

FCC should support rural wireless needs

Earlier this month, the Federal Communications Commission signaled its intent to cap the Federal Universal Service Fund "very soon" — most likely by Nov. 1.

I believe this is especially dangerous for Oklahoma, as the USF provides critical support for wireless companies to build new cell towers in high-cost areas around the country, including rural communities across Oklahoma.

Congress created the USF to make sure that telecommunications technology doesn't leave rural communities behind. The USF has enabled wireless carriers like U.S. Cellular to build hundreds of towers in rural communities nationwide and bring service to areas that would not have otherwise had access.

Despite this, the FCC is



BUSINESS VIEWPOINT
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considering a proposal to cap USF support to wireless carriers in rural communities in Oklahoma and across America. In their haste to enact USF "reform," the FCC may enact this cap within the next few weeks — without fully considering the effect of this decision on rural Americans.

Cell phones are no longer luxury items; they are a fundamental necessity. Today, the lack of high-quality wireless coverage in rural areas is a critical public safety issue.

First responders, law enforcement and rural citizens all depend on high-quality coverage to reliably deal with critical safety issues ranging from natural disasters to automotive emergencies to domestic violence. Moreover, E-911 technology will not work properly unless an area has high-quality wireless coverage.

A freeze in funding will also widen the technological gap between urban and rural areas in the state, as well as slow economic development in our rural communities by hampering the state's ability to attract businesses and tourists.

Since becoming eligible to receive federal support in 2004, U.S. Cellular has invested more than \$12 million statewide in Oklahoma, in addition to internally generated capital. If the FCC succeeds in capping the USF,

Oklahoma could lose as much as \$15 million, and more than 20 new towers will be jeopardized.

Those who favor a cap fail to acknowledge the real reason for fund growth: Over the past three years, more than 10 percent of wireline customers have "cut the cord," yet federal support to landline companies remains steady at \$3 billion per year. That excess, which will only accelerate as consumers continue to choose wireless for their voice communication service, is largely funded by wireless consumers, who see no benefit from USF contributions that flow to wireline networks.

U.S. Cellular is calling on Congress and the FCC to protect universal service funding for wireless carriers serving rural America. Rural consumers pay into

the fund and deserve access to the same reliable wireless service and choices found in urban areas.

With universal service support, U.S. Cellular stands ready to deliver high-quality wireless service in rural parts of Oklahoma — everywhere that Oklahoma customers live, work and play.

We cannot afford to cap USF funding for wireless customers, because we cannot afford to leave rural America behind.

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Views expressed here are those of the author and not the Tulsa World. To inquire about writing a Business Viewpoint column, e-mail a short outline of the article to Business Editor John Stancavage at john.stancavage@tulsaworld.com.

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Governments seek more oil revenue

By ROBERT GILLIES
Associated Press

TORONTO — The oil industry is under assault globally by nations and even provinces who want companies like Exxon Mobil, Chevron and Suncor to cough up more royalties they can use to address issues like poverty and education.

First it was Venezuela. Now, Nigeria is reviewing its relationships with international oil companies and the oil-rich Canadian province of Alberta is set to announce a decision Thursday on increasing royalties from the energy industry. It's a move the industry warns could devastate Alberta's oil patch.

At least once analyst compared Alberta to Venezuela last month after a government-appointed panel called for the province to boost its total take from the energy industry by 20 percent a year, or roughly \$2 billion.

Under President Hugo Chavez, Venezuela raised royalty and tax rates on foreign oil companies, then later took majority control of all oil projects as part of a larger nationalization drive of "strategic" economic sectors. Chavez says those policies are ensuring that oil benefits Venezuelans instead of foreign corporations and governments.

Russia and Bolivia have also asserted greater state control over their oil or natural gas assets in recent years.

A report by Alberta's provincial panel says royalties have not kept pace with world energy markets — a barrel of crude oil has reached record levels of more than \$90 recently. It says all projects in the booming oil region should pay more because "Albertans do not receive their

fair share from energy development."

"There's definitely been a trend over the last year or two, a lot of countries looking to nationalize oil reserves," said Kyle Preston, an oil and gas analyst with Salman Partners. "It's a function of higher commodity prices. Oil companies are making more money and governments want a bigger share."

Alberta is home to vast reserves of oil sands, a tar-like bitumen that is extracted using mining techniques.

In Nigeria, meanwhile, an energy adviser to President Umaru Yar'Adua said Tuesday that his country needs to make the most of its position as Africa's largest oil exporter.

Nigeria, a top supplier of oil for the United States, remains desperately poor due to years of corruption and lack of development.

Nigeria is the fifth-largest supplier of crude to the United States. Despite producing tens of billions of dollars worth of crude every year, few Nigerians have access to clean water or electricity. More than 90 percent of the country's oil is produced through joint ventures between the Nigerian government and international oil firms such as Royal Dutch Shell PLC, Exxon Mobil Corp., Chevron Corp., Paris-based Total SA and Italy's Eni SpA.

While there is no indication Nigeria is threatening to renegotiate existing contracts, they may re-examine terms when the contracts expire.

"We have not officially seen anything from the Nigerian government, so it is too soon to make a comment," said Caroline Wittgen, a Shell spokeswoman.



M. SPENCERGREEN / Associated Press file

Puja Mdhta (left) looks at merchandise with clerk Lisa Glenn in The Boeing Store, a retail outlet inside the corporate headquarters of Boeing Co. in Chicago.

Boeing Co. reports solid quarter

CHICAGO (AP) — The world's No. 2 commercial airplane maker posted its best profit in nearly four years Wednesday as higher commercial airplane deliveries helped Boeing Co. earn \$1.1 billion in the third quarter.

The results beat Wall Street expectations, but the company cautioned that a six-month delay in the launch of its new 787 "Dreamliner" plane would cut into its 2008 revenue and cause it to push 35 plane deliveries from 2008 into 2009.

That news sent the company's shares down during most of trading Wednesday, but analysts said they were still pleased the company's better-than-expected third-quarter performance.

"Obviously it was a very solid quarter driven by the commercial aircraft division, but investors are more focused on the outlook for 2008 and beyond," said Edward Jones analyst Matt Collins. "The \$100 billion question is, 'When can they deliver the 787?'"

The company announced earlier this month that it would delay its first delivery of the 787 by six months to November or December 2008 because of problems it has encountered assembling the first few planes.

Executives said Wednesday that customers were frustrated by the delay, but orders for the plane continued at a steady clip. The company inked 73 new orders for the plane

during the third quarter, bringing total firm orders to 710.

"They are not pleased, and we are obviously disappointed that we are causing them not to be pleased, but on the other hand, they're very, very supportive of the product," said Boeing Chief Financial Officer James Bell. "And we really don't believe we're going to have a fatal issue with the customers."

For the quarter ending Sept. 30, Boeing's profit rose 61 percent and amounted to \$1.44 per share, up from \$694 million, or 89 cents per share, a year ago.

Revenue rose 12 percent to \$16.5 billion from \$14.7 billion a year ago.

On average, analysts surveyed by Thomson Financial forecast earnings per share of \$1.24 on \$16 billion in revenue.

"We continue to make solid progress across our businesses during the quarter, as evidenced by our financial results," said Boeing Chairman and CEO Jim McNerney.

Boeing delivered 109 planes and booked 354 gross orders during the quarter, boosting its backlog reached a record-high \$295 billion.

Boeing shares fell 69 cents to close at \$93.26 Wednesday. The stock has traded in a 52-week range of \$77.77 to \$107.83.

Merrill Lynch, roiled by credit woes, posts steep loss



PAUL SAKUMA / Associated Press

A man walks into a Merrill Lynch & Co. office Wednesday in Menlo Park, Calif.

NEW YORK — (AP) Merrill Lynch & Co. on Wednesday took a \$7.9 billion writedown because of the summer's credit crisis, a bigger-than-expected amount that raised the specter of more trouble ahead from risky home loans.

The world's largest brokerage was caught off guard by its bad bets, leading to its first loss in six years. Merrill Lynch's quarterly performance was the worst by far of the Wall Street firms.

The shortfall calls into question how one of the biggest

names in finance could be so off the mark, just three weeks after telling Wall Street its losses would be much less.

"I'm not going to talk around the fact that there were some mistakes that were made," Chairman and CEO Stan O'Neal told analysts during a conference call. "The market environment has showed renewed signs of volatility and weakness, as shown by recent downgrades on thousands of mortgage securities by rating agencies."

Last week Standard &

Poor's downgraded more than \$45 billion worth of securities backed by risky mortgages — some of which were made as recently as the first half of this year — creating renewed concerns about market weakness.

O'Neal said the company continues to face uncertainty as global investors shy away from risky investments, especially in the once booming fixed-income markets where mortgages are packaged together and sold as securities. The value of these investments has been difficult to de-

termine — one reason Merrill Lynch said its third-quarter results were sharply worse than it initially expected.

The broker reported a loss after paying preferred dividends of \$2.31 billion, or \$2.82 per share, compared to a profit of \$3 billion, or \$3.50 per share, a year earlier. Revenue, after factoring in some of its losses, fell 94 percent to \$577 million from \$9.83 billion a year earlier.

Shares in Merrill fell \$3.90, or 5.8 percent, to close at \$63.22.

FOREIGN EXCHANGE					
MAJORS	CLOSE	CHG.	%CHG.	6MO. AGO	1YR. AGO
USD per British Pound	2.0490	-0.013	-0.06%	2.0000	1.8742
Canadian Dollar	.9706	+0.040	+4.1%	1.1228	1.1254
USD per Euro	1.4256	+0.005	+0.4%	1.3626	1.2566
Japanese Yen	114.12	-.59	-.52%	118.68	119.27
Mexican Peso	10.8405	+0.189	+1.7%	11.0006	10.8067
EUROPE/AFRICA/MIDDLE EAST					
Israeli Shekel	4.0367	+0.147	+3.6%	4.0703	4.2933
Norwegian Krone	5.4456	+0.402	+7.4%	5.9494	6.6610
South African Rand	6.6653	-0.030	-.45%	7.0255	7.7288
Swedish Krona	6.4708	+0.175	+2.7%	6.7503	7.3217
Swiss Franc	1.1715	-0.030	-2.6%	1.2028	1.2661
ASIA/PACIFIC					
Australian Dollar	1.1102	-0.044	-4.0%	1.2096	1.3196
Chinese Yuan	7.4964	-0.081	-1.1%	7.7287	7.9050
Hong Kong Dollar	7.7511	+0.002	+0.0%	7.8166	7.7823
Indian Rupee	39.515	+0.25	+0.6%	40.766	45.200
Singapore Dollar	1.4628	-0.008	-.05%	1.5142	1.5743
South Korean Won	917.43	-.00	-.00%	927.64	958.77
Taiwan Dollar	32.67	-0.1	-0.3%	33.29	33.35

ENERGY FUTURES					
EXP.	OPEN	HIGH	LOW	SETTLE	CHG
HEATING OIL (NYMEX)					
42,000 gal., cents per gal.	224.10	235.37	229.00	234.20	+4.22
Nov 07	226.25	237.47	230.96	236.33	+4.38
Jan 08	237.60	239.00	232.90	238.03	+4.33
Feb 08	237.61	238.50	233.11	237.83	+4.33
Est. sales	237.50	Tue's sales	75,095		
Tue's open int.	237,360	Tue's sales	1,108		
LIGHT SWEET CRUDE (NYMEX)					
1,000 bbl., dollars per bbl.	86.80	87.79	84.68	87.10	+1.83
Jan 08	85.83	86.68	83.91	86.13	+1.67
Jan 08	84.92	85.68	83.18	85.23	+1.56
Mar 08	84.40	84.88	82.60	84.53	+1.53
Est. sales	...	Tue's sales	445,421		
Tue's open int.	1,408,072	Tue's sales	4,609		
NATURAL GAS (NYMEX)					
10,000 mmbtu's, \$ per mmbtu	7.028	7.058	6.687	6.972	+2.11
Nov 07	7.691	7.712	7.422	7.657	+1.86
Jan 08	8.074	8.076	7.815	8.034	+1.83
Feb 08	8.110	8.110	7.882	8.074	+1.78
Est. sales	...	Tue's sales	145,152		
Tue's open int.	760,401	Tue's sales	1,879		
NY HARBOR GAS BLEND (NYMEX)					
42,000 gallons, dollars per gallon	2.1435	2.1600	2.0988	2.1475	+0.036
Nov 07	2.1525	2.1685	2.0955	2.1567	+0.030
Jan 08	2.1690	2.1850	2.1290	2.1752	+0.030
Feb 08	2.1914	2.2025	2.1500	2.1946	+0.039
Est. sales	...	Tue's sales	75,152		
Tue's open int.	201,891	Tue's sales	3,924		

AGRICULTURE FUTURES					
EXP.	OPEN	HIGH	LOW	SETTLE	CHG
CORN (CBOT)					
5,000 bu minimum, cents per bushel	359.50	362.50	355.75	356.50	-4.50
Dec 07	375.75	379	372.50	373.50	-4.25
Mar 08	386	389.50	383	383.50	-5
Jul 08	394	398	391.50	392	-5
Est. sales	120,787	Tue's sales	128,120		
Tue's open int.	1,173,863	Tue's sales	1,513		
COTTON 2 (NYBT)					
50,000 lbs., cents per lb.	65.26	65.65	63.75	63.82	-1.44
Dec 07	69.39	69.50	68.00	68.16	-1.26
Jan 08	70.40	70.40	69.25	69.66	-1.24
Jul 08	71.65	71.65	70.90	71.06	-1.22
Est. sales	30,608	Tue's sales	17,201		
Tue's open int.	245,742	Tue's sales	1,744		
OATS (CBOT)					
5,000 bu minimum, cents per bushel	275.50	278.50	272.50	274.50	-3.75
Dec 07	287.50	289.50	285	287	-3.25
Mar 08	294.50	294.50	294	294	-1
Jul 08	296.50	296.50	296.50	296.50	-50
Est. sales	1,469	Tue's sales	1,677		
Tue's open int.	14,211	Tue's sales	4,211		
SOYBEAN MEAL (CBOT)					
100 tons, dollars per ton	276.50	278.10	273.50	274.00	-3.60
Dec 07	278.50	280.10	275.80	275.90	-3.10
Mar 08	282.20	283.40	280.20	280.20	-2.20
May 08	281.80	283.00	279.80	280.50	-1.50
Est. sales	33,524	Tue's sales	36,556		
Tue's open int.	232,752	Tue's sales	2,448		

AGRICULTURE FUTURES					
EXP.	OPEN	HIGH	LOW	SETTLE	CHG
SOYBEAN OIL (CBOT)					
60,000 lbs., cents per lb.	40.64	40.73	40.15	40.48	+0.06
Dec 07	41.09	41.19	40.72	40.92	..
Jan 08	41.56	41.64	41.20	41.41	..
May 08	41.85	42.03	41.67	41.78	-12
Est. sales	28,231	Tue's sales	43,497		
Tue's open int.	282,209	Tue's sales	4,551		
SOYBEANS (CBOT)					
5,000 bu minimum, cents per bushel	983.50	987	974	976.25	-5.50
Nov 07	1000	1004.50	991.50	993.75	-5.50
Jan 08	1014.25	1018.25	1006	1008	-4.50
Mar 08	1018	1021	1008	1012	-5
Est. sales	134,276	Tue's sales	146,964		
Tue's open int.	585,906	Tue's sales	2,149		
WHEAT (CBOT)					
5,000 bu minimum, cents per bushel	811	840.50	811	811	-30
Dec 07	831.50	858.25	831.50	831.50	-30
Mar 08	790.25	819	789.25	789.25	-30
May 08	658.50	681	652.75	657.75	-21.75
Est. sales	65,701	Tue's sales	78,611		
Tue's open int.	413,199	Tue's sales	3,046		
WINTER WHEAT (KCBT)					
5,000 bu minimum, cents per bushel	850	850	829.75	829.75	-30
Dec 07	842	851	838.50	838.50	-30
Mar 08	820	820	804	804	-30
Jul 08	670	674	660	664.25	-18
Est. sales	8,831	Tue's sales	14,406		
Tue's open int.	137,481	Tue's sales	1,813		

AGRICULTURE FUTURES					
EXP.	OPEN	HIGH	LOW	SETTLE	CHG
CATTLE (CME)					
40,000 lbs., cents per lb.	95.17	96.20	94.97	95.12	-85
Oct 07	95.87	97.37	95.77	95.87	-135
Feb 08	97.57	98.95	97.52	97.67	-123
Apr 08	98.60</				