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Living/Arts D16



Music for a song
MIT students can log on
and listen to tunes legally
Business & Innovation C1

Little on the ropes
End for Sox manager
seen as early as today
Sports D1

VOLUME 264
NUMBER 119

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The Boston Globe

MONDAY, OCTOBER 27, 2003

WASH 'N DRY
TODAY: Heavy rain,
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TOMORROW: Cooler and drier,
highs 55-60
HIGH TIDE: 12:47 a.m., 1:01 p.m.
FULL REPORT: PAGE B12

\$47b Fleet sale expected today

**Bank of America
seen retaining
job levels in N.E.**

By Steve Bailey
GLOBE STAFF

FleetBoston Financial Corp., the last of the big Boston-based banks, is expected to announce today that it is selling itself to Bank of America Corp., the nation's third-largest bank, in a transaction valued at \$47 billion, business executives familiar with the deal

said last night. Bank of America, based in Charlotte, N.C., will pay \$45 a share for Fleet in an all-stock deal, a 40 percent premium over Friday's closing price, and about in line with other recent acquisitions, according to the executives familiar with the banks' plans.

Details were sketchy last night. But the banks are expected to announce in New York City this morning that Fleet chief executive Chad Gifford will remain as chairman of the combined company, while Bank of America's Kenneth D. Lewis will retain his position as

chief executive. Bank of America will replace the Fleet name in the Northeast. In a critical element for Gifford, Bank of America agreed to keep employment in New England at current levels.

Spokesmen for both banks declined to comment last night.

The deal comes as big banks have been putting up improved numbers as the long-awaited economic recovery begins picking up steam. For instance, Fleet, the nation's seventh-largest bank, earlier this month reported that its third-quarter profit rose 17 percent as fees from lending and money

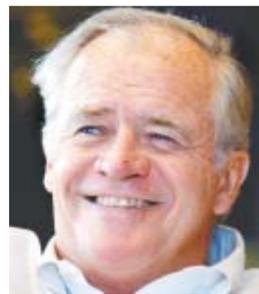
management grew and bad loans declined. Bank of America reported that profit jumped 30 percent in the same period as fees from mortgages and its consumer business increased.

For Boston, the sale of Fleet is another in a long line of local institutions to sell to big competitors. A Fleet sale would also mark the second high-profile company with strong community roots and a history of significant charitable giving to agree in recent weeks to give up its independence.

In September, John Hancock



KENNETH D. LEWIS
Would be chief executive



CHAD GIFFORD
Would be chairman

**Suburbs feel
the brunt as
crime rises
in Bay State**

By Bill Dedman
GLOBE CORRESPONDENT

While police forces across Massachusetts laid off hundreds of officers during a tough economy, and diverted others to antiterrorism duties after the attacks of Sept. 11, 2001, criminals were not taking a holiday.

Economic crimes — robbery, burglary, and petty theft — rose sharply across the state in 2001 and 2002, and the increases were greatest in suburbs, according to a Boston Globe analysis of the 2002 crime statistics to be released today by the Romney administration.

Robbery was up 8.9 percent in 2002 over 2001, burglary 3.3 percent, and larceny-theft 1 percent. These were offset somewhat by a decline of 4.9 percent in motor vehicle theft.

Homicide rose 2.6 percent, though that represented only an additional four killings in the communities that reported crime statistics for both years.

Rape was down 0.5 percent. Aggravated assault was down 4.1 percent, but a change in reporting methods makes comparison difficult.

In suburban areas across the state, the number of violent crimes rose 11 percent last year, **CRIME, Page D14**

AT LEAST 11 DIE IN CALIF. FIRES



A San Diego firefighter helped direct operations yesterday as the merged wildfires cut a wide swath through the region.

Wind-whipped infernos burn 850 homes

By Joel Rubin and Tony Perry
LOS ANGELES TIMES

LOS ANGELES — A crescent of fire continued to rage through Southern California yesterday, destroying hundreds of homes, claiming at least 11 lives, and throwing the entire region into an eerie, smoky half-light.

A searing Santa Ana wind blew flames over mountain slopes like an incandescent hurricane, burning more than 300 houses and bringing the fire's two-day toll to

more than 850.

The combined fires, which stretched over 277,000 acres in an arc from Ventura County to the Mexican border, were among the most destructive in modern California history.

More than 5,000 firefighters battled the infernos, at least two of which were believed to have been caused by arson. Veteran fire officials described them as the most awesome and unstoppable blazes they had ever seen.

"It goes wherever it wants to go and consumes whatever it wants," Captain Doug Johnston of the Kern County Fire Department said of one of the largest fires, in San Bernardino County. "It's humbling. There's only so much you can do with a wind-driven fire like this."

The fires did their worst damage, in terms of property loss, along the ragged fringe of mountain slopes where suburbia meets the wilderness, a classic Southern

California landscape that has long lured people to build homes in forest and brushland despite the near certainty that they will eventually be threatened by fire.

The most deadly of the fires rampaged through dry brush in northeastern San Diego County. At least 11 people died in the Cedar and Paradise fires, most trapped in their cars as they tried to flee. The worst of the two, the Cedar Fire, also destroyed about

FIRES, Page A6

**Wolfowitz
undeterred
after Iraq
hotel strike**

**Bomb blasts rock
Baghdad today**

By Charles M. Sennott
GLOBE STAFF

BAGHDAD — Striking at the heart of US power, guerrillas launched a brazen volley of rockets at the Al Rasheed hotel yesterday, killing a US soldier who was staying one floor below visiting Deputy Defense Secretary Paul D. Wolfowitz.

Seventeen people, including 11 Americans, were injured by the rockets fired from a crudely fashioned multiple-rocket launcher in the early-morning attack on the heavily fortified hotel, a prominent symbol of the US-led occupation.

Wolfowitz, on a tour intended to highlight what he described as the improving security situation in postwar Iraq, emerged unharmed but seemed shaken.

"This terrorist act will not deter us from completing our mission, which is to help the Iraqi people free themselves from the type of criminals who did this," he told reporters at a press conference called after a series of explosions shook the hotel shortly after 6 a.m. local time.

The attacks continued in central Baghdad this morning. A bomb exploded near a building belonging to the International Committee of the Red Cross, creating a massive fire outside the building.

The bomb was the first of a series of blasts that rumbled through the city this morning.

IRAQ, Page A11

Inside Today



Sliding into sunset

With new technology supplanting the long-familiar slide projector, Eastman Kodak Co., the principal US manufacturer, plans to cease production of its once-popular lines in 2004. **Nation, A6.**

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SEA CHANGE THE NEW ENGLAND FISHING CRISIS

Mistrust between scientists, fishermen mars key mission

Second of four parts

By Gareth Cook and Beth Daley
Photographs by Bill Greene
GLOBE STAFF

FALMOUTH — From the lightly swaying deck of his 98-foot trawler, Matt Stommel points out the scene of the crime, lit now in the deep orange of approaching sunset.

Stommel's boat, the Nobska, is docked on the Woods Hole waterfront here, with an easy view of the government laboratory charged with counting New England's fish. It was from this perch, Stommel recalls, that he watched as workers marked a steel cable from an aging research vessel, the Albatross IV, on a freezing day in the winter of 2000.

What he saw that day filled him with a skipper's disgust.

The cable was one of the pair that secure the Albatross's fish net, yet the workers weren't checking to be sure the length of the cables matched up. Stommel immediately understood the risk: The Albatross could be dragging its net through the water lopsided,

catching fewer fish and leading scientists to conclude that the fish need fiercer protection — even though Stommel, like other fisherman, believes they are all rebounding.

For the next two years, Stommel pleaded with scientists to check the cables and even offered to pay for the test himself. Last fall, the center admitted he was right, throwing into doubt the ship's population counts and drawing fury from New England's fishermen.

"The biggest problem is not the trawl wire," said Stommel, a ruddy, brown-haired man who is one of the region's most successful fishermen. "The biggest problem is that nobody there knew it."

The episode, dubbed "trawlgate" on the docks, still casts a long shadow over New England's imperiled fishery. It was the bleakest turn yet in a critical but failing relationship — between fishermen and fish scientists — that must find a new foundation in trust if the fishing industry is to thrive again.

FISHING, Page A8



Fishermen's abandoned houses dot Red Cliff, a small village in Newfoundland where fewer than 50 people now live. Both overfishing and scientific miscalculation may have contributed to the Newfoundland cod collapse.

Bank of America to buy Fleet for \$47b

► **FLEET**
Continued from Page A1

Financial Services Inc. agreed to sell to Manulife Financial Corp. of Toronto in a roughly \$10 billion deal. Four years ago Fleet and its big cross-town rival, BankBoston, pulled off a stunning consolidation that was designed, in part, to ensure that Boston didn't become just another branch-bank city for a Bank of America or a Citigroup.

It didn't work out that way. A series of problems that all culminated last year made Fleet a prime takeover target. In a single year Fleet saw its Argentina franchise get into deep trouble, abandoned Asia, shut down high-tech investment bank Robertson Stephens, saw its private equity business get clobbered, and owned up to a mountain of bad corporate loans.

In January Fleet said it was laying off 1,900 people, a quarter of those in Massachusetts. At the time, Gifford called it "the perfect storm. The areas we were in are the areas that were hardest hit."

How Fleet Boston Financial Corp. and Bank of America Corp. compare:

Fleet		Bank of America	
Charles K. Gifford	Chairman and CEO	Kenneth D. Lewis	
47,696	Number of employees	133,000	
Boston	Headquarters	Charlotte, N.C.	
\$190 billion	Assets (2002)	\$660 billion	
\$1.44	Earnings per share (2002)	\$5.92	
\$31.80	Closing share price (10/24)	\$81.86	
1.05 billion	Shares outstanding	1.48 billion	
\$33.4 billion	Market capitalization (10/24)	\$121 billion	
30.8%	Stock appreciation (year-to-date)	17.6%	

SOURCES: Bloomberg News, Reuters

GLOBE STAFF GRAPHIC/ALEJANDRO GONZALEZ

The deal comes as Fleet appeared on the mend. This month's earnings report was the third quarter in a row that Fleet had shown improved numbers. The bank said Argentina was operating on a break-even basis and Brazil was making money. The private

equity portfolio had been cleaned up and loan credit quality improved. Fleet just spent \$100 million on an advertising brand campaign.

Fleet will fill out a critical piece of Bank of America's franchise, and fulfills the bank's longstand-

ing efforts to move into New England. Fleet dominates New England and is strong in New Jersey, New York, and Philadelphia, all big holes in Bank of America's map.

In 1991, Bank of America made a strong push to buy the failed Bank of New England, but lost out to Fleet. That was the deal that eventually put Fleet in the position to roll up the rest of its New England competitors and dominate the region.

Bank of America dwarfs Fleet. Bank of America has a market capitalization of \$121 billion, to \$33 billion for fleet. It has \$660 billion in assets, to \$190 billion for Fleet. It has 133,000 employees, to 47,700 for Fleet.

In the negotiations, Fleet was represented by Morgan Stanley, the investment bank. Bank of America was represented by Goldman Sachs.

Steve Bailey can be reached at 617-929-2902 or at bailey@globe.com. Jeffrey Krasner of the Globe staff contributed to this report.

System by MIT pair reinvents jukebox

► **MUSIC**
Continued from Page C1

"We assumed that the technical part of doing this would be the hard part," said Winstein. "We were totally wrong."

The students had hoped to stream the music files in digital form over the campus computer network. Then they learned that copyright law sets strict limits on such activities.

"It turns out the licenses for doing this are very, very complicated," Winstein said. For instance, Internet broadcasters are required to pay licensing fees to the recording companies, something radio stations have never had to do.

But Winstein and Mandel found a loophole. The tough limits on digital music broadcasting didn't apply to analog broadcasting, the kind used by MIT's cable television systems. A cable broadcaster simply pays a blanket royalty fee to the major music licensing organizations, such as the American Society of Composers, Authors & Publishers, or ASCAP.

Like most colleges, MIT already pays such a fee to those organizations. And a cable broadcaster doesn't pay the additional royalty to the record companies. So Winstein and Mandel built a network that takes orders over the Internet, but plays the music back over the cable system.

But they still had to work out a legal way to obtain recordings for broadcast.

Winstein and Mandel used an Internet-based survey of MIT students to choose the music in the LAMP library. They settled on about 3,400 albums, ranging from the popular to the obscure. It took a year of negotiations with the National Music Publishers Association to reach agreement on a reasonable licensing fee for copies of the music.

Loudeye Corp., a digital music distribution firm, provided the tunes, prerecorded on computer hard drives, for about \$30,000.

While LAMP is legal, it features built-in compromises that may make it unattractive to some users. For instance, using analog broadcasting lowers the sound quality. Listeners must use a television set to hear the tunes or a VCR with speakers or a personal computer with an add-on television tuner card.

In addition, the system allows only 16 users to request music at the same time. Each user can listen for up to 80 minutes. That's not very many listening channels for a school with more than 6,000 students, but Mandel points out that those who are frozen out of requests can still tune into the

audio streams. "While only 16 people can request music, everybody can listen to music," Mandel said. Besides, if the system proves popular, it would be relatively easy to increase the number of channels, Mandel said.

Hal Abelson, the MIT professor who supervised the project, said the money came from a \$300,000 fund provided by Microsoft for the investigation of "neat ideas" dreamed up by students. Abelson said the LAMP plan easily qualifies.

"It's so inexpensive and easy to do, why not?" he said.

Now that they've done the hard work of creating LAMP, Mandel

and Winstein say they plan to give away software and hardware specifications to anyone who wants them. That way, campuses with cable television networks can set up their own music libraries.

The Recording Industry Association of America, which has been leading the charge against illegal file-sharing, had no comment on LAMP.

Given the LAMP system's limits, it's unclear whether it will deter students from illegal file swapping, which lets them listen to whatever they want, whenever they want. Winstein concedes the point.

"It certainly does not substitute for all file-swapping," he said. "We certainly hope that students

will be less likely to break the law because of this easily accessible library."

Hiawatha Bray can be reached at bray@globe.com.

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