



Worries spur gas price-gouging

By Brad Foss
Associated Press

NEW YORK — Anxious consumers in various parts of the country lined up for an hour or more to fuel up on gasoline costing as much as \$5 a gallon amid fears supplies would be disrupted after Tuesday's terrorist attacks.

As gasoline wholesalers and retailers quickly raised prices, the nation's largest oil companies immediately tried to allay consumers' worries by freezing their prices and pledging to keep distribution steady.

Panic caused by rumors of a pending gasoline shortage sent prices skyrocketing in Oklahoma, Mississippi, Michigan and other states.

The R and L Texaco in Oklahoma City increased the price of unleaded gasoline to \$5 a gallon after a supplier told owner Lewis Pfenninger it was unclear when the next shipment would be available and at what price.

At the Sunshine Conoco in Springfield, Mo., gas prices were raised by 40 cents a gallon, to \$1.99 a gallon.

In California, gasoline wholesalers raised prices by as much as 20 cents a gallon on supply fears, although traders said there was no evidence of a shortage.

Exxon Mobil and BP sought to calm energy markets. The companies said supplies would not be hampered, except around New York City. The companies tried to reassure consumers that there was no need to stockpile gasoline.

"We are asking all of our customers to maintain their normal buying habits," Exxon Mobil spokesman Tom Cirigliano said late Tuesday. "We have ample supplies. We're trying to avoid an artificial shortage."

But as distribution terminals closed down around the country for security reasons and motorists worried there wouldn't be enough fuel, gasoline prices rose almost immediately in parts of the Midwest.

Prices had already been soaring in the Midwest because of distribution bottlenecks that were in effect long before Tuesday's catastrophe.

"It's supply and demand," said Pfenninger, owner of the Texaco station in Oklahoma City where gas sold for \$5 a gallon. "My lines were so long."

Pfenninger said he could have sold out his supply at that price, but decided to close early. He said he would reconsider the price hike today.

In Tulsa, Brandon Disney waited in his car at the pumps at a QuickTrip store.

"I'm just filling up so I don't have to fight anybody to get gas if there is a shortage," he said.

Added Tulsa police Sgt. Wayne Allen: "We're having to assign officers to convenience stores to direct traffic and break up fights."

Authorities in various states were investigating instances of price-gouging, while Mississippi Gov. Ronnie Musgrove declared a state of emergency, which will allow prosecutors to pursue price-gougers there.

Greg Seiter, a spokesman at the AAA Hoosier Motor Club in Indiana, said his office had received reports of prices rising to \$3 and \$4 a gallon in parts of Indiana, including Anderson, Bloomington and Indianapolis, in the wake of the attacks.

"Obviously, that's a reaction to the events of this morning. What happened immediately after (the attacks) was the price of crude oil in overseas trading climbed suddenly," Seiter said.

The AAA's national office is urging retailers not to impose large price increases.

Nationwide, the retail price of unleaded gasoline is \$1.54 a gallon.

Tom Kloza, director of Oil Price Information Service, a Lakewood, N.J., publisher of oil industry data, said he expects petroleum companies to act with restraint in the face of intense marketplace jitters.



Panic caused by rumors of a pending gasoline shortage in reaction to the terrorist attacks Tuesday sent prices skyrocketing at a local gas station in Topeka, Kan.

Associated Press

Fearing shortage, motorists fill 'er up

But no reports of skyrocketing prices in Arizona

By Monica Alonzo-Dunsmoor
The Arizona Republic

There were no reports of skyrocketing gas prices in Arizona on Tuesday night, but clerks around the Valley said a flurry of people rushed to service stations to fill up, fearing shortages in the wake of the attacks on the East Coast.

A spot check of stations in northern Arizona showed none planning to increase prices, but with plenty of customers fearing the worst.

Several customers showed up "in a panic" at a Chevron station in Flagstaff, clerk Susan Berkebile said.

She said the station doesn't plan to raise prices, but customers have heard rumors of prices as high as \$30 a gallon in New York. She also said several rental cars have come through headed for Georgia, Oklahoma and other places driven by people who couldn't fly out of Sky Harbor International Airport.

But the confusion wasn't only among customers.

One Valley gas station clerk said the store manager received a fax saying the price would go up by \$3 at midnight, but later a second fax indicated there would be no change.

"Everybody has been asking if the prices would be going up, but the management has said no, they're not going to raise them," said Tom, a clerk at a Mesa Mobil gas station who wouldn't give his last name.

The average price for regular unleaded fuel of those contacted was \$1.36.

CLOSINGS AND EVACUATIONS

Closures and evacuations nationwide in response to Tuesday's terrorist attacks in New York and Washington:

TRANSPORTATION:

■ Federal Aviation Administration shuts airports nationwide.

■ Greyhound cancels bus service in the Northeast. Bus terminals closed within one mile of federal office buildings.

■ Amtrak temporarily suspends train service along the northeastern corridor between Boston and Washington, D.C.

■ U.S. section of the St. Lawrence Seaway closed.

■ Manhattan subway lines shut down; limited service later restored. Bridges and tunnels leading into Manhattan closed.

■ Louisiana's offshore oil port handling supertankers in the Gulf of Mexico suspends operations.

■ Security for Great Lakes shipping tightened. Coast Guard inspecting ships at St. Marys River, which links Lakes Huron and Superior.

BORDERS:

■ Tunnel between Detroit and Windsor, Ontario, temporarily closed to car traffic. Security tightened at all U.S.-Canadian border crossings.

■ Ports of entry along the U.S.-Mexican border remain open with officials on high security alert.

MILITARY/POLICE:

■ Space shuttle operations halted. About 12,000 employees of Kennedy Space Center in Florida sent home.

■ Non-essential personnel from the Naval Weapons Station in Goose Creek, S.C.,

evacuated and 1,700 workers at the Space and Naval Warfare Systems Center sent home.

■ Montana's Big Sky resort locked down, highway blocked and 20 National Guard troops brought in to secure a meeting of the emergency management directors.

■ Oklahoma police created a one-block perimeter around jail where bombing conspirator Terry Nichols is housed.

MARKETS:

■ All U.S. financial markets close, including New York Stock Exchange, Nasdaq Stock Market and Chicago Board of Trade.

BRIDGES AND DAMS:

There was heightened monitoring of all bridges and dams:

■ Grand Coulee Dam and powerhouse in central Washington state locked down, tours canceled and visitor center closed.

■ Hoover Dam on Nevada-Arizona line closed, including highway that crosses it.

■ Heightened security at Golden Gate Bridge in San Francisco.

BUILDINGS CLOSED:

■ U.N. Building evacuated.

■ General Motors Corp. gives 6,000 employees at Detroit's Renaissance Center headquarters the day off.

■ Ford Motor Co. closes world headquarters in Dearborn.

■ Michigan's Internal Revenue Service closed its 18 tax offices and sent 1,600 employees home.

■ Sears Tower shut down in Chicago.

■ Upper floors of Louisiana's

34-story Capitol building closed.

■ 51-story IDS Center closed in Minneapolis, as is the Mall of America in suburban Bloomington and World Trade Center in St. Paul.

■ Various state and federal buildings closed nationwide.

ELECTIONS/GOVERNMENT:

■ New York City's mayoral primary election postponed. Syracuse and Buffalo elections also delayed.

■ Southern Governors' Association cancels annual fall meeting.

■ Democratic National Committee canceled meetings scheduled to begin Thursday in Miami.

SPORTS:

■ All Major League Baseball games postponed.

TOURIST ATTRACTIONS, ENTERTAINMENT:

■ All Broadway shows canceled.

■ In Los Angeles, Tuesday night's Latin Grammy ceremony canceled, Sunday's Emmys postponed.

■ In Florida, Walt Disney World is evacuated; four theme parks and a shopping and entertainment complex close.

■ Philadelphia Liberty Bell and Independence Hall closed.

■ Seattle's Space Needle is evacuated and closed.

■ New York's Metropolitan Museum of Art shut down.

■ In California, Knott's Berry Farm in Orange County closed. The Museum of Tolerance and the 1,700-foot Library Tower in Los Angeles is shut down.

■ New Mexico State Fair closed; horse races canceled.

Source: Associated Press

Trade Center's data likely survived disaster

Financial data usually backed up by companies

Los Angeles Times

The World Trade Center was the repository of countless reams of financial information on companies and individuals. But disaster-recovery experts said Tuesday that most of the largest financial services companies routinely back up data and store it in remote locations, ensuring that the bulk survived the attack.

Some companies have contracts for information to be duplicated as soon as it is entered on a broker's or banker's personal computer.

Experts said that although many people believe electronic records are more prone to disappearing than paper records, the reverse will prove to be true in the World Trade Center attack.

By the end of what would have been the business day Tuesday, several companies from the World Trade Center were already in prearranged emergency offices, restoring their operations.

"It is easier for companies to take the proper steps," said Chief Executive Jim Simmons of data-backup company SunGard, which had several disaster-recovery clients in the World Trade Center. "It's cer-

“It is easier for companies to take the proper steps. It's certainly common practice in American business to have multiple copies electronically, inside and off-site.”

Jim Simmons

Chief executive of data-backup company SunGard, which had several disaster-recovery clients in the World Trade Center.

tainly common practice in American business to have multiple copies electronically, inside and off-site."

Jennifer Tice of Bank of America, one of the largest tenants in the twin towers, said her company's operations would continue.

"There are sufficient backup systems in other locations," Tice said. "Our operations continue as normal."

Two Allstate Insurance agents were based in the World Trade Center, but all of the data on their policyholders are stored in the company's re-

gional data center on Long Island.

"None of the data was lost," said Michael Trevino, an Allstate spokesman in Northbrook, Ill.

Most companies back up their data hourly, daily or weekly. Virtually all financial firms, at a minimum, back up the most critical information about who owns what, said Mary Moster, spokeswoman for disaster-recovery company Comdisco Inc.

John Jackson, a Comdisco executive in charge of data backup, said most banking and brokerage customers shouldn't be concerned about information loss.

The largest companies are the most likely to have the most sophisticated backup, and their customers will suffer from the least confusion. Worldwide, 80 of Comdisco's 3,000 clients have instant backup, and "they tend to be the larger financial services companies," Moster said.

Jackson said the greatest threat probably was to businesses such as law firms and insurance companies that rely on paper records that will be impossible to retrieve.

"There's a lot of paper-based information in offices," Jackson said. "We have really not, in the 17 years I've been in the industry, had a smoke-and-rubble event of this nature. This will test recovery plans in a way they have never been tested."

Trade Center insurance claims costs may exceed \$5 billion

New York Times

NEW YORK — The attacks on the twin towers of the World Trade Center could cost insurers more than \$5 billion, making the attack on the 110-story skyscrapers the costliest man-made catastrophe ever, analysts said Tuesday.

While it may take years for insurers to sort out the losses, dozens of them are expected to bear the cost of the damage, including the cost of the towers, damage to the surrounding area and the cost of office furnishings and equipment.

Specialist reinsurance companies may wind up paying the

most for the attack, since insurance underwriters usually protect themselves from potentially crippling losses by splitting the risks — and the premiums — from big policies with reinsurers. Big reinsurers like Lloyd's of London, Munich Reinsurance Co., Berkshire Hathaway and

Swiss Re, could be the most exposed, analysts said, though it was not immediately clear whether any of these companies were affected.

The costs of Tuesday's attacks are significantly higher than the World Trade Center bombing in 1993, in which a truck bomb in the basement of

one of the towers killed six people and injured hundreds. Analysts estimate that the 1993 bombing cost insurers about \$510 million.

The 1995 Oklahoma City bombing caused insured losses of \$125 million. The Los Angeles riots of 1992 caused losses of \$775 million, making

it the costliest insured man-made disaster until Tuesday.

The World Trade Center was valued at \$1.2 billion this spring when the Port Authority, which owns the complex, leased the buildings for 99 years to a consortium led by Larry A. Silverstein for a record \$3.2 billion.