing and distribution center in September 2007.

Gatorade Thirst Quencher and Propel Fitness Water will be made at the "Blue Ridge" plant in Pryor, which will have 300,000 square feet of production space and 1 million square feet of warehouse and distribution space. Four full-time lines will be running in the plant.

The Oklahoma Ordinance Works Authority Board, the governing body that oversees MidAmerica, approved construction plans in June. The building will be located on 160 acres of land.

Gatorade has estimated the plant will have a \$5 billion to \$7 billion impact on the state's economy over the first decade of operation.

The company said Gatorade and Propel sales are grow-



Gulp down these facts

- Developed in 1967 by scientists at the University of Florida.
- Goal was to prevent Florida Gator football players from dehydrating.
- PepsiCo owns the company.
- Original flavor was joined by orange in 1969 and fruit punch in 1983. Today, there are 30 flavors in the U.S. and 50 worldwide.
- Newest flavor is Rain Berry, introduced this year.

ing at double-digit rates every year, which created the need for another plant. Gatorade just finished construction of its eighth plant in Wytheville, Va.

The Pryor plant will serve six to eight states in the South-central United States, including Oklahoma, Arkansas and Missouri, and it will take pressure off existing plants in Dallas and Atlanta, company officials said.

The company's other plants are in Indianapolis;

SEE PRYOR E-2

Minority vendor shares success tips

► Supplier conference seeks to create relationships.

By DEBBIE BLOSSOM
World Staff Writer

For Dallas entrepreneur Albert Black, the theme of the Oklahoma Minority Supplier Development Council's annual business conference in Tulsa this week pretty much sums

up his philosophy on work and life.

"Building Relationships, Building Success" brought together dozens of smaller companies and much larger corporate firms for two days of seminars and networking with other minority suppliers.

But it also describes how Black, the humorous guest speaker Thursday during the conference power luncheon at the Doubletree Hotel Downtown, grew a childhood lawn mowing business into the Dallas-based logis-

tics management firm On-Target Supplies & Logistics.

"I was an entrepreneur then, I'm an entrepreneur now, and I'm sure I'll end my days as an entrepreneur," Black told the crowd.

The event drew representatives from sponsors ConocoPhillips and Red Man Pipe and Supply Co. as well as from Cox Communications, Michelin North America, American Airlines, Spirit Aerosystems Inc. and

SEE SUPPLY E-2