

# MONEY & WORK

**DOW JONES +12.58** (10,456.21)

**S&P 500 +0.03** (1,215.66)

**NASDAQ -5.04** (2,116.42)

## Oyster season starts early

*The harvest is moved so most Virginia oystermen can tap into a sellers' market brought on by damage from hurricanes.*

BY JOHN M.R. BULL  
jbull@dailypress.com | 247-4768

Most of the state's oystermen may begin their annual harvest this weekend, under an emergency measure approved Tuesday by the Virginia Marine Resources Commission.

As a result, oystermen will be able to reap profits from expected higher market prices resulting from the decimation of Gulf Coast oyster production capabilities by Hurricanes Katrina and Rita.

The total amount of oysters that may be harvested this season will not change, but oystermen will be able to increase their daily haul of shells 50 percent, the commission decided.

"This strikes a reasonable balance," said Roger Mann, director of research for the Virginia Institute of Marine Science. "This is a reasonable compromise in an extraordinary situation."

Normally, the state staggers the opening of the nine oyster harvesting areas, beginning in December.

But the commission decided

Please see **OYSTER HARVEST/C8**

## Greenspan warns of risky business

*The chairman points out that investors shouldn't take low interest rates for granted.*

THE ASSOCIATED PRESS

WASHINGTON — Federal Reserve Chairman Alan Greenspan issued a fresh warning on Tuesday that investors shouldn't be lulled into a false sense of security by the economy's long stretch of low interest rates.

"History cautions that extended periods of low concern about credit risk have invariably been followed by reversal, with an attendant fall in the prices of risky assets," Greenspan said in a speech delivered via satellite to a meeting of the National Association for Business Economics in Chicago.

Greenspan, in Tuesday's speech, didn't specify what risky assets he was referring to. But the Fed chief has been sounding an alarm for months — including an emphatic warning on Monday — about the perils to home owners and lenders using risky and exotic types of mortgages.

In his remarks Tuesday, Greenspan repeated worries he has expressed in the past — that a rise in interest rates may spell trouble for some investors who are counting on rates to stay low for an extended period of time.

"Such developments apparently reflect not only market dynamics but also the all-too-evident alternating and infectious bouts of human euphoria and distress and the instability they engender," he said.

The country enjoyed some of

Please see **GREENSPAN/C11**

## VIT salary secrecy challenged

*A Virginia Port Authority board member comes out in favor of revealing the top paychecks.*

BY PETER DUJARDIN  
pdujardin@dailypress.com | 247-4749

NORFOLK — A state-owned port operating company should be required to reveal the salaries of its top five executives, a Vir-

ginia Port Authority board member asserted Tuesday.

Mark B. Goodwin, senior vice president and general counsel at the Richmond firm of Overnite Transportation, became the first VPA board mem-

ber to disagree with the authority's practice of guarding the salaries of top officials at Virginia International Terminals.

VIT, which the state created in 1981 to run state-owned marine terminals, has refused formal requests for the compensation of its top five officials, including General Manager Joseph A. Dorto, Assistant Gen-

eral Manager Rick Knapp and three others. Though VIT claims a tax exemption for government entities, it simultaneously asserts it's a private entity that doesn't need to abide by open records laws.

In an era of increasing corporate governance rules on oversight and transparency, the state-owned VIT should reveal

as much salary information as a publicly traded company, Goodwin said. He added that he sees his role on the board as one of "public trust."

"There's no more sensitive issue than executive salaries, but every public company has a duty to disclose that informa-

Please see **VIT SALARIES/C8**

### THE ECONOMY



Tourists from Korea, right, check their purchases outside a GAP store in Santa Monica, Calif. AP PHOTO

## Storm worries fuel money jitters

*Consumer confidence plummets in September to its lowest level since 1990. What's to blame? Katrina.*

THE ASSOCIATED PRESS

NEW YORK — Consumer confidence suffered its biggest drop in 15 years in September as Hurricane Katrina made Americans anxious about the rising costs of heating their homes and filling their gas tanks. The decline raised questions about consumer spending for the rest of this year, including the holiday shopping season.

Meanwhile, the government reported Tuesday that new-home sales plunged in August by the largest amount in nine months, continuing a string of mixed signals about the health of the housing boom.

The Conference Board said its Consumer Confidence Index, compiled from a survey of U.S. households, dropped 18.9 points, to 86.6, from a revised reading of 105.5 in August.

That marked the biggest slide since October 1990, when the index fell 23 points to 62.6 amid the onset of the recession, the buildup to the Gulf War and

a spike in gasoline prices. The September reading was also the lowest level since October 2003, when it registered 81.7.

Analysts had expected the September reading to be 98.

Wall Street took the news of both reports fairly well. The Dow Jones industrial average, up about 30 points before the index was released, fell into negative territory but was only marginally lower.

The Commerce Department said new home sales fell 9.9 percent last month to a seasonally adjusted annual rate of 1.24 million units. Even with the slowdown, the median sales price rose 2.5 percent from July's level to \$220,300.

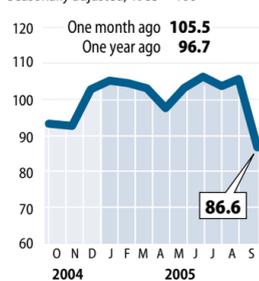
The bigger-than-projected drop in new home sales could signal that the nation's red-hot housing market is starting to slow down, but reports so far are mixed.

In Washington, Republicans were assessing the political impact of the numbers, particularly the drop in consumer

### Consumer confidence

The Consumer Confidence Index from a survey of 5,000 U.S. households:

Seasonally adjusted, 1985 = 100



Source: The Conference Board AP

confidence, saying it gives them more reason to worry about next year's elections.

"These are serious numbers," said Rep. Tom Cole, R-Okla., a political operative-turned-congressman, referring to the consumer confidence fig-

Please see **INDEX PLUMMETS/C8**

### Hampton Roads likely to see some growth, ODU experts say

*High military wages drive retail sales. The port, home sales and tourism feed the economy.*

BY CHRIS FLORES  
cflores@dailypress.com | 247-4738

Economists with Old Dominion University expect the Hampton Roads economy to take a hit because of the effect of the hurricanes in the third quarter, but it still will outperform the year before.

The strength of the economy likely will come from the retail sector, where the economists expect 6.4 percent sales growth over the quarter in 2003. Military pay rais-

es have continued to outpace the private sector, fueling the local spending at a faster rate than the rest of the country.

Higher tourism income, port growth and fast-growing business services are providing the stimulus for the local spending spree. The continued might of the local economy comes as consumer confidence nationwide has been badly shaken by high energy prices.

The tourism industry is slated to grow revenues by 1 percent over last year to \$251 million in the quarter. But the economists warned that the high gas prices will cost the region's hotel industry \$3 million in lost sales

Please see **LOCAL ECONOMY/C8**

## 'Bill-paying score' might help you

Picture yourself in this situation: Three years ago, you had a serious medical problem, couldn't earn money for months and fell behind on your bills. Your credit scores plummeted and have remained depressed ever since — despite that you've paid your rent, utilities, insurance, cable and other recurring bills on time



**The Nation's Housing**  
KENNETH R. HARNEY

scrupulously every month. Your low credit scores — hovering in the mid-500s on

the FICO scale — now prevent you from obtaining a mortgage or any other form of major credit at a reasonable interest rate. Mortgage lenders quote you 8½ percent to 9 percent in a 6 percent market. Auto lenders want to gouge you with rates of 15 percent or higher. Credit card

Please see **HARNEY/C9**

### COMMODITIES

<b>GOLD</b> -3.30 (\$462.60)	<b>SILVER</b> -0.036 (\$7.271)	<b>OIL</b> -0.75 (\$65.07)
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### TREASURIES / CURRENCIES

<b>10-YEAR</b> -0.01 (4.29%)	<b>30-YEAR</b> -0.01 (4.55%)	<b>EURO 1 =</b> \$1.2010	<b>YEN</b> 113.32 = \$1
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### MORE/MONEY & WORK

#### Snail mail likely to cost more in 2006

The Postal Service is asking for a rate hike to counter deficits. **C11**

MONEY & WORK

• Business briefs

Cox Net service rated tops in national study

**Cox Communications** was the highest rated high-speed Internet service in the nation in the J.D. Power and Associates' 2005 Internet Service Provider Residential Customer Satisfaction Study. The study measured customer satisfaction with price, performance and customer service.

Three post offices to extend retail hours

Effective Oct. 5, the Chesapeake Main Post Office, Hampton Main Post Office and the Patrick Henry Station will extend their retail hours.

Chesapeake, at 1425 Battlefield Blvd. N., will be open Monday through Friday, 7:30 a.m.-7 p.m. and Saturday from 9 a.m.-3 p.m.

The Hampton location, at 809 Aberdeen Road, will be open Monday through Friday, 9 a.m.-7 p.m., and Saturday from 9 a.m. to 3 p.m.

Patrick Henry Station, at 685 Turnberry Blvd., will be open from 9 a.m.-7 p.m., and Saturday from 9 a.m.-3 p.m.

Largest health insurer acquires WellChoice

**WellPoint**, the nation's largest health insurer, moved Tuesday to expand its reach by acquiring New York-based **WellChoice** in a move analysts said would thwart competition but physicians said could be bad for customers.

The deal, valued at \$6.5 billion in cash and stock, gives Indianapolis-based WellPoint an important inroad into the New York area with 5 million new customers and access to nationwide accounts, company officials said.

Indianapolis-based WellPoint said it would pay \$77.23 in cash and stock per WellChoice share, about 9.4 percent more than WellChoice's closing price Monday.

WellChoice shares rose \$4.91, or 7 percent, to close at \$75.51 in trading Tuesday on the New York Stock Exchange, while WellPoint fell 8 cents to \$75.01.

Together, WellPoint and WellChoice will serve more than 33 million members in 14 states.

WellPoint CEO Larry Glasscock said some WellChoice workers will be laid off as a result of the deal but did not specify how many jobs would be affected.

Domestic merger now fifth-largest carrier

**America West** and **US Airways** completed their union Tuesday, combining to form the nation's fifth-largest domestic carrier.

Although the airlines can now operate as one carrier, they said passengers should continue to book directly with each airline as they did before the deal closed.

The airlines are still operating separate Web sites and still have two reservation systems. Flight crews, maintenance and safety procedures for each airline will also remain separate for some time.

The goal of the deal was to form a stronger airline that would compete better with lower-cost rivals such as Southwest Airlines Inc. and JetBlue Airways Corp.

Even though America West is considered the financially stronger company, the US Airways name will survive.

Canada auto workers avert a strike at GM

The **Canadian Auto Workers** union reached a tentative agreement with **General Motors** just minutes before a strike deadline late Tuesday, averting a walkout by 17,000 members and capping weeks of heated negotiations with the Big Three automakers.

The three-year contract with the world's largest automaker, which occurs on the heels of agreements with **Ford Motor** and **DaimlerChrysler AG**, was reached after General Motors withdrew a demand for shorter worker breaks at its Oshawa assembly complex outside Toronto. ■

FROM STAFF AND WIRE REPORTS

▶ INDEX PLUMMETS Continued from C7

Higher gas prices pressure consumers

ures. "The question is whether this is a trend or a reaction to Katrina and Rita."

Cole said he suspects the public's mood will improve by this time next year when Republicans, who control Congress and the White House, will face the judgment of an uneasy electorate. But in the intervening months, he said, the political consequences of consumer anxiety are "real serious."

Sen. John McCain, R-Ariz., said Republicans are on the defensive.

"Any time our approval ratings go down we have problems. That's why we're working on Katrina. That's why we're working on Rita," he said.

The latest AP-Ipsos Poll, conducted Sept. 6-8, showed more Americans are uneasy about President Bush's handling of the economy.

The poll found that 41 percent of respondents approved the president's handling of the economy, while 57 percent disapproved and 1 percent were not sure. That rating is the lowest since January 2002, when Ipsos began tracking Bush's approval ratings.

The drop in consumer confidence, which followed an unexpected gain in August, also raised concerns about shoppers' ability to spend in the critical fall and holiday seasons with gas prices expected to remain at \$3 per gallon. That's due to tight supplies and the fact it may take weeks to restart refineries that closed due to Hurricane Rita.

Even before Katrina slammed into the Gulf Coast Aug. 29, consumers were struggling to fit higher gasoline prices into their budgets, with that strain showing up in August's modest retail sales gains. Sales have been disappointing again this month, and analysts are concerned that consumers will further retrench when they start paying home heating bills.

Follow the leader?

41

percent

of Americans approve of the president's handling of the economy.

57

percent

of Americans disapprove of the president's handling of the economy.

Economists closely track consumer confidence because consumer spending accounts for two-thirds of all U.S. economic activity.

"Today's numbers show that consumers are not very optimistic about the economy. As a result, we will see consumer spending reduced until we see some relief on energy prices," said Gary Thayer, chief economist at A.G. Edwards & Sons.

He added, "If we don't get some relief, it looks like it will be a very weak holiday season." Thayer wasn't as concerned about home sales report, saying the sector was due for a "cooling off." However, he doesn't think the housing market is headed for a bust.

Scott Hoyt, director of consumer economics, at Economy.com, was more upbeat about consumers, warning against reading too much into September's confidence figures.

He noted that the key fundamentals for spending—employment and income—are holding up.

"We need to be careful not to overstate the potential (of consumer confidence) on consumer spending," Hoyt said. ■

▶ LOCAL ECONOMY Continued from C7

for the quarter that ends in September.

Throw in tourism-related reductions in restaurant spending and the resulting loss in retail spending from tourists and the industry loss jumps to \$6.5 million for the quarter. The majority of the impact came from fear when gas was running out in some regions before Labor Day.

"That is more of a deterrent than the fact that you have to pay a higher price," said Vinod Agarwal, an economics professor at ODU.

Because of a change in the way the federal government calculates unemployment, Hampton Roads' rate increased earlier this year. Despite the rise, the unemployment rate will be

unchanged in the third quarter compared to last year. That's because of an expected 1 percent increase in the number of civilians working.

The number of tons of cargo that move through the port is expected to increase 6.5 percent in the third quarter, following a 6.5 percent increase in the first half of the year. The growth in imports has been particularly strong from China.

The value of new homes constructed in the first half of the year increased 7 percent, even as the total number of new permits was down. With more expensive homes being built, the economists expect the value of new homes to be 8.5 percent higher in the third quarter than last year. ■

▶ OYSTER HARVEST Continued from C7

No new oyster areas will be opened, panel says

to open eight of them early, Saturday, with the season continuing through April. The ninth area, near Tangiers Island in the Chesapeake Bay, will open at the regular time.

In another break, oystermen this year won't be limited to harvesting eight bushels a day. They can go to 12 bushels a day, but they can't legally exceed their seasonal limits, which won't change, the commission decided. The idea is to give oystermen the opportunity to collect more oysters earlier, so they can take advantage of now-rising prices for oysters.

It's smart to harvest the oysters now and as fast as is reasonable, said Doug Jenkins, president of Twin Rivers Waterman's Association. "I think it's a good plan. Whether we know it or not, we're only one hurricane away" from the destruction of the state's oyster industry, he told the commission. "Mother Nature will take them away from you quick."

Katrina and Rita destroyed much of the Gulf Coast's oyster industry, decimating the fleet and processing plants, said Jim

Wesson, head of the commission's oyster conservation and replenishment effort. No one knows yet how seriously damaged the oyster beds themselves are in the Gulf of Mexico.

To preserve the long-term viability of the state's oyster industry, new oyster harvesting areas won't be opened, the commission ruled. Some oystermen sought the creation of a harvesting area in the Chesapeake Bay near the mouth of the York River.

In the long run, the state needs to open additional viable oyster harvest areas because it might take a few years for the Gulf Coast's industry to become fully functional, Commissioner Russell Garrison said.

Mann said he usually urged conservation of the state's oyster population but that disease seemed to be more of a problem at the moment than the potential of overharvesting.

And if the federal government decides to declare the oyster as an endangered or threatened species, as is being considered, "we won't be having this discussion next year," he said. ■

▶ VIT SALARIES Continued from C7

Many others must post pay

tion," Goodwin said. "Concerns have been raised, and I think they're legitimate concerns. This would be consistent with policy everywhere, as I see it."

The Securities and Exchange Commission requires publicly traded companies such as Northrop Grumman, Smithfield Foods and Norfolk Southern to report the pay of their top five corporate earners. Likewise, the federal government requires many tax-exempt organizations to list their top five highest paid officials on IRS forms for non-profits.

Dorto disagrees with Goodwin. If the top salaries at VIT were revealed, he contends, shipping lines and labor unions would use them to win greater concessions from VIT.

"It will never serve to strengthen us to give that information out," Dorto said. "It would make it much more difficult to negotiate. We were created as a private company, and it's worked for 23 years."

VIT officials—pointing out that its money comes from charges to shipping lines rather than tax revenues—argue that private terminal operators such as Maersk Sealand might use the salary information to pluck key employees.

Goodwin is a member of the Virginia Port Authority's board of commissioners, a 12-member body that answers to Gov. Mark Warner. The VPA board appoints and oversees a separate board of directors that oversees VIT, the company that runs the terminals.

Goodwin, whom Warner appointed to the authority's board in 2002, is on a special six-member VPA panel investigating whether VIT provides enough information to the port authority and the public. The panel convened after a Daily Press story revealed that no VIT board members knew the top salaries at VIT. The story also revealed that the authority's executive director, J. Robert Bray, who serves as a permanent member of VIT's board, said he, too, didn't know how much Dorto was paid. (He has said since that he now knows).

VIT charges shipping lines using state-owned terminals in Norfolk, Portsmouth and Newport News, and turns over its profits to the Virginia Port Authority, which then uses that money for its own operations.

Goodwin said VIT, which was founded as a separate non-stock entity to allow it to negotiate with labor unions, is not

private in the traditional sense.

He added that when his company, Overnite—once a publicly traded company—had to negotiate with private companies, it didn't hurt Overnite's deal-making to have its own salaries in the public realm. Overnite recently was purchased by UPS, now an entity that lists its top five earners.

During the disagreement, Dorto turned to a port consultant who earlier had given a presentation on port structures on the East Coast and asked him to weigh in on the matter.

William L. Ralph, a consultant with the New Jersey consulting firm of R.K. Johns & Associates, sided with Goodwin: He said that making salary information about top VIT executives public would not harm VIT.

"I would say that it wouldn't hurt if it was similar to corporate standard that exists in the market today," he said, referring to the SEC requirements. "I don't think there's an issue there."

Goodwin made it clear that he was not calling for disclosing contracts with shipping lines.

"We don't want to compromise our ability to compete," he said. ■

Business Bulletin

OPENINGS

A new **Office Depot** store has opened at 4900 South Monticello Avenue in Williamsburg.

**Tidewater Interiors** opens their newest location in the New Town section of Williamsburg. Located at 4804 Courthouse St, Suite 2B, Tidewater Interiors offers a wide selection of unique gifts and home decor accessories, along with their services for interior decorating and design. Visit them at [www.tidewaterinteriors.com](http://www.tidewaterinteriors.com).

**TowneBank** celebrated the grand opening of its newest location in Norfolk, in the Norfolk Financial Center at 109 East Main Street. TowneBank will occupy floors 1 and 8.

RELOCATION

**The Peninsula Community Foundation of Virginia** has a new office location at 11742 Jefferson Avenue, Suite 350 in Newport News. Visit us online at [www.pcfvirginia.org](http://www.pcfvirginia.org) or call (757) 327-0862 for more information.

**Cheri Hinshelwood**, Sentara Public Relations, has moved her office from Sentara's corporate location in Norfolk to the Port Warwick office on the Peninsula. Her new contact information is effective immediately. Cheri Hinshelwood, Sentara Public Relations, 11803 Jefferson Avenue, Newport News. Office: (757) 594-1036, fax: (757) 594-1001, pager: (757) 475-9541.

**AWARDS/RECOGNITIONS**  
**Cleve Corlett, Ph.D.**, founder of

Brand Planning LLC, has received the **Golden Candlestick Award** from The Richmond chapter of the American Marketing Association (AMA). The award, which was instituted in 1974, is presented annually to an outstanding member whose volunteer efforts with the organization have made a significant difference. Corlett, a member of AMA since 1991, graduated from Loyola Marymount



CORLETT

University in Los Angeles and ultimately received a doctorate in mass communication from the University of

Iowa. Prior to forming Brand Planning, he was a director of account planning for Arnold Worldwide.

**Riverside Health System** has been recognized as one of the nation's **top 100 "Most Wired"** health care systems for 2005. Each year, health care systems across the nation are invited to respond to in-depth surveys as a part of a joint program sponsored by Hospital and Health Networks Magazine, IDX Corporation and the College of Healthcare Information Management Executives (CHIME). The rankings are based upon the degree to which health systems utilize computer technology for patient care, customer relations and organizational processes and public health and safety.

**The Hampton Roads Chapter of the American Institute of**

**Architects' Chapter of AIA** is the recipient of **2005 Emerging Professional Component Grant**. The chapter was selected unanimously from 20 national grant proposal entries.

OPPORTUNITIES

The Science Museum of Virginia and the Commonwealth of Virginia are conducting their annual statewide search for Virginia's Outstanding Scientist and Virginia's Outstanding Industrialist of 2006. Virginia's Outstanding Scientist is selected for a recent contribution to basic scientific research that extends the boundaries of any field of science. To qualify a contribution should be easily recognizable as a significant advance of knowledge or a technological development. Virginia's Outstanding Industrialist is selected for a distinct contribution to a business or industry that has advanced business development through the innovative use of science or technology. Consideration will also be given to the individual's service to the community. Nominations will be accepted by the Science Museum of Virginia through 5 p.m., November 4, 2005. The awards presentation is scheduled for April 4, 2006. Information on the program and nomination packets may be obtained by accessing the Science Museum of Virginia's Scientist and Industrialist Web site [www.smv.org/prog/scindust.html](http://www.smv.org/prog/scindust.html) or by calling (804) 864-1499.

Fax information for Business Bulletin to 245-8618 or e-mail [aseay@dailypress.com](mailto:aseay@dailypress.com). ■

WACHOVIA SECURITIES CONGRATULATES



**L. WARREN REED**

Senior Vice President — Investment Officer

Wachovia Securities congratulates Warren Reed, who recently celebrated his 35th anniversary with the firm. We salute his distinguished 37-year career as he continues to serve his clients in our Newport News branch.

11817 Canon Blvd.  
Suite 100  
Newport News, VA 23606  
757-873-4692  
[warren.reed@wachoviasec.com](mailto:warren.reed@wachoviasec.com)



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