

McInerney, Roberta

From: DeMarco, Edward
Sent: Monday, December 03, 2001 12:40 PM
To: Ugoletti, Mario; Hughes, Gerry; McCall, Neal; Pedri, Melissa; McInerney, Roberta; Elliott, Martha
Subject: FW: WSJ: Enron Failure Likely to Burden Insurers And Further Increase Soaring Premiums

FYI

-----Original Message-----

From: Carlston, Norman
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To: DeMarco, Edward; Bair, Sheila; Bernard, Steve; Bitsberger, Timothy; Catina, Jill; Eichner, Matthew; Gablondo, Jose; Gross, Jared; Hamner, Wes; Lori Sanatanadrona (E-mail); Nikoloff, Peter; Noway, Michael; Petrangoli, Fred; Roseboro, Brian; Schultheiss, HeidiLynn; Shorer, James; Whaley, Jean; Wiedman, Mark
Subject: WSJ: Enron Failure Likely to Burden Insurers And Further Increase Soaring Premiums

December 3, 2001

Enron Failure Likely to Burden Insurers And Further Increase Soaring Premiums

By **CHRISTOPHER OSTER**

Staff Reporter of THE WALL STREET JOURNAL

Enron Corp.'s collapse is expected to cost insurance companies more than \$3.5 billion and most likely will further increase skyrocketing insurance rates.

About \$2 billion of the losses is expected to be shouldered by property-casualty underwriters, who are expected to pay \$40 billion to \$70 billion in claims from the Sept. 11 terrorist strikes. Those claims already have touched off a run-up in premium rates. The losses would make next year's price increases among the biggest in recent history for insurers, if not the biggest, said Alice Schroeder, a property-casualty insurance analyst at Morgan Stanley. Such losses work to siphon off capital from the insurance market, reducing price competition.

The damage to individual property-casualty insurers is "virtually impossible" to assess at this point, but Ms. Schroeder said a "material impact" on the sector is likely. The losses are expected to result from claims against directors-and-officers liability policies, surety bonds and financial-guarantee coverage. Directors-and-officers liability policies protect a company from lawsuits stemming from the actions of its executives and surety bonds are bonds that insure the completion of a transaction or a project.

Life insurers, meanwhile, are expected to report that the values of their investment portfolios have dropped by more than \$1.5 billion, related to holdings of Enron debt, which has plunged in value in recent weeks along with the company's stock price. Investors' confidence in the company has sunk amid earnings restatements and revelations about related-party transactions.

Nontraditional financial-guarantee insurance and surety bonds could prove the source of some of the biggest losses, analysts said. Enron obtained coverage for such purposes as enhancing the value of Enron's guarantee of certain debt of Enron-related projects as well as the company's guarantees on the execution of certain derivative contracts. Analysts said the payments on the policies would be triggered immediately upon a default event -- for example, a missed payment or bankruptcy filing by Enron. "We understand that some contracts may have already been triggered," Ms. Schroeder said.

On Friday, Chubb Corp., Warren, N.J., said it was reviewing its surety bonds related to Enron and estimated its maximum exposure at \$143 million. The property-casualty underwriter said it is unable to estimate the actual amount, if any, that it may be required to pay and that thus far it hadn't received any claims under the surety bonds.

Ms. Schroeder estimated that a maximum of \$300 million in directors-and-officers liability coverage likely is involved, divided among several insurance companies. Already, Enron faces multiple shareholder-driven lawsuits because of the steep drop in the company's stock price.

Jason Zucker, a life-insurance analyst at Banc of America Securities, said the Enron exposures would "pressure bond portfolios in this recessionary environment."

Among those with big holdings is John Hancock Financial Services Inc., according to insurance analyst Colin Devine of Salomon Smith Barney, who expects the company to incur a loss of \$120 million this quarter on the bonds. A John Hancock spokeswoman declined to comment on the estimate.

Mr. Devine said Principal Financial Group Inc. and Lincoln National Corp. also have substantial Enron bond holdings. In a news release, Principal said the company is reviewing its approximately \$171 million "exposure to Enron" and expects to take a write-down this quarter of a size not yet estimated. Principal said it also is reviewing an additional exposure of \$50 million from investments in Enron-related entities. A spokeswoman for Lincoln National said the company had \$25 million of Enron Corp. debt and \$70 million from its subsidiaries. "We may take a charge of some of the exposure related to the parent, but we won't know until we get closer to the end of the quarter."

Write to Christopher Oster at chris.oster@wsj.com <<mailto:chris.oster@wsj.com>>

Subject: FW: Enron Update: Sagging Stock Price, Increased Earnings Continue to Fuel Takeover Speculation



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November 2, 2001

Enron Update: Sagging Stock Price, Increased Earnings Continue to Fuel Takeover Speculation



By Will McNamara
 Director, Electric Industry Analysis

[*News item from Associated Press*] Troubled Enron Corp. (NYSE: ENE) said it has secured \$1 billion in new financing, using its natural-gas and pipeline assets as collateral. But its stock price took another dive after rising a day earlier on takeover speculation. In afternoon trading Nov. 1 on the New York Stock Exchange, Enron shares were down 9.3 percent, or \$1.29 a share, at \$12.61.

Analysis: Like many following this ongoing story, I have been closely tracking the plummet of Enron's stock since the Oct. 16 release of the company's 3Q financial report, in which a \$638-million loss was identified. Since that time, Enron's stature on Wall Street has literally fluctuated by the hour, bumping up or down depending on the latest news report or rumor circulating across the Web. The company's financial problems have been well documented, along with the new Securities and Exchange Commission (SEC) probe into Enron's financial deals involving its just-dismissed chief financial officer. For background information on this case and the factors that led to Enron's current maladies, please review my 10/22/01 **IssueAlert**, available at www.scientech.com/roi. In this article, I will focus exclusively on the new reports that put Enron in the unprecedented spot of being a possible takeover target. Ironically, the very mention of Enron as a takeover target would have seemed ludicrous last year at this time, when the company's stock had just passed a 52-week peak of nearly \$90 in August 2001. As of early morning trading on Nov. 2, Enron shares were priced at \$11.05, illustrating just how low the company has



sunk over the last year and how quickly the positions along the energy industry's playing field can change.

There are three factors that, when taken together, put Enron in a vulnerable position for takeover efforts. These three factors are a sagging stock price, comparatively solid revenue streams and a solid position in the energy trading space. The first point is obvious; as Enron's share price has hit a nine-year low and dropped by half in just one week, it is natural that other companies on the prowl for lucrative acquisitions would begin to hover around the company. Enron shares have dropped dramatically, and the company's stock is now trading at close to book value. The other two factors I mentioned may need some further elaboration. Despite the \$638-million loss in the third quarter from businesses such as broadband and water, Enron's core energy trading business posted a 26-percent increase in recurring earnings in the same quarter. Thus, the core trading business is basically in good shape and remains a strong cash generator. In addition, despite the recent turmoil, Enron remains the largest natural-gas and power trader in the United States, and thus is an attractive target for other companies operating in the same space. Further supporting this point, most reports indicate that Enron is a principal in one-quarter of all electricity and natural-gas trades in the United States.

There are three companies that keep appearing on a short list of potential buyers in an Enron takeover. I think it is important to discuss the individual objectives of these companies and the factors that may lead them to pursue a purchase of Enron. The three companies most often mentioned are Royal Dutch Shell, Berkshire Hathaway and GE Capital. In addition, a small number of European companies such as Germany's E.ON and England's Powergen have also been mentioned. At present, all the companies named have neither denied nor confirmed their involvement in a possible Enron takeover.

Of all these names, Royal Dutch Shell, the number two energy firm in the world, has been perceived as the top contender. The potential connection may have some legitimacy. First, Royal Dutch Shell is the parent company to wholly owned subsidiary Shell Oil, under which Shell Energy Services is a wholesale and retail marketing subsidiary. Shell Energy Services, which is based in Houston, had made previous penetrations into the retail electricity markets of Texas and Ohio, but recently withdrew from both states to focus more exclusively on wholesale power transactions. Thus, Shell's focus on the wholesale market through Shell Energy Services would make for a nice synergy with Enron's prominent position in the wholesale trading space. Further, Shell had unsuccessfully tried on its own to be involved in the merchant energy business, and thus an acquisition of Enron, the dominant player in the energy trading space and an established energy franchise, would be on par with the company's strategy. Other reports have indicated that Shell had previously looked at a possible Enron buy, even before the company began to experience financial instability. Financing the deal would not be a problem for Shell, as Enron's current market capitalization is around \$11 billion and Shell would probably not have to offer a huge premium for the company.

Berkshire Hathaway, founded by multi-billionaire Warren Buffett, is another company with deep pockets and a potential synergy with Enron. Berkshire Hathaway penetrated the energy industry with a \$9-billion purchase of Des Moines, Iowa-based MidAmerican Energy Company, giving the company a 75-percent ownership in the largest utility in Iowa, which is strategically located in the middle of several major markets in the Midwest. Buffett, who previously invested in non-energy companies such as American Express and Coca-Cola, has been drawn to the

energy space due to deregulation opportunities. Berkshire Hathaway's acquisitions fit a pattern that Buffett created: They are well-managed companies that sell a tangible product and have strong growth potential over the long term. MidAmerican Energy arguably fit that template due to its history as an integrated utility. Enron, which is far more difficult to define, may ultimately prove to be too abstract a company for Berkshire Hathaway's tastes.

As discussed in yesterday's **IssueAlert**, GE Capital has been increasing its holdings in the energy landscape lately due to its affiliation with Trans-Elect, a private company that is actively pursuing the transmission assets sold by utilities. Trans-Elect and GE Capital are in the process of purchasing the transmission assets of CMS Energy Corp. GE's role in the CMS deal is not entirely clear, but it appears that the company is participating mostly as a financial backer. Although they have downplayed the significance of their relationship, Trans-Elect has clearly received financial backing from GE. In fact, the Structured Finance Group of GE Capital Services owns a minority interest in Trans-Elect (the size of the investment has not been disclosed). Note that GE Structured Finance Group has many investments in other energy companies, including The New Power Company, Enermetrix, Beacon Power, and Plug Power (to name just a few). I don't see the synergies between GE Capital and Enron as much as with Shell or Berkshire Hathaway. However, if GE Capital is attempting to simply increase its investments in the lucrative energy business without any involvement in the operational aspects of the business, then this partnership could be considered viable. GE's own microturbine business has slowed somewhat, so the advantage of gaining Enron's wholesale business from a marketing perspective may also be a driver in this possible play. In addition, a recent report in *Business Standard* indicated that General Electric plans to increase its investment in India to about \$800 million over the next three years with increased investments in the infotech sector and GE Capital Services. Of course, Enron is still involved in the India energy market due to its troubled Dabhol Power, which oversees a power contract in India.

The European companies such as Enel and E.ON may turn out to be credible prospects, as companies across the Continent continue to seek merger and acquisition opportunities in the United States, across generation and transmission sectors in particular. E.ON is still in the process of purchasing the United Kingdom's Powergen, so it may be tied up in regulatory proceedings that would preclude an additional acquisition. No word has emerged that may support or refute rumors about a takeover from Enel.

Enron's stock price has oscillated wildly since its 3Q financial report was released in mid-October. The allegedly non-recurring losses in non-core businesses, and their potential impact on the basically strong core business of natural-gas and power trading, coalesced with previous concerns about the departure of Jeffrey Skilling as Enron's CEO and sent the company's stock on a downward spiral (falling an approximate 54 percent in just seven days). Enron shares hit a nine-year low on Oct. 30 and then bounced up about 25 percent on the following day. The surprising upswing occurred when Enron announced that it had secured \$1 billion in fresh credit lines from investors such as J.P. Morgan Chase & Co. and Salomon Smith Barney, Inc. that it planned to use partly to supplement short-term liquidity and refinance maturing obligations. However, at the same time, what had started as an informal inquiry by the SEC officially became a full-scale investigation, which thus far has served as a brick wall against any further increases in Enron's stock price. The identification of the SEC probe as a full-scale investigation is significant because it gives regulators the right to subpoena Enron company documents, which has been a point of contention for some time among investors who claim that

Enron has not been completely forthcoming about its practices.

The Enron questions of the moment are: How much further can the company's stock fall before Enron's business model is significantly restructured? Will Enron incur additional losses beyond the allegedly non-recurring losses it claimed in the third quarter? Will Enron remain a takeover target, and if so which company would be likely to make a bid for the company? What will be the outcome of the SEC investigation and potential credit downgrades from agencies such as Moody's?

Some of these questions are impossible to answer at this juncture, without the benefit of a crystal ball. Clearly, the sudden lack of investor confidence in Enron has rattled the company's executives, which undoubtedly prompted the ousting of its former CFO. I would think that this lack of confidence would also lead Enron to consider fundamental changes in its business model. However, it may be too late to avert additional losses in non-core businesses such as broadband, water and retail, into which Enron sunk large sums of capital but which have yet to produce measurable returns.

If Enron's stock remains in the basement, takeover rumors will undoubtedly continue. However, Enron is challenged at this point to undertake a substantial modification of its business model, which may include the complete divestiture of all of its non-core businesses outside of the energy trading core. If a takeover were to take place, it would probably occur soon (while Enron's stock remains low and its core business remains strong) and with a buyer that seeks a large trading operation and experience in risk management. None of the companies mentioned as possible buyers at this time completely fall under this description, but given Shell's strong interest in wholesale markets I would contend that this potential partnership makes the most sense. However, any company that makes a serious bid for Enron would have to be very risk tolerant, considering the ongoing uncertainty surrounding the company with regard to pending lawsuits and the SEC investigation.

In addition, it is significant that Enron is pursuing additional financing, which indicates that the company intends to bolster its financial position and avoid any takeover attempts. Nevertheless, various credit rating agencies such as Moody's are in the process of evaluating the company for potential credit downgrades. A credit rating downgrade would raise Enron's cost of borrowing, which in turn could cut into the profitability of the company's business as a whole. The end result is that, if Enron's financial position does not improve substantially in the near term, it will remain in a very vulnerable position and a very real target for various takeover measures.

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October 22, 2001

Enron's Departure from Core Business Takes a Toll on Performance

By **Will McNamara**
Director, Electric Industry Analysis



[News item from Reuters] Enron Corp. (NYSE: ENE) stock sustained further heavy losses on October 19 as investor confidence in the former Wall Street favorite

remained at a low ebb after it reported its first quarterly loss in over four years. The energy giant's stock was off \$3.32 or 11.45 percent at \$25.68 per share at mid-day trade on Oct. 19, making a cumulative loss of 28 percent for a week in which it reported a third-quarter loss of \$638 million. As of early morning trading on Oct. 22, Enron shares were priced at \$21.99, a reflection of new developments (including a new Securities and Exchange inquiry) that have caused uncertainty about the company among investors.

Analysis: Enron's first financial report since the departure of former CEO Jeffrey Skilling in August has not done much to once again instill investor confidence in the company, which has experienced one of its most turbulent years in recent memory. While Skilling cited personal reasons for his departure, many analysts suspected that a significant drop in Enron's share price and financial losses in its diversified businesses also played a role. At the time of Skilling's departure, Enron's stock had tumbled to a 52-week low. However, based on the new 3Q report, it now appears that Enron's downward turn may be continuing despite the return of Kenneth Lay to the company's top spot. In essence, Enron's financial problems have been caused by businesses that the company has established as a way to diversify from its core focus on wholesale power sales. It appears that Enron is learning a costly lesson—namely that investors are not responding favorably to the company's innovation, especially if bottom line performance is in any way compromised. The road ahead may remain uncertain for Enron, as a good number of unresolved issues and a new Securities and Exchange Commission (SEC) inquiry into financial dealings of its chief financial officer continue to overshadow the company.

Let's first establish the financial losses that Enron has reported in the third quarter. As noted, as a whole the company reported \$638 million in losses, after taking \$1.01 billion in charges associated with several of its non-core businesses. When we break down the losses, it becomes clear that Enron is struggling with its operations in three businesses: water, broadband and the retail power market. Specifically, Enron reported \$287 million in charges from Azurix, its water and wastewater business; \$180 million in charges related to the downsizing of its broadband operations (including severance costs and losses on inventory sales and customer contracts); and \$544 million in what the company is calling "investment losses." Evidently, about half of the \$544-million figure is related to Enron's investment in NewPower Company, the retail electricity and natural-gas provider that Enron launched about two years ago with partners America Online and IBM. Enron owns 45 percent of NewPower. In addition, Enron's debt to total capitalization ratio reportedly will increase to about 50 percent, although Lay says that pending asset sales may reduce that amount to 40 percent by the end of 2002. However, it is important to note that Enron's 3Q recurring net income (before the write-offs) did increase 35 percent to \$393 million, or 43 cents a diluted share, and revenue in the quarter rose to \$47.6 billion from \$30 billion in 3Q 2000.

The losses associated with NewPower are particularly interesting. As one of the leading investors in the company, Enron drove NewPower's aggressive business focus on retail residential power sales, despite ongoing concerns about the development of retail competition across the United States. NewPower went public last year at an opening price of \$21, and in the early days of its initial public offering was trading above that price. However, the company's stock has experienced a devastating drop in value, and is currently priced at \$1.25. NewPower is not scheduled to release its own 3Q financial statement until early November, but it is expected that the company will continue to incur significant losses for the foreseeable future. Specifically, NewPower recently reiterated its earlier expectations of a 3Q loss of \$65 million to \$70 million, or \$1.12 to \$1.20 a share. Third-quarter revenue reportedly will be slightly lower than the \$60 million to \$65 million that the company had forecast in August.

In analyzing NewPower's 2Q financial losses (see **IssueAlert** from 8/8/01 at www.scientech.com/rci), I argued that the company is really struggling from a mix of positive and negative factors in its efforts to become the leading retail energy provider in residential and small business markets in the United States. On the positive side, NewPower has recently secured a large number of new customer accounts, most significantly from its purchase of customers and related

assets from AES Corp. and DTE Energy. These purchases prompted an impressive growth spurt for NewPower, and the company reportedly now has a customer base in 22 markets in 10 states. However, the bad news for NewPower is that its losses continue to widen, apparently resulting from a combination of weather factors and financial hits absorbed in several of the states in which the company operates. This dichotomy does not appear to be getting any better, and the company's stock has continued to drop as a result.

In an effort to alleviate some of its financial woes, NewPower recently revised an existing master netting agreement with Enron Corp. and several of its subsidiaries. The revised agreement essentially lowers the amount of cash collateral that NewPower is required to post to the Enron subsidiaries through Jan. 4, 2002. With the lowered financial obligations that it must make to Enron, NewPower believes that it will have sufficient financial resources to conduct its business in the near term until it secures ongoing asset-based financing.

However, from Enron's perspective, the losses associated with NewPower (and, by the same token, the losses in water and broadband) have contributed to a steady drop in its own stock price. The message is clear: The businesses that Enron plunged into as a way to diversify have tainted the company as a whole. Further, what some analysts perceived as brash hubris on Enron's part has not translated into measurable profits, and consequently Wall Street has reacted by sending Enron's stock to a level that is about half of where it was a year ago. The individual sectors that Enron has pursued are all unique, but they share the common denominator of taking Enron away from what was a successful core business. Further, they are similar in that Enron aggressively sunk large sums of capital into new business lines for which it arguably had unrealistic expectations for growth. The problem with Enron's bandwidth unit is that the company has faced an unanticipated excess of fiber-optic lines, which has prevented the demand for the division's services from materializing as anticipated. The problem with Azurix, which has been losing money since its formation in 1998, is that privatization of the water sector has not materialized as quickly as Enron and other companies anticipated. In addition to these problem areas, Enron also faces challenges related to its investments in India (where it is locked into a legal battle with the state government) and California (from which Enron has yet to receive full payment for previous power sales).

In addition to the losses outlined in the 3Q report, there are new issues that are brewing at the start of this week. First, the SEC has requested that Enron provide information regarding "certain related party transactions." Not much additional information is presently available about this inquiry. However, it is probably connected to earlier reports about concerns related to the dealings of Enron's Chief Financial Officer Andrew Fastow, who up until very recently had run a limited partnership that bought assets from Enron. Ken Lay has said that Enron will cooperate fully with the SEC's request. In a separate development, several mutual funds (including AIM Constellation that once held large positions in Enron) have either liquidated or reduced their holdings in the company, which has further weakened Enron's stock value. Portfolio managers of the mutual funds have cited concerns about Enron's ability to balance its new businesses with its core strength as an energy trader.

The present challenge for Enron is to convince investors that the company remains on solid ground despite the losses. Thus, Lay has been quick to reiterate that earnings from the company's energy and gas-pipeline business are still strong. Further, Lay says that the charges reported in the third quarter should be seen as a way to "clear away issues that have clouded the performance and earnings potential of our core energy businesses." Nevertheless, the fact remains that Enron has invested huge amounts of money toward its diversification effort, and in addition to water and broadband the company has invested into the steel and pulp and paper sectors as well. Thus, several questions remain at this juncture. Are the losses reported in the third quarter only a temporary setback for Enron that will clear the way for the company to return to a primary focus on its core business of energy trading? Or, will the losses continue into the fourth quarter and 2002? Moving forward, will Enron once again reshape its business model and eliminate the various businesses to which investors have reacted less than favorably? Only time will tell as the industry

continues to watch the developments at Enron, which is clearly a company in the midst of another wave of change.

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Monday November 5, 12:16 pm Eastern Time

Fitch cuts ratings on Enron debt

(UPDATE: Adds details, background throughout)

NEW YORK, Nov 5 (Reuters) - Fitch on Monday cut its ratings on the debt of embattled energy trader Enron Corp. (NYSE:ENE - news) and warned that it may cut the ratings again if the company does not reduce its debts, if its trading business deteriorates or if charges exceed present estimates.

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"Today's rating action reflects the difficulties Enron faces in managing its liquidity position in the face of an erosion in investor confidence," Fitch said.

Fitch cut Houston-based Enron's senior unsecured debt to "BBB-minus," one notch above junk, from "BBB-plus," its subordinated debt to "BB" from "BBB," and its commercial paper to "F3" from "F2." The rating agency also downgraded Enron's preferred stock to "B-plus" from "BBB-minus."

Fitch said reducing debt and exiting problem businesses are a management priority, and if Enron is successful, the company's credit profile will improve.

"However, the targeted transactions have varying degrees of execution risk, particularly the divestiture of assets in emerging-market countries," Fitch said.

Fitch's cut follows downgrades last week by Moody's Investors Service and Standard & Poor's. Enron's shares have lost more than 65 percent in less than a month amid concerns about financial practices that triggered an investigation by the U.S. Securities and Exchange Commission.

S&P last Thursday cut Enron's corporate credit and senior unsecured debt ratings to "BBB," two notches above junk status, from "BBB-plus." Moody's Investors Service last Monday cut Enron's senior unsecured debt to "Baa2," two notches above junk, from "Baa1."

Downgrades could make it tougher for Enron to issue debt and run its day-to-day business if fellow marketers and traders demand more collateral.

Enron lined up \$1 billion of new credit last week but may still have to sell assets to head off a credit squeeze and restore investor confidence, according to investment bankers.

In its third-quarter results report last month, Enron said it expected over a billion dollars of write-offs related to soured investments. It also announced an extra \$1.2 billion write-down of shareholder equity related to investments that were not recorded on its balance sheet.

Enron's 6.4 percent notes due in 2006, bid at about 80 cents on the dollar a week ago, were bid at 73 cents on the dollar on Monday, a strategist said.

Enron shares were up 40 cents, or 3.55 percent, at \$11.67 in midday trade on the New York Stock Exchange. The shares have been in free-fall for two weeks.

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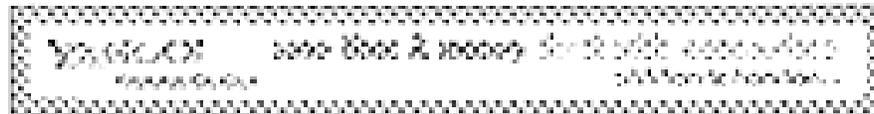
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Thursday November 19:51 PM ET

Enron Lines Up Cash to Soothe Wall Street

Audio/Video

By Jeff Franks

Enron gets \$1 billion in financing - (ON24)

HOUSTON (Reuters) - Enron Corp., gathering money to soothe a worried Wall Street, lined up \$1 billion of new credit on

Thursday, then saw its credit rating cut for a second time this week as the nation's largest energy trader struggled to restore investor confidence shaken by questionable financial transactions.

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Shares in the Houston-based company, whose dealings are under investigation by the U.S. Securities and Exchange Commission (news - web sites), tumbled \$1.91, or 13.7 percent, to \$11.99 as the market continued a two-week-long pummeling of the stock.

At issue are off-the-balance sheet deals with limited partnerships, run by then-chief financial officer Andrew Fastow, which contributed to a \$1 billion charge against third quarter earnings and a \$1.2 billion reduction in shareholder equity announced on Oct. 16. Angry investors say Enron has not fully explained the transactions or whether it faces more liabilities.

The company, taking the tack that an having abundance of money available would ease fears about its financial stability, said on Thursday it got \$1 billion in credit lines from J.P. Morgan Chase & Co.(NYSE:JPM - news) and Salomon Smith Barney Inc., the investment banking arm of Citigroup Inc.(NYSE:C - news)

The new credit, which comes on top of \$3.3 billion in lines that Enron (NYSE:ENE - news) tapped last week, came with the proviso that the company's gas and pipeline assets be put up as collateral, a measure usually reserved for firms with "junk" credit ratings.

ALLAY FEARS

But a grateful Ken Lay, Enron's chairman and chief executive, thanked the two Wall Street institutions for their support and said the credit infusion should help allay investors' fears.

"We very much appreciate the support of two of our long-standing banking partners," he said in a statement. "With more than \$1 billion in cash currently on our balance sheet, this additional

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credit capacity will further solidify Enron's standing as the leading market maker in wholesale energy markets."

The good news was tempered later in the day by Standard & Poor's announcement that it had cut Enron's credit rating and could do so again if the situation worsens.

The rating agency cut Enron's corporate credit and senior unsecured debt ratings to "BBB," two notches above junk status, from "BBB-plus," its subordinated debt rating to "BBB-minus" from "BBB," and its commercial paper rating to "A-3" from "A-2."

It also downgraded ratings for several Enron share trusts.

Downgrades could make it harder for Enron to issue debt and run its day-to-day business as fellow marketers and traders demand more collateral. If the ratings fall to junk, or below investment-grade, Enron could be forced to issue more shares, analysts said.

S&P said it cut the ratings because of questions about whether Enron was taking sufficient action to fully restore its credit quality.

"The company's financial flexibility has continued to diminish. This crisis of investor confidence can be traced ... directly to the company's inability to calm investors that are unsure about the strength of Enron's core energy marketing business and the viability of the company's plan to restore its credit profile," it said.

FULL DISCLOSURE

"A full, frank disclosure and discussion of the business and financial issues facing the company and its plans to address them will be necessary before investors will be able to confidently evaluate the merits of investing in Enron securities," the agency added.

S&P nevertheless said Enron's liquidity position is "adequate" to see the company through its current problems and that Enron was unlikely to see its position as the industry's top energy marketer endangered as long as it operated transparently.

On Monday, Moody's Investors Service cut Enron's long-term debt to "Baa2," also two notches above junk, and warned it may cut that rating and Enron's "Prime-2" commercial paper rating.

Enron was once a Wall Street darling lauded for its ability to create new Internet-based commodity markets that produced soaring profits and a stock price that seemed to defy gravity.

But setbacks in its bandwidth business and overseas investments, plus problems arising from the California power crisis hurt its do-no-wrong image. And in August, former Chief Executive Jeff Skilling shocked the financial world by resigning after just six months on the job, citing personal reasons.

The stock, whose year-high was \$84, began to sink, then fell off a cliff after the company's Oct. 16 announcement. That day, shares closed at \$33.84.

Trying to shore up its credibility, Enron replaced Fastow last week with another Enron executive, Jeff McMahon.

The company said on Wednesday an SEC "informal inquiry" begun Oct. 22 had become a formal investigation, possibly indicating regulators did not like what they had seen. It elected University of Texas law school dean William Powers to the board of directors and put him in charge of an internal probe into the deals.

Despite all the bad news of recent weeks, Enron said on Thursday its core business of energy trading was going strong.

Enron spokesman Eric Thode said transactions on the Houston-based company's widely watched Internet EnronOnline system were averaging some \$3 billion to \$4 billion a day, up from a 30-day average of \$2.5 billion.

Enron is by far the nation's largest natural gas and electricity trader, with industry analysts estimating it is involved in some 25 percent of daily trade in those markets.

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Sunday November 4, 4:54 pm Eastern Time

Enron could be forced into major asset sales

By Arindam Nag

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NEW YORK, Nov 2 (Reuters) - Struggling energy giant Enron Corp. (NYSE:ENE - news) may have to sell power plants, pipelines and even some of its energy trading assets as it seeks to head off a credit crunch and restore investor confidence, investment bankers said.

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While Houston-based Enron lined up \$1 billion of new credit last Thursday, it still suffered a second credit rating cut amid concerns about questionable financial transactions that have triggered an investigation by the U.S. Securities and Exchange Commission.

The deteriorating picture, including a drop of almost 70 percent in its share price in less than a month, has close watchers of the company saying it will probably have to break itself up if it is to stay independent.

"It will have to refocus on its core strengths and get out of other businesses," said one investment banker close to Enron.

There is also the possibility of a full bid for the company given its market value has now sunk to less than \$9 billion. On Sunday, Britain's Independent reported that energy giant Royal Dutch/Shell Group (quote from Yahoo! UK & Ireland: SHELL) may mount an \$11 billion bid for Enron.

Still, most bankers think such an opportunistic bid is unlikely given the questions hanging over Enron's balance sheet.

During its third-quarter results announcement last month, the company said it expected over a billion dollars of writeoffs related to several soured investments, including broadband communications and water utility interests.

It also announced an extra \$1.2 billion writedown of shareholder equity related to investments that were

not recorded on its balance sheet.

The big challenge Enron now faces is to decide what assets it could sell first and what is the best possible price it can achieve from them, the bankers said.

"In terms of classic corporate finance, the question they should ask is: 'Do I get enough money that represents equity?'" said Alan McFarland, a Wall Street veteran and co-founder of merchant bank McFarland Dewey & Co.

Enron's future is still likely to lie in its wholesale energy trading operations -- with an average trading volume of up to \$10 billion a day -- which bankers say comprise 60 percent to 65 percent of the value of the whole group.

CIBC Markets estimates the asset-per-share valuation of this business to be around \$24 out of a total of about \$38 of assets per Enron share.

The company's known liabilities are pegged at \$12 per share by CIBC, though given the uncertainty over the off-balance sheet transactions, this is the area most in question on Wall Street as shown by a share price that ended last week at \$11.27.

WHAT CAN BE SOLD FIRST?

At the top of the list of likely asset sales is its 65 percent of Dabhol Power Company, which controls a power project in the western Indian state of Maharashtra. Altogether, Enron's assets in the company are estimated to be worth \$870 million, analysts said.

Enron is currently talking to two local players in India -- BSES Ltd and Tata Power Ltd -- about a sale of the stake, a deal that was in the works well before the recent crisis of confidence.

The company is also likely to consider selling its gas pipeline and transportation business, which include 25,000 miles of gas pipes crisscrossing the United States.

"That could fetch up to \$4 billion," says John Olson, analyst at Houston-based investment bank Sanders Morris Harris.

This business has shown an average annual profit growth of 18 percent to 20 percent in recent years and includes mainly the Northern Border Pipeline Company, Transwestern, Florida Gas Transmission, and EOTT Energy.

Bankers say finding a buyer for what was once Enron's crown jewels would not be a problem, with companies such as El Paso (NYSE:EPG - news), Williams Cos. (NYSE:WMB - news), and Duke Energy (NYSE:DUK - news) always on the lookout for such assets.

Olson estimates that buyers for these assets would have to assume \$1 billion of related debts.

Indeed, Enron began offloading some assets before the current problems became so pronounced, selling its Portland General Electric unit for \$1.8 billion to Northwest Natural Gas Co. (NYSE:NWN - news) as it began the process of cleaning up its balance sheet.

Also in line for sale, analysts say, would be pieces of its international operations, which could easily

fetch Enron about \$6.5 billion.

These assets include power plants and transportation services in Brazil, Argentina, Australia, and also Europe. Collectively, they are contributing an average of 15 percent returns on equity for Enron and up to \$700 million of annual earnings.

WHEN WILL IT NEED THE CASH?

Some industry analysts say that if Enron's financial crisis worsens and rating agencies continue to downgrade the company's debt, it may even take a close look at its trading businesses.

One investment banker said the company should be able to get rid of its international trading and non-energy commodity trading operations, which account for about a quarter of its total trading revenues, at a reasonably good price.

Enron is the leading player in the UK's spot gas trading market, and is also a leader in liberalizing electricity and gas markets in mainland Europe. It also has some metals, coal, forest products and steel trading interests.

However, some analysts question whether a break-up of Enron could diminish the value of the assets.

"The whole does add up to more than the sum-of-the parts," says Ed Krapels, a consultant with ES&I, a Boston independent research firm specializing in energy trading.

Most are also in the dark regarding the timing of Enron's need for cash.

The speed of any asset sales program will depend on how much Enron's customers and creditors squeeze the energy trading giant.

"Further deterioration in Enron's share price and credit standing would require Enron to post larger cash deposits with many of its counterparties," says Krapels.

If the demands for cash deposits surge, then Enron could be forced into a fire sale rather than a slower and more deliberate offloading of certain assets.

"The additional deposit requirement could exceed Enron's credit lines and the schedule at which it can sell assets to raise cash," Krapels said.

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Monday November 5, 4:02 am Eastern Time

Enron's India lenders to discuss \$2.9 bln project

BOMBAY, Nov 5 (Reuters) - Lenders to an Indian power plant that is majority-owned by troubled Enron Corp (NYSE:ENE - news) will meet in Singapore with the U.S. energy giant to discuss the \$2.9 billion project, a banking source said on Monday.

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Houston-based Enron is seeking to head off a credit crunch and restore investor confidence, damaged after its credit rating was cut and U.S. authorities began investigating its financial transactions.

The meeting in Singapore this weekend will examine offers that two Indian companies have put forward to buy Enron's 65 percent stake in Dabhol Power Company (DPC), which is building the controversial project, the banking source told Reuters.

"The meeting will gauge the interest of the two bidders," the source said.

Enron has been in talks with Tata Power, India's largest private electricity firm, and BSES Ltd about selling the stake, a deal in the works well before the recent crisis of confidence.

BSES and Tata Power officials were not immediately available for comment.

Enron's assets in Dabhol are estimated to be worth \$870 million, analysts said.

WHO BLINKS FIRST

"It is a matter of who blinks first," said one banker familiar with the negotiations. "But given Enron's recent troubles, we expect them to sell at a substantial discount."

Sources at the lending banks told Reuters Enron was willing to sell its holding in Dabhol Power at a 10 to 15 percent discount.

An Enron spokesman said he was unable to comment.

But in August, Houston-based Enron said it and its foreign partners were ready to sell their stakes in Dabhol for no less than \$1.0 billion, an amount said to be sufficient to cover their costs and direct financial investment in the project.

Enron's deteriorating position, including a drop of almost 70 percent in its share price in less than a month, has close watchers of the company saying it will probably have to break itself up if it is to stay independent.

Analysts say that while Enron had lined up \$1 billion in credit last Thursday, it may have to sell power plants, pipelines and some of its energy trading assets. The company could also be the object of a takeover bid.

BITTER DISPUTE

The first phase of the controversial 2,184 MW Dabhol Power Plant, India's largest foreign direct investment, has been completed. But work on the second phase was abruptly stopped in June following a bitter dispute between Enron and the plant's sole buyer, a loss-making Indian utility.

The meeting in Singapore will take place a few days before the expiry of Enron's six-month notice to the utility expressing its intention to terminate the power purchase agreement.

This contract governs the terms of the sale of power by Dabhol to the state-run Maharashtra State Electricity Board (MSEB), the nearly bankrupt power distribution monopoly in the state where the plant is located.

After November 19, Enron will be entitled -- under the terms of the contract -- to submit the dispute to binding arbitration by the International Court of Arbitration in London.

U.S. conglomerate General Electric (NYSE:GE - news) and construction firm Bechtel Corp each own 10 percent in the project, with the remaining 15 percent held by MSEB.

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Monday November 5, 10:09 am Eastern Time

Enron to Exit India Power Project

Enron's Power Company in India Makes First Formal Step Toward Leaving \$2.3 Billion Project

NEW DELHI, India (AP) -- Enron Corp.'s (NYSE:ENE - news) Dabhol Power Project has served an asset transfer notice to its sole customer, the Maharashtra State Electricity Board, the first formal step toward the U.S. energy company's exit from the \$2.3 billion project.

The notice starts the valuation process of assets of the Dabhol Power Co., Enron said in a statement Monday.

Enron's decision to exit came after a prolonged payment dispute with the electricity board, the government owned power utility that must buy power from the Dabhol project. Enron holds 65 percent stake in the project, the biggest ever foreign investment in the country.

The dispute forced the Houston-based company to shut operation of Dabhol plant in May.

"The transfer notice ... is necessary to protect the interest of Dabhol's sponsors, lenders and other stake holders," the company statement said.

General Electric Co. and Bechtel Group Inc. of the United States hold 10 percent stake each in the company.

Enron has gone to a London court for international arbitration, but says it would preferred a negotiated settlement with the federal government and the government of western Maharashtra state.

The company still prefers a negotiated purchase of the project by the Indian government and Indian term lending bodies which have funded the equity of foreign sponsors, the statement said.

"However, ongoing discussions between DPC and the government of India are yielding no significant progress," the statement said.

This has forced the company to serve the asset transfer notice, which will lead to final termination of the power purchase agreement with the federal government and the Maharashtra state, and ultimate recovery of damages caused to Enron, the statement added.

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Monday November 5, 2:26 am Eastern Time

Enron made \$35 mln purchase from co run by officer -WSJ

NEW YORK, Nov 5 (Reuters) - Enron Corp. (NYSE:ENE - news) made a \$35 million purchase from an entity run by a company officer, raising new questions about financial dealings with its management, the Wall Street Journal reported in its online edition on Monday.

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The report comes as the former Wall Street high flyer faces a full-scale probe by U.S. regulators into questionable financial dealings and as the company's market value has fallen by more than \$17 billion in less than three weeks.

The Journal said the Enron officer involved in the transaction was Michael Kopper, a former managing director of the company's Enron North America unit, and that the company receiving the money was Chewco Investments LP.

It said that Kopper was an associate of Andrew Fastow, the company's former chief financial officer who has been linked to transactions now under

investigation by government regulators.

In 1999, the two set up a private partnership known as LJM2 Co-Investment LP, which was involved in billions of dollars of transactions with Enron, according to private-partnership documents and company SEC filings, the paper said.

Chewco



Business - Reuters - updated 10:06 AM ET Nov 5



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Sunday November 4 4:23 PM ET

Critics Take Aim at Enron's Board

By Deepa Bahington

NEW YORK (Reuters) - The makeup and workings of the board of Enron Corp. (NYSE:ENE - news) suggest that the stunning fall from grace of the energy trading giant may have been an accident waiting to happen, corporate governance experts said.

As investors come to grips with more than \$17 billion in shareholder wealth stripped from the company's market value in less than three weeks, a lack of oversight is seen by some as having played no small part in Enron's woes.

The largest energy trading company in North America is mired in a crisis that might have been averted, or mitigated, if the board had been more vigilant and less open to dominance by a group of longtime directors, they said.

"Whoever set up the board was not making it easy for it to prevent the kind of problems they're fighting right now," said Neil Minow, editor of business research group The Corporate Library, which does extensive corporate governance work and gathers and analyzes information on boards from proxy filings.

In the past week, U.S. regulators launched a full-scale probe into questionable financial transactions by the company, two credit agencies cut their ratings on Enron debt, and executives trying to restore investor confidence were unable to halt a stock plunge.

Critics point to a core group of long-timers who were in a position to dominate board meetings, and newer members who had almost no financial stake in the firm, and therefore less reason to be concerned about a tumbling share price. Together, both blocks of directors paint the picture of a company that was headed for trouble, experts said.

Insider trading statistics showing that top executives at the Houston-based firm sold hefty stakes in Enron over the past year were another bad sign, warning, as they might have, that the sellers lacked confidence in Enron's future, they said.

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Enron's recent struggles mainly stem from off-balance-sheet financing transactions linked to former CFO Andrew Fastow. Those financing deals, which involved partnerships and complex deals not fully understood by investors, triggered a full-blown investigation by the U.S. Securities and Exchange Commission ([news](#) - [web sites](#)).

Enron says that its board approved the transactions and was kept fully informed, but critics hardly find that reassuring.

"What happened at Enron is just a breakdown in internal controls," said Ralph Ward, publisher of the *Boardroom Insider*, an online newsletter. "If they (the board) did know, then they are in really big trouble."

BREAKDOWN OF INTERNAL CONTROLS

Though blame may not fully rest with the board, critics ask why the directors did not take a closer look at the deals.

"If they found no problems with these deals, it kind of asks you what sort of judgement they had," said Pat McGurn, vice president of Institutional Shareholder Services, which advises major institutional investors on corporate governance. "That's the saddest scenario."

The composition of Enron's board offers insight on its independence and oversight. Low stock ownership some directors had in Enron is the most striking aspect, said Ric Marshall, chief executive of The Corporate Library.

Many companies require their directors to own a minimum amount of stock to ensure they have a personal interest in the firm's performance -- just like shareholders. For example, oil refiner and marketer Sunoco Inc. ([NYSE:SUN](#) - [news](#)) expects directors to own about \$220,000 of stock, and allows them five years to accumulate a stake equivalent to the required dollar value.

According to Enron's proxy statement in March, director Paulo Ferraz Pereira, a Brazilian ([news](#) - [web sites](#)) banker, did not own any stock in the firm, though he held 3,195 options, and four other Enron directors held fewer than 3,000 common shares each excluding options.

Wendy Gramm, another director who formerly headed the U.S. Commodity Futures Trading Commission, cited a conflict of interest for not receiving Enron stock options in 2000.

"All of these people are saying: 'We're on this board, but we're not investing in it,'" said Marshall, the head of The Corporate Library. "There's no way those directors are going to take the same interest in the well-being of the company as those who have their own money on the line."

Academic research has repeatedly shown that stock ownership and a firm's performance are strongly related. McGurn, the executive at Institutional Shareholder Services, said.

LONG-TIME DIRECTORS

On the other hand, six directors who have been on the board for at least 16 years, are among those with a sizable stake in the firm, Marshall said. For example, *Beeco Oil & Gas Corp.* ([NYSE:BOG](#) - [news](#)) Chairman Robert Belfer, who has been on Enron's board 18 years, owned

more than 8 million common shares at the time of the March proxy filing.

Such longevity on the board combined with voting power may have allowed a group to dominate meetings without enough vigilance from the other outside directors, Marshall said.

Finally, the board, which had 17 members last year and 14 currently, may have been bloated, say experts. The ideal size of a board is between eight and 10, they said.

"It may indicate that the board may not be taken seriously -- more like a favor to somebody," said B. Espen Eckbo, director of the Center for Corporate Governance at Dartmouth College. "Seventeen is more like a chatting club."

Further, one of the directors, Hong-Kong based Ronnie Chan, chairman of the Hang Lung Group, missed more than 25 percent of its meetings, according to a proxy filing.

INSIDER TRADING REVEALING

The volume of trading by insiders in the last year is also a worrying sign for investors, said Jackie Cook, an independent consultant who does corporate governance research.

For example, in the past 12 months, Chairman Kenneth Lay sold about \$34 million worth of stock and former CEO Jeff Skilling sold \$27.5 million, according to her calculations.

"They've actually sold a hell of a lot," she said. "Insider trading is an important signal for investors. It shows the level of confidence those with the best knowledge of the firm have in the firm."

To be sure, Enron has taken steps to restore confidence by appointing University of Texas dean William Powers Jr. to the board and named him to head a special committee to examine the company's dealings.

When asked about the board's independence and oversight, a company spokeswoman said the committee would have the power to take action, including disciplinary action, over the related-party transactions.

But the board has a long way to go before it can clear its name, say experts.

In a sign the pressure is building for changes on the board, the labor union umbrella group AFL-CIO, which sponsors benefit funds that hold an estimated 3.1 million Enron shares, urged the board to adopt a stricter definition of director independence and disclose director conflicts of independence.

"Clearly this crisis does raise a lot of issues about the independence of the board," McGurn said. "And one way or the other, at the end of the day, there's going to be some changes at the board."

(Additional reporting by Cal Mankowski)

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Sunday October 28 03:07 PM EST

Once-Mighty Enron Strains Under Scrutiny

By *ALEX BERENSON* and *RICHARD A. OPPEL Jr.* *The New York Times*

At the beginning of this year, the Enron Corporation (NYSE:ENE - news) appeared unstoppable. Now the energy company's stock is plunging, and questions about its finances are mounting.

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IS time running out for Enron?

At the beginning of this year, the Enron Corporation, the world's dominant energy trader, appeared unstoppable. The company's decade-long effort to persuade lawmakers to deregulate electricity markets had succeeded from California to New York. Its ties to the Bush administration assured that its views would be heard in Washington. Its sales, profits and stock were soaring.

And under the leadership of Jeffrey K. Skilling, its chief executive, Enron's arrogance had grown even more quickly.

The company, based in Houston, dripped contempt for the regulators and consumer groups that stood between it and fully deregulated markets for electricity, water and everything else.

Everyone would win under deregulation, Enron said especially its shareholders, whose stock would soar as the company profited from creating new markets.

"We are on the side of angels," Mr. Skilling said in March, dismissing those who saw the company as a profiteer in California's energy crisis. "People want to have open, competitive markets. They want fair competition. It's the American way."

But less than a year later, everybody seems to have lost, especially Enron's investors. Enron's stock is plunging, and questions about its finances are mounting.

Some experts in the energy industry worry that if the crisis at the company worsens, trading in natural gas and electricity could be seriously disrupted and energy prices could grow more

volatile. In a worst-case outlook, Enron could become the 2001 version of Long-Term Capital Management, the huge hedge fund whose collapse roiled financial markets during the fall of 1998. Enron's shares have fallen more than 80 percent this year, erasing \$50 billion in shareholder value.

Enron closed on Friday at \$15.40, down 95 cents, after hitting a 52-week low of \$15.04 earlier in the day.

The future of electricity deregulation is in doubt, thanks to blackouts and soaring power prices in California earlier this year a crisis that ended only when that state contradicted deregulation's basic tenets by intervening deeply in the power market. Enron's efforts to become a profit-making water supplier and to create a new market in broadband communications capacity have been expensive failures. In August, Mr. Skilling quit, forcing Kenneth L. Lay, his predecessor as chief executive and still Enron's chairman, to resume day-to-day control of the company.

The company declined to make senior executives, including Mr. Lay, available for comment, and asked that questions be submitted in writing. Mr. Skilling could not be reached.

Enron's problems boiled over earlier this month, when it disclosed that its shareholders' equity, a measure of the company's value, dropped by \$1.2 billion in the last quarter because of a deal disclosed only very hazily in Enron's regular financial statements. The Securities and Exchange Commission is looking into the company's financial reporting, and some investors question whether Enron has overstated profits at its primary business of trading electricity and natural gas.

THE slump in the company's shares accelerated after Enron revealed the fall in its shareholders' equity. On Wednesday, the company forced out its chief financial officer, Andrew S. Fastow, who is at the center of the controversy over Enron's confusing finances. The company, which six months ago seemed to be reaping billions of dollars from California's energy crisis, today faces a potential cash crunch.

The surprise about shareholder equity inflamed investors' smoldering concern about Enron's opaque financial statements. Now, with Wall Street analysts and bond-rating agencies demanding more information about the complex transactions that have fueled the company's profits, Enron has been reduced to issuing news releases assuring investors that it has adequate access to cash.

Enron does not appear to be in immediate danger of running out of cash. On Thursday, the company drew down a \$3.3 billion credit line it had previously arranged with a group of banks led by Citigroup and J. P. Morgan Chase, which have each extended at least \$400 million. But because of Enron's importance in the natural gas and electricity markets, industry experts say that any problem at the company could disrupt energy trading nationwide.

The supply of natural gas and electricity would probably not be affected even if the company failed, because Enron is mainly a trader, rather than a producer, of energy. But a crisis at the company might increase the volatility of energy prices, which have swung wildly in the last year.

Philip K. Verleger Jr., an energy- markets economist, emphasized that he thought Enron would survive this crisis. But he said it was not clear what would happen if Enron ran out of cash or if

traders that use the company's EnronOnline Internet trading marketplace defaulted on their obligations.

"You suddenly have all these positions they have taken on there are they good? Are the firm's hedges good? What's the situation?" Mr. Verleger said. "It's got everyone scared."

In the short run, Enron's credit rating may be its biggest problem. If the company's rating falls below investment grade, Enron could be forced to issue tens of millions of shares of stock to cover loans that it has guaranteed. But creating new shares would make the shares that already exist less valuable, because those shares would no longer represent full ownership of the company.

A drop in the company's credit rating could also prompt other energy traders and producers to back away from doing business with Enron, hurting the company's sales and profits.

Enron's credit rating stands several notches above the critical point. But its bonds, which are publicly traded, have fallen so low that they are now offering interest rates of almost 10 percent, comparable with many junk bonds. Two of the three major credit-rating agencies, Moody's Investors Service and Fitch Investors Service, have put Enron's bonds on review for possible downgrades.

"The issue that's in the front of everybody's mind right now is credit," said Mark Gurley, senior vice president and general manager for trading at Aquila Inc., one of the nation's largest energy traders. Aquila is based in Kansas City, Mo.

For now, Aquila and other major energy traders and producers, including Reliant Energy, the El Paso Corporation and Dynegy, are continuing to do business with Enron. And Mr. Gurley said that Enron's own trading in the electricity and natural gas markets did not suggest the sort of frenzied selling reminiscent of the collapse of Long-Term Capital Management in 1998.

"They haven't done anything trading-wise that gives me any indication they are closing their books down," he said.

Still, some executives at other companies said they were looking more carefully at transactions with Enron, especially long-term contracts. They also said risk-management and credit officers were calling each other regularly to discuss the situation.

Mark Palmer, an Enron spokesman, said on Friday that no energy-trading company had stopped doing business with Enron. He declined to say whether any of the company's trading partners had suspended or altered credit terms. He said the company was continuing to see normal volumes of business.

But the crisis that Enron will face if its credit rating is downgraded is just a symptom of the bigger problem the company must confront. For years, the details of Enron's finances have been a mystery even to the Wall Street analysts whose job it is to follow the company, and to the investors who own its stock and bonds. When Enron's profits were soaring and it was creating lucrative new markets, shareholders did not seem to care about the impenetrability of its financial statements.

Now they do. Yet the company seems incapable of offering straight answers to the questions

investors ask.

To others in the industry, the opaqueness of the company's financial statements parallels Enron's efforts to keep its energy-trading business lightly regulated and free of disclosure requirements. Though they do not expect Enron to crumble like Long-Term Capital Management, they say that, like the giant hedge fund, Enron uses a lot of debt, regulatory oversight is limited and outsiders have a difficult time figuring out its finances.

The most pressing concerns are a series of partnerships and trusts Enron created to move some of its assets and debt off its balance sheet. With names like Marlin and Osprey, the partnerships have at least \$3.3 billion in bonds outstanding, backed by assets like a stake in Azurix, Enron's water company subsidiary. Enron has promised that if the partnerships' debts exceed the value of their assets, Enron will issue enough new shares to make up the difference.

DEALS with partnerships formed by Mr. Fastow, who was chief financial officer when they were organized, led to the \$1.2 billion write-off in shareholders' equity that Enron announced last week. The company has offered only skimpy details of its transactions with those partnerships.

Enron ended its relationships with those partnerships in the last quarter, after being criticized by shareholders. In the process, it wrote off a promissory note that it had carried on its books, reducing its shareholders' equity by \$1.2 billion. But, because of complex accounting rules, the transaction was not apparent in Enron's quarterly earnings report.

The transaction disturbs investors because it suggests that Enron may have found a way to hide losses, throwing the accuracy of its financial statements into question. When Enron released third-quarter earnings on Oct. 16, it reported a loss from \$1 billion in write-offs on failed investments. The earnings statement did not mention the additional \$1.2 billion equity write-down. But the company said its core business had been solidly profitable, and its shares rose.

In a conference call with analysts after the announcement, Mr. Lay, Enron's chairman, also disclosed the reduction in shareholder equity. The reference was a brief one, however, and some listeners did not catch it. Those analysts were angered when they found out the next day what Enron had done, and many were confused by the accounting procedure. Enron's stock began to slide, and investors clamored for more information about the write-off. But so far, the company's efforts to clear up the situation have further unnerved investors.

Mr. Lay has met with investors during the last two weeks to try to explain the deals, but some on Wall Street say they have come away with doubts about Mr. Lay's grasp of the situation. They say that the two people at Enron who appear to have been most knowledgeable about the deals Mr. Skilling and Mr. Fastow have both left the company.

In an interview in late August, Mr. Lay said he did not know some details about the deals involving Mr. Fastow. In response to one question about them, he said, "You're getting way over my head."

Mr. Palmer of Enron disputed any suggestion that Mr. Lay did not have a grasp of the investments at issue, saying Mr. Lay was handicapped in talking about them because of the S.E.C. investigation. "There is not a whole lot we can say, or should say, about them," Mr. Palmer said. He also said the company expected to generate about \$3 billion in cash through

asset sales by the end of next year.

In a conference call on Tuesday, analysts pressed Mr. Lay and other top Enron executives to reveal more information about the LJM write-down and its other partnerships. Instead, they offered only vague explanations of the deal, leaving Wall Street worried that more write-offs might be coming.

David Fleischer, a Goldman, Sachs analyst and a longtime supporter of the company, was among those who came away concerned. "If Enron is unable to clarify its off-balance-sheet transactions and restore confidence in the very near term by assuring investors that no more surprises are forthcoming that would affect the balance sheet or liquidity position, then the company will likely lose access to the capital markets," he wrote in a research note after the call.

To try to reassure investors, Enron said late Thursday that EnronOnline, its Internet-based trading exchange, executed more than 8,400 trades that day, a higher-than-normal volume.

"We know we have our work cut out for us if we are to rebuild our credibility with the investment community and we're working on that," Mr. Lay said in a statement. "But in the meantime, the best evidence of our strength is the willingness of customers to bring their business to Enron."

But those reassurances apparently are no longer enough for Wall Street. Enron's stock tumbled almost 6 percent Friday, to its lowest levels in six years.

Now analysts are scrambling to figure out the extent of Enron's off-balance-sheet debt and to assess the risk that the company will have to issue new shares to make good on its partnership guarantees.

Carol Coale, an analyst at Prudential Securities in Houston, calculates that Enron may have close to \$9 billion in off-balance-sheet debt. She said that Enron had for two years been trying to sell about \$6 billion in foreign assets including properties in Latin America and a power plant in India embroiled in a dispute with the state government and she worries about those prospects for sale in light of Enron's problems and the souring economy.

"As Enron is forced to sell assets to keep the ratings agencies off their backs, they may have to write those assets down," Ms. Coale said. On Wednesday, she downgraded her rating on Enron to "sell" from "neutral."

"The bottom line is, it's really difficult to recommend an investment when management does not disclose the facts," Ms. Coale said.

Short-sellers, who attacked Enron's accounting even before the company disclosed the write-off, say the company's problems may run even deeper than analysts fear. Enron may have used the partnerships not just to finance money-losing investments but to hide losses in its core trading business, they say.

"The company still isn't disclosing enough to know whether the core business, the trading business, is profitable," said Mark Roberts, director of research at Off Wall Street, which recommended shorting Enron's stock on May 7, when it stood at \$59.43. "The issue remains:

why are they doing these transactions? Our theory has been that the core operations aren't that profitable."

James Chanos, a leading short-seller who has bet that Enron's stock will fall, said, "Is Enron booking gains when it has real profits, but hiding the losses when deals go against it?" Mr. Palmer of Enron said the company stood by its reported energy-trading profits.

Even traders at other energy companies say they do not have a clear picture of Enron's positions. Enron maintains that it is in no danger of being wiped out by a sharp move in electricity or gas prices because it keeps its trading book balanced meaning the energy it has agreed to sell is offset, in roughly equivalent amounts, by energy it has agreed to buy.

"With these guys, they tell us and all you've got is their word that they're hedged," said Mr. Verleger, the economist.

IN fact, Enron has lobbied forcefully over the years to limit regulation and disclosure of its trading operations. Last year, the company successfully lobbied Congress to effectively ensure that its Internet-trading platform would be exempted from regulation by the Commodity Futures Trading Commission.

Enron and other power traders do file limited information in reports to the Federal Energy Regulatory Commission, the agency that oversees wholesale electricity and natural gas markets. But the commission does not keep track of specific transactions and prices.

Large-scale energy trading has existed for only about a half-dozen years. Enron pioneered the business, and now dominates it, accounting for about one-quarter of all trading in the United States.

Before Congress and federal regulators opened up the market for wholesale electricity, a process that began in earnest a decade ago, the power business was a simpler affair. Utilities were given areas of monopoly service, and their rates and ability to deliver enough electricity were overseen by state regulators. But with the move to deregulate the business, independent and unregulated generators and traders have flourished, providing an ever-growing portion of the nation's power.

Beginning in the 1980's, the sale and transportation of natural gas was also deregulated, spurring Enron, which used to be primarily a gas-pipeline company, to move into the trading business.

The company's shift to trading gas and electricity accelerated in the mid-1990's, with the ascension of Mr. Skilling, who became chief executive in February, just six months before his unexpected resignation. Underscoring the change in direction, in securities filings this year Enron described its principal business as "security brokers, dealers and flotation." Before, it had said it was in the business of "wholesale-petroleum and petroleum products."

For most of its ascent, Enron reported outstanding profit figures and Wall Street accepted them with pleasure. A year ago, when it disclosed the first transactions with partnerships led by Mr. Fastow, the company's former chief financial officer, analysts who asked questions were told that the deals were routine and were being disclosed only because of Mr. Fastow's involvement.

Enron does not appear to face an immediate cash crunch. But the bank credit lines that it drew on last week to pay off its short-term debt will have to be renegotiated next spring. The controversial partnerships do not have to pay their debts until the following year unless Enron loses its investment-grade credit rating before that.

ENRON will also need to maintain its large trading positions, which could suffer if participants in those markets grow more nervous about Enron's credit. When Long-Term Capital was stumbling in 1998, some Wall Street rivals sold the securities they thought Long-Term owned, trying to force Long-Term to sell its positions quickly and at a loss. Something similar in energy markets might be possible. If so, Enron might find, as Long-Term did, that positions that should offset each other do not.

Enron's new chief financial officer may yet persuade investors that in fact the company's profits are real, and that its condition is better than the short-sellers believe. As questions are answered, confidence, and the share price, could rebound.

But for now, investors are skittish, and some competitors are eager to take advantage of Enron's plight.

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Saturday October 27, 10:01 am Eastern Time

Lenders to meet over Enron's Dabhol on Nov 3

BOMBAY, Oct 27 (Reuters) - Lenders to power plant in India majority owned by Enron Corp (NYSE:ENE - news) have called a meeting next week in London to discuss ways of reviving the beleaguered project, a banking source said on Saturday.

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C	43.10	-1.30
ENE	11.72	-2.09
GE	36.71	-0.72
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They will examine offers that two Indian companies have put forward for buying the U.S. energy giant's 65 percent stake, and those of two other U.S. firms, in Dabhol Power Company (DPC), which is building the controversial project, the source told Reuters.

The meeting of lenders, who include multinational banks such as Citibank (NYSE:C - news), Bank of America (NYSE:BAC - news), will be held on November 3, the source added.

At stake is not just the fate of the \$2.9 billion, 2,184 MW project, which is India's largest foreign direct investment, but also the over \$600 million investment of Enron, General Electric Co (NYSE:GE - news) and

Bechtel.

All three companies are founders of DPC, which in 1995 got permission from India's Maharashtra state government to set up the plant on its coast.

The plant's first phase of 740 MW was completed in 1999, but work on the second phase of 1,444 MW, which is 97 percent complete, was abruptly stopped in June this year following a blazing row with cash-strapped state utility MSEB.

MSEB, which agreed in 1995 to take the plant's entire output, said it can no longer do so because Dabhol's power is too costly.

Dabhol, in turn, accused MSEB of defaulting on its monthly payments and served a preliminary notice to terminate the power purchase contract.

Under this notice, both companies are given six months time to settle the matter through negotiations. If talks fail, Dabhol has the right to issue a final termination notice and take the matter to arbitration in London. That six month period expires on November 19.

Houston-based Enron, which owns 65 percent of Dabhol, further announced that it intends to exit the project and offered to sell its equity to the Indian government.

TIME RUNNING OUT

The Business Standard newspaper reported that next week's meeting would also discuss a request by Dabhol to finally terminate the contract after November 19.

"It is one of the items on the agenda," the paper quoted a senior banker as saying.

The paper said once Dabhol serves the final notice, the matter proceeds to arbitration, which would not help India.

"The widespread view among the government and lenders is that in such a situation DPC will win hands down," the paper added.

A Dabhol spokesman could not be contacted immediately.

The source said the meeting would review the progress made in resolving the dispute so far.

The Indian government has not responded to Enron's offer to buy its equity, but two Indian companies, BSES Ltd and Tata Power Ltd, have shown interest.

They have agreed to take over the project if the cost is reduced, and if the founders agree to sell their stake at a discount.

Local business daily, the Economic Times reported on Friday that Tata Power and BSES are willing to pay the founders \$450-\$600 million for the 85 percent stake held by Enron, GE and Bechtel.

Enron has rejected the offer and is not ready to settle for anything less than \$1 billion, the paper added.

Officials of Tata Power and BSES were not immediately available for comment.

(\$1 equals 48.00 Indian rupees)

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Monday, October 29, 11:49 am Eastern Time

TRADE IDEA-Junk rating not likely for Enron

NEW YORK, Oct 29 (Reuters) - A collapse of market confidence could hurt the credit quality of energy trading giant Enron Corp.(NYSE:ENE - news), but its bonds are not likely to end up in junk territory, fixed-income research service GimmeCredit said on Monday.

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Moreover, Enron's bonds could be undervalued if the company's off-balance-sheet obligations amount to no more than \$3 billion, as reported, GimmeCredit said.

"Worst case, Enron doesn't look like a junk credit," GimmeCredit analyst Carol Levenson said. "But perception is all, and clearly both the stock and bond markets view Enron as being in dire straits."

Enron's bonds fell sharply on Friday after the energy giant drew down about \$3 billion from a credit line and said it was in talks with its banks to obtain a new multibillion-dollar credit line.

The company's stock has lost more than half of its value in the last two weeks as investors questioned off-balance-sheet transactions between the company and two limited partnerships run by former Chief Financial Officer Andrew Fastow. The U.S. Securities and Exchange Commission is looking into those transactions for possible conflicts of interest.

"We admit management's financial disclosure remains woefully inadequate," GimmeCredit said. "However, botched investor communication does not necessarily equate to illegal or fraudulent behavior."

Still, Enron's move last week to draw down all of its backup bank lines was "an act of desperation," GimmeCredit said. The move eventually may lead to renegotiated bank agreements, which could be more expensive and restrictive and could also subordinate the position of bondholders, it said.

"On the plus side is our belief that management will do everything in their power to preserve the company's investment-grade ratings," the firm said.

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Another positive is a precedent the rating agencies set with Kmart Corp. in the mid-1990s, when they tried to avoid being the cause of a company's financial downfall, GimmeCredit said.

Moody's Investors Service on Monday cut Enron's senior unsecured rating to "Baa2" from "Baa1" and kept it on review for further downgrade. Moody's said its actions were prompted by deterioration in Enron's financial flexibility since the company announced significant write-downs and equity charges in previously undisclosed partnership investments.

Last Thursday, Standard & Poor's revised its outlook on Enron to negative while affirming its "BBB-plus" long-term rating.

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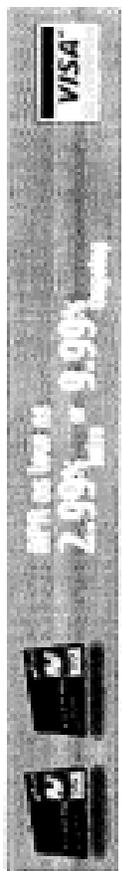
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Monday October 29, 4:42 pm Eastern Time

US Corp Bonds-Weaker as supply mounts; Enron slips

By Nancy Leinfuss

NEW YORK, Oct 29 (Reuters) - U.S. corporate investment-grade bonds finished the session wider on Monday, with the market anticipating a wave of new supply following a record \$29.8 billion last week.

"Spreads are slipping with new supply," one trader said. "We saw a huge amount last week and we're expecting to see a heavy amount this week as well."

In secondary trading, spreads -- the yield difference between corporate bonds and comparable maturity U.S. Treasuries -- widened about 0.02 to 0.04 percentage point, depending on the sector, traders said.

In late trading, 10-year Treasuries gained 10/32, sending their yield down to 4.48 percent.

CALENDAR GROWS

Kraft Foods Inc. (NYSE:KFT - news), the Northfield, Illinois-based maker of Philadelphia cream cheese and Oscar Mayer meats, was the latest to join the fray of new issuers stepping into the market. The company plans to sell \$2 billion of five- and 10-year notes through J.P. Morgan and Lehman Brothers Inc. On Friday, Kraft announced plans to cut 1,000 U.S. employees by a voluntary retirement program.

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KFT	34.16	+0.46
THC	57.43	-1.55

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Sprint Capital Corp., a unit of Sprint Corp., is expected to sell \$1.5 billion of notes due 2007 via underwriters Bank of America and JP Morgan, dealers said. The notes are expected to price at a spread of 2.40 to 2.50 percentage points over Treasuries, dealers said.

Another \$1 billion to \$2 billion of five-year notes are seen coming to market via Wachovia Corp., market sources said.

Separately, Tenet HealthCare Corp. (NYSE:THC - news) plans to sell \$2 billion of 10-year notes, less than a month after Moody's upgraded the hospital operator's debt to investment-grade.

Last week, in addition to the weekly record of investment-grade debt, issuers sold \$825 million of junk debt and \$2.58 billion of convertible bonds.

For a complete list of upcoming or recently priced bond deals, please click on [nNEUBD4].

ENRON

Energy trading giant Enron Corp. (NYSE:ENE - news), which saw its shares free-fall to near seven-year lows and its investment-grade bonds trade like junk, said on Monday it is seeking additional credit to bolster investor confidence after tapping about \$3 billion in credit last week.

The nation's biggest energy trader declined to comment on the size of the credit line, which banks it is in talks with, or when it expects to complete an agreement on the new credit line.

The firm's shares again tumbled on Monday, shedding \$1.69, or 10.9 percent, to \$13.81 on the New York Stock Exchange.

The stock has tumbled more than half in price since Enron released earnings two weeks ago, losing about \$15.1 billion in market capitalization as investors fretted about the transparency of off-balance sheet transactions.

Enron's bonds, now trading at levels associated with higher-risk junk bonds, slipped further on Monday. The firm's 6.75 percent notes due 2009, which wrapped up Friday's session at 80 cents on the dollar, dipped to 78 cents on Monday. Just two weeks ago, the debt traded at investment-grade spreads of about 230 basis points over Treasuries, traders said.

Moody's Investors Service on Monday cut Enron's senior unsecured debt rating to two notches above junk status, and warned it may cut it again, as well as its rating for Enron's commercial paper. Rating agency Standard & Poor's on Thursday revised Enron's outlook to "negative" from "stable."

Enron's credit-worthiness has a direct affect on the price it pays to take out loans, and the perception among its trading partners on the company's ability to make good on trades.

Moody's said Enron is suffering from deteriorating financial flexibility since it announced big write-downs and equity charges from previously undisclosed partnership investments. It said this triggered "difficulties in rolling over commercial paper."

Many industry observers see the request by Enron, which has about \$63.4 billion in energy assets, for an added credit as a sign of weakness.

"Clearly, both the stock and bond market view Enron as being in dire straits," said independent research firm Gimme Credit analyst Carol Levenson, who specializes in high-grade corporate bonds. "We are not of the opinion that drawing down all of one's backup bank lines is a demonstration of financial strength, but instead it's an act of desperation."

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Monday October 29, 11:42 am Eastern Time

Press Release

SOURCE: Wechsler Harwood Halebian & Feffer

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Craig Lowther, Wechsler Harwood Shareholder Relations Department; DQE, Inc.:
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Ramon Pinon, IV, Wechsler Harwood Shareholder Relations Department; Enron, Inc.:
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Monday October 29, 11:40 am Eastern Time

Forbes.com

Enron Goes Begging

Enron said this morning that it is in talks with banks for additional credit, as declining investor confidence sent its stock to a six-year low and several large energy groups put their dealings with Enron on hold. Last Thursday, the energy trader drew down about \$3 billion from a credit line, causing its bonds to fall sharply on Friday.

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Enron has been scrambling to reassure investors and business partners since Oct. 16—after the company reported its first quarterly loss in more than four years. The \$638 million loss included \$1.01 billion in charges on ill-fated investments. A week later, it disclosed that the U.S. Securities and Exchange Commission had asked for information on partnerships run by Chief Financial Officer Andrew Fastow and other executives. Fastow was forced to step down from the company last week.

The turmoil makes it clearer than ever that Enron's problems weren't solved by the recent departure of Chief Executive Jeffrey Skilling.

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Monday October 29, 11:20 am Eastern Time

Moody's cuts Enron to 2 notches above "junk"

NEW YORK, Oct 29 (Reuters) - Moody's Investors Service on Monday cut embattled energy trading giant Enron Corp.'s (NYSE:ENE - news) senior unsecured debt rating to two notches above junk status, and warned it may cut that rating again, as well as its rating for Enron's commercial paper.

The rating agency cut Houston-based Enron's senior unsecured debt to "Baa2" from "Baa1," and said it may cut Enron's "Prime-2" commercial paper rating, which affects short-term debt. Its rating actions affect \$13 billion.

Moody's said Enron is suffering from deteriorating financial flexibility since it announced big write-downs and equity charges from previously undisclosed partnership investments this month. This triggered "difficulties in rolling over commercial paper," Moody's said.

Enron, which has about \$63.4 billion in energy assets, said on Monday it is talking with banks to get more credit, after last week drawing down \$3 billion from a bank credit line to buy back its outstanding commercial paper.

Its shares traded Monday on the New York Stock Exchange at \$13.75, down \$1.75, or 11.3 percent. They have fallen 62 percent since Oct. 12, from \$35.81.

Rating agency, Standard & Poor's, on Thursday revised its outlook for Enron's ratings to "negative" from "stable."

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Monday October 29, 2:45 am Eastern Time

Enron in talks for \$1-2 bln credit line - WSJ

NEW YORK, Oct 29 (Reuters) - Energy trading giant Enron Corp. (NYSE:ENE - news) is negotiating with banks for a new credit line of between \$1 billion and \$2 billion and could close a deal within days, the Wall Street Journal reported in its online edition on Monday.

According to officials close to the situation, the new credit would supplement existing credit lines, largely tapped out after the company drew down about \$3 billion last week to increase cash reserves and calm jittery investors' fears, the Journal reported.

The paper said that an Enron spokesman had confirmed that the company is negotiating a new credit line, but could not supply any further details.

Confidence in Enron has been shattered following disclosures about its involvement in complex partnerships. Its stock has tumbled amid a U.S. Securities and Exchange Commission inquiry into the company's ousted Chief Financial Officer's links to some of the partnerships.

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Tuesday October 30, 10:01 am Eastern Time

Enron shares continue slide

NEW YORK, Oct 30 (Reuters) - Shares of Enron Corp. (NYSE:ENE - news) on Tuesday dropped to their lowest level in more than eight years, a day after the energy giant said it was lobbying banks for a new credit line and a rating agency downgraded the company's senior unsecured debt to two notches above junk status.

Enron's stock was down \$1.06, or 7.68 percent, to \$12.75, nearly an eight-year low, in early trading on the New York Stock Exchange. The last time the shares fell below \$13 was in February 1993.

After cutting Enron's rating, Moody's Investors Service warned that it could lower the rating even further, as well as cut Enron's short-term debt status.

Houston-based Enron has lost about \$15 billion in market capitalization amid a series of negative disclosures about off-balance-sheet deals with two partnerships. Investors looking for answers have abandoned Enron, which has firmly declined to provide details.

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Tuesday October 30, 10:33 am Eastern Time

BusinessWeek Online

DAILY BRIEFING -- Enron Needs to Fix Its Short-Circuits

Daily Briefing: COMMENTARY

By Heesun Wee

Houston-based Enron Corp. (NYSE:ENE - news), which transformed itself from a sleepy utility to a powerful Wall Street energy darling as it became North America's largest buyer and seller of natural gas and electricity, hasn't been able to stay out of the headlines lately. And the news hasn't been good.

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Since mid-October, Enron has reported a \$618 million loss for the third quarter, resulting from \$1 billion in previously undisclosed write-offs. The company also announced a \$1.2 billion reduction in shareholder equity for the quarter, following the termination of complex transactions between Enron and limited partnerships that until recently were headed by Andrew S. Fastow, Enron's former chief financial officer. Fastow was replaced on Oct. 24, just 24 hours after Enron CEO Kenneth Lay had publicly voiced confidence in him.

The unusual transactions raised eyebrows among investors and on the Street about potential conflicts of interest. Why was the CFO personally engaged in complicated hedging transactions involving company assets and millions of Enron shares? The Securities & Exchange Commission has begun collecting information relating to the transactions, although the company says it has done nothing wrong. "This is not an investigation, and we are cooperating with [the SEC] fully," says Karen Dene, an Enron spokeswoman. "And we look forward to putting this matter to rest."

SHOCKING TURN. Wall Street clearly has been rattled by the revelations. The stock is trading around

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\$15 a share, 82% off its 52-week high of nearly \$85 hit last December. "The decision by senior management and the board to allow the CFO to have a personal stake in a related party that was doing transactions with Enron was just poor judgment," says Andre Meade, an analyst who follows Enron at Commerzbank Securities.

New concerns are mounting about Enron's liquidity -- a shocking turn for this once blue-chip energy company. On Oct. 25, it drew down its credit lines to provide cash liquidity "in excess of \$1 billion," according to a company statement. "We are making it clear Enron has the support of its banks and more than adequate liquidity to assure our customers that we can fulfill our commitments in the ordinary course of business," newly appointed CFO Jeff McMahon said in a statement.

It's the first crucial step Enron must take to forcefully restore the confidence of investors, Wall Street, and the energy community. The liquidity issue is crucial for a company that relies heavily on its credit lines to conduct billions in dollars worth of trading deals on a daily basis. On Oct. 24 alone, Enron conducted \$4 billion in transactions through its trading unit EnronOnline, a system widely used by energy traders.

A CREDIT CRUNCH? "Enron has been pivotal in developing the market over the past 10 years. They're just a large player in the market, and you can't stop trading with them. But everyday we're watching the developments," says Jeffrey Foose, managing director of trading at PSEG, a New Jersey-based parent of utility PSE&G.

The risk of a credit crunch developing would be a major blow not only to Enron but potentially to the entire energy market because Enron is such a big player. "If Enron can't play in the market because it can't access credit, what happens to the markets? That's scary," says Glen Hilton, a San Francisco-based portfolio manager for the Montgomery New Power Fund, who holds a position in Enron.

However, that possibility has been raised. So far, credit-rating agency Fitch has placed Enron on a possible downgrade. Standard & Poor's changed Enron's credit outlook to negative from stable. And Moody's Investors Service has said it's looking at a possible downgrade.

ADMITTING MISSTEPS. In addition to restoring confidence, Enron also must refocus aggressively on its core competencies, analysts say -- its wholesale trading and retail energy operations. Just in the first quarter of 2001, volume growth in Enron's wholesale business was up 65% compared to the same period a year earlier. Also during the first quarter, Enron's retail energy-services unit recorded a profit of \$40 million, excluding various charges, compared to \$6 million in restated results for the same quarter in 2000.

"What they did best was trading and marketing energy commodities, and they tried to transfer these skills, and they haven't panned out," Meade adds. In the past several months, Enron has acknowledged missteps in its broadband unit, technical glitches at its Dabhol power plant in India, and a multimillion-dollar write-off resulting from its investment in Azurix Corp., a water company Enron spun off and then repurchased. It also made costly bets on energy markets in Latin America that so far haven't delivered the anticipated rate of return, the analysts say.

"[CEO Lay] is under the gun. He's back defending the company that he by and large built," says Hilton. Indeed. It was Lay who together with former CEO Jeffrey Skilling transformed Enron from a regional natural-gas pipeline company into the world's largest energy-trading company. [Skilling resigned unexpectedly on Aug. 14 for undisclosed "personal reasons" after only six months at the helm.]

FIRST MOVER. By the time the nation's electricity markets began opening to competition in the early 1990s, Enron already knew how to capitalize on deregulated markets because it accumulated valuable experience when the natural-gas industry underwent a similar transformation a decade earlier. When electric-power deregulation finally hit, Enron had the first-mover advantage and was off and running, while many of its peers still were trying to get their boundaries.

Strategies aside, many on Wall Street also are rightly urging Enron to come clean as quickly as possible about any other surprise write-offs that might show up on future financial statements. "There really is a need for much more disclosure," said David Fleischer, who covers the stock for Goldman Sachs & Co., during a conference call on Oct. 23 with management.

"There's an appearance you're hiding something," Fleischer, said to Lay on the call. The Enron CEO said he's aware of the concerns and that the company would offer updates using its Web site and possibly host additional calls in the future. He emphasized that Enron is limited in the information it can release given the ongoing dealings with the SEC.

A year ago when Enron's stock was riding high, the company could do no wrong. With Skilling promoting the company's broadband investments as worth \$30 a share alone -- investors and many analysts were content with the limited amount of financial details the company offered. But that has changed, perhaps for good.

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Moody's downgrades Enron's debt Enron asking banks for more credit

By Lisa Sanders, CBS.MarketWatch.com
 Last Update: 5:49 PM ET Oct. 29, 2001

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NEW YORK (CBS.MW) - Shares of Enron fell further Monday after Moody's Investors Service downgraded Enron's long-term debt a notch.

Enron (ENE: news, chart, profile), which hit a 52-week high of \$84.88 on Dec. 29, was well on its way to another year low Monday. Heading for a ninth straight day of losses, Enron shed \$1.59, or 10 percent, to \$13.81. The stock was again the most active mover on the New York Stock Exchange as close to 36 million shares changed hands.



Moody's said it cut the senior unsecured long-term debt to Baa2 from Baa1, and the ratings remain on review for potential additional downgrades. The action follows Enron's reported \$1.01 billion charge in the third quarter and was driven by the expectation of further write-downs and the swift deterioration of the company's financial picture, said Stephen Moore, vice president at Moody's.

"However, we do feel the move Enron made to draw down their revolvers to pay off their commercial paper was a smart business move," said Stephen Moore, vice president at Moody's. The rating agency said it would review the Prime-2 rating on Enron's commercial paper.

Last Thursday, Enron announced it had tapped its lines of credit to provide more than \$1 billion in cash liquidity and that would it use \$2 billion to pay down commercial paper.

The decision to pay off the commercial paper, he said, accomplishes two goals.

"It increases liquidity on a short-term basis, and additionally, it enables them to focus on other areas they need to focus on right now," Moore said. "They are working on setting up an additional facility for further capital to support their wholesale trading business."



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Monday October 29 1:04 PM ET

Enron in Talks for New Credit Line

Audio/Video

By David Howard Sinkman

ON The Close: Markets plunge in the red, BA and ENE lead the fall - (ON24)

NEW YORK (Reuters) - Energy trading giant Enron Corp. (NYSE:ENE - news), its shares in a new free-fall to near seven-year lows, said on Monday it is seeking additional credit to bolster investor confidence after tapping about \$3 billion in credit last week.

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NASDAQ	1665.75	-33.77
DJIA	9122.67	-146.83
SPSE	392.39	-12.91

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Enron, the nation's biggest energy trader, declined to comment on the size of the credit line, which banks it is in talks with or when it expects to complete an agreement on the new credit line.

"We want to restore investor and market confidence and nothing instills confidence like cash," said Enron spokesman Mark Palmer in Houston, referring to company efforts to secure new credit.

Company shares again tumbled on Monday, shedding \$1.57, or 10.13 percent, to \$13.93 in midday trade on the New York Stock Exchange (news - web sites). Once a Wall Street darling, the stock has tumbled more than half in price since Enron released earnings two weeks ago, losing about \$15.1 billion in market capitalization as investors fretted about the transparency of off-balance sheet transactions.

Moody's Investors Service on Monday cut Enron's senior unsecured debt rating to two notches above junk status, and warned it may cut it again, as well as its rating for Enron's commercial paper. Rating agency Standard & Poor's on Thursday revised its outlook for Enron's ratings to "negative" from "stable."

Enron's credit-worthiness has a direct affect on the price it pays to take out loans, and the perception among its trading partners on the company's ability to make good on trades.

Moody's said Enron is suffering from deteriorating financial flexibility since it announced big write-downs and equity charges from previously undisclosed partnership investments. It said this triggered "difficulties in rolling over commercial paper."

Industry sources on Monday said several large energy companies in Europe are shying away from trading with Enron amid concerns about the company's credit status.

SIGN OF WEAKNESS

Enron shares have tumbled since the company reported its first-quarterly loss in more than four years on Oct. 16. The company also wrote down \$1.2 billion in equity, including transactions with partnerships formerly run by its chief financial officer who was forced to step down from Enron last week.

The sell-off was sparked by investor concern about the transparency of the transactions, which the Securities and Exchange Commission (news - web sites) is examining. Enron last week replaced CFO Andrew Fastow as part of efforts to restore investor confidence.

The Wall Street Journal reported Monday the size of the credit line Enron is negotiating is between \$1 billion to \$2 billion. Enron said it drew down about \$3 billion in credit lines last week, and has a net cash liquid position in excess of \$1 billion.

However, many industry observers see the request by Enron, which has about \$63.4 billion in energy assets, for an additional credit as a sign of weakness.

"Clearly, both the stock and bond market view Enron as being in dire straits," said independent research firm Gimme Credit analyst Carol Levenson, who specializes in high grade corporate bonds.

"We are not of the opinion that drawing down all of one's backup bank lines is a demonstration of financial strength, but instead it's an act of desperation."

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Monday October 29, 10:19 pm Eastern Time

Enron's Stock Slides to New Lows

Enron's Stock Continues Slide After Downgrade Due to Credit Problems

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HOUSTON (AP) -- Enron Corp.'s (NYSE:ENE - news) stock slid to new lows on Monday, pushed down in part by Moody's Investors Service's downgrade of the company's long-term debt and warning of possible further downgrades.

The downgrade came as Enron negotiates with banks to establish new credit lines as the nation's largest natural gas and power marketing company struggles to bounce back from disappointing third quarter earnings and a scandal over losses stemming from partnerships managed by the company's former chief financial officer.

"Moody's analysis of the developing situation will focus on management's success in lining up further liquidity support," Moody's said in a statement. "This will be critical to enable Enron's wholesale business to sustain its earnings and cash flow generation in order to support significant balance sheet obligations."

Moody's initially placed Enron's long-term debt ratings on review on October 16th. On Monday, Moody's said Enron's short-term credit rating is also under review.

In trading Monday on the New York Stock Exchange, Enron shares fell more than 10 percent, or \$1.59 a share, to close at \$13.81 -- their lowest level in nearly seven years. A year ago, Enron stock sold at nearly \$85 a share.

Enron's efforts to acquire more credit came after the Houston-based company last week decided to cash in about \$3 billion in revolving credit it has with various banks to shore up investor confidence.

"We are in discussions about new credit lines," Enron spokeswoman Karen Denne said Monday. "We're taking action to restore investor and market confidence."

Denne would not disclose how much credit the company was seeking. But The Wall Street Journal quoted unidentified sources who said the amount is between \$1 billion and \$2 billion and that the deal is close to being completed.

Denne said of the \$3 billion in credit Enron cashed in last week, \$2 billion of it was used to pay short term debt. Currently, there are no plans for the other \$1 billion, she said.

Moody's on Monday placed all of Enron's long term debt obligations on review for downgrade, citing "substantially reduced valuations in several of its businesses."

On Oct. 16, Enron reported a net loss of \$638 million in the third quarter, taking a one-time charge of \$1.01 billion attributed to investment losses, troubled assets and unit restructurings.

Enron's stock was hammered over the next week as it became apparent some of those losses were tied to partnerships managed by Enron's former chief financial officer, Andrew Fastow.

Concerns about a potential conflict of interest touched off an inquiry by the Securities and Exchange Commission.

Enron ousted Fastow last week.

Moody's said in a press release the "magnitude of the announced charges will reduce Enron's equity base and increase nominal financial leverage to somewhat over 50 percent while slashing earnings."

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OCTOBER Highlights
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Karen Denne, an Enron spokesperson, confirmed Monday that the company is in discussions with banks for further financing. Additional credit would help boost Enron's liquidity position.

The lingering concern for Moody's is that there "yet may be something else out there that gets to the credibility issue of Enron itself," Moore said.

At the heart of the credibility issue are two limited partnerships -- LMJ and LMJ2 - created in 1999 by former CFO Andy Fastow and since dissolved. Enron ousted Fastow last week. *See related story.* "The market was unaware," of the existence of the partnerships, Moore said.

"Quite frankly, we don't think there is anything else," he said. "But Enron is huge, and if this could happen...there is a lingering concern that something else might happen. We cannot confirm or deny that this is true. We will be meeting soon with them to resolve issues such as these."

Moore said the meeting could come as soon as this week.

"Should the wholesale trading business and the counterparties therein become impacted by these events, that could lead to the slowing growth of the wholesale business, the Enron engine," he said.

Moody's action Monday also negatively affected the ratings on two trusts -- Marlin Water Trust and Osprey, which have combined debt of \$3.2 billion. Marlin is now rated Baa2, while Osprey carries a new rating of Baa3, both down a notch.

The potential issue for the trusts may be "how much equity Enron would have to issue if the sale of the underlying assets alone isn't enough to pay off the debt." Enron is anticipating using the proceeds from the sale of assets to meet its obligation.

Lisa Sanders is a Dallas-based reporter for CBS.MarketWatch.com.

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General Electric Illuminates the Market's Future

By Gary B. Smith
Special to TheStreet.com
10/30/2001 08:03 AM EST

Editor's Note: Gary B. Smith's column runs exclusively on RealMoney.com; this is a special free look at his column. For a free trial subscription to RealMoney.com and Gary B. Smith five days a week, click here. This article was published first on RealMoney on Oct. 29.

"What do you think will happen to the market?" Yeah, right there, that's the No. 1 question I'm getting these days. (No. 2: "What happened to your golf game, Gary?") I have my opinions, of course, and you can see them on display nearly every day in this column.

But do I act on them? Rarely. I always let the specific trades I'm seeing dictate how bullish or bearish I'm going to be. That's right, I might think the Nasdaq is going to zero, but if I keep coming up with Nasdaq long trades instead of shorts, then I'll keep betting on "up" rather than "down."

Of course, this might be viewed as a blatant sales pitch for The Chartman's Top Stocks, but I hope it's more than that. The real message? Your opinions are fine. But make sure you also have a reliable methodology for telling you whether to be long, short or even out of the market. Over the years, it's that methodology -- not what I think will happen -- that's made me money.

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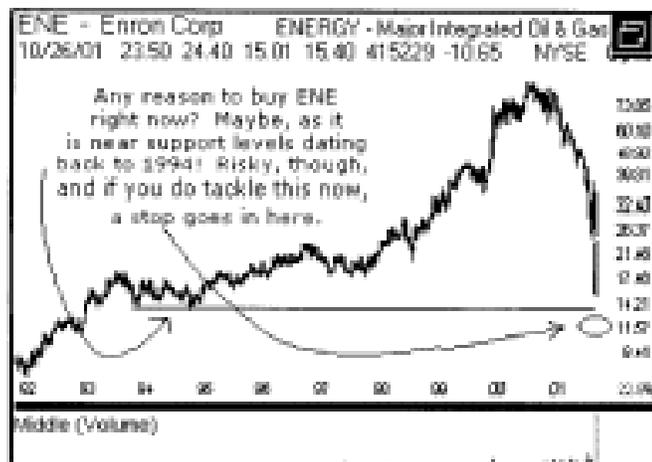
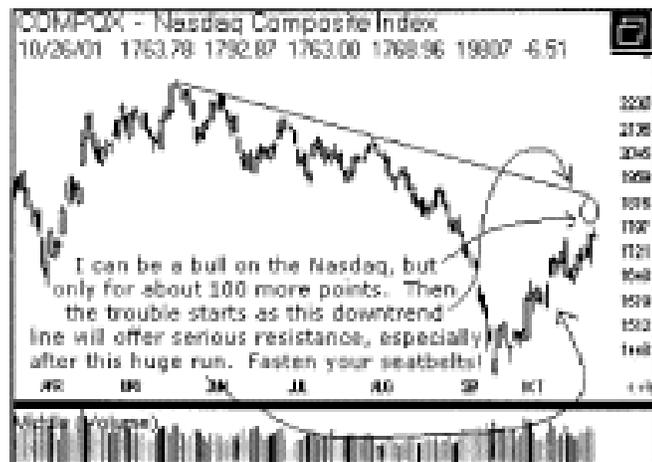


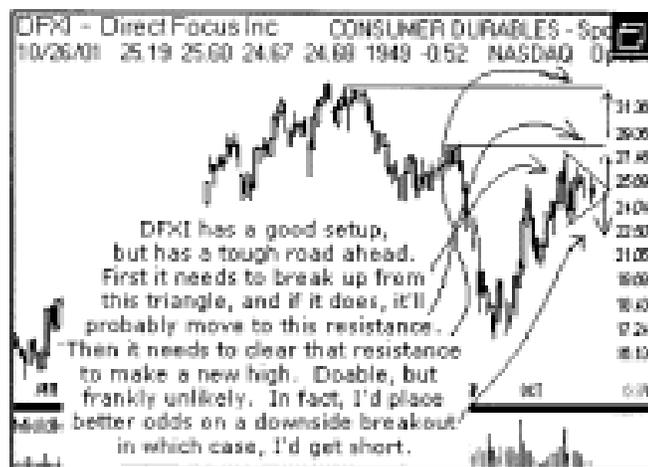
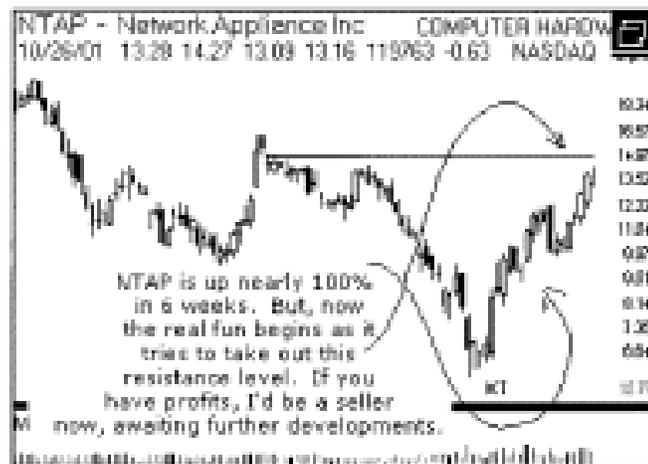
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S&P -1.6

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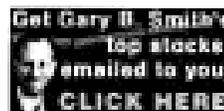








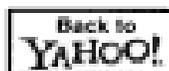
And that is the final word from Phoenix, where I was impressed by the Diamondbacks for sure. More impressed, though, by Ray Charles. Boy, talk about a pro. The man is 71 years old and still gives me goose bumps!



Gary B. Smith is a freelance writer who trades for his own account from his Maryland home using technical analysis. At time of publication, he held no positions in any securities mentioned in this column, although holdings can change at any time. Under no circumstances does the information in this column represent a recommendation to buy or sell stocks. Smith writes a daily technical analysis column for RealMoney.com and produces a daily premium product for TheStreet.com called *The Chartman's Top Stocks*. While he cannot provide investment advice or recommendations, he invites you to send your feedback to Gary B. Smith.

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Tuesday October 30 11:08 AM ET

Enron Shares Drop to Eight-Year Lows

Audio/Video

- ON The Close: Markets plunge in the red, BA and ENE lead the fall - (ON24)

NEW YORK (Reuters) - Shares of Enron Corp. (NYSE:ENE - news) on Tuesday dropped to their lowest level in more than eight years, a day after the energy giant said it was lobbying banks for a new credit line and a rating agency cut the company's senior unsecured debt to two notches

above junk status.

Enron's stock was down \$2.21, or 16 percent, to \$11.60 in morning trading on the New York Stock Exchange (news - web sites). The last time the shares were below \$12 was in January 1993.

After cutting Enron's rating on Monday, Moody's Investors Service warned that it could lower the rating even further, as well as cut Enron's short-term debt status.

Houston-based Enron has lost more than \$15 billion in market capitalization in the past two weeks amid a series of disclosures about off-balance-sheet deals with partnerships run by its former chief financial officer.

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Earlier Stories

Enron Shares Continue Downward Spiral (October 30)

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ENE	11.55	-2.26
S&P 500	1056.61	-21.69
NASDAQ	1665.11	-34.41
DJIA	9123.78	-145.72
SPSE	591.87	-13.43

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• Asian Crude & Products	• EnBank Virtual Storage Auction (UK)
• Australian & Japanese Weather	• Pipeline Capacity Auction
• Australian Power	Options
• Austrian Power	• Continental Power Options
• Bandwidth	• Nuclear Outage Knock-In Call Options
• Belgian Natural Gas	• Nordic Power Options
• Canadian Natural Gas	
• Credit Derivatives	
• Dutch Power	
• Emissions	
• European Coal	
• European Weather	
• German Power	
• International Coal	
• Japanese Aluminum	
• LPG	
• Nordic Power	
• Oil & Refined Products	
• Petrochemicals	
• Plastics	
• Pulp & Paper	
• Sea Freight	
• Spanish Power	
• Swiss Power	
• UK Natural Gas	
• UK Power	
• US Gas Pipeline Capacity	
• US Metals	
• US Natural Gas	
• US Power	
• US Weather	



EnronOnline

- **Total Life to Date Transactions > 387,000**
- **Average Daily Transactions > 2,600**
- **Life to Date Notional Value of Transactions > \$208 billion**
- **Daily Notional Value Approximately \$1.7 billion**
- **Number of Products Offered: Approximately 1,100**
- **Number of Currencies Traded in = 13**
- **EnronOnline Version 1.0 Launch Date: November 29, 1999**
- **EnronOnline Version 2.0 Launch Date: September 18, 2000**

The logo for EnronOnline, featuring the word "EnronOnline" in a bold, white, sans-serif font against a black rectangular background.

PRESS RELEASE

28 February 2001

The European Federation of Energy Traders ("EFET") is a group of more than 48 energy trading companies from fourteen European countries dedicated to stimulate and promote energy trading throughout Europe. EFET is designed to improve conditions for energy trading in Europe.

EFET can be characterized by strict impartiality, pan European geographic focus, lack of commercial interest, transparency and equality in third party communication, high quality and efficiency, providing service to trading organizations and an effective discussion partner for other organizations.

The Board of the European Federation of Energy Traders in its meeting on February 23, 2001 have discussed the proposal of the Transit Working Group of the Energy Charter Conference to develop public international law in the area of cross-border energy swaps.

By a cross-border energy swap is understood the exchange of energy by two players in two different jurisdictions based on a mutually beneficial sharing of energy price differentials.

With the exception of the Commodity Futures Markets Regulators' Conference¹, there is no currently ongoing multilateral initiative in the area of energy derivatives. The prevalence of cross-border energy swaps is expected to increase in the future as a consequence of energy market integration and interconnection in Europe and Central Asia. The flexibility of swap agreements make such transactions preferred in the early development of a natural gas or crude oil producing area, compared to the construction of new or additional transportation and/or transit facilities.

The Board noted the opportunity provided by cross-border energy swaps to create mutually beneficial economic transactions involving different jurisdictions and energy players in Europe and Central Asia.

The Energy Charter Transit Protocol currently being negotiated by 51 European and Central Asian states, including the member states of the European Union, the Russian Federation, the Commonwealth of Independent States and Japan, is expected to contain public international law provisions encouraging the removal of any obstacles to the execution of cross-border energy swaps. This important energy policy initiative is expected to facilitate secure, efficient, uninterrupted and unimpeded

¹ The following signatories to the Energy Charter Treaty support the Commodity Futures Markets Regulators' Conference: Australia, France, Germany, Hungary, Italy, Japan, the Netherlands and UK.



execution of cross-border energy swaps. The 51 states will also take necessary measures to prevent and address illegitimate taking of energy being delivered or redelivered under cross-border energy swaps.

The Board of EFET noted the role of the Energy Charter Transit Protocol in the long-term European security of energy supply. Finally, the Board expressed its appreciation of the principles outlined above governing cross-border energy swaps.

The Energy Charter Conference is the governing body of the Energy Charter Treaty. The Energy Charter Treaty is a legally binding treaty under public international law uniting 51 European and Central Asian states in the establishment of an energy policy foundation addressing transit of energy, energy investment, energy trade and energy efficiency and environmental policy.

For further info:

please contact Mr Jan Van Aken, EFET on +31 20 520 79 70 ; secretariat@efet.org
or Mr Karl Petter Waern, The Energy Charter Secretariat on + 32 2 775 98 58

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Bear Stearns	Robert Winters
Bernstein	Duane Grubert
CIBC Oppenheimer	Bill Hyler
C5 First Boston	Curt Launer
Dain Rauscher Wessels	Mark Easterbrook
First Albany Corp.	Bob Christensen
Goldman, Sachs & Company	David Fleischer
Howard Weil	Rebecca Follomill
J. P. Morgan Securities Inc.	Anatol Feygin
Lehman Brothers	Richard Gross
Merrill Lynch & Co.	Donato Eassey
Morgan Stanley Dean Witter	Scott Soler
Prudential Securities	Carol Coole
Salemson Smith Barney	Ray Niles
Sanders Morris	John Olson
Simmons & Co.	Jeff Dielbert
UBS Warburg	Ron Barone

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Analysts currently following Enron Corp. stock are listed above. This list is subject to change as coverage is added or dropped from a firm. Opinions, estimates or forecasts regarding Enron Corp.'s performance made by these analysts are theirs alone and not the opinions, estimates or forecasts of Enron Corp. or its management. Enron Corp. does not imply its endorsement of or concurrence with such information, conclusions or recommendations.

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Company Snapshot

Enron is one of the world's leading electricity, natural gas and communications companies. Revenues were \$101 billion in 2000.

Enron:

- markets electricity and natural gas;
- delivers physical commodities and financial and risk management services to customers around the world; and
- has developed an intelligent network platform to facilitate online business.

Enron divides its business into four core areas:

Enron Wholesale Services Enron's worldwide wholesale businesses, including the marketing and delivery of physical commodities and financial and risk management services. [More info](#)

Enron Broadband Services Enron's broadband subsidiary, which includes bandwidth trading, content and application services, and the Enron Intelligent Network. [More info](#)

Enron Energy Services Enron's retail business, which provides integrated energy and facility management outsourcing solutions to commercial and industrial customers worldwide. [More info](#)

Enron Transportation Services Enron's pipeline and transportation services group, which comprises one of the nation's largest natural gas pipeline systems. [More info](#)

- [About Enron](#)
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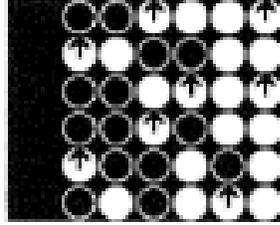
Fast Facts

Assets \$67.3 billion
 Miles of pipeline 30,000
 Miles of fiber 15,000
 Number of countries where active 40+
 Number of employees 20,000 worldwide
 Headquarters Houston
 Stock symbol ENE
 History Formed in July 1985 as a result of the merger of Houston Natural Gas and InterNorth of Omaha, Nebraska.

Office of the Chairman

Kenneth L. Lay,
 Chairman and CEO;
 Greg Whalley,
 President and COO
 Mark Frevest,
 Vice Chairman

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Frequently Asked Questions

Here are answers to some most frequently asked questions about current issues regarding Enron. This web page will be updated periodically.

What is LJM?

LJM was a private equity fund formed by Andy Fastow.

What was Enron's relationship with LJM?

LJM was a source of equity funding for Enron projects and investments. Enron did not have to offer any projects to LJM, and transactions with LJM were only undertaken when management (other than Andy Fastow) had concluded the terms were in the best interest of Enron and its shareholders.

Were the arrangements approved?

Enron's Board of Directors reviewed and approved Enron CFO Andy Fastow's participation in the LJM partnerships and found that his participation was not contrary to the best interests of Enron and its shareholders. There was never any obligation for Enron to do any transaction with LJM. Enron and its Board established special review and approval processes with its senior management to ensure that each transaction with the LJM partnerships was fair, in the best interest of Enron and its shareholders, and appropriately disclosed. External auditors and legal counsel also reviewed these transactions.

What did you receive from the SEC?

The SEC contacted Enron by phone, fax and letter, requesting that we voluntarily provide information regarding certain related party transactions.

When did you receive the request from the SEC?

- enron.com
- Press Room
- Company fact sheets
- Corporate Responsibility
- Enron in the News
- Executive bios
- Enron Community
- Enron Business
- IR Contacts
- Press Room main

We were initially contacted in the afternoon of Wednesday, Oct. 17, with follow-up on Thursday afternoon, Oct. 18.

What did you do about the request from the SEC when you received it?

An informal inquiry is not a material event; however, because of the high visibility of Enron and the recent public spotlight on the company, we convened a meeting of our Board as soon as possible. We recommended that we announce the SEC request; the Board agreed, and we made the release prior to the market opening on Monday, Oct. 22, 2001.

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We are cooperating fully with the SEC and are not requesting as an opportunity to put this issue behind us.

Please explain the \$1.2 billion reduction to shareholders equity.

A structured finance vehicle, in which LJM was an investor, was established to mitigate volatility associated with certain of Enron's merchant investments, including investments in The New Power Company, technology and other investments of Enron.

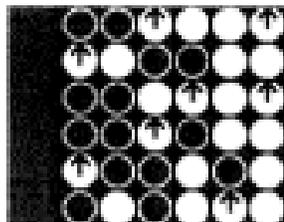
In conjunction with the September 2001 termination of these vehicles, Enron recorded a \$1.2 billion reduction in shareholders' equity and a corresponding reduction in receivables. These adjustments were the result of Enron's termination of obligations to deliver Enron shares in future periods. Although this obligation totaling approximately 62 million shares was reflected in our fully diluted shares outstanding calculation for the third quarter, these shares will no longer be included in this calculation as a result of the termination of this vehicle.

The media has mentioned other ventures, namely Whitewing, Osprey, The Atlantic Water Trust and the Marlin Water Trust. What are these?

Whitewing is a joint venture formed by Enron and a third party investor for the purpose of acquiring and owning asset-backed investments. The third-party investor, Osprey, is a limited liability company formed for the purpose of investing in Whitewing. Osprey is capitalized by

approximately \$2.4 billion of debt and \$220 million of equity proceeds, in each case held by institutional investors. The debt is supported by the assets of Whitewing, which include a contingent obligation of Enron.

The Atlantic Water Trust ("AWT") is a joint venture formed by Enron and a third party investor for the purpose of acquiring and holding a 66 2/3% interest in Azurix. The third party investor, Marlin Water Trust ("MWT"), is a limited liability company formed for the purpose of





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Stock Chart

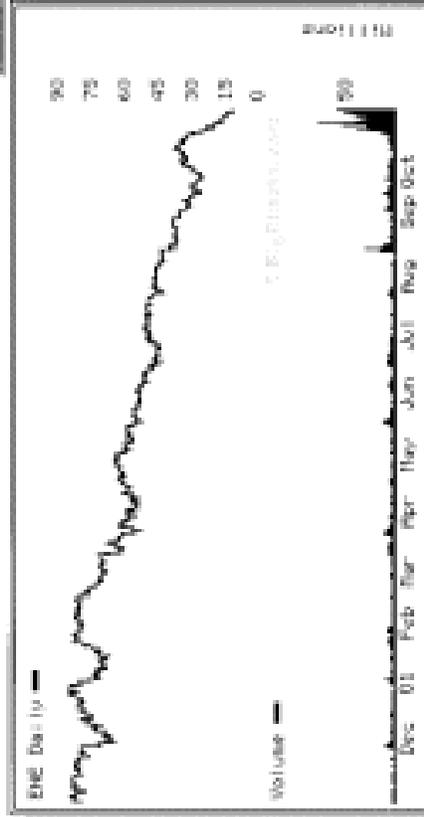
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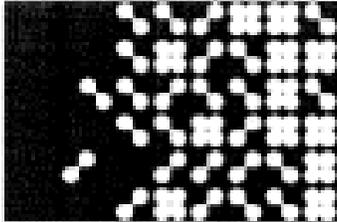
Price: **12.78** Change: **+ 1.62**
31-Oct-2001 10:45 AM (minimum 20 minutes delayed)

Time Frame Frequency Compare To



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Press Release

ENRON SECURES COMMITMENTS FOR ADDITIONAL \$1 BILLION IN FINANCING

FOR IMMEDIATE RELEASE: Thursday, November 1, 2001

HOUSTON — Enron Corp. (NYSE:ENE) announced today that JPMorgan (the investment banking arm of JP Morgan Chase & Co.) and Salomon Smith Barney Inc. (the investment banking arm of Citigroup Inc.) as co-arrangers have executed commitment letters to provide \$1 billion of secured credit lines supported by Enron's Northern Natural Gas Company and Transwestern Pipeline Company assets. The proceeds will be used to supplement short-term liquidity and to refinance maturing obligations. These commitments are subject to customary terms and conditions, including final due diligence.

"With more than \$1 billion in cash currently on our balance sheet, this additional credit capacity will further solidify Enron's standing as the leading market maker in wholesale energy markets," said Kenneth L. Lay, Enron chairman and CEO. "We very much appreciate the support of two of our longstanding banking partners, JPMorgan and Citigroup."

"This is yet another step in our efforts to enhance market and investor confidence," said Jeffrey McMahon, Enron chief financial officer. "We are moving aggressively to strengthen our balance sheet and maintain our investment grade credit rating."

Copies of the commitment letters will be filed with the Securities and Exchange Commission in a Form 8-K filing shortly.

Enron is one of the world's leading energy, commodities, and services companies. The company markets electricity and natural gas, delivers energy and other physical commodities, and provides financial and risk management services to customers around the world. Enron's Internet address is www.enron.com. The stock is traded under the ticker symbol "ENE."

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Press Release

ENRON REPORTS RECURRING THIRD QUARTER EARNINGS OF \$0.43 PER DILUTED SHARE; REPORTS NON-RECURRING CHARGES OF \$1.01 BILLION AFTER-TAX; REAFFIRMS RECURRING EARNINGS ESTIMATES OF \$1.80 FOR 2001 AND \$2.15 FOR 2002; AND EXPANDS FINANCIAL REPORTING

FOR IMMEDIATE RELEASE: Tuesday, October 16, 2001

HOUSTON - Enron Corp. (NYSE - ENE) announced today recurring earnings per diluted share of \$0.43 for the third quarter of 2001, compared to \$0.34 a year ago. Total recurring net income increased to \$393 million, versus \$292 million a year ago.

"Our 26 percent increase in recurring earnings per diluted share shows the very strong results of our core wholesale and retail energy businesses and our natural gas pipelines," said Kenneth L. Lay, Enron chairman and CEO. "The continued excellent prospects in these businesses and Enron's leading market position make us very confident in our strong earnings outlook."

Non-recurring charges totaling \$1.01 billion after-tax, or \$(1.11) loss per diluted share, were recognized for the third quarter of 2001. The total net loss for the quarter, including non-recurring items, was \$(618) million, or \$(0.84) per diluted share.

"After a thorough review of our businesses, we have decided to take these charges to clear away issues that have clouded the performance and earnings potential of our core energy businesses," said Lay.

Enron also reaffirmed today it is on track to continue strong earnings growth and achieve its previously stated targets of recurring earnings per diluted share of \$0.45 for the fourth quarter 2001, \$1.80 for 2001 and \$2.15 for 2002.

PERFORMANCE SUMMARY

Enron has recently expanded the reporting of its financial results by both providing additional segments and expanding financial and operating information in the attached tables. Enron's business segments are as follows:

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Enron Corp.

Q3 FY 2001

Q2 FY 2001

Q3 FY 2000

Q4 FY 2000

Q1 FY 2000

Q2 FY 1999

Q3 FY 1999

Q4 FY 1999

Q1 FY 1999

Press Room

- Wholesale Services
 - Americas
 - Europe and Other Commodity Markets
- Retail Services
- Transportation and Distribution
 - Natural Gas Pipelines
 - Portland General
 - Global Assets
- Broadband Services
- Corporate and Other

Wholesale Services: Total income before interest, minority interests and taxes (IBIT) increased 28 percent to \$754 million in the third quarter of 2001, compared to \$589

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million in the third quarter of 2000. Total physical volumes increased 25 percent to 26.7 Tbtue/d in the recent quarter.

Americas – This segment consists of Enron's gas and power market-making operations and merchant energy activities in North and South America. IBIT from this segment grew 31 percent to \$701 million in the recent quarter from \$536 million a year ago, driven by strong results from the North America natural gas and power businesses. Natural gas volumes increased 6 percent to 26.7 Tbtue/d, and power volumes increased 77 percent to 290 million megawatt-hours (MWh).

Europe and Other Commodity Markets – This segment includes Enron's European gas and power operations and Enron's other commodity businesses, such as metals, coal, crude and liquids, weather, forest products and steel. For the third quarter of 2001, IBIT for the segment remained unchanged at \$53 million as compared to last year. Although physical volumes increased for each commodity in the segment, the low level of volatility in the gas and power markets caused profitability to remain flat.

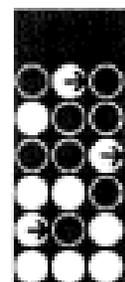
Retail Services: Enron's Retail Services product offerings include pricing and delivery of natural gas and power, as well as demand side management services to minimize energy costs for business consumers in North America and Europe. In the third quarter of 2001, Retail Services generated IBIT of \$71 million, compared to \$27 million a year ago. Retail Services continues to successfully penetrate markets with standard, scalable products to reduce consumers' total energy costs. Enron recently added new business with large consumers, including Wal-Mart,

Northrop Grumman, the City of Chicago, Equity Office Properties and Wendy's in the U.S. and Sainsbury and Guinness Brewery in the U.K. To date in 2001, Enron has completed over 50 transactions with large consumers. Enron is also successfully extending its retail energy products to small business customers, completing over 95,000 transactions in the first nine months of this year.

Transportation and Distribution: The Transportation and Distribution group includes Natural Gas Pipelines, Portland General and Global Assets.

Natural Gas Pipelines - This segment provided \$85 million of IBIT in the current quarter, up slightly from the same quarter last year. Pipeline expansions are underway in high growth areas and include a 426 million cubic feet per day (MMcf/d) expansion by Florida Gas Transmission and a 150 MMcf/d expansion by Transwestern.

Portland General - Portland General Electric, an electric utility in the northwestern U.S., reported an IBIT loss of \$(17) million compared to IBIT of \$74 million in the same quarter a year ago. Portland General entered into power contracts in prior periods to ensure adequate supply for the recent quarter at prices that were significantly higher than actual settled prices during the third quarter of 2001. Although the rate mechanism in place anticipated and substantially mitigated the effect of the higher purchased power costs, only the amount in excess of a defined baseline was recoverable from ratepayers. Increased power cost recovery was incorporated into Portland General's new fifteen-month rate structure, which became effective





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Press Release

EOTT ENERGY PARTNERS, L.P. DECLARES QUARTERLY CASH DISTRIBUTION

FOR IMMEDIATE RELEASE: Monday, October 22, 2001

HOUSTON – EOTT Energy Partners, L.P. (EOTT) announced today a distribution of \$0.475 per common unit for the third quarter of 2001, or \$1.50 on an annualized basis. The third quarter distribution is payable Nov. 14, 2001, to unitholders of record as of Oct. 31, 2001.

EOTT is a major independent marketer and transporter of crude oil in North America. EOTT transports most of the lease crude oil it purchases via pipeline, which includes 8,200 miles of active intrastate and interstate pipeline and gathering systems. In addition, EOTT owns and operates a hydrocarbon processing plant; a natural gas liquids storage facility; and a 240-mile liquid pipeline grid system. EOTT Energy Corp, a wholly-owned subsidiary of Enron Corp., is the general partner of EOTT with headquarters in Houston. EOTT's Internet address is www.eott.com. The Partnership's Common Units are traded on the New York Stock Exchange under the ticker symbol "EOT."

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From: Carleton, Norman
Sent: Monday, December 03, 2001 12:12 PM
To: Bair, Sheila; Berardi, Steve; Bitsberger, Timothy; Celina, Jill; Eichner, Matthew; Gabilondo, Jose; Gross, Jared; Hammer, Viva; Lori Sanotamarena (E-mail); Nicoloff, Peter; Novey, Michael; Pietrangeli, Fred; Roseboro, Brian; Schultheiss, HeidiLynne; Sharer, James; Whaley, Jean; Wiedman, Mark
Subject: WSJ: Energy Traders Scramble to Pick Up Market Share After Enron's Collapse

December 3, 2001

Energy Traders Scramble to Pick Up Market Share After Enron's Collapse

By ALEXEI BARRIONUEVO and SILVIA ASCARELLI

Staff Reporters of THE WALL STREET JOURNAL

A half dozen of Enron Corp.'s biggest former rivals are gearing up to grab chunks of the dominant share the energy concern held in the natural gas and power-trading markets.

But, the benefits could flow more slowly than those companies hope, analysts say, because Enron's demise likely will put the brakes on the fast-growing energy-trading industry and make some big energy customers more reluctant to rely on trading firms to guarantee supply and manage risks. Energy-trading companies play the role of middleman between producers and wholesale purchasers, moving and delivering commodities and managing price risks for customers.

"Eventually there will be winners, but until then, you will have a lot of turmoil," says Michael Barbis, an analyst at research and brokerage house Fulcrum Global Partners LLC. "A lot of players, such as utilities and hospitals, will be reluctant to sign long-term contracts with these trading companies, after seeing the best-capitalized player go out of the market."

Enron became a marketing colossus without spending on such hard assets as power plants or pipelines; instead, it mostly relied on locking up contracts with other parties for supply, capacity and storage that it would use for its trading operations. Now, the companies most likely to benefit from Enron's collapse will be those that have strong asset bases, putting investors, customers and creditors more at ease.

"Right now, the name of the game is credit-quality," says Paul Patterson, an analyst with Dutch investment bank ABN-Amro. "A balance sheet that is based upon assets is easier for creditors and investors to value than one based on intangibles."

When the Enron dust settles, top marketing firms such as American Electric Power Inc., of Columbus, Ohio; Duke Energy Corp., of Charlotte, N.C.; Williams Cos., of Tulsa, Okla., and Enron's crosstown neighbors in Houston -- El Paso Corp., Dynegy Corp. and Reliant Energy Inc. -- are best-positioned to grab pieces of Enron's 20% to 25% share of energy-trading volume.

In Europe, where Enron was considered one of the two biggest players in the Continent's nascent

power-trading industry, a mix of U.S. and European companies are poised to scoop up Enron's business.

Who gets what slice will depend on each company's heft, its trading sophistication and the strength of each business's assets in different regions, say analysts and company executives.

"Because of this meltdown, you will see companies move in that have assets in the area" to expand their trading activities, says Steve Malcolm, president and chief operating officer at Williams. While companies are prohibited from sharing information between their marketing and interstate-pipeline affiliates, "clearly you are looking to gain and extract intelligence from the marketplace to allow you to take more well-thought-out positions," he said.

El Paso will likely expand its natural-gas trading on the West Coast, where it owns significant pipeline assets, and in the Northeast. Duke and Reliant, already big traders on the West Coast, could grab even bigger chunks there, where they own generating capacity. Dynegy would likely be able to pump up in the Midwest, where it already is a strong power marketer and generator. In the Mid-Atlantic, American Electric's power-generation facilities would give it an edge.

American Electric, which has muscled up into the second-biggest trader of power and natural gas behind Enron, is viewed as a major beneficiary of Enron's decline. The company is the nation's top generator, with slightly less than 40,000 megawatts of capacity. Enron was trading about twice as much combined gas and power as AEP. "We are going to be one of the firms that picks up the slack," says Eric van der Walde, AEP's executive vice president of trading and marketing.

Asset-rich companies with plenty of cash to take on big trading positions include El Paso, which has the largest interstate pipeline in the country. El Paso also is one of the top five producers of natural gas in the U.S. and has contracted a huge amount of pipeline storage capacity on other people's lines, particularly in the West. Dynegy, which had most closely mirrored Enron's asset-light approach, has been adding generating assets and has a sizable pipeline capacity. El Paso and Williams have the biggest contract positions in natural-gas storage.

Williams is more focused on long-term risk-management contracts with producers and end-users seeking to hedge their exposure to volatile commodity prices. The company, which already has the second-largest pipeline system in the U.S., will spend about \$5 billion on pipeline projects through 2004.

While company executives say confidently that any gains in market share will easily counteract any losses resulting from uncollected money owed by Enron, some analysts say the Enron debacle may continue to depress the stocks of companies with big trading businesses.

Across the Atlantic, U.S. firms such as AEP and Duke, which have small operations in Europe, are likely to face stiff competition from Europeans such as RWE Trading GmbH, a unit of German power giant RWE, Belgium's Electrabel and Innogy PLC, the second-largest generator of electricity in England and Wales.

Most of Innogy's trading is in the United Kingdom, but the demise of Enron might spur it to expand its operations more quickly in Europe, said Brian Senior, Innogy's director of trading and asset management.

RWE Trading, barely one year old, is considered the most-aggressive European player, with trading activities in London and Essen, Germany; it plans to open an operation in Houston early next year.

Gabilondo, Jose

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Subject: WSJ: Finance Firms Stand to Gain Share Of Markets Enron Once Dominated

December 3, 2001

Finance Firms Stand to Gain Share Of Markets Enron Once Dominated

By **RANDALL SMITH** and **HENNY SENDER**
Staff Reporters of THE WALL STREET JOURNAL

Although financial-services firms are on the hook for billions owed to them by Enron Corp., there also are some winners among Wall Street firms that stand to pick up market share in the energy trading markets that Enron dominated.

Both Goldman Sachs Group Inc. and Morgan Stanley & Co., for example, hold leading positions in numerous energy markets, and both Wall Street experts and some executives at the firms said they should stand to benefit in increased trading volume.

Van Hesser, a credit analyst at Credit Suisse First Boston, noted in a report Friday that both Goldman and Morgan Stanley "have meaningful energy-trading operations." He cautioned that those firms might incur "some additional risk [from] their exposure to smaller, less-sophisticated trading firms that may be stressed by their own exposures to Enron." But, Mr. Hesser added, "they are experienced hands and know how to hedge and how to structure collateralized trading agreements."

John Shapiro, head of global energy trading at Morgan Stanley, agreed that his firm would likely be one of the financial-services firms whose trading activity could benefit from the reduction in Enron's market activity. Other participants that could also benefit include the trading units of J.P. Morgan Chase & Co., Bank of America Corp., Societe Generale SA and Deutsche Bank AG.

[Go]See full coverage of the rise and fall of Enron

Although Goldman doesn't break out its commodity-trading revenue, Morgan Stanley does. For the fiscal year that ended in November 2000, Morgan Stanley's principal transaction commodity trading revenue rose 34% to \$579 million, helped by higher revenue for energy-related products including electricity, natural gas and crude oil.

One barometer of the impact of Enron's reduced market presence has already been seen at Intercontinental Exchange, an online energy marketplace that has trailed a competing platform, EnronOnline. In an interview Thursday with Dow Jones Newswires, ICE Chief Executive Jeffrey

Sprecher said, "Our volumes are just soaring." Traffic on the ICE system has doubled in the past two weeks, and, Mr. Sprecher added, "I'd attribute all that to Enron's problems."

ICE's financial-services partners include Goldman, Morgan Stanley, Deutsche Bank and Societe Generale.

Although Morgan and Goldman have both fielded calls from parties that traded with Enron and want to shift some of their activity to those firms, an executive of one of the firms said the possibility of a bankruptcy-law filing had deterred dealers from taking over any of Enron's trading books or assets. That is because any such transactions could be disrupted or canceled in the course of a bankruptcy proceeding -- a step Enron took Sunday.

Enron's relations with Wall Street firms had shifted in recent years from that of a favored client to a rivalry as well, as Enron's trading ambitions grew and it began treading more and more on Wall Street's turf. Enron moved from trading securities closely related to its natural-gas business into oil derivatives and then to instruments closer to Wall Street's core, such as credit derivatives and packaging securities.

One securities firm that won't benefit as much as some might believe is the Salomon Smith Barney unit of Citigroup Inc. Although Salomon used to engage in more sizable energy-trading activity through its Phibro commodities arm, the firm has wound down much of those activities, and doesn't have anywhere near the market presence of Goldman or Morgan Stanley.

-- *Stephen Parker contributed to this article.*

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Gabilondo, Jose

From: Carleton, Norman
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Subject: WSJ: Credit-Derivatives Market Faces Stiff Test After Collapse of Enron

December 3, 2001

Credit-Derivatives Market Faces Stiff Test After Collapse of Enron

By HENNY SENDER

Staff Reporter of THE WALL STREET JOURNAL

The collapse of Enron Corp. casts a spotlight on a little-known but highly complex market in credit derivatives, a market that has swelled from almost nothing five years ago to a face value of more than \$1 trillion today, according to estimates from Goldman, Sachs & Co.

Now, as Enron files for protection under Chapter 11 of the Bankruptcy Code, the credit-derivatives market faces the biggest test of its young life. The way the market functions over the next few weeks will have significant consequences in determining who will bear the potentially massive losses, how widely those losses will be distributed and whether any one institution took overly risky bets by having significant concentrations of unhedged exposure to Enron. Whether Enron's collapse takes any other institutions down with it will probably be decided in this marketplace.

Enron was a big presence in this market. For one thing, since Enron had a voracious appetite for capital and raised so much debt -- \$13 billion in bonds and loans on the parent's balance sheet alone, and much more off -- numerous financial institutions needed to hedge their Enron bonds and loans. And then, because Enron was such a huge dealer itself, especially in longer-dated, thinly traded securities where few others made markets as boldly, it became Wall Street's counterparty on everything from oil to weather to credit derivatives.

"Enron showed up everywhere," says the head of the credit-derivatives desk at one major bank in New York. "Everyone had exposure to it."

[Go]See full coverage of the rise and fall of Enron

In recent weeks, before its debt crumbled to a small fraction of its face value on news of the company's loss of its investment-grade status, hundreds of Enron's lenders, bondholders and counterparties sought to buy protection against possible default by Enron through one significant segment of the credit-derivatives market, called credit-default swaps (a complicated name for what was essentially insurance in case Enron defaulted). Indeed, the demand for protection against a default by Enron was so great that the price was far higher than it should have been, given its then-

high credit rating. At the same time, it was tempting for many parties to offer that insurance. The business seemed an easy way to earn fees; only if Enron defaulted would the seller have to make any payments. And, given Enron's longstanding investment-grade status and \$62 billion in assets, default seemed a remote possibility.

There are other ways in which Enron cast a huge shadow in this market. For example, Enron's own debt was a big piece of the many packages of securities others assembled and sold to investors. Now, the credit of the whole package becomes weaker. Moreover, Enron packaged securities itself, through special-purpose vehicles on which it provided guarantees, as part of its ambitions to be a financial powerhouse.

To be sure, the market has already had some experience with defaults. Three years ago, there was the Russian debt crisis; this year the market has already absorbed such shocks as the Chapter 11 filings of Pacific Gas & Electric Co. and financial-services company Conseco Inc. and the collapse of Swissair Group. But the three combined don't begin to approach the magnitude of an Enron.

Part of the problem is the uncertainty; nobody yet knows the full scale of Enron's involvement in the market or how much insurance was written against a default by Enron. Because credit derivatives aren't exchange-traded, and the deals are off-balance-sheet, the market is relatively opaque. Standard & Poor's put out an analysis Friday suggesting various Enron exposures in the credit-derivatives market could amount to more than \$6 billion. But that number just reflects the securities that happen to have been rated; Nik Khaakee, who heads S&P's structured Finance Derivatives group, concedes that those securities are a small part of the total. "If the recovery value is zero, there will be huge losses for investors," Mr. Khaakee says.

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To: Bair, Sheila; Berardi, Steve; Bitsberger, Timothy; Celina, Jill; Eichner, Matthew; Gabilondo, Jose; Gross, Jared; Hammer, Viva; Lori Sanatamorena (E-mail); Nickoloff, Peter; Nowey, Michael; Pietrangeli, Fred; Roseboro, Brian; Schultheiss, Heidilynne; Sharer, James; Whaley, Jean; Wiedman, Mark
Subject: DJ: An Energy Giant Falls: Recap Of Dow Jones' Enron Coverage

December 3, 2001

An Energy Giant Falls: Recap Of Dow Jones' Enron Coverage

Dow Jones Newswires

Enron Corp. (ENE) ended days of speculation and filed for Chapter 11 protection from creditors Sunday, the biggest such filing in U.S. history. Simultaneously, the Houston-based energy firm sued Dynegy Inc. (DYN) for "not less than \$10 billion," accusing it of wrongfully terminating a merger deal last week that the two firms had reached just two weeks earlier.

Dow Jones Newswires coverage of this fast-moving story can be found under the stock symbol ENE.

Dynegy CEO Says Enron Lawsuit Is "Without Merit"

Dynegy said Enron's lawsuit against it "has no merit whatsoever in law or in fact," calling the suit "one more example of Enron's failure to take responsibility for its demise."

Private Illinois Firm Claims To Make Tender Offer For Enron

Standard Power & Light Inc., a privately held company that buys and develops power plants, plans to hold a tender offer to acquire at least a majority stake in bankrupt Enron. **Standard Power** said it expects the tender offering price to be less than \$1 a share, depending on several issues, including the final result of Enron's failed merger with Dynegy Inc.

NYSE Reviews Enron's Continued Listing Status, Cites Bankruptcy Filing

The New York Stock Exchange is reviewing Enron's continued listing status. The Big Board plans to continue trading Enron's stock, as the company still meets NYSE quantitative listing standards, but the exchange isn't limited by those standards and can seek a stock delisting if it believes continued listing is "not advisable."

Enron Corp.'s DIP Financing Expected Monday

Enron expects to receive debtor-in-possession financing as early as Monday, according to a person familiar with the matter. Enron said it is in "active discussions and expects to complete these discussions shortly."

Enron Bankruptcy Wouldn't Push S&P To Cut Energy Co Ratings

The bankruptcy filing by Enron is unlikely to trigger downgrades of debt issued by U.S. oil and gas explorers and producers rated by Standard & Poor's, said S&P analyst Bruce Schwartz.

Enron Likely Pullout Won't Hurt Japan Energy Deregulation

Japanese energy deregulation may be about to lose its single biggest advocate, as Enron decides whether or not to fold its businesses there in the wake of its bankruptcy filing in New York Sunday.

Enron Collapse Could Weigh Heavy On Some Insurers

The insurance industry didn't need Enron Corp.'s (ENE) problems, particularly when it comes to reinsurance prices. Primary insurers could be on the hook for as much as \$2 billion in claims. Some insurers also will likely take a hit in their investment portfolios if Enron defaults on its bond payments. The loss would be material but not devastating for the industry.

Enron Woes May Pressure Pricing For Broadband Services

Problems at Enron, which has a nationwide broadband fiber-optic network, could eventually translate to greater downward pressure on pricing of broadband telecommunications services, according to some experts.

Stories about companies with exposure to Enron:

Barclays Has \$126M 'Trade Debt' In Enron Filing - WSJ

Chase Manhattan Has \$113M 'Trade Debt' With Enron - WSJ

John Hancock Financial Confirms Enron Exposure At \$320M

Royal & Sun Signals It Doesn't Have Large Enron Exposure

XTO Energy Sees Minimal Exposure To Enron

TXU Says Potential Exposure To Enron Less Than \$20M

UtiliCorp Says It Has Limited Enron Exposure

Genesis Energy Says Potential Net Enron Exposure Is About \$21M

Covanta Energy Sees 'No Exposure' To Enron

Constellation Energy: No Direct Credit Exposure to Enron

Southern Union Co Has No Material Fincl Deals With Enron

Spinnaker Exploration Announces Enron Exposure \$2.3M

International Power's Enron Exposure Is Less Than GBP2

Mln

U.K. Prudential Has Virtually No Exposure To Enron

Other stories related to Enron:

Fitch Lowers Enron Ratings To 'D' ->ENE

IntercontinentalExchange To Enter UK Gas, Power Markets

By End of Dec.

Dutch Tennet Excludes Enron From Import Capacity Auctions

Amsterdam Power Exchange: Enron's Departure Not Affecting

Spot Power Trade

Enron's India Unit Reviewing Dispute With Sole Buyer

Enron Considering "All Possible Options" For Japanese Ops

Enron Australia Appoints Administrator, Seeks Buyer

Creditors Holding 20 Largest Unsecured Enron Corp. Claims

Largest Unsecured Enron Broadband Services Inc. Claims

Ten Largest Unsecured Enron Energy Services Inc. Claims

Largest Unsecured Enron Power Marketing Inc. Claims

Largest Unsecured Enron North America Corp. Claims

Gabilondo, Jose

From: Carleton, Norman
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To: Saladin, Anne; Bair, Sheila; Berardi, Steve; Bitsberger, Timothy; Cetina, Jill; Eichner, Matthew; Gabilondo, Jose; Gross, Jared; Hammer, Viva; Lori Sanatamarena (E-mail); Nikoloff, Peter; Novay, Michael; Pietrangeli, Fred; Roseboro, Brian; Schultheiss, Heidllynn; Sharer, James; Whaley, Jean; Wriedman, Mark
Subject: Dow Jones Newswires: Enron To File For Bankruptcy Mon. Or Tues -Report

November 30, 2001 [WSJ.com]

Enron To File For Bankruptcy Mon. Or Tues -Report

Dow Jones Newswires

NEW YORK – **Enron Corp.** (ENE) will file for bankruptcy protection on Monday or Tuesday, according to a report on CNBC that cited an **Enron** employee as its source.

According to CNBC, the employee was told the news by his unit vice president.

The **Enron** employee also said the Houston energy trading company would lay off 95% of the company's staff at that time, and provide employees two weeks severance for each year of service, according to the television network.

Enron wasn't immediately available for comment.

-By Christina Cheddar, Dow Jones Newswires; 201-938-5166; christina.cheddar@dowjones.com

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From: Carleton, Norman
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Subject: WSJ: Enron's Big Investments in Brazil Contributed to the Firm's Collapse

December 3, 2001

Enron's Big Investments in Brazil Contributed to the Firm's Collapse

By **MIRIAM JORDAN**

Staff Reporter of THE WALL STREET JOURNAL

SAO PAULO, Brazil -- Enron Corp. bullishly stormed into Brazil, only to have trouble beating a retreat from Latin America's biggest energy market.

For example, in 1998, Enron offered \$1.27 billion for a Sao Paulo state electricity distribution company, nearly double the auction's minimum price. Two years later, the Houston company was trying to sell the distributor, Elektro-Eletricidades e Servicos SA, and other projects in Brazil, where Enron says it invested more than \$3 billion.

Even before the company's collapse in the U.S., Enron executives had admitted that its Brazilian investments weren't working out as planned. "The prospect of selling Brazilian assets has been something we have been looking at even before the current problems," says company spokesman Keith Miceli in Houston.

Enron's Brazil operations have suffered from a shift in the company's global strategy toward trading rather than producing or distributing energy, local regulatory challenges, a sharp currency devaluation and the country's energy shortage. "Brazil is obviously not the reason for Enron's downfall," says a former senior executive of Brazilian operations. "But it definitely contributed." The executive said that Enron is operating with a loss in Brazil. The company, which once had 300 corporate staffers in Sao Paulo, now has only 100.

In 1993, Enron envisioned a single energy market spanning southern South America in which Enron would be the dominant player. It moved aggressively into Brazil as of 1994, betting on its size, growth prospects and new privatization drive. Brazil has installed power capacity of 75,000 megawatts, and will require an additional 25,000 over the next five years. Its energy requirements are already four

times greater than those of neighbor Argentina and the same as Britain's. They will surpass Germany's in five years.

The key to Enron's ambitions was a 1,870 mile, \$2 billion pipeline to bring natural gas from Bolivia to Brazil's industrial heartland. Rebecca Mark, then president of Enron's international unit, crisscrossed South America trying to gain approvals for the pipeline and for a string of new power projects that it would feed. Enron bought stakes in power plants, natural gas distributors and in 1998, Elektro.

Enron's problems were, from the start, almost as big as its ambitions. A \$550 million project in the central Brazilian state of Mato Grosso to build three power plants fed by Bolivian gas overran its budget by \$200 million and its construction deadline by two years. The 400-mile pipeline needed for the project was held up when Brazilian environmental officials forced a 62 mile diversion so as not to disturb a rare species of bat. What's more, only one of the three power plants is operating and until September had to run on more expensive diesel fuel until the natural gas pipeline was finished.

Brazil's volatile economy also hurt Enron, as well as other foreign energy investors. Elektro distributes electricity to about 40% of Sao Paulo, Brazil's largest and wealthiest state. But the devaluation of the Brazilian currency in 1999 has been a blow to Elektro. The government controls electricity rates and has resisted companies' pleas to pass on dollar-based costs, including corporate debt, to consumers. Electricity rates in Brazil are half as much as those in neighboring Argentina, for example, industry officials say. Making matters worse, Brazil imposed energy rationing in June, reducing Elektro's revenue by 30%, said an energy specialist who advised Enron in Brazil.

The Brazil-to-Bolivia pipeline, in which Enron has a minority stake alongside state companies, hasn't turned out to be much of a salvation for energy starved Brazil either. Few of the power plants that it was to feed have been built due to investor concerns about the regulatory environment. As a result, demand for gas from the pipeline is less than expected.

Even the more opportunistic moves by Enron haven't worked out. Earlier this year, the company built, in just six months, a \$300 million natural gas power plant outside Rio de Janeiro to capitalize on the country's acute energy shortages. But the local spot market for energy remains plagued by operational and financial-settlement problems. So far, Enron hasn't received a cent for the energy it has sold from the plant. What was supposed to be a "cash cow" has turned out to be "a disaster," says an Enron executive.

Enron has found a buyer, so far, only for its 25% and 34% stakes, respectively, in Companhia Estadual de Gas and Companhia Estadual de Gas-Rio de Janeiro, two gas-distribution companies serving the city and state of Rio. Enron and Brazilian state oil company Petroleo Brasileiro SA signed a deal on April 30. Closure is imminent, Enron says.

"They have been shopping around for a while and not found the prices they wanted," says UBS Warburg energy analyst Ronald J. Barone of Enron's Brazilian assets. "The fact that the situation is dire now means ... they will get low-ball bids because people know they are desperate."

Write to Miriam Jordan at miriam.jordan@wsj.com <<mailto:miriam.jordan@wsj.com>>

Southern Exposure

Enron's Latin American assets and interests include:

- **Elektro (Brazil):** Power distribution company in Sao Paulo.
- **Gaspart (Brazil):** Significant stake in the gas distribution companies of seven coastal states.
- **CEG and CEGRIO (Brazil):** Equity interest in both gas distribution companies which were previously government-owned.
- **Cuiaba (Brazil):** A 480 megawatt (MW), combined-cycle natural gas power plant in Cuiaba.
- **Bolivia-Brazil Pipeline:** Partnership in the 3,000-km pipeline stretching from Santa Cruz de la Sierra, Bolivia to Porto Alegre, Brazil.
- **Eletrobolt (Brazil):** A 380 MW natural gas power plant located near the city of Rio de Janeiro.
- **Transportadora de Gas del Sur (Argentina):** An ownership interest in the 6,604-km pipeline system, the largest pipeline system in South America.
- **Central Termica Modesto Maranzana (Argentina):** A thermal power plant, located in the city of Rio Cuarto, province of Cordoba.

Source: *The company*

Gabilondo, Jose

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Subject: WSJ: Enron Customers Seek Backup, Check Contracts for Out Clauses

December 3, 2001

Enron Customers Seek Backup, Check Contracts for Out Clauses

By **RHONDA L. RUNDLE**
Staff Reporter of THE WALL STREET JOURNAL

THE DEAL MAKER

Enron's major customers for retail energy services, under 10 year contracts.

COMPANY	YEAR ANNOUNCED	VALUE (IN MILLIONS)
Owens-Illinois	2001	\$2,200
Simon Property	1999	\$1,500
Quebecor World	2000	\$1,000
Owens Corning	1999	\$1,000
IBM	2000	\$610
Chase Manhattan	2000	\$750
Pittkinon North America	2001	\$500

Source: Enron Corp.'s Enron Energy Services subsidiary

Enron Corp.'s commercial and industrial customers, including some big manufacturers, technology firms and hotel chains, are scrambling to line up alternative suppliers in case the collapsed energy company isn't able to supply power or meet other obligations under its long-term contracts.

A sense of urgency spread last week among corporate customers of Enron, which filed Sunday for Chapter 11 bankruptcy-court protection. Some customers of Enron, Houston, are scouring their contracts for language they are hoping may allow them to legally break those pacts, energy consultants said. Customers who signed long-term accords at prices above current market also have an economic incentive to drop them, the advisers added.

A spokeswoman for the Enron subsidiary that serves commercial and industrial companies, Enron Energy Services, which was one of the Enron units that also filed Chapter 11, declined to discuss its customers' intentions. She said she wasn't aware of one that has recently switched to a rival supplier, and she said there haven't been any service interruptions. "The customers are calling, and we're calling them. We're doing everything possible to assure that they receive power and gas, and it's a very difficult situation," she said.

Enron Energy Services offers a broad spectrum of energy-management services, and can take over nearly all aspects of a customer's energy-related activities. This "outsourcing" role includes monitoring power meters, paying energy bills, installing efficient air-conditioning, heating and lighting systems and even designing and constructing energy infrastructure projects.

Enron Energy Services is known as an innovator that has grown rapidly since it began operations in 1997. The Enron unit was "an icebreaker into the executive suite of corporate America to show how they could unlock the value of energy expenditures," said Craig Sieben, chief executive of Sieben Energy Associates, a management consulting firm in Chicago. Enron doesn't disclose how many customers it has, but says the total value of its long-term contracts has mushroomed to about \$50 billion.

Nobody knows what is going to happen to all those contracts in the wake of the bankruptcy filing. "What the clients are hearing from everybody, including us, is that if you have any other options, look at them," Mr. Sieben said.

"We're monitoring the situation very closely. We do have contingency plans in place if we need to use them," said a spokesman for PepsiCo Inc.'s Quaker Oats Co. unit, which recently entered into a 10-year energy management agreement with Enron. A spokeswoman for another major customer,

Starwood Hotels & Resorts Worldwide Inc., said the hotelier is watching the situation, but doesn't expect to be affected.

[Table]

California's universities and state colleges, which signed a high-profile agreement with Enron in 1998, are in negotiations to extend that contract beyond its expiration in March. But as Enron's financial picture has worsened, the talks have lagged, said Pat Drohan, an assistant vice chancellor at the state college system. "We are looking at alternatives to try and counteract any unfortunate collapse at Enron," he said. In addition to providing electricity, Enron is the prime contractor on construction of a new heating system at a facility in Stockton, Calif., he said.

One complication for Enron's California customers is that the state passed a law this summer that prohibits new "direct access" contracts between power companies and commercial users. And in the time since Enron signed many of its contracts in the state, power prices have risen by 40% to 80%, raising the prospect that if Enron customers are forced to rely anew on the state's utilities, they suddenly will be paying much higher prices. In other states, the situation is almost the opposite: Customers abandoned by Enron might now find they can buy power more cheaply given the drop in the price of natural gas, which fuels many U.S. power plants.

Arthur Gelber & Associates has been contacted by at least eight of Enron's customers, but "we haven't assumed any contracts," said Mr. Gelber, owner of the Houston-based advisory and consulting firm, which is a smaller Enron competitor. Each contract is unique and different, but "some I've reviewed have an 'adverse material change' clause and may be terminated," he said. He declined to identify any of the customers or contracts.

Other rivals in the management business are getting calls from Enron's customers. "Have our phones been ringing more recently? Yes, of course they have," said Bob Dickerman, president of Sempra Energy Solutions, a unit of San Diego-based Sempra Energy. "But this isn't a simple business. It involves credit risk for the customer. You don't switch a customer with a phone call," he said.

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CCEA to take up Enron's Dhabol-II on Wed

NEW DELHI

THE GOVERNMENT is likely to consider the Rs 1,083-crore foreign equity restructuring proposal of US-based energy giant Enron Corporation for phase-II of Dhabol power project on Wednesday.

The Cabinet Committee on Economic Affairs, headed by Prime Minister Atal Bihari Vajpayee, is likely to deliberate on Enron's equity restructuring proposal which has already been approved by the Foreign Investment Promotion Board, official sources said.

Equity restructuring of the \$1.87-billion phase-II Dhabol power project at Guhagar in Maharashtra has been necessitated after MSEB expressed its inability to invest its 30 per cent share, worth \$128 million, in the project, sources said.

While Enron has decided to pick half of MSEB's designated equity, taking its total stake in phase-II of the gas-based power project to 65 per cent, the Houston-based energy giant has appointed international financial consultants Credit Suisse First Boston to look for a fifth partner who would be offloaded MSEB's 15 per cent equity.— PTI

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Enron puts pipeline project on back-burner

Bodhisatva Ganguli

MUMBAI

ENRON'S travails seem to be multiplying by the day. The US energy and broadband major is reportedly in the process of scaling back its plans to build a pipeline to transport LNG from its terminal at Dabhol.

According to sources familiar with events, around 15 employees associated with MetGas, the Enron subsidiary which was to operate the LNG terminal and pipeline and market the LNG, were informed on Saturday that their services would no longer be required. Only a small team has been kept in place.

In response to a query from ET, a statement from Enron said that an "internal reorganisation" had been carried out. "We have made an internal reorganisation of some personnel who were working on developing the MetGas project. A small core team will continue to develop this project and explore opportunities in India's gas sector. The impacted employees are being redeployed both within and outside the company", the statement said.

According to sources, the US energy major was frustrated at delays in securing government approvals in building the pipeline.

While the process of issuing public notice for inviting objections for land acquisition and replying to objections had been completed, the company was yet to receive the actual permission from the central government to start the process of building the pipeline.

This involves paying compensation to landowners through whose land the pipeline will pass and a host of other clearances.

The personnel who had been asked to put in their papers were associated with the land survey and other aspects of the pipeline project. The pipeline was supposed to supply LNG to industries in Maharashtra and Gujarat.

Enron had earlier closed its office in Gujarat. The Gujarat office was scouting for operations in the oil and gas sector of that state but had achieved little success.

The statement by Enron says the company is "continuing to develop the project and are currently focused on obtaining permits and clearances from the state and central government". Enron had signed an MoU with Rashtriya Chemicals and Fertilisers for supply of LNG.

The LNG terminal being built at Dabhol has a capacity of five million tonnes. Of this two million tonnes of LNG, which is to be sourced from Abu Dhabi and Qatar, would be used to fire the 2,100 MW Dabhol Power Project, which is the combined capacity of the first and second phases.

The remaining three million tonnes, which is to be sourced from Malaysia, was to have been transported via pipeline and marketed to industries in Maharashtra and Gujarat. This part of the project seems to have put on the back-burner. The total pipeline length is in the region of 400 km.

The LNG terminal and the power plant itself is almost 80 per cent complete. However if the pipeline is delayed or does not get built it is not clear how the entire LNG facility will be used.

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Govt to help MSEB pay DPC Nov bill

Archana Chaudhary

MUMBAI, Jan. 23

THE Maharashtra Government will give Rs 90 crore to help the electricity board (MSEB) pay its dues to Dabhol Power Company (DPC), a senior State Government official said today. This is the second time the State Government has been forced to step in to help MSEB with payment to Enron.

"MSEB will pay Rs 70 crore through internal accruals while the State Government will provide Rs 90 crore to pay DPC's November 2000 bill," the official told Business Line today.

The board has to pay DPC Rs 159 crore as November bill by January 25, 2001. The Government had stepped in earlier this month to help the cash-strapped board with its October payments. This time around too, the State Government has no other option than to bail out MSEB, according to officials.

"We have set a precedent by paying up Rs 114 crore for the October bill. So, we will have to help MSEB again. There is no other option. If Enron invokes the letter of credit, we will be forced to pay irrespective," the official said.

Earlier this month, Enron had threatened to invoke the letter of credit claiming that MSEB had been defaulting on payments. The State Government had intervened by agreeing to help MSEB with Rs 114 crore as payment of the bill.

According to the power purchase agreement between DPC and the board, the company has to sell all of its power to MSEB. The board has to pay Rs 90 crore as fixed charges while the rest of the bill comprises variable charges, mostly fuel.

The MSEB, as of today, owes a total Rs 311 crore (Rs 159 crore for November and Rs 152 crore for December

Sanjay Bhatnagar quits Enron

MUMBAI: Former chairman and CEO of Enron India Sanjay Bhatnagar, who was moved to Singapore to head the multinational's broadband services in Asia, has resigned. Bhatnagar, who was involved with the 2,014 mw Dabhol power project, put in his papers last week and his resignation has since been accepted.

Bhatnagar, who is at present in the US, was last month posted as CEO of Enron Broadband Service in Asia based at Singapore with effect from January 1 this year.

Enron said in a statement that Bhatnagar had quit to "pursue other interests and we wish him well in his endeavours".

A company spokesman said he had been transferred over to another of Enron's businesses several months ago, so the transition at Enron India has already been accomplished.

"We have a strong management team at Enron India and have every confidence in their continuing ability to manage the business effectively".

Bhatnagar is the third high official to quit Enron within the last six months. The first to quit was Rebecca Mark, former CEO and chairman of Enron International, followed by Joseph Sutton, who took over from her. (PTI)

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Cabinet clears hike in Enron's Dhabol stake

NEW DELHI

THE CABINET Committee on Economic Affairs on Wednesday permitted US power company Enron to pick up an additional 30 per cent stake in the Dhabol Power Project Phase-II for \$685.75 million in the wake of MSEB's inability to take its equity share, parliamentary affairs minister Pramod Mahajan said.

This enhances Enron Development's equity investment from \$886.9 million to \$1119.9 million in the project.

In this foreign equity participation of Enron, \$434.2 million would be for Phase I of the power project and \$685.75 million would be for Phase II, he said.

Enron presently has a 50 per cent stake in the \$1.87 billion Dhabol Phase II, while the remaining is with Bechtel Enterprise and General Electric.

As per the decision MSEB would have the option to pick up the 30 per equity at a later stage at a mutually agreed price, he said.

With the enhancement of the equity of Enron, the share of MSEB holding has been diluted to below 30 per cent.

Mahajan said the government had earlier allowed Enron to invest up to 100 per cent but under the renegotiated agreement it was decided that MSEB would pick up 30 per cent stake in both Phase I and Phase II of the power project.

While MSEB picked up 30 per cent stake in Phase I it has expressed its inability to do so for Phase II.

The foreign equity of \$1119.9 million will be contributed through Enron Mauritius, a wholly-owned subsidiary of Enron International.

Enron was issued an approval to set up, own and operate a natural gas fired combined cycle power station with a capacity of 1920 mw expandable to 2550 mw.

Enron is setting up \$2.8 billion 2,184-mw plant in two phases, the second phase is still under

construction along with a \$494 million LNG gasification unit (also under installation).

MSEB has taken a 30 per cent share in Phase-I, where Enron has a 50 per cent stake and General Electric and Bechtel hold a 10 per cent stake each.

While the first phase uses naphtha as feed stock, the entire project will shift to liquefied natural gas once the second phase is commissioned by December end.

Enron, which is setting up a five million tonne LNG import terminal at Dhabol, would import about two million tonnes of LNG for the power plant from Middle-East for the project. - PTI

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Christopoulos, Greg

From: Grewe, Maureen
Sent: Tuesday, January 23, 2001 8:55 AM
To: Rao, Geetha; Mills, Marshall; Sampliner, Gary; Christopoulos, Greg; Clapp, Gene
Cc: Radelet, Steve
Subject: RE: India/Dabhol Meeting

Please note the following article from this morning's press summary:

US Envoy: India's Enron Project Key To Foreign Investment

BOMBAY (AP)--U.S. Ambassador to India Richard Celeste warned Monday that foreign investment in India would falter because of political pressures that threatened to derail the \$3 billion Enron Corp. (ENE) power project.

"It regrettably feeds the concern among American and other foreign investors that India remains a less-than-reliable destination for their investment dollars," Celeste told an audience of business leaders, politicians and nongovernment agencies in Bombay, India's financial hub.

India's largest-ever foreign investment has been in trouble since December after the government of Maharashtra state, in which Bombay is situated, said it would review a power-purchase agreement with U.S. energy giant Enron Corp. Maharashtra considers the power rates being charged are exorbitant.

The agreement signed in 1995 details the rate at which Enron's Indian subsidiary, the Dabhol Power Co., will sell electricity to the state.

The project's first phase, a power plant of 740 megawatts, already has been commissioned, while the second phase of 1,444 megawatts is scheduled for completion by end 2001.

Depreciation of the Indian rupee and high cost of naphtha used to generate electricity caused the power generated by the Enron project to touch 7 rupees a unit as against INR1.80 agreed on when the deal was signed six years ago (\$1=INR46.375).

Enron has said it saw no current need to renegotiate the tariff and maintained that a transition from naphtha to liquefied natural gas would reduce the tariff.

Celeste, an appointee of former U.S. President Bill Clinton, said he hoped both sides would find a solution in ongoing discussions, but cautioned that "perceptions among American and other foreign investors will be affected by the challenge to Dabhol and how it is resolved."

He said despite partnerships in software and information technology, U.S. investors were wary of India because of political pressures at the federal and state level that had slowed the economic-reform agenda.

Stressing the need to strengthen business ties with India, Celeste focused on the Enron project and asked that "The Dabhol power plant remain a symbol of successful American investment in India and not a symbol of the impediments that still hinder even greater foreign direct investment."

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-----Original Message-----

From: Rao, Geetha
Sent: Monday, January 22, 2001 3:01 PM
To: Grewe, Maureen; Mills, Marshall; Sampliner, Gary; Christopoulos, Greg; Clapp, Gene
Cc: Radelet, Steve
Subject: FW: India/Dabhol Meeting

Attached is background material for the Enron meeting on Wednesday. Pls. note Mr. John Hardy will also be attending.

-----Original Message-----

From: Tom.Briggs@enron.com [mailto:Tom.Briggs@enron.com]

howNottoNameAco

NAMING a child is one of the most taxing things new parents do. So many family sensitivities to consider, so much need to pick something that will be memorable but not mocked. Companies find it even more traumatic, partly because they often hunt for a new name when they are in the throes of a disturbing merger, or when an old name has become devalued.

This week, for example, Glaxo unveiled a new company developed by Futura, a design company that is the immediate upper tier joins the illustrious PriceWaterhouseCoopers (see Chrysler as examples) ties that merge but cannot tick—which is the underdog and consigned to oblivion. Paul Brand's creative director, has with a new logo built around the *ex*, which is presumably what lived up calling the company.

But are initials a way to gloss over an awkward past? British Petroleum, gobbling up Amoco and Arco, managed to avoid becoming British-Amoco-Arco. Prudently, it decided that the "British" was a burden-

some legal-
terred for
with ada-
is over; for
is this was
the company's
modifier.

A name that is widely recognized does



not need much mearning. When a telecoms company asked John Williamson of Wolff Olins, a consultancy, what he thought of Microtel as a name for a wireless network, he thought it was terrible and suggested Orange instead. It turned out to be one of the branding triumphs of the past decade. Not many people know that Starbucks was the coffee-drinking first mate of "Moby Dick", says Julie Corneuse, director of naming at Innersbrand in New York, but the

name was to mean the (un)pleasant of Lander Associates in San Francisco, took Agilent, the name he developed for a spin-off of it (as Hewlett-Packard was in prouder days). At least Agilent is pronounceable, as are other ersatz-classicals such as Vivendi, Aventis and Corus. Not so Diageo, product of the Guinness-Grand Met merger ("we hate it when people say Diageo," complain the staff); Inogen, formerly Britain's National Power; or Thales, once Thomson-cer, a French group now inescapably named after a Greek scientist.

These days, a new name has to be available as a domain name. It also has to squeak through trademark law, and to avoid an undesirable meaning in a foreign language (like GM's Nova, whose name meant "No go" in Spanish). And it has to pass muster with the corporate top brass, who are likely to be deeply conservative. How else to explain why Andersen Consulting should reject the vivid and memorable name of Mind Bocker and settle instead for the meaningless Accenture?

Enron in India

Generation gaps

Enron's Maharashtra power project continues to spark controversy

SINCE its conception nearly a decade ago, the Dabhol power project in the Indian state of Maharashtra has generated more problems than power. Dabhol and its main shareholder, Enron Corp. based in Texas, were accused of bribing Indian officials in order to get the project approved, and of tailoring police brutality to get it built, charges Enron says were dismissed by the courts. This week its sole customer, the Maharashtra State Electricity Board (MSEB), came close to default on a billion rupees (\$35m) of bills owed to Dabhol since last October.

Catastrophe was averted on January 9th when the state came up with the money to meet the bill, but the crisis is not over. Dabhol's power will become even more expensive when a second phase of the project goes into operation later this year. It is hard to say which is the bigger worry: the burden on Maharashtra of a power plant that it cannot afford, or the damage that would be done to India's reputation as a destination for foreign investment were the state to default.

Enron's investment in India was supposed to flatter both. India liberalised its economy in 1991 and Enron looked brave for pioneering foreign investment in the country's power sector. But the Dabhol project, on the Malabar coast, caused so much controversy that in subsequent elections it helped to defeat the state government that had approved it.

The World Bank refused to finance it, saying that Maharashtra could not absorb the additional power at the price which Dabhol would charge. Yet in 1996 the new, ostensibly anti-Dabhol government approved a 740-megawatt plant costing \$1.1 billion that went into operation in May 1999 ("Phase One"), and a second 1,440-megawatt plant costing \$2.9 billion, which is 60% built ("Phase Two"). "India had no experience in negotiating," says a top Indian government official dealing with electricity. "Enron was a savvy negotiator." The process was secret, deepening suspicions.

Phase One supplies champagne power

to a customer whose budget does not even extend to beer. As India insisted, its fuel is naphtha, which unexpectedly doubled in price after the agreement was negotiated, driving up the variable component of Dabhol's tariff. MSEB is also obliged to pay a fixed "capacity charge" of seven rupees a month—covering debt, fixed running costs, and the profits of Enron and other shareholders—even if it takes no electricity from Dabhol. Even when the plant is operating at close to full capacity, its electricity is more expensive than that from other sources available to MSEB, mostly old coal-fired and hydro-electric plants. The state's electricity regulator has ordered MSEB to favour cheaper sources of supply; the resulting drop in Dabhol's output makes each unit ridiculously expensive.

Naphtha prices have again rocketed, so variable costs should drop soon. But with the tripling of capacity, Dabhol will switch from naphtha to liquefied natural gas. This is a cheaper fuel, but it is bought under a 20-year contract. Dabhol's fixed charge to MSEB will therefore soar. The worried state government has set up a committee to review the project.

MSEB's financial plight is not entirely Dabhol's fault. As in other states, Maharashtra's politicians oblige the electricity board to supply power at below cost to farmers and other favoured consumers. Moreover, MSEB

BUSINESS

loses a third of the electricity it buys to theft and leakage. The combined annual losses of India's state electricity boards are staggering.

Doubts remain about the wisdom of the Dabhol project, if not the ethics of its promoters (which, Enron insists, met the highest standards). Maharashtra has a power shortage, which it now copes with by cutting off many of its customers for hours every day. But a plant designed to lock in at periods of peak demand rather than a base-load plant like Dabhol could have dealt with this. If wasta cannot pay, it will not be the shareholders who suffer but the public in India and abroad: payment is guaranteed by India's state and central governments as well as by agencies in investors' home countries.

Now that wasta has met its October bill,

the tension has subsided—for a time. K. Wade Cline, Enron's managing director in India, says the company will "see if there is room to negotiate" as long as wasta continues to meet its obligations. If it does not, there is a "big danger" that lenders will stop financing the second phase. There is talk that Enron may even sell its stake in Dabhol altogether.

Reforms could help. A bill pending in parliament would encourage full-fledged trading of electricity, which would allow Dabhol to seek customers besides wasta (and Enron to move into a business that it is keen to enter). It would also encourage wasta and its bankrupt counterparts in other states finally to meter and price electricity properly. If that happens, perhaps Dabhol will turn out to be more of a blessing than a curse.

sions, and the big-wigs will meet again at the weekend to try to finalise a pact.

Any solution has to contain a number of elements. For a start, the utilities need to be given more time to pay the debts that they have accumulated. Some bridging arrangements, whether arranged as a loan from creditors or via the issue of a bond securitising anticipated revenues, will stave off the immediate liquidity crunch and postpone bankruptcy. Then suppliers will probably have to agree to provide power at fixed prices under long-term contracts, rather than entirely through spot markets on which prices fluctuate rapidly.

Next comes the medium-term question of who will pay the utilities' bills. It seems certain that Californian consumers will end up paying some of them, both through the politicians may be to pass them on through further rate hikes. The beleaguered shareholders of the utilities can also expect to take a further beating. However, a federal bail-out looks unlikely; the present administration has said it may be prepared to buy power at an "attractive fixed rate" from generating companies to help stabilise the market, but the new administration owes California, which voted against Mr Bush, few favours. In any case, it believes that states should have more management of their own affairs. Phil Gramm, a powerful Republican senator from Texas, says he will "vigorously oppose" any effort to "let California politicians off the hook".

That moves on to the third, longer-term component of any solution: fixing the muddled regulatory morass that passes for "de-regulation" in California. James Hoecker, chairman of the Federal Energy Regulatory Commission (FERC), put it bluntly: "As disappointing as it may seem to some, we cannot 'price cap' California out of a supply shortage...and generators should not expect future earnings that dramatically out-

pace the industry's historical performance." He added that fixing things will require work "on several fronts over a period of time—in California's case, three to five years."

This is sensible, straight talk that California's irresponsible politicians and regulators would do well to heed. That is because, while Mr Hoecker peevish no knight in shining armour for them, he was more sympathetic to some sort of federal role in solving California's crisis than were other commissioners of the FERC. On January 10th, however, Mr Hoecker resigned. It is now crystal clear that only California can get California out of this mess.

Power in California

Light on solutions

BY FRANK RICHARDS

California's politicians are not resolving the state's energy crisis

CALIFORNIANS have been enduring the latest in a string of power "emergencies" that have become so routine that they are announced alongside the weather forecast on the evening news. Southern California Edison and Pacific Gas & Electric, the state's two giant power utilities, have been forced to buy power for far more than they are legally allowed to charge their retail customers in recent months, so they are bleeding red ink. At the latest count, they had outstanding debts of over \$20 billion. With credit-rating agencies warning that the utilities are within days of bankruptcy, the state's governor, Gray Davis, has been under intense pressure to come up with a solution.

Mr Davis delivered his "state of the state" speech on January 8th; it was mostly devoted to the power crisis. He went on a rampage against the power marketing firms, calling them out-of-state criminals, and he threatened to cut off the state from the regional electricity-trading markets (ignoring the fact that California gets a quarter of its power from outside the state). He also branded de-regulation a "dangerous and colossal failure" that had produced an "energy nightmare", and raised the spectre of some sort of state control over power distribution and generation assets.

His speech did not, therefore, do anything to improve the crisis. Creditors were cheered that the governor

said explicitly that he would not let the utilities go broke, but they noted that he refused to reveal how exactly that could be avoided. Standard & Poor's, a rating agency, warned that "the governor's message lacked constructive solutions to the utilities' financial crisis."

Undeterred, Mr Davis flew the next day to Washington to plead his case for some sort of bail-out. At a special emergency summit called by Bill Richardson, the energy secretary, and Larry Summers, the treasury secretary, the governor's officials sat down with the utilities and the main supplier of power to California in the hope of forging some sort of a compromise. No final deal was reached, but lower-level folk will continue discus-



Before California's lights go out

Licence delays put Bangladesh natural gas projects on hold

Interest has waned because of red tape and low energy prices, writes **David Chazan** in Dhaka



Sheikh Hasina: "We are not sure how much gas we have"

The second foreign-operated natural gas field in Bangladesh began production recently but further gas projects have been blocked by delays in awarding exploration and production licences.

International interest in Bangladesh gas has waned in the past 18 months because of delays and also because low energy prices have forced many companies to scale back their operations. The Jalalabad field in the northern district of Sylhet, operated by Occidental and Unocal of the US, came on stream earlier this month.

The field will produce about 100m cu ft a day, bringing the country's total gas output to more than 900m cu ft a day. The first foreign-operated gas field, an offshore facility operated by Cairn of the UK, in partnership with Shell, began

production last year. Petrobangla, the state-owned energy company, has refused to allow Cairn to increase production from 100m cu ft a day to 300m cu ft, saying the offshore rig has been unreliable. But analysts said the reason could be that as Bangladesh has to pay for some of the gas, Petrobangla and the government may be reluctant to spend more hard cur-

rency. Cairn has subsequently transferred responsibility for day-to-day operations at the field to Shell. Analysts said that with its greater resources, Shell might be more successful in resolving the issue if it became the operator of the field. Nigel Hopkinson of Occidental said the gas produced at Jalalabad, an offshore

field, would cost Bangladesh some \$100-Mm a year; cheaper, analysts say, than the gas produced by Cairn and Shell because it costs more to operate offshore fields.

When Bangladesh invited bids for natural gas exploration and production rights in 1987, the government was overwhelmed by the enormous interest shown by oil and gas companies. "The whole world seemed to be knocking at our door," said a Bangladesh official involved in awarding production sharing contracts (PSCs). "Looking back, we probably weren't ready, and perhaps our mistake was trying to offer too many blocks and promoting too much."

The Bangladesh government reportedly missed deadlines which it had announced for awarding the contracts. When it invited gas companies to begin a new round of PSC negotiations this month, several backed out.

The government may have delayed because it is unsure what to do with its gas. Most companies now want guarantees that they will be able

to export some gas before embarking on expensive exploration programmes. "The obvious export market is India, which has a severe energy shortage. But with the Bangladesh opposition frequently accusing the government of selling out to India, any decision to export gas could be politically explosive in the run-up to the general election programme led by the government next year."

Many gas company executives have also lost enthusiasm in the face of the persistent bureaucracy in Bangladesh. "Business in this country moves at the pace of a bicycle ride," said one executive complained. "What normally takes a week can take months here."

Fewer than 300 wells have so far been drilled in Bangladesh, but experts are convinced that substantial reserves of natural gas lie underground and offshore, under the Bay of Bengal. Shell estimates the reserves at 30,000m-50,000m cu ft, a sizeable amount which could give the economy of one of the world's poorest countries a much-

needed boost. Sheikh Hasina, the prime minister, who has taken personal responsibility for gas, said further exploration would be needed before deciding whether to export.

"We are not sure yet how much gas we have and whether it will fulfil our domestic demand. So unless we could judge that, how can I say that we can export?" she said. "If we have enough, then we can think of it."

Only 14 per cent of Bangladesh homes have electricity, and the government is hoping further gas projects will help expand the network. Several gas-fuelled power stations are being built, but up to 40 per cent of the electricity in the national grid is "lost" or taken by consumers without paying.

Bangladesh's domestic gas network is also very limited. Few households have piped gas, and 90 per cent of the estimated 100m cu ft of gas produced per day now goes to industry or is used to produce fertiliser, a commodity that currently fetches low prices on the international market.

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Water
successions

Sink or Swim

Rebecca Mark's Exit Leaves Enron's Azurix Treading Deep Water

Venture's Troubles Vindicate
Her Rival, Who Pushed
Parent in New Directions

A Bad Smell in Argentina

By REBECCA SMITH
AND AARON LACOURTTE

Staff Reporters of THE WALL STREET JOURNAL

Four years ago, Rebecca Mark and Jeffrey Skilling were running neck-and-neck at Enron Corp., both of them rising stars equally likely to lead the Houston energy colossus one day.

Both were in their early 40s with M.B.A.s from Harvard University, and both headed divisions deemed critical to Enron. Ms. Mark, one of the highest-profile woman executives in America, directed the company's international division. She had just snatched a multibillion-dollar power project in India from the jaws of political defeat. A glamorous figure not afraid to tramp through the jungle or take a tough line with bureaucrats to get her way, she had pulled off other big-ticket projects, including a 1,100-mile natural-gas pipeline from Bolivia to Brazil.

No less tenacious, Mr. Skilling was the brains behind Enron's burgeoning commodities-trading business, which was seeking to place the company at the commanding heights of markets ranging from electricity to wood pulp to natural gas.

Today, Mr. Skilling, 47 years old, stands triumphant at Enron as its president and heir apparent to Chairman Kenneth Lay. Ms. Mark, 46, is gone. Their respective fates

stand as testimony to the effectiveness of their competing business strategies.

Mr. Skilling believed that Enron should own an asset for as long as it took to learn the secrets of a given business and that it must be willing to sell the asset if a better opportunity for the money arose. Ms. Mark pursued a more traditional and capital-intensive approach that involved buying or building "big iron," the generating facilities, pipeline networks and distribution companies that form the backbone of the global energy system. While Mr. Skilling saw command of information as enough to ensure Enron's primacy in volatile and fast-moving markets, Ms. Mark argued that a well-placed, permanent physical presence was equally critical.

To move the primacy of her position at Enron



Rebecca Mark



Jeffrey Skilling

and put her in charge. The idea was to establish a beachhead as governments from Argentina to the United Kingdom began privatizing the heavily regulated water business. But almost from the start, Ms. Mark's initiative—critically dependent on making

speedy investments in a politically sensitive sector—stumbled. Despite a successful initial public offering in June 1999 that raised \$1.6 billion, Houston-based Azurix has fallen short of analysts' earnings estimates since the fourth quarter last year. Its stock price, which started out at \$19, now hovers below \$5. On Friday, Ms. Mark resigned from her position as chairman and chief executive of Azurix and simultaneously stepped down from Enron's board.

"A lot of capital has been chewed up," says Mr. Lay, who has worked with Ms. Mark for 18 years and whose company remains by far Azurix's biggest investor. "I think it's best for Rebecca to start afresh." Ms. Mark didn't respond to requests for an interview.

Mr. Skilling has moved from one victory to another, spearheading what has become the biggest generator of profits for Enron. Started as a traditional gas-pipeline company 18 years ago, Enron has lately morphed into the largest trader of gas and electricity in North America and a formidable manager of risk, its own and others', in markets for an array of products. It has in essence invented markets for trading such nontraditional commodities as unused capacity in fiber-optic telecommunications lines and weather derivatives—which alone, say, an aluminum creditor to bet on future rainfall that might influence its power costs. Its Web-based trading business, EnronOnline, has handled transactions with a nominal value totaling \$225 billion since it was started last November, and Enron has either been the buyer or seller in all of them. Such trading activities contributed the lion's share of Enron's \$289 million in second-quarter earnings, up 30% from a year earlier.

They also generate a much bigger rate of return while tying up less capital than do the kind of traditional infrastructure projects pursued by Ms. Mark. While Azurix's stock has dropped 45% since the start of 2000, Enron's shares have nearly doubled, and its price-to-earnings ratio, a

Please Turn to Page A10, Column 1

Enron's Venture Into Deep Water

Continued From Page 41

proxy for the value investors place on a company's profits, is a lousy fit. "We will tie up capital only where there are high rates of return," says Mr. Skilling, whose new office in a 48-story tower Enron is constructing in Houston will be at the heart of its vast trading operation. Enron's multibillion-dollar trading business, he adds, grows "as a once-in-a-lifetime opportunity to establish a position to last for the next 100 years."

That's what Ms. Mark thought, too, when Mr. Lay gave her the go-ahead to set up Amrix. Mr. Lay had always backed her as a potential leader, even keeping her on the payroll while she attended Harvard as a single mother with twin sons. With seven years of experience pounding the turf for Enron in developing countries, Ms. Mark believed governments were ready to embrace private capital as a solution to fixing their troubled water systems, just as they had done by privatizing their electricity grids and phone companies. "Water is the commodity of the next century. That's what she'd say," says John Garrison, who succeeded Ms. Mark as chief executive of Amrix.

Knowing that she had to show results quickly, Ms. Mark in short order bought water companies or concessions in Britain, Argentina and Mexico and formed a Brazilian joint venture. But nearly from the start, things went wrong.

In Argentina, one of the water concessions had such faulty billing systems that Amrix couldn't collect from most of its customers. Then, the company was accused of selling inadequately treated water in the city of Bahía Blanca, an oil-refining center, after local residents complained that the water had a bad taste and odor. Amrix didn't fare any better in Britain. There, regulators ordered Amrix unit Wessex Water PLC and other water companies to reduce rates on the grounds they were making excessive profits. Though that move had been expected, what wasn't was the ensuing tide of analysts' criticism that the company had overpaid for its biggest asset.

Ms. Mark, who had promised investors that Amrix would have \$50 billion in assets within a few years, shifted gears. Taking a page from Mr. Skilling's book, she trumpeted the creation of a U.S. water market in which the liquid could be traded throughout the arid West.

But here, too, the odds for quick success were against Amrix. At eight pounds a gallon, water is slow to move where it doesn't want to go. The system of pipes and canals needed to move it throughout the West is incomplete. There is no federal order, comparable to what exists in the natural-gas and electricity industries, forcing those who own the pipes to make unused capacity available to others. And unlike electrons, all water droplets are not equal. Water from lowland river deltas must be treated for different impurities than water flowing

from mountain snowmelt.

Moreover, water, mundane as it seems, stirs political emotions. In that regard, Ms. Mark's earlier successes may have made her overconfident, say colleagues. At India's Dabhol power project, Ms. Mark had surmounted a stiff challenge from Hindu nationalists opposed to the project and had even persuaded them to let her expand its size, and hence its profitability. In Bolivia, Ms. Mark had coaxed local politicians running what had been the only true socialist state in South America to let Enron in effect control the sale of the country's natural gas to its biggest customer and neighbor, Brazil.

But those formidable skills didn't seem to make any difference in the Western U.S. Bill Turner, a top natural-resources adviser to the New Mexico governor, says it was clear to him that Amrix overestimated its power to break the skin of interests involving water and underestimated the impact of laws restricting its sale or transfer. Nor, he adds, did Amrix understand how

emotional water can be. "As Mark Twain said, 'Whiskey's for drinking and water's for fighting,'" Mr. Turner says.

As Amrix's stock price fell and the money it had available for new investments dried up, Enron began to get itchy. Mr. Skilling, who in 1997 became Enron's president and was a member of Amrix's board, left the water business, where Enron was up against bigger, well-established players such as Vivendi of France, was too capital-intensive and too slow to move to meet his performance benchmarks. Amrix insiders say privately, though, that a less aggressive, more patient owner would have served both companies better.

Since Ms. Mark had started Amrix, other Enron initiatives had produced much bigger profits. One was the sale of energy services to big companies such as IBM Corp. and Chase Manhattan Bank. In these deals, Enron typically supplies electricity to all of the customer's facilities for a predetermined price. It, in turn, makes its money by finding cheaper power through its trading desk and by replacing old heating and ventilation equipment at the client's facilities, which generates savings that Enron and

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MONDAY, AUGUST 18, 2008

to Deep Water

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At Mark's stock price fell and the crowd's intractable for new investments, critics, Mark began to get ready. Mr. Mark, who in 1987 became Mark's president and was a founder of Mark's (Mark's) Bill the water business, where Mark was up against Negan, well-established players such as Forest of Pruney, was the capital interests and too slow to react to meet his performance benchmarks. Mark's investors, say privately, though, that a Bill agreement, some/other investors would have turned both companies better.

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the customer split. Other men in Sacramento trading ventures and its hardware business, which many analysts see as the biggest threat contributor to Mark's earnings—higher than energy. The hardware business is also a perfect example of Mr. Mark's strategic vision.

Mark got into hardware by accident. In 1991, it bought Portland General Corp., an Oregon electric utility, with an eye toward California's soon-to-be opened electricity market. The idea was to get an accurate understanding of the utility business in a way that would help position Mark as its leader in the fast-growing U.S. deregulation wave, but the market in California was changing rapidly, and soon, California was changing rapidly, and soon, California decided it really didn't need power plants to be a major player in California. So it put the business up for sale—except for one part.

Portland General was building a fiber-optic loop around Portland. Mr. Lary—a close friend of Texas Gov. George W. Bush and a big Republican Party supporter—and Mr. Stilling saw the potential for expanding the idea to a much greater

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With 1991 two years, they had pitched together a multi-coast floor-plan set with, the next step was to create a few business of trading assets especially on the only in one network, but also on base of its competitors. However, Mark's been and with hardware taking forms of change in the U.S. Europe and Asia and green-

and about \$20 million in revenue but return from the business. It also has focused up with the Blockbuster call of Vision Corp. to electronically deliver movies on demand to U.S. households, beginning in a few cities later this year.

By 2006, every analyst at Citigroup's Solomon Smith Barney said, says he took on Mark will learn the utility quality of the advanced business by owning its network and will eventually add it when a more probable use for that capital emerges. "The years from now, I think they'll see a huge amount of flow," says Mr. Khan. Indeed, the company always is looking for ways to create value. Mr. Stilling calls "high-visibility capital."

Usually, Mark says it is "overvalued" to explain why what is done with Mark. But one other significant Mark's shareholder

has little doubt what will come next. Mr. Mark is "a very dynamic person, a force," says Adam Smith, director at Morgan Asset Management, Chicago, which owns a host of Mark's stock. "He has the last bit to take account, Mark's has been broken. Now that they're left, it means Mark has decided the thing can't be fixed."

That doesn't mean Mr. Mark himself has turned in the town. It is assumed there, Mark has released Mr. Mark from a big chunk of a noncompete clause in her contract. While she is forbidden to compete for water-writes contracts, she is free to build up a water-storage business of a trading business, even in the utility arena. Some Mark's insiders expect her to get together an investment group to buy www.mark.com, Mark's website of investment that trades daily in water.

A sale of Mark's, if the personal disposal of its assets, wouldn't surprise Louis Baggett, chairman of the New York Mercantile Exchange, where Mark is one of the biggest customers. "There is no reasonable trade," says Mr. Baggett. "They know the financial rules of trading, which is not just losses."

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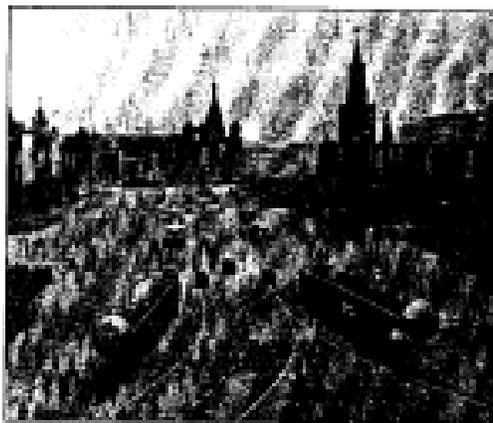
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quite missile, that were previously for the use of its own armed forces only. This worries Russian military planners, especially as they fear China's supposed long-term designs on Russia's thinly populated and mineral-rich far-eastern regions.

Indeed, the next time Russia raids the cupboard, it will be selling its most advanced and nastiest non-nuclear weapons: the quietest submarines, for example, or the missiles being used, with mixed results, alongside the tanks and guns in Chechnya. One such, the Tochka-U, can blast a seven-hectare area with cluster bombs. Another, the ros-1, is a rocket that delivers a cloud of exploding fuel vapour, creating an effect like a small nuclear weapon.

The new defence spending—if it ever materialises—will do nothing to restore Russian military research. Rather than going on new high-tech aircraft and ships, the money will be spent keeping Russia's nuclear arsenal safe and usable, and upgrading basic infantry kit such as radios and body armour. A recent ambush, in which Chechen fighters



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crept out of the fog and killed at least 20 Russian paramilitary police, underlined Russian forces' need for equipment that works despite poor visibility.

Eventually, Russia's arms catalogues will start to look distinctly skimpy. There is no sign that Russia can develop a new generation of conventional weapons.

Reviving Russia's military industries would require huge political determination. Even with the latest boost, Russia's procurement budget is only about 4% of America's. One of the country's best-known military factories, Arsenal in St Petersburg, founded by Peter the Great in 1710, is jubilant because its foreign sales rose sharply last year—to all of 160m roubles. Admittedly, in a country where average monthly wages are only around \$50, money goes a lot further. Arsenal is taking on 500 extra staff to help meet this year's order-book and more than doubling salaries. Try doing that at Raytheon.

Barring a drastic, and probably impossible, semilitarisation of the economy, Russia will restore its arms industries only with outside help. India is one candidate; China, which seems to want enough muscle to deter America from defending Taiwan, another. But both countries really want to build their own defence industries, not to subsidise those of a declining empire with an uncertain temper.

Water

Nor any drop to drink

THE ISSUE

Most governments do a poor job of delivering water and sewerage services. Can the private sector do any better?

CHERRAPUNJI is one of the wettest spots on earth. A typical year sees more than 37 feet (11 metres) of rainfall. In another part of India lies Gopalpura, which receives only a few inches of rain a year. Guess which has the water shortage?

The answer reveals much about what is wrong with how the world treats water. Cherrapunji in north-eastern India filters away its fresh water, and suffers from shortages. In Gopalpura, a drought-prone village in Rajasthan, local people have learnt to value fresh water as a precious commodity.

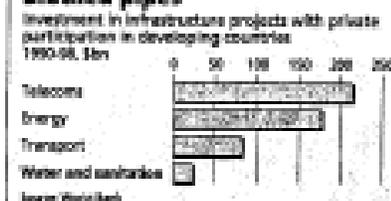
Sadly, most of the world is more like Cherrapunji. Most governments have so mismanaged supplies that much of the world's fresh water is wasted. That is the main reason nearly one in five of the world's people lacks access to safe, reliable water.

This is most visible in the sprawling cities of the developing world. With the encouragement of international donors, governments have invested in urban water infrastructure, and they provide water at rates well below the cost of provision. Unfortunately, this strategy born of good intentions has in practice created a morass of bureaucracy and corruption.

Though governments spend a fortune on urban water utilities, the main benefits flow

to the middle and upper classes. The poor rarely have access to sewerage or piped water. Out of desperation, they endure open sewers and have to buy water, often of dubious quality, from private vendors from the backs of lorries. Even in Haiti, the poorest place in the Americas, slum-dwellers pay 100

Blocked pipes



times what the "morally repugnant elites" (as they take perverse pride in calling themselves) pay for water piped to the hillside mansions that rise above Port-au-Prince.

Reversing this by 2025, reckons William Cosgrove, one of the water experts who organised a big water summit this week in the Hague, will need the current investment in water infrastructure to be more than doubled, to \$80 billion a year. Where will the money come from? The answer is chiefly from the private sector, with much help

from ordinary people. The key is to price water to reflect the true cost of provision. If governments do this, firms will have an incentive to invest, and consumers to conserve.

Although private provision of water is a controversial notion, it is not a radical one. France has allowed firms to manage water through long-term concessions for more than a century. A decade ago, Britain handed control of its water assets over to private firms. Côte d'Ivoire gave control of water service for its capital to the private sector several decades ago. Abidjan is one of the few African cities with reliable supplies. Even so, private investment in water lags behind that in other infrastructure (see chart).

The world's few water multinationals are looking abroad partly because their home markets are mature. Bill Alexander, head of Britain's Thames Water, now wants his firm to earn a third of its profits from outside regulated Britain. But he and others also see opportunities, especially where governments have begun to price water properly.

From Jakarta to Mexico city, private firms are helping governments to improve bill collections, reduce leakage and upgrade infrastructure. Only about 30m people now receive their water from private firms. But France's Suez Lyonnaise reckons that figure will rise by 20% a year over the next five years. Already, the firm boasts of serving 100m customers; Gérard Payen, the boss of its water division, sees revenue from water increasing from €8 billion (\$9.7 billion) to €13 billion within five years.

Such ambition fuels the suspicions of those who fear that the poor will be the first victims. But the early experience of reform

BUSINESS

suggests that the opposite is true. Buenos Aires was one of the first cities to award water concessions. Suez Lyonnaise inherited an unpopular state utility with murky finances and limited reach. The firm has since invested \$1 billion to upgrade equipment and expanded its reach by 1.6m people, without raising water rates. In Santiago, Chile, officials have introduced a means-tested "water stamps" scheme that covers part of the cost for the poorest citizens; the private firm running the city's water now has a clear incentive to serve the poor, who are paying customers, just like the fat cats down the road.

Benefits are to be had in rich countries too. America accounted for roughly a quarter of the \$400 billion or so in revenues earned globally by water companies, both public and private, last year. Yet its market is not only heavily regulated, but also fragmented: tens of thousands of municipal monopolies provide nearly all of its water and sewerage. The municipalities are now looking for private help as the Environmental Protection Agency imposes standards on water quality that municipalities cannot satisfy without outside financing and expertise.

The French multinationals have again been especially successful here. In the few years since *Adiana* let Suez Lyonnaise take over its water concession, the firm has reduced costs considerably. It capped a wave of acquisitions last year by spending \$4 billion on *Nalco Chemical*, a water-services company. Its competitor and arch-rival, *Vivendi*, spent \$4 billion last year on *US Filter*, America's biggest water-equipment business. Even if municipal contracts are slow in coming, these firms reckon they can make money by helping towns and industries to satisfy the law.

In future, private firms might introduce other innovations. Rebecca Mark, the head of *Azurix*, an offshoot of *Enron*, an energy company, believes that the increased variability in temperatures, the rising intensity of storms and especially falling water levels across the country are prompting Americans to press their politicians to reform water subsidies. To speed this along, her firm has launched an internet-based scheme for trading large quantities of water among towns, farmers and others with water rights. "We waste enormous quantities of water because no market exists," she says. She boasts that by setting up a market her firm has "created something completely different, unlike the French who have piddled around with this industry for the past 150 years."

The private sector's impact on urban water services can thus be dramatic. But companies will not be able to satisfy surging urban demand unless rural supplies of water are also properly managed. The countryside is where 80% of all water is used in Africa, Asia and Central America. Across the world, most of the \$30 billion-40 billion in water subsidies spent by governments to help the



Better than Coca-Cola

poor ends up in agriculture. And most of it ends up with relatively well-off farmers.

Take the capital city of India's Tamil Nadu, Chennai, a festering, overgrown metropolis that is often hit by water shortages. Mindful that the city's residents grow ever unhappier, politicians have cooked up various schemes to bring water in from far-away places. Yet the state still gives water away free to farmers, who grow such thirsty crops as sugar cane. In California, well-connected farmers grow rice in the desert, even as Los Angeles begs for water.

Liquid assets

However, although all agree that agriculture is part of the water puzzle, not everybody accepts that privatisation is the answer. Patrick McCully of the International Rivers Network, an activist group that campaigns against big dams, detects a "global hydro-aid complex", composed of international agencies such as the World Bank and private water multinationals, that is behind initiatives such as this week's summit. But this is surely an exaggeration. For the foreseeable future, many of the world's poor farmers must rely on subsidised irrigation monopolies for water. Political pressure means that those irrigation monopolies will probably go on being run by the government.

Even then, private-sector participation can make a difference. In setting up a contract, argues the World Bank's John Briscoe, "issues that have long been submerged will be brought into the glare of public scrutiny: what is the service level to be provided? How will it be monitored? What will be paid for the service by whom?" This makes the subsidies explicit, the first crucial step to ensuring that they end up with the neediest.

And subsidies are not incompatible with private-sector management. The market-minded authorities in Chile are preparing to award a long-term concession next

month for a dam and irrigation project to the firm that requires the smallest subsidy.

The best evidence that big changes are afoot comes from Victoria, Australia. A fiscal crisis there led officials to slash the subsidies that were provided to farmers for water. When unhappy farmers were confronted with bills that reflected the true cost of providing water, they started asking uncomfortable questions. They organised themselves into a water-user collective, and demanded reforms in the irrigation agency. Although the agency remained in government hands, such unprecedented scrutiny led to a 40% drop in costs.

Indeed, although consumers have complained about water privatisation in such countries as Britain, private management is not always unpopular. In La Paz, Bolivia, officials and Suez Lyonnaise involved local poor people in deciding what water services they needed. After people voluntarily contributed their time and labour, they reduced the costs by two-thirds. *Surina Narain*, of India's Centre for Science and Environment, believes that empowering users often turns up inexpensive ideas, such as age-old techniques of rainwater harvesting, that governments and firms dismiss as old-fashioned.

These successes suggest that the rich world and the poor may yet sort out the witch's brew of politics, subsidies and opacity that bedevils their water. After all, whether it is Australia or Rajasthan, once people understand the true cost of water services, they will conserve water, and even help to dig ditches if necessary. In return, they will want transparent prices and better service from both governments and private firms. Economic development has brought developing countries such wonders as television and Coca-Cola. By coupling markets with people power, reformers may yet bring them fresh water too.

regulatory revision, moribund infrastructure and a shortage of public funds have encouraged a flood of global water privatizations in recent years, with many more to come. Thames Water is one of the first into the deal pool.

By Tajmur Ahmad.

Waterworld

The first waves of growth and consolidation have been washing over the global water industry for the last decade, with investment expected to increase by \$100 billion a year to match renewed demand. Thames Water has launched into some heavy investment over the last few years.

Yet despite the vast potential, actual overall private sector investment in water projects until now has failed to overwhelm. The reasons behind the unimposing number of existing contracts are not hard to grasp. Says Linda Kenney, Thames Group Treasurer: "It's a very slow process to actually conclude private water projects. We are generally dealing with entities which are sub-sovereign in nature, which typically lack their own professional advisers. Additionally, local currency cashflow problems and various political intricacies obviously tend to delay projects." Nonetheless, successive governments around the world are embracing privatization in some form or other.

The water business is also a low margin, high risk enterprise. Privatization frequently runs into opposition from public officials unprepared to turn the resource over to profit-hungry private hands. The bidding process for contracts is time-consuming and expensive, with development costs running high.

But Thames has had considerable success in attracting both limited and non-recourse project finance from institutional and commercial lenders alike—a key factor in Thames' international market success.

Now, the task facing Linda Kenney and the Thames team is to replicate its armory of financing structures in most less developed markets. But, explains Kenney, "it's very difficult to develop a cookie-cutter approach to financing water projects, since each water project we have looked at is different from the next."

Until now, project finance in the water sector has been limited to a few Scottish PFI deals, most notably last year's Stirling Water Seafield Finance project.

Although the use of project bonds to fund UK PFI deals has been on the upswing recently, Stirling marks a first. The consortium assembled by Thames Water, MJ Gleeson and Montgomery Watson, used a monoline wrapped bond package that may spell the way most water concessions are funded in the future.

Stirling Seafield finance is the vehicle used to finance the two separately tendered but operationally inter-linked water facilities in the East of Scotland, Almond Valley/Seafield and Esk. Given the thirty year length of the concession, and the boom in the PFI bond market, Stirling opted for a bond issue. MBIA-Ambac insured the bond, guaranteeing its AAA status, after thorough due diligence, which also ensured that the shadow rating was at the required grade. The £79 billion issue was lead managed by the Royal Bank of Canada and launched in March of last year.

The same team of managers launched the later Esk-based £29 million bond in December. Financing was also backed by £14.8 million in sub-debt, and £4.53 million in equity.

Opting for a monoline wrap, the sponsors departed somewhat from standard practice "We believed that by having the insurance wrap we were achieving a lower margin above the cost of funding than we would otherwise have achieved," explains Kenney. "Also, we felt that the pricing we were offered through the banking market would have been more expensive than the bond route. We examined both options very carefully, and left the choice open to the banking market. Going for monoline was more cost effective than attempting to get the investment grade rating ourselves and then going to the market."

This form of financing offers a model by which other governments travelling the PFI route can work. Delphind of Holland is one interested party, and Thames hopes that the process can also be applied to its other global springboards. Given the upheaval expected in water industries later this year, the model is likely to pick up momentum.

With the renewed confidence in bond issues, then, the challenge is to replicate the Stirling model elsewhere. Says Kenney, "The Stirling model will certainly travel far. It's a developed market model which requires the assurance of investors. We've talked to the monoline insurers about moving into other markets over the next couple of years, particularly in emerging markets with single A ratings at the sovereign level. There is substantial opportunity in Europe, where we may see the type of scenario we've already seen for wrapped bonds for PFI projects in the UK."

Stirling, Kenney argues, is a benchmark for developed market projects. "It succeeded in part because it was carried out in an established market with highly credit worthy clients," she says. "We were able to use the capital markets to attract long term finance which was crucial to maintaining the price the water authority wanted to see."

The Stirling lesson teaches that capital markets can be used in a similar way to a bank facility. Further, Thames' experience demonstrates the willingness of bond investors to participate in the water market.

Asset securitization and separation, which is being considered by other companies in this underperforming sector, is not the course Thames is running at present, though the company continues to examine its opportunities. "Clearly we're looking at the market with interest," says Kenney. "Thames has identified growing its nonregulated businesses and moving its expertise into the overseas market, as a way to ensure growth for the business as a whole, as opposed to breaking up in the way that others are considering."

But regulatory concerns, the impact on credit ratings and legal issues plainly throw up such methodological concerns. Other companies in the sector are looking at such moves. For example, Aguas Argentinas, partially owned by Thames rival Suez Lyonnaise des Eaux, is carrying out a \$100 million securitization based on its water operations on Argentina's capital Buenos Aires. Adds Kemery, "clearly we have to consider off balance sheet type structures where we can - if it makes sense."

Because of the high costs involved in operating a concession, companies must fund deals on a limited or non-recourse basis. This is not a problem when concessions are operated in capital cities, where the project is backed by the national government, which can provide a sovereign guarantee.

But for water, however, the money is made in providing services for municipalities, which are obviously smaller and less credit-worthy than national governments. And project financing is not always cost-effective for doing smaller municipal deals.

Nevertheless, with many municipal governments facing unwieldy funding gaps, the need for additional sources of revenue will become more acute. And as local governments worldwide adopt public-private partnership schemes for the water sector, the demand for bank and capital market project financing is destined to ripen.

Thames, faced with a saturated and increasingly regulated market at home, is now winding its tributaries through more profitable waters by expanding abroad. Its future earnings growth, denied it by regulatory price capping at home, will likely come from its international portfolio. Thames' recent acquisition of the ETown water utility in New Jersey fetched a price tag of £167.9 million plus £206.7 million of debt, and marks the launch of Thames' proposed American platform.

Indeed, the US water industry is highly fragmented and fit for consolidation. About 33,000 companies provide water services. Only about 300 of those serve populations greater than 100,000. Many are municipally owned and lack the financial strength to finance the high levels of investment required to comply with new environmental standards, replace existing infrastructure and meet increasing demand for clean water and waste services.

US industry estimates suggest that \$1.38 billion will need to be spent on water supply services and another \$140 billion on waste water over the next 20 years. Annual industry sales of \$60 billion are forecast to grow by a further \$10 billion by 2003.

"We see a lot of potential in the States," Kemery confirms. "ETown is important as a bridge for us to build to other states. It's an important reference base. The idea is to achieve a substantial US business. And we see this as a balance to some other projects we have in the emerging market pipelines."

Thames is paying for its acquisition in cash. At present there are no plans to use a project finance structure to fund either this purchase or future acquisitions. But, as the big European players stream into the American market, it is reasonable to expect the arrival of structures similar to those used to finance European water projects, such as Stirling. "The types of structures we use will depend on whether it's a regulated or nonregulated business and also on what are obligations will be to maintain debt-equity ratios. But there will be a lot of flexibility in going forward to restructure corporate ownership of water utilities in the States," says Kemery.

However, finding acquisition targets is difficult. Many municipalities are reluctant to relinquish ownership of such vital infrastructure. But the pressure of maintaining aging systems or

upgrading them to meet health and safety requirements is forcing municipalities to look grudgingly to private operators. In these terms, adds Kemery, "the US can be plausibly described as an emerging market."

South of ETown, Thames is also edging into the Latin American water market. Again, motivated by a need to balance and diversify its global portfolio of operating assets, Thames is focusing enthusiastically on areas such as Chile, Brazil and Peru.

"We see a lot of opportunity in Latin America and we now have an alliance with Electricidade de Portugal, signed last year, to bid on Latin American water projects." Chile's regulatory regime is possibly the most advanced and is in some respects comparable to the UK. "We're trying to focus on a number of areas where we feel we can bring in expertise," says Kemery.

But the irrefutable improvements brought to customers by private sector operators have usually been accompanied by an increase in charges, which can prove politically unpopular. "We first have to be very clear that the legal contractual framework is satisfactory," Kemery cautions. Moreover, she adds, "we have to be very clear that the entity we're dealing with can be relied upon to set tariffs appropriately. So we have to ensure that the tariff is affordable from the outset, to guarantee the acceptability of inflation-linked tariff increases."

The industrial town of Izmit is the locale for Thames' recent entry into Turkey. And the company's 15 year contract to supply water to the region is slated by some to set a trend for privately run water and sewerage industry in the country.

Thames, together with Turkish and Japanese partners, completed the deal to build the biggest privately financed water plant in Turkey in 1998. The highly complex \$900 million financing for the project consisted of 15% equity and 85% loans, lead arranged by Chase Investment Bank, Societe Generale, Sanitomo Bank, Greenwich NatWest and Fuji Bank. A Mitsui-Sanitomo joint venture furnished the equity and supplied invaluable construction materials. Comments Kemery, "the Izmit scheme is unique in that it's the largest scheme in the world. It attracted an indirect guarantee from the Republic of Turkey which enabled the consortium to attract substantial foreign investment."

Yet despite the Izmit achievement, financiers still must become convinced that projects can generate sufficient and dependable revenues to recover investments. Further, public infrastructure deals, such as Izmit, have traditionally been secured by Turkish treasury guarantees, but there is a limit to the number of guarantees Turkey can afford to issue.

Nevertheless, Thames' worldwide operations demonstrate that private water operators can advance the quality and cut the costs of infrastructure traditionally operated by the state.

This axiom is again borne out by Thames' recently renegotiated concession contract with Jakarta. Thames established the consortium PT Thames PAM in 1997 to replace the then public water supply authority in Jakarta on a 25 year concession, covering the eastern half of the city. The company plans to invest \$200 million in distribution facilities in the region.

Observe also Thames' recently signed agreement with Multi View Resources and Nisiras Corp to mutually take part in water and sewerage opportunities in Malaysia. The new joint venture, Puan Emas Sdn Bhd, with enough initial paid up capital, is well poised to bid for new projects. Other major projects are ongoing in Puerto Rico, Thailand, China and Australia.

And with the ever-growing global demand for superior water infrastructure, expect Thames to surge. ■

"We have to be very clear that the entity we're dealing with can be relied upon to set tariffs appropriately. So we have to ensure that the tariff is affordable from the outset, to guarantee the acceptability of inflation-linked tariff increases"

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Nigeria votes 4.3 billion naira to improve power supply

August 16, 2000
Web posted at: 12:04 PM EDT (1604 GMT)

LAGOS, Nigeria (Reuters) -- The Nigerian government will spend about 4.3 billion naira (\$42 million) to extend electricity supplies to all rural areas in the West African country, a newspaper reported on Wednesday.

The independent Thisday quoted the chairman of the technical committee of state power monopoly NEPA, Liyel Imoke, as saying that the project was part of President Olusegun Obasanjo's plans to tackle poverty in the oil-producing country of over 110 million people.

Imoke said the government had concluded plans to increase power generation by the National Electric Power Authority (NEPA) to meet the expansion plan.

"Over 2,000 megawatts of electricity will be generated by the end of this year," Imoke said.

Nigeria currently generates only 1,400 megawatts of electricity from a possible output of nearly 6,000 megawatts due to broken down units following years of neglect by successive military regimes.

President Obasanjo's government has commenced a major rehabilitation programme for the power plants, ahead of NEPA's privatization towards the end of next year.

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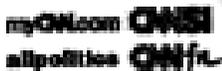
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TRAVEL

From: Geoffrey Gottlieb
To: StewartEK
Date: 7/5/00 7:41pm
Subject: Enron signs deal in Nigeria- FYI

NIGERIA HIT BY STRIKES AND CIVIL UNREST. Industrial unrest has spread across Nigeria for the second time in a month amid doubts about President Olusegun Obasanjo's ability to reach an early agreement on economic reform with the IMF, the FT (7/5, p.8) reports.

John Odeh, secretary general of the Nigerian Labor Congress, said public sector workers in a third of the country's 36 states had joined striking civil servants in the commercial capital Lagos, demanding payment of a new minimum wage. The strikes coincides with the first visit to Africa of Horst Kohler which started on Monday in Nigeria. IMF officials said after meeting Obasanjo that there were still obstacles to a planned \$1 billion standby agreement which is a vital step to relief on the country's \$31 billion-plus external debt, adds the story.

In a different report, AFP (7/3) notes the head of the IMF said Monday that Nigeria's economic reform program is on track to win Nigeria a one billion dollar standby loan, which could help secure crucial debt relief from international creditors.

AFP (6/30) also reports that the Nigerian government has signed a multi-million dollar agreement with US engineering firm Enron to boost power supplies in the economic capital, Lagos, officials said Friday. The government first signed a deal with Enron last year but it was halted after objections made by the World Bank and government officials over the pricing per unit of electricity.

In a related story, AFP (7/4) reports that the World Bank has sent a team of electricity sector experts to Nigeria to advise the government on ways of overhauling the nation's crumbling power system, officials said here yesterday.

Meanwhile, the World Bank Monday appointed a new country director for Nigeria, naming Mark Tomlinson, upgrading its mission in Africa's most populous country AFP (7/3) reports. The bank said that with the naming of Tomlinson, the organization's efforts would now be directed from Abuja, and no longer from Washington.

By Guy Diamond at
Roda Island in The

Rallies held in
official day of
for Iran's parlia-
ment attracted
attention from
organizers admit-
ted party mem-
bers would struggle
message across.

A referendum or
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More than 1
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Private power dispute leaves Lagos in the dark

By Guy Diamond at
Roda Island in The

When Bola Ige was
appointed minister of
power and steel in
Nigeria's new civilian gov-
ernment last year, he prom-
ised a quick fix to the power
crisis that plagued Nigerians
during military rule. There
would be "no more excuses",
he said.

For a month or two, the
lights went up and the
crowds applauded. But the
assumed politician from
Nigeria's south-west has
since rediscovered the art of
excuse: the privatization
for which has been vari-
ous transformations, the state
electricity company, Neta, is
more rundown than had
been thought.

A state interventionist by
background, in charge of
Nigeria's most decrepit infra-
structure, Mr Ige has quickly
seen the need for private sec-
tor participation. But the
first independent power proj-
ect to get the guarantees it
needs to go ahead is
embroiled in a bitter battle
between the commercial cap-
ital Lagos, federal with-
drawal, and Neta.

Both Mr Ige and Neta
management signed a con-
tract for a \$300-million proj-
ect by the US energy giant
Enron for the supply of elec-
tricity to Lagos, last Decem-
ber. President Obasanjo
consolidated had himself
approved it. Barely two
weeks later, one of a row

of power plants does not
fully carry the plant comple-
tion risks that are under its
control, benefits from gener-
ous arrangements for pay-
ment security and would
receive executive contracts
renegotiation payments".
The subtly agreed to be
the emergency phase of the
programme, it continued in
a memo to Lagos state.
would cost the federal gov-
ernment about \$20m a year,
equal to about a third of the
state's total sales. Enron's
contract of cash flow through-
out the excess account mean-
while would defer other
investments from involvement
in the eventual privatization

not have the cost of energy
striking out the advantages of
cheap labour," says Mr
Enron.
Lagos inhabitants wel-
comed the Enron deal as
both a short- and long-term
solution to increasing black-
outs. Industry customers
expressed willingness to pay
the premium for emergency
power - far cheaper than
running private generating
plants - if the service was to
be reliable.
But at federal level, offi-
cials began to fear the con-
sequences of awarding a
privilege held to a private
operator in Nigeria's most
profitable markets, before

estimating a nationwide
formula to regulate indepen-
dent power supply.
Meanwhile, Washington-
based Enron, which is the
federal government's most
trusted contractor, has
been buying Enron in
Africa every day. Private
economic consultants
suggested that maintaining
the transmission network -
which currently wastes up
to a third of electricity sup-
ply - and rehabilitating
disapidated power stations
might be cheaper.
The World Bank has its
concerns Enron can "charge
a high price for fuel used in

'To take advantage of Nigeria's potential competitive edge in manufactured exports... you cannot have the cost of energy wiping out the advantages of cheap labour'

Over 40 per cent of
Nigeria's industrial capacity
is concentrated in Lagos,
which provides some 45 per
cent of Nigeria's total re-
venues. Recently it has been
receiving less than half of its
minimum requirement of
power from the national
grid. The private generating
units rearing behind every-
where are adding up to 25 per cent
to manufacturing costs.

"In order for industry to
take advantage of Nigeria's
potential competitive edge in
manufactured exports it
needs to be able to function
cheaply. To do that you can-

not have the cost of energy
striking out the advantages of
cheap labour," says Mr
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ply - and rehabilitating
disapidated power stations
might be cheaper.
The World Bank has its
concerns Enron can "charge
a high price for fuel used in

There were also questions
about how the deal was
secured. Enron won a
remarkable number of bid
and other awards. This was
allegedly done without a
meeting with the finance
minister, the attorney gen-
eral or the Nigerian National
Petroleum Corporation,
which tends to be prohibi-
ting about pipeline projects.
Officials from companies
like the World Bank spent
several years attempting to
push through its own in-
dependent power project, have
raised more than eyebrows,
in particular ethnic restriction-

There is however, a pos-
sible spin-off advantage. Plans
for expansion of nationwide
emergency power have been
put forward, and there is
talk of accelerating returns.

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PUTHAM EMERGING INFORMATION SCIENCES TRUST
 Swire Development Capital Limited
 41, Southview Road, Causeway Bay
 HONG KONG
 NOTICE OF EXTRAORDINARY GENERAL MEETING
 Dear Shareholders:
 The Shareholders of the Putham Information Sciences Trust (the "Company") are
 hereby notified to attend an Extraordinary General Meeting of the Company to be
 held on Wednesday, 12th February 2003 at 10.00 am (Hong Kong time) at the
 registered offices of the Company, 41, Southview Road, Causeway Bay, Hong Kong.

NIGERIAN GOVT PANEL URGES CHANGES TO POWER PLANT ACCORD: REPORT. A Nigerian government panel has recommended changes to an accord between the Lagos State government and US company Enron that would bring an \$800 million investment, AFP says a local report said yesterday. The committee urged a renegotiation of

Day News
2/10/2001

the Power Purchase Agreement (PPA) signed last year by Lagos State, the state-run National Electric Power Authority (NEPA), and US group Enron, the newspaper This Day said.

The committee recommended that the deal under which Enron late last year shipped a 60-megawatt floating power plant to Nigeria should be expanded to increase capacity to 270 megawatts, the paper said. However, the second part of the agreement, under which Enron would build an \$800 million 540-megawatt permanent power plant north of the city, should be put up for competitive tendering, the paper said.

The committee also said there should be further renegotiation on the unit pricing terms of the deal, penalty clauses for poor performance and contract termination arrangements. The recommendations come after the World Bank last week expressed doubts about the agreement signed to boost the currently inadequate power supplies available to the country's economic capital and most populous city.

The Financial Times (p.6) also reports, noting that the World Bank has its concerns: Enron can "charge a high price for fuel used in the power plant; does not fully carry the plant competition risks that are under its control; benefits from generous arrangements for payment security; and would receive excessive contract termination payments." There are also questions about how the deal was secured, the story says, noting that the World Bank has joined other Nigerian regions in questioning the privileged access of Lagos to a federal subsidy.

THAILAND: CITY'S REWARD FOR SOLUTION ON POLLUTION. Bangkok is to be designated by the World Bank as Asia's model city for its tackling of air pollution, the Nation (Bangkok) reports deputy Bangkok governor announced yesterday. Bangkok deputy governor Mahin Tanbunphoem said Bangkok Metropolitan Administration (BMA) will host a consultative meeting between World Bank President James Wolfensohn, mayors from ASEAN countries, Thai provincial governors and mayors and BMA executive members at its headquarters next Tuesday.

The meeting will focus on best practices on air quality control. The World Bank president will later declare Bangkok as Asia's Model City for Air Pollution Management, said Mahin. Mahin said that Bangkok has been hailed by the World Bank because of the BMA's three-year efforts to solve its air pollution menace. The BMA has engaged several measures to curb air pollution in the metropolis, including arresting motorists for vehicular pollution, demarcation of pollution-free roads and requesting the government to announce the BMA's pollution management scheme as a national agenda, reports the piece.

Separately, the IMF yesterday commended Thailand for its economic recovery and return to financial stability, but warned that a sustained rebound requires faster structural reform and the continued application of supportive macroeconomic policies, reports AFP.

Schweitzer added, "We would like a relationship in which lending is only part of the process." In future policy, dialogue and monitoring might become more important, and the bank's contribution might be measured by success in these areas. But if the Bank now saw itself as a super consultant, it was aware that it would have to offer good advice. "We're only as good as our ideas," said Schweitzer.

The news comes as Asia Pulse reports that the UN's Economic and Social Council (ECOSOC) will hold a meeting with a number of donor countries and agencies such as the IMF and the World Bank to discuss the economic crisis in the Asian region, ECOSOC President Makarim Wibisono said yesterday. Wibisono said he hoped a number of finance ministers from the UN member states would attend the meeting scheduled for April 18 at the UN headquarters in New York. The meeting is expected to produce an agreement conducive to the settlement of funding difficulties faced by Asian countries, he said.

NIGERIA SETS UP JUDICIAL INQUIRY INTO CORRUPTION AT STATE CARRIER.

The Nigerian government has set up a judicial commission of inquiry into the running of troubled state carrier Nigeria Airways from 1983 to 1999, AFP reports. Justice Minister Kanu Agabi said yesterday. Agabi, who inaugurated the seven-member commission on Tuesday, told reporters it was under orders to "bring to book perpetrators of corruption and economic crimes".

A report by a government panel of inquiry released last month said corruption and mismanagement at the airline between 1983 and 1999 had cost Nigeria \$180 million and pushed up the carrier's debts to local creditors to \$7.7 million and \$71.4 million to foreign creditors. More than \$50 million were "lost" in unexplained "cash payments" while \$100 million earmarked for the establishment of Air Nigeria, a mooted international arm of the carrier, were unaccounted for, the report said.

Agabi said Wednesday the government did not want the judicial commission to be a "mere formality". The new civilian government which took power last year was determined to chase down those involved in past corruption, he said. The government has also pledged to privatize Nigeria Airways and last year appointed the IFC as adviser, the story notes.

In other news, Reuters reports Enron CEO Ken Lay said he was surprised at recent reports that the World Bank was questioning the fairness of a proposed power investment deal between Enron and Nigeria. Enron was to provide power generating barges to supply electricity to the city of Lagos while constructing a 550-megawatt generating plant, but the Bank reportedly has questioned whether the terms were too favorable for Enron.

"Our people did a negotiated transaction that the government is very happy with, so I'm not sure what the World Bank's problem is," Lay is quoted as saying. "The World Bank is not always totally enlightened in some of this. They have other interests that they bring to the table, but there is a much better government in Nigeria than we've seen in a long, long time."

WORLD BANK SKEPTICAL OF PRIVATELY RUN IVORIAN COCOA MARKET.

The World Bank is prepared to offer technical support to Cote d'Ivoire's cocoa and coffee farmers in their plans to set up a new price fixing system, provided it is truly run by the private sector as proposed, Dow Jones reports a Bank official said yesterday. The comments by Jon Moindre, chief economist for the World Bank in Abidjan, came the day after international lenders met with leading Ivorian farmers' representatives to discuss their plans for a fixed price

2/10/2000
Dow Jones

NIGERIA SEEKS TO WIN OVER PARIS CLUB DONORS.

Nigerian President Olusegun Obasanjo will try to patch up differences with the Paris Club of bilateral creditors and overcome remaining obstacles to an agreement with the IMF during a visit to France this week, reports the Financial Times (p.10). His visit follows efforts by the Fund to soften the position of the Paris Club, which may be owed as much as \$27 billion of a total external debt of \$34 billion, according to the latest IMF estimates.

*Daw News
2/8/2000*

As a condition for restructuring, officials say Paris Club members want Nigeria to begin paying off arrears on servicing debts to bilateral creditors, which now amount to almost two-thirds of the total debt stock. Some creditor governments are pushing Nigeria to double budgeted payments this year to \$3 billion in line with improvements in the world price of oil, which accounts for more than 90 percent of its export revenues.

But an overall leap in payments looks unlikely, the story says. Obasanjo argues that unless resources are freed towards poverty alleviation programs, social instability will reverse the fragile democratic gains of the past year.

Obasanjo found sympathy for his appeals for Nigeria's debt burden to be lowered on a visit to France yesterday, but sources close to the Paris Club of creditor countries warned no reduction was imminent, reports AFP. "France is trying to convince the IMF and the Paris Club of creditor nations that a mutually acceptable solution must be found," French Prime Minister Lionel Jospin is quoted as saying to Obasanjo.

But a source close to the Paris Club said no discussions on the country's position would take place this week. Discussions on restructuring Nigeria's debt repayments will begin when the IMF has passed judgement on the country's economic reform program, the source said.

Meanwhile, notes the FT, the IMF is keen to avoid being seen as the debt collector, as most Nigerians blame structural adjustment reforms of the late 1980s more than military misrule for declining living standards.

In other news, the World Bank has raised questions over the terms of an agreement signed last year between the Lagos State government and a private US company that includes an \$800 million investment as part of a scheme to supply electricity to the city grid, AFP says in a separate report. Nigerian and World Bank officials confirmed a report in the local newspaper, This Day, which said the Bank had expressed doubts about the deal signed last year between Lagos State, the Nigerian state-run electricity operator NEPA, and US power group Enron.

Soon after the deal was agreed, says the story, officials in NEPA began raising objections saying the price set by Enron per unit of electricity supplied was too high and it would have been cheaper for Nigeria to have built its own plant. Last week, Nasir al-Rufai, head of the Bureau of Public Enterprises, admitted that the deal was under review by World Bank officials called in by the government. The officials argued the terms were too favorable to Enron and had been concluded improperly. Reuters also reports.

WORLD NEWS

Doubts over Lagos governor's CV give state a lame-duck administration

Nigeria's biggest city is in severe decline, write Michael Holman and William Wallis

Lagos - centre of social reform - needs the slogan "Education is a full code", says registered in Africa's biggest city, for the education curriculum since CVs submitted by both Tinubu, the state's conventional and established governor. It is not a matter of course.

This capital of Nigeria's most populous state, home to the banking sector, sits at the heart of an industrial sector that accounts for 20 per cent of the country's manufacturing, it is now limited to a few banks and some small-scale shops and industrial units, mostly in the old city.

There is no functional drainage system, a waste local newspaper collection under the name of Lagos.

"Open spaces are either filled with sand and rubbish or have been mostly destroyed following the the firms following into the road to increase the size and

kind of the urban base." Excluding the "ranged" infrastructure is a full code, says Mr Tinubu, who is registered in Africa's biggest city, for the education curriculum since CVs submitted by both Tinubu, the state's conventional and established governor. It is not a matter of course.

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Due to continuing deterioration, Lagos students are forced to beg outside their schools of private education

been ruled by the prospect of an IMF agreement pending the way to debt restructuring and new lending.

Part of such an agreement would be the privatisation of state-owned assets and commercial activities which have been nationalised since Lagos state was created in 1976. The privatisation of the state-owned assets, the first to be privatised in Africa, would be different if the privatisation were allowed to play a greater role.

But unless there is a revival of the government's economic reforms, the drive for the private sector to correct a state of economic stagnation will be frustrated.

It is also possible that the government's economic reforms will be frustrated. The government's economic reforms will be frustrated. The government's economic reforms will be frustrated.

Private power dispute leaves Lagos in the dark

Nigeria's civilian government is starting to feel the heat from a privileged energy deal for a US company, says **William Wallis**

When Bola Ige was appointed minister of power and steel in Nigeria's new civilian government last year, he promised a quick fix in the power cuts that plagued Nigerians during arbitrary cuts. There would be "no more excuses", he said.

For a month or two, the lights went up and the crowds applauded. But the seasoned politician from Nigeria's south-west has since rediscovered the art of economic private-enterprise mafias has been vanishing transformers, the state electricity company, Nepra, is more ransacked than had been thought.

A state interventionist, by background, in charge of Nigeria's most decrepit infrastructure, Mr Ige has quickly seen the need for private sector participation. But the first independent power producer to go ahead is embroiled in a bitter tussle between the constitutional capital Lagos, federal authorities, and Nepra.

Both Mr Ige and Nepra management signed a contract for a \$600-million project by the US energy giant Enron for the supply of electricity to Lagos, last December. President Olukselu Obasanjo had himself approved it. Barely two weeks later, one of a new

says **Wole Eban, Lagos' finance commissioner**

The project was to begin with the immediate supply of 500MW of premium priced emergency power from large-borne diesel units. Later, more barges would be added. But the backlogs of the deal gave Enron rights to build a gas pipeline, and supply cheap energy for 20 years from a 548MW gas-powered plant near Lagos.

In return for raising finances for the main project and shouldering the initial costs of the 18-month emergency phase, Enron would have control of an escrow account into which

the power plant does not fully carry the plant completion risks that are under its control; benefits from power arrangements for payment security and would receive exclusive contract termination payments.

The subsidy agreed to for the emergency phase of the programme, it continued in a memo to Lagos state, would cost the federal government about \$500 a year, equal to almost a third of the state's total sales. Enron's cost of cash flow through the escrow account meant while would defer other investments from involvement in the eventual privatisation

of distribution. There were also questions about how the deal was secured. Enron was a respectable number of top federal government, to alongside the continued, by Enron minister, the former general of the Nigerian National Petroleum Corporation, which tends to be patrolling about pipelines projects. Officials from companies like Mobil, which has spent several years attempting to push through its own independent power project, have rated more than eye-rolling. Other ethnic restrictions

establishing a nationwide formula to regulate independent power supply. Meanwhile, Washington-based lawyers hired by the federal government, to alongside the continued, by Enron minister, the former general of the Nigerian National Petroleum Corporation, which tends to be patrolling about pipelines projects. Officials from companies like Mobil, which has spent several years attempting to push through its own independent power project, have rated more than eye-rolling. Other ethnic restrictions

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Swiss Life Finance Limited
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 USD 250,000,000 1.5 per cent. GEURUS Bonds due 2003
 Swiss Re AG, Swiss Reinsurance Company Ltd, Zurich

PWTM Emerging Information Sciences Trust
 41, Southport Road, London, E15 2RN
 P.O. Box 1000, London, E15 2RN
 Contact: 020 7464 0000
 Dear Shareholders,
 The Shareholders of the Putnam Information Sciences Trust (the "Company") are hereby informed that the Company's Annual Meeting to be held at the Grosvenor Hotel, Grosvenor Place, London, W1A 3AB, on Wednesday 15 February 2000.

tion's have followed with allegations that the government in Lagos, a predominantly Yoruba state, used follow Yoruba, Mr Ige and the president, to drive through a project which "favours Kikansu". The World Bank joined other Nigerian regions in questioning the privileged access of Lagos to a federal subsidy.

The answer, says Lagos, is simple: he is or he is not. The city is Nigeria's main port, the gateway to the foreign investment Nigeria needs so badly, its banking and industrial centre. Independent and reliable power for Lagos means more power freed on the national grid for other regions. The terms may be generous to Enron but that is the price for a huge investment in a risky climate. And the subsidy, says Mr Eban, is similar to that already paid by the government to keep the consumer price of supplies from the highly inefficient state company below the cost of production.

Lagos state and Enron have agreed to help the government to have another look at the contract, although it is legally binding. The immediate result is a statement, which leaves Lagos inhabitants in darkness, industry in continuing gloom, and Mr Ige struggling for more success.

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Kazakhstan CJ
 By David Stern and Andrew Jack in Astana, Kazakhstan
 Kazakhstan received more than \$100 million from the

NIGERIAN GOVT PANEL URGES CHANGES TO POWER PLANT ACCORD: REPORT. A Nigerian government panel has recommended changes to an accord between the Lagos State government and US company Enron that would bring an \$800 million investment, AFP says a local report said yesterday. The committee urged a renegotiation of

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Day
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2/11/2001

the Power Purchase Agreement (PPA) signed last year by Lagos State, the state-run National Electric Power Authority (NEPA), and US group Enron, the newspaper This Day said.

The committee recommended that the deal under which Enron late last year shipped a 90-megawatt floating power plant to Nigeria should be expanded to increase capacity to 270 megawatts, the paper said. However, the second part of the agreement, under which Enron would build an \$800 million 540-megawatt permanent power plant north of the city, should be put up for competitive tendering, the paper said.

The committee also said there should be further renegotiation on the unit pricing terms of the deal, penalty clauses for poor performance and contract termination arrangements. The recommendations come after the World Bank last week expressed doubts about the agreement signed to boost the currently inadequate power supplies available to the country's economic capital and most populous city.

The Financial Times (p.8) also reports, noting that the World Bank has its concerns: Enron can "charge a high price for fuel used in the power plant; does not fully carry the plant competition risks that are under its control; benefits from generous arrangements for payment security; and would receive excessive contract termination payments." There are also questions about how the deal was secured, the story says, noting that the World Bank has joined other Nigerian regions in questioning the privileged access of Lagos to a federal subsidy.

THAILAND: CITY'S REWARD FOR SOLUTION ON POLLUTION. Bangkok is to be designated by the World Bank as Asia's model city for its tackling of air pollution, the Nation (Bangkok) reports deputy Bangkok governor announced yesterday. Bangkok deputy governor Mahin Tanbunphoem said Bangkok Metropolitan Administration (BMA) will host a consultative meeting between World Bank President James Wolfensohn, mayors from ASEAN countries, Thai provincial governors and mayors and BMA executive members at its headquarters next Tuesday.

The meeting will focus on best practices on air quality control. The World Bank president will later declare Bangkok as Asia's Model City for Air Pollution Management, said Mahin. Mahin said that Bangkok has been hailed by the World Bank because of the BMA's three-year efforts to solve its air pollution menace. The BMA has engaged several measures to curb air pollution in the metropolis, including arresting motorists for vehicular pollution, demarcation of pollution-free roads and requesting the government to announce the BMA's pollution management scheme as a national agenda, reports the piece.

Separately, the IMF yesterday commended Thailand for its economic recovery and return to financial stability, but warned that a sustained rebound requires faster structural reform and the continued application of supportive macroeconomic policies, reports AFP.

Schweitzer added, "We would like a relationship in which lending is only part of the process." In future policy, dialogue and monitoring might become more important, and the bank's contribution might be measured by success in these areas. But if the Bank now saw itself as a super consultant, it was aware that it would have to offer good advice. "We're only as good as our ideas," said Schweitzer.

The news comes as Asia Pulse reports that the UN's Economic and Social Council (ECOSOC) will hold a meeting with a number of donor countries and agencies such as the IMF and the World Bank to discuss the economic crisis in the Asian region, ECOSOC President Makarim Wibisono said yesterday. Wibisono said he hoped a number of finance ministers from the UN member states would attend the meeting scheduled for April 18 at the UN headquarters in New York. The meeting is expected to produce an agreement conducive to the settlement of funding difficulties faced by Asian countries, he said.

NIGERIA SETS UP JUDICIAL INQUIRY INTO CORRUPTION AT STATE CARRIER.

The Nigerian government has set up a judicial commission of inquiry into the running of troubled state carrier Nigeria Airways from 1983 to 1999, AFP reports Justice Minister Kanu Agabi said yesterday. Agabi, who inaugurated the seven-member commission on Tuesday, told reporters it was under orders to "bring to book perpetrators of corruption and economic crimes".

A report by a government panel of inquiry released last month said corruption and mismanagement at the airline between 1983 and 1999 had cost Nigeria \$180 million and pushed up the carrier's debts to local creditors to \$7.7 million and \$71.4 million to foreign creditors. More than \$60 million were "lost" in unexplained "cash payments" while \$100 million earmarked for the establishment of Air Nigeria, a mooted international arm of the carrier, were unaccounted for, the report said.

Agabi said Wednesday the government did not want the judicial commission to be a "mere formality". The new civilian government which took power last year was determined to chase down those involved in past corruption, he said. The government has also pledged to privatize Nigeria Airways and last year appointed the IFC as adviser, the story notes.

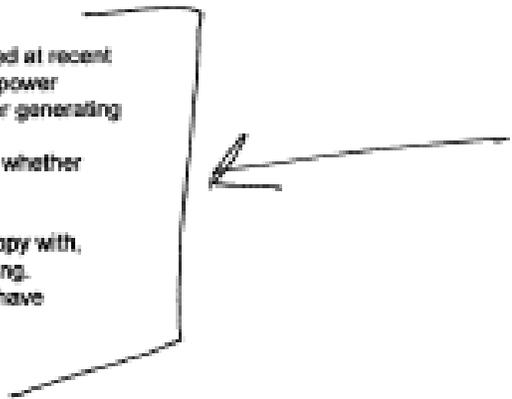
In other news, Reuters reports Enron CEO Ken Lay said he was surprised at recent reports that the World Bank was questioning the fairness of a proposed power investment deal between Enron and Nigeria. Enron was to provide power generating barges to supply electricity to the city of Lagos while constructing a 500-megawatt generating plant, but the Bank reportedly has questioned whether the terms were too favorable for Enron.

"Our people did a negotiated transaction that the government is very happy with, so I'm not sure what the World Bank's problem is," Lay is quoted as saying. "The World Bank is not always totally enlightened in some of this. They have other interests that they bring to the table, but there is a much better government in Nigeria than we've seen in a long, long time."

WORLD BANK SKEPTICAL OF PRIVATELY RUN IVORIAN COCOA MARKET.

The World Bank is prepared to offer technical support to Cote d'Ivoire's cocoa and coffee farmers in their plans to set up a new price fixing system, provided it is truly run by the private sector as proposed, Dow Jones reports a Bank official said yesterday. The comments by Jon McIntire, chief economist for the World Bank in Abidjan, came the day after international lenders met with leading Ivorian farmers' representatives to discuss their plans for a fixed price

*WB
2/10/2000
Dow Jones*



NIGERIA SEEKS TO WIN OVER PARIS CLUB DONORS.

Nigerian President Olusegun Obasanjo will try to patch up differences with the Paris Club of bilateral creditors and overcome remaining obstacles to an agreement with the IMF during a visit to France this week, reports the Financial Times (p.10). His visit follows efforts by the Fund to soften the position of the Paris Club, which may be owed as much as \$27 billion of a total external debt of \$34 billion, according to the latest IMF estimates.

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As a condition for restructuring, officials say Paris Club members want Nigeria to begin paying off arrears on servicing debts to bilateral creditors, which now amount to almost two-thirds of the total debt stock. Some creditor governments are pushing Nigeria to double budgeted payments this year to \$3 billion in line with improvements in the world price of oil, which accounts for more than 90 percent of its export revenues.

But an overall leap in payments looks unlikely, the story says. Obasanjo argues that unless resources are freed towards poverty alleviation programs, social instability will reverse the fragile democratic gains of the past year.

Obasanjo found sympathy for his appeals for Nigeria's debt burden to be lowered on a visit to France yesterday, but sources close to the Paris Club of creditor countries warned no reduction was imminent, reports AFP. "France is trying to convince the IMF and the Paris Club of creditor nations that a mutually acceptable solution must be found," French Prime Minister Lionel Jospin is quoted as saying to Obasanjo.

But a source close to the Paris Club said no discussions on the country's position would take place this week. Discussions on restructuring Nigeria's debt repayments will begin when the IMF has passed judgement on the country's economic reform program, the source said.

Meanwhile, notes the FT, the IMF is keen to avoid being seen as the debt collector, as most Nigerians blame structural adjustment reforms of the late 1980s more than military misrule for declining living standards.

In other news, the World Bank has raised questions over the terms of an agreement signed last year between the Lagos State government and a private US company that includes an \$800 million investment as part of a scheme to supply electricity to the city grid, AFP says in a separate report. Nigerian and World Bank officials confirmed a report in the local newspaper, This Day, which said the Bank had expressed doubts about the deal signed last year between Lagos State, the Nigerian state-run electricity operator NEPA, and US power group Enron.



Soon after the deal was agreed, says the story, officials in NEPA began raising objections saying the price set by Enron per unit of electricity supplied was too high and it would have been cheaper for Nigeria to have built its own plant. Last week, Nasir al-Rufai, head of the Bureau of Public Enterprises, admitted that the deal was under review by World Bank officials called in by the government. The officials argued the terms were too favorable to Enron and had been concluded improperly. Reuters also reports.

WORLD NEWS

Doubts over Lagos governor's CV give state a lame-duck administration

Nigeria's biggest city is in severe decline, write Michael Holman and William Wallis



Due to collapsing infrastructure, Lagos residents are forced to buy water from vendors of private sources

Lagos - centre of most "new" cities in Africa - made the biggest mistake on the number plate of cars registered in Africa's biggest city, but like the politicians, cronyists who govern it have failed to do it without.

Mr Tinubu's CV, related to the electoral commission before gubernatorial elections at the start of the year, may not have taken such liberties with the facts as the region on Lagos.

But some significant discrepancies have emerged. In the process of filling Nigeria's civil rights associations and further straining relations between the state's leading ethnic groups - the Hausa, Yoruba of the north and the Yoruba of the south west. Perhaps above all, they have undermined the governor's plans to put the city in order.

The incumbent of the Tinubu, who is a Yoruba, was first challenged about two months ago when a northern-based newspaper disclosed that the economic record by 1998 was in a state of decline.

The capital of Nigeria's most populous state, home to the banking sector, one of the state's mainstays, and the hub of an industrial sector that accounts for 60 per cent of the country's manufacturing, is in near-terminal decline.

Traffic jams and power outages, unreliable phones and crime and erratic water supply make life miserable for the 15m residents of a city built for 2m.

"There is no functional drainage system," writes a local newspaper columnist under the name of Prince Oluwole.

"Open gutters are filled with mud and rubbish or have their newly constructed overflows into the road to increase the risk and

It is claimed to have completed his secondary education at a government school in Lagos, and to have an association there from a period of his CV attributed to him, although it seems to be a duplicate from a top university.

This is not the first time in the four months since completion of his CV that the state has received a letter from the federal House of Representatives - a member - was named in any form when it emerged that he had falsified his age and academic qualifications.

The governor has acknowledged his CV was flawed, but said he submitted the form to his constituents in the north and the Yoruba of the south west. Perhaps above all, they have undermined the governor's plans to put the city in order.

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It seemed it might drive away when the Lagos state assembly in which the governor's Alliance for Democratic Party has a comfortable majority, voted to accept his resignation.

But a possessed civil rights lawyer is not satisfied and is preparing the matter in the Lagos courts. This is the first time a split in the civil rights movement, one of the few - perhaps the only - good things to emerge from the Alliance era.

Other civil rights leaders argue that the governor deserves their backing and support to secure for the economy movement both during and after his rule. This does not wash in the north where there is a strong feeling that the governor's CV was flawed. It seems for their own good to be aware for the Yoruba past.

Meanwhile, the Lagos business community is divided for the controversy surrounding it. After years of gloom, hopes for an economic recovery have

been raised by the prospect of an IMF agreement paving the way to debt reworking and new lending.

Part of such an agreement would be the privatisation of state-owned power and communications utilities which have their headquarters in Lagos. And as the treasurer of the city's business local airport shows, things could be different if the private sector were allowed to play a greater role.

Ironically, Mr Tinubu and a group of able state ministers were leading the way. His state government had already taken a trail-blazing step, recently reaching an agreement with the International Finance Corporation, the continental arm of the World Bank, to prepare for the privatisation of the Lagos water system, the first such move in Africa.

But unless there is evidence that the governor's financial returns were at least to be reported - something has been demonstrated - Mr Tinubu is unlikely to step down.

The result, say business leaders, could hardly be more damaging to the state's important role in the economy than a late start government after only four months of a four-year term.

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Private power dispute leaves Lagos in the dark

Nigeria's civilian government is starting to feel the heat from a privileged energy deal for a US company, says **William Wallis**

When Bola Tinu was appointed minister of power and steel in Nigeria's new civilian government last year, he promised a quick fix to the power crisis that plagued Nigerians during military rule. There would be "no more excuses", he said.

For a month or two, the lights went up and the crowds applauded. But the measured politician from Nigeria's south-west has since rediscovered the art of excuses: the private-generation media has been scolding for months, the state electricity company, Nipco, is more unloved than had been thought.

A state interventionist by background, as charge of Nigeria's most decrepit infrastructure, Mr Tinu has quickly seen the need for private sector participation. But the first independent power project to get the guarantees it needs to go ahead is embroiled in a bitter tussle between the commercial capital Lagos, federal authorities, and Nipco.

Both Mr Tinu and Nipco management signed a contract for a 5000-kilowatt project by the US energy giant Enron for the supply of electricity to Lagos, last December. President Obasanjo's approval had himself two weeks later, one of a score

of ministers who are starting to feel the heat from a privileged energy deal for a US company, says **William Wallis**

says **Wole Edun**, Lagos' finance commissioner.

The project was to begin with the immediate supply of 500MW of premium grade emergency power from large-burn diesel units. Lagos, where lamps would be added but the backlogs of the deal gave Enron rights to build a gas pipeline, and supply cheap energy for 20 years from a 500MW gas-powered plant near Lagos.

In return for existing finances for the main project and subsidising the full capital costs of the 18-month emergency phase, Enron would have control of an escrow account into which

profitable market, before establishing a nationwide formula to regulate independent power supply.

Meanwhile, Washington-based Enron, which provides some 25 per cent of Nigeria's total electricity generation, has been receiving less than half of its minimum requirement of 500MW from the national grid. The private generating sets reeling behind every factory add up to 25 per cent to manufacturing costs.

"In order for industry to take advantage of Nigeria's potential competitive edge in manufactured exports it needs to be able to function cheaply. To do that you can't

the power plant: does not fully carry the plant completely under its management in Lagos, a predominantly Yoruba state, and fellow Yorubas, Mr Tinu and the president, to drive through a project which "favours kinship". The World Bank joined other Nigerian agencies in questioning the privileged access of Lagos to a federal subsidy.

The escrow, says Lagos, is struck here it is that it, the city is Nigeria's main port, the priority to the foreign investment. Nigeria needs so badly its banking and industry centre. Independent and reliable power for Lagos means more power freed in the national grid for other regions. The terms may be generous to Enron but that is the price for a huge investment in a risky climate. And the subsidy, says Mr Edun, is similar to that already paid by the government to keep the consumer price of supplies low, the highly inefficient state company below the rest of production.

Lagos state and Enron have agreed to help the government to have another look at the contract, although it is legally binding. The immediate result is a statement, which leaves Lagos inhabitants in despair, industry in continuing decline, and Mr Tinu struggling for more success.

There is, however, a positive spin-off: suddenly, plans for 500MW of multistage emergency power have been put forward, and there is talk of accelerating returns.

to have the cost of energy wiped out the advantages of cheap labour," says Mr Edun.

Lagos inhabitants welcomed the Enron deal as both a short- and long-term solution to increasing black-outs. Industry customers expressed willingness to pay the premium for emergency power - far cheaper than running private generating sets - if the service was to be reliable.

But at federal level, officials began to fear the consequences of awarding a private power deal to an operator on Nigeria's most profitable market, before

establishing a nationwide formula to regulate independent power supply.

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By Guy Blomster and
Randa Khalid in
Lagos

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Kazakhstan

By David Stern and Andrew Jack in Almaty, Kazakhstan
More than 100,000 foreign cars from 1

POTNAM EMERGING INFORMATION SCIENCES TRUST
Putnam Investment Management
1100 Broadway, 17th Floor, New York, NY 10019
Tel: 212-850-0000
NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
The Shareholders of the Putnam Information Sciences Trust (the "Company") are hereby notified that the Annual Meeting of the Shareholders of the Company will be held at 1100 Broadway, 17th Floor, New York, NY 10019 on Thursday, February 25, 2000 at 10:00 a.m. EST. The meeting will be held in person at the above address.

Swiss Life Finance Limited **Reinvestable** **Swiss Life**
NOTICE
USD 250,000,000 1.5 per cent. GEMIS Bonds due 2003
exchangeable into better shares of Manassess AC

NIGERIA SEEKS TO WIN OVER PARIS CLUB DONORS.

Nigerian President Olusegun Obasanjo will try to patch up differences with the Paris Club of bilateral creditors and overcome remaining obstacles to an agreement with the IMF during a visit to France this week, reports the Financial Times (p.10). His visit follows efforts by the Fund to soften the position of the Paris Club, which may be owed as much as \$27 billion of a total external debt of \$34 billion, according to the latest IMF estimates.

*Dev News
2/8/2000*

As a condition for restructuring, officials say Paris Club members want Nigeria to begin paying off arrears on servicing debts to bilateral creditors, which now amount to almost two-thirds of the total debt stock. Some creditor governments are pushing Nigeria to double budgeted payments this year to \$3 billion in line with improvements in the world price of oil, which accounts for more than 60 percent of its export revenues.

But an overall leap in payments looks unlikely, the story says. Obasanjo argues that unless resources are freed towards poverty alleviation programs, social instability will reverse the fragile democratic gains of the past year.

Obasanjo found sympathy for his appeals for Nigeria's debt burden to be lowered on a visit to France yesterday, but sources close to the Paris Club of creditor countries warned no reduction was imminent, reports AFP. "France is trying to convince the IMF and the Paris Club of creditor nations that a mutually acceptable solution must be found," French Prime Minister Lionel Jospin is quoted as saying to Obasanjo.

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In other news, the World Bank has raised questions over the terms of an agreement signed last year between the Lagos State government and a private US company that includes an \$800 million investment as part of a scheme to supply electricity to the city grid, AFP says in a separate report. Nigerian and World Bank officials confirmed a report in the local newspaper, This Day, which said the Bank had expressed doubts about the deal signed last year between Lagos State, the Nigerian state-run electricity operator NEPA, and US power group Enron.

Soon after the deal was agreed, says the story, officials in NEPA began raising objections saying the price set by Enron per unit of electricity supplied was too high and it would have been cheaper for Nigeria to have built its own plant. Last week, Nasir al-Rufai, head of the Bureau of Public Enterprises, admitted that the deal was under review by World Bank officials called in by the government. The officials argued the terms were too favorable to Enron and had been concluded improperly. Reuters also reports.

"The program will represent the first regionally linked project in support of the Stability Pact," the Bank said in the statement, referring to the EU-sponsored economic and political treaty for the Balkans. The program will be financed with a \$38 million loan from the IBRD and a \$30 million credit from IDA, said the statement. The US government would provide a \$9 million grant, in addition to some \$50 million in grants from the EU in the 2000-2003 period, it said, adding that the six countries would jointly contribute further \$18 million for the program. AFP also reports.

The news comes as US Secretary of State Madeleine Albright writes in the Wall Street Journal Europe (p.8) that the US commitment to democratic reform in Croatia has been steady and consistent. And it is part of a greater effort, undertaken with the EU and partners in the region, toward a peaceful, united and democratic Europe.

I agree with those who are impatient with efforts thus far to give life to this promise, Albright writes. All of us must translate our commitments into action that makes a tangible difference in people's lives. The March Regional Conference, sponsored by the World Bank and the EU in cooperation with the Stability Pact, should jump-start the process of improving regional infrastructure while marking the region's concrete progress in improving its trade and investment climate.

WORLD BANK TO FUND RUSSIAN REGIONAL REFORM, EDUCATION. The Russian government yesterday approved a plan to borrow \$30 million from the World Bank to finance regional budget reforms, Reuters reports the government press service said. The World Bank approved the loan last December, and also plans to finance educational reforms in Russian regions, the Bank's education experts said.

"It will not be an adjustment loan. This is going to be an investment in each region," Mary Canning, World Bank education program team leader for Russia, is quoted as saying. "It will be three small sub-loans to invest in essential equipment, refurbishing of schools and teachers' training."

The Bank helped the Russian government to get a \$900,000 grant from the government of Japan to prepare these projects with regional administrations, and the Bank expects to evaluate and select some of them by July, Canning said. Over the last two-and-a-half years, she added, the Bank has been financing an education reform program in Russia on the federal level worth \$68 million.

In other news, the Wall Street Journal Europe (p.2) reports that a plan to restructure Russia's politically sensitive national electricity monopoly has created a rift among supporters of acting President Vladimir Putin, pointing to unresolved tensions in the new administration between free-market liberals and advocates of tighter state control of the economy. The ministry is critical of any sales of regional power utilities to foreign investors, the story says, but UES chairman Anatoly Chubais, who has strongly endorsed Putin and has sought to influence his economic thinking, said yesterday UES had drawn up a list of 10 regional subsidiaries, five of which would initially be offered to investors. The World Bank made increasing private ownership in such utilities one of the conditions for a structural-adjustment loan to UES, the story notes.

But some senior figures in the government strongly oppose breaking up the state monopoly. They say Chubais has acted unilaterally without properly consulting the government, which holds a majority stake in UES. Some foreign investors also question the wisdom of the proposed sell-off. They say privatization is needed in the long run but that the regional utilities likely to be put up for sale will attract little interest because of chronic problems afflicting the industry.

NIGERIAN GOVT PANEL URGES CHANGES TO POWER PLANT ACCORD: REPORT. A Nigerian government panel has recommended changes to an accord between the Lagos State government and US company Enron that would bring an \$800 million investment, AFP says a local report said yesterday. The committee urged a renegotiation of

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2/10/2000
Dow News

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Soon after the deal was agreed, says the story, officials in NEPA began raising objections saying the price set by Enron per unit of electricity supplied was too high and it would have been cheaper for Nigeria to have built its own plant. Last week, Nasir al-Rufai, head of the Bureau of Public Enterprises, admitted that the deal was under review by World Bank officials called in by the government. The officials argued the terms were too favorable to Enron and had been concluded improperly. Reuters also reports.

"The program will represent the first regionally linked project in support of the Stability Pact," the Bank said in the statement, referring to the EU-sponsored economic and political treaty for the Balkans. The program will be financed with a \$38 million loan from the IBRD and a \$30 million credit from IDA, said the statement. The US government would provide a \$9 million grant, in addition to some \$50 million in grants from the EU in the 2000-2003 period, it said, adding that the six countries would jointly contribute further \$18 million for the program. AFP also reports.

The news comes as US Secretary of State Madeleine Albright writes in the Wall Street Journal Europe (p.8) that the US commitment to democratic reform in Croatia has been steady and consistent. And it is part of a greater effort, undertaken with the EU and partners in the region, toward a peaceful, united and democratic Europe.

I agree with those who are impatient with efforts thus far to give life to this promise, Albright writes. All of us must translate our commitments into action that makes a tangible difference in people's lives. The March Regional Conference, sponsored by the World Bank and the EU in cooperation with the Stability Pact, should jump-start the process of improving regional infrastructure while marking the region's concrete progress in improving its trade and investment climate.

WORLD BANK TO FUND RUSSIAN REGIONAL REFORM, EDUCATION. The Russian government yesterday approved a plan to borrow \$30 million from the World Bank to finance regional budget reforms, Reuters reports the government press service said. The World Bank approved the loan last December, and also plans to finance educational reforms in Russian regions, the Bank's education experts said.

"It will not be an adjustment loan. This is going to be an investment in each region," Mary Canning, World Bank education program team leader for Russia, is quoted as saying. "It will be three small sub-loans to invest in essential equipment, refurbishing of schools and teachers' training."

The Bank helped the Russian government to get a \$900,000 grant from the government of Japan to prepare these projects with regional administrations, and the Bank expects to evaluate and select some of them by July, Canning said. Over the last two-and-a-half years, she added, the Bank has been financing an education reform program in Russia on the federal level worth \$68 million.

In other news, the Wall Street Journal Europe (p.2) reports that a plan to restructure Russia's politically sensitive national electricity monopoly has created a rift among supporters of acting President Vladimir Putin, pointing to unresolved tensions in the new administration between free-market liberals and advocates of tighter state control of the economy. The ministry is critical of any sales of regional power utilities to foreign investors, the story says, but UES chairman Anatoly Chubais, who has strongly endorsed Putin and has sought to influence his economic thinking, said yesterday UES had drawn up a list of 10 regional subsidiaries, five of which would initially be offered to investors. The World Bank made increasing private ownership in such utilities one of the conditions for a structural-adjustment loan to UES, the story notes.

But some senior figures in the government strongly oppose breaking up the state monopoly. They say Chubais has acted unilaterally without properly consulting the government, which holds a majority stake in UES. Some foreign investors also question the wisdom of the proposed sell-off. They say privatization is needed in the long run but that the regional utilities likely to be put up for sale will attract little interest because of chronic problems afflicting the industry.

NIGERIAN GOVT PANEL URGES CHANGES TO POWER PLANT ACCORD; REPORT. A Nigerian government panel has recommended changes to an accord between the Lagos State government and US company Enron that would bring an \$800 million investment, AFP says a local report said yesterday. The committee urged a renegotiation of

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2/11/2002*

the Power Purchase Agreement (PPA) signed last year by Lagos State, the state-run National Electric Power Authority (NEPA), and US group Enron, the newspaper This Day said.

The committee recommended that the deal under which Enron late last year shipped a 90-megawatt floating power plant to Nigeria should be expanded to increase capacity to 270 megawatts, the paper said. However, the second part of the agreement, under which Enron would build an \$800 million 540-megawatt permanent power plant north of the city, should be put up for competitive tendering, the paper said.

The committee also said there should be further renegotiation on the unit pricing terms of the deal, penalty clauses for poor performance and contract termination arrangements. The recommendations come after the World Bank last week expressed doubts about the agreement signed to boost the currently inadequate power supplies available to the country's economic capital and most populous city.

The Financial Times (p.8) also reports, noting that the World Bank has its concerns: Enron can "charge a high price for fuel used in the power plant; does not fully carry the plant competition risks that are under its control; benefits from generous arrangements for payment security; and would receive excessive contract termination payments." There are also questions about how the deal was secured, the story says, noting that the World Bank has joined other Nigerian regions in questioning the privileged access of Lagos to a federal subsidy.

THAILAND: CITY'S REWARD FOR SOLUTION ON POLLUTION. Bangkok is to be designated by the World Bank as Asia's model city for its tackling of air pollution, the Nation (Bangkok) reports deputy Bangkok governor announced yesterday. Bangkok deputy governor Mahin Tambunhoem said Bangkok Metropolitan Administration (BMA) will host a consultative meeting between World Bank President James Wolfensohn, mayors from ASEAN countries, Thai provincial governors and mayors and BMA executive members at its headquarters next Tuesday.

The meeting will focus on best practices on air quality control. The World Bank president will later declare Bangkok as Asia's Model City for Air Pollution Management, said Mahin. Mahin said that Bangkok has been hailed by the World Bank because of the BMA's three-year efforts to solve its air pollution menace. The BMA has engaged several measures to curb air pollution in the metropolis, including arresting motorists for vehicular pollution, demarcation of pollution-free roads and requesting the government to announce the BMA's pollution management scheme as a national agenda, reports the piece.

Separately, the IMF yesterday commended Thailand for its economic recovery and return to financial stability, but warned that a sustained rebound requires faster structural reform and the continued application of supportive macroeconomic policies, reports AFP.

IMF WRAPS UP CTE D'IVOIRE VISIT WITH AUSTERITY PROPOSALS. A visiting IMF team has recommended austerity to the transition government in Cte d'Ivoire, where it found the financial situation "worse than expected", AFP reports. The delegation handed an "aide-memoire" to the post-coup interim government installed by General Robert Guei as the financial experts on Wednesday evening wound up an assessment mission which began on February 2.

The aide-memoire, which was published by local newspapers, estimated that the overall deficit shown in a study of the public accounts for 1999 was some \$300 million, which was twice the sum set as an objective by ousted president Henri Konan Bede.

The IMF, which like the World Bank had suspended ties with the west African country in December 1998 on grounds of "bad governance", also called on the government to engage on "the repayment of debt obligations which cannot be rescheduled" and to begin cutting debt arrears, the story notes. Other

Schweitzer added, "We would like a relationship in which lending is only part of the process." In future policy, dialogue and monitoring might become more important, and the bank's contribution might be measured by success in these areas. But if the Bank now saw itself as a super consultant, it was aware that it would have to offer good advice. "We're only as good as our ideas," said Schweitzer.

The news comes as Asia Pulse reports that the UN's Economic and Social Council (ECOSOC) will hold a meeting with a number of donor countries and agencies such as the IMF and the World Bank to discuss the economic crisis in the Asian region, ECOSOC President Makarim Wibisono said yesterday. Wibisono said he hoped a number of finance ministers from the UN member states would attend the meeting scheduled for April 18 at the UN headquarters in New York. The meeting is expected to produce an agreement conducive to the settlement of funding difficulties faced by Asian countries, he said.

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The Nigerian government has set up a judicial commission of inquiry into the running of troubled state carrier Nigeria Airways from 1983 to 1999, AFP reports Justice Minister Kanu Agabi said yesterday. Agabi, who inaugurated the seven-member commission on Tuesday, told reporters it was under orders to "bring to book perpetrators of corruption and economic crimes".

A report by a government panel of inquiry released last month said corruption and mismanagement at the airline between 1983 and 1999 had cost Nigeria \$180 million and pushed up the carrier's debts to local creditors to \$7.7 million and \$71.4 million to foreign creditors. More than \$80 million were "lost" in unexplained "cash payments" while \$100 million earmarked for the establishment of Air Nigeria, a mooted international arm of the carrier, were unaccounted for, the report said.

Agabi said Wednesday the government did not want the judicial commission to be a "mere formality". The new civilian government which took power last year was determined to chase down those involved in past corruption, he said. The government has also pledged to privatize Nigeria Airways and last year appointed the IFC as adviser, the story notes.

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The Financial Times (p.6) also reports, noting that the World Bank has its concerns: Enron can "charge a high price for fuel used in the power plant; does not fully carry the plant competition risks that are under its control; benefits from generous arrangements for payment security; and would receive excessive contract termination payments." There are also questions about how the deal was secured, the story says, noting that the World Bank has joined other Nigerian regions in questioning the privileged access of Lagos to a federal subsidy.

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WORLD BANK NAMES PRESIDENTS FOR AFRICA, MIDDLE EAST. The World Bank said yesterday it had named Callisto Madavo vice president for Africa and Jean-Louis Sarbib as vice president for the Middle East and North Africa, AFP reports. Madavo, who currently shares

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Disappointment mars Clinton Bangladesh visit

By Stephen Poller and David Graham in Dhaka

Disappointments yesterday marred the first visit by a US president in Bangladesh's 29-year history.

President Bill Clinton, at the start of a south Asian tour, was forced by security concerns to abandon a visit to a showpiece village. In addition, two natural gas exploration contracts between the Bangladeshi government and US compe-

nies which were to be signed yesterday were not ready.

One of the contracts, with Unocal of the US, may be signed shortly. But industry sources said there appeared to be difficulties with the other contract with Chevron and Texaco of the US and Tullow of Ireland.

The contract with Unocal, however, does not commit the company to invest further in exploration until it judges there is a sufficient market for the extra Bangla-

deshi gas. US companies have invested more than half a billion dollars in Bangladeshi gas exploration and exploitation. But they say they will not get sufficient returns from their investment unless Dhaka drops its resistance to exporting gas, saying Bangladesh's domestic market is too small.

Resistance has been strong in Bangladesh to the sale of its gas to India. Sheikh Hasina, the Bangladeshi prime

minister, repeated yesterday that the country would be willing to export surplus gas only after it had secured reserves to guarantee it 30 years of consumption. Proven reserves are some 10,000bn cu ft, estimated to last some 20 years, but some oil companies guess reserves could total 40,000 cu ft. Mr Clinton offered to send a team from the US geological survey to assess the reserves.

Mr Clinton appeared to

rebuff a request from the prime minister to phase out quotas on Bangladeshi textile exports to the US. According to Sandy Berger, the White House national security adviser, the president said a 10 per cent increase in the quota was already built in, but any increase beyond that "would be difficult". The Bangladeshi PM also asked the US to relieve food aid loans, which amount to between \$400m and \$700m.

Mr Clinton announced several initiatives, including \$20m of food aid. He also launched a \$50m, four-year programme to encourage energy development for Bangladesh, India and Nepal.

A \$20m, 10-year agreement to set up a clean energy programme was also launched, and the president announced a \$5m "debt-for-nature" swap, under which the US would write off the debt in return for a commitment to invest in forest conservation.

Tuchband, Matthew

From: The New York Times Direct [nytdirect@nytimes.com]
Sent: Thursday, January 17, 2002 3:37 AM
To: matthew.tuchband@do.trees.gov
Subject: Today's Headlines from NYTimes.com Thursday, January 17, 2002

TODAY'S HEADLINES

The New York Times on the Web
Thursday, January 17, 2002

For news updated throughout the day, visit www.nytimes.com

QUOTE OF THE DAY

"All I can say is, it's about time."

-DR. JON OPSAHL, after former members of the Symbionese Liberation Army were charged with murder for a 1975 bank robbery in which his mother was shot to death.

<http://www.nytimes.com/2002/01/17/national/17ARRE.html?todaysh headlines>

NATIONAL

Justices Hold Hearing in Case Concerning Patients' Rights

The Supreme Court heard arguments on whether states may require medical reviews of a health maintenance organization's refusal to pay for covered service.

<http://www.nytimes.com/2002/01/17/national/17SCOT.html?todaysh headlines>

3 Slain at Law School; Student Is Held

A law school student, apparently distraught at the prospect of failing, went on a shooting rampage at a western Virginia law school.

<http://www.nytimes.com/2002/01/17/national/17SHOO.html?todaysh headlines>

Al Qaeda Trained Bombing Suspect, Indictment Says

A federal indictment said Richard Reid, accused of trying to down an airliner with explosives in his shoes, was a Qaeda-trained terrorist.

<http://www.nytimes.com/2002/01/17/national/17INQU.html?todaysh headlines>

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-----/

INTERNATIONAL

U.S. Says Tribal Leaders Balk at Aiding Search for Taliban

Pashtun tribal leaders in eastern Afghanistan have refused to cooperate with American forces in the hunt for Al Qaeda and Taliban fighters.

<http://www.nytimes.com/2002/01/17/international/asia/17MILI.html?todayshdlines>

Powell Lauds Pakistan's Efforts Against Extremists

Secretary of State Colin L. Powell emerged from a meeting on Wednesday with Pakistani President Pervez Musharraf praising his efforts to crack down on extremists in Pakistan.

<http://www.nytimes.com/2002/01/17/international/asia/17DIPL.html?todayshdlines>

U.S. Traces Iran's Ties to Terror Through a Lebanese

One of the world's most wanted men has been operating for years with the protection and backing of the Iranian intelligence services.

<http://www.nytimes.com/2002/01/17/international/middleeast/17INTE.html?todayshdlines>

MORE INTERNATIONAL NEWS:

<http://www.nytimes.com/pages/world/index.html?todayshdline>

BUSINESS

Auditor Received Warning on Enron Five Months Ago

Arthur Andersen knew in mid-August of a senior Enron employee's concerns about improprieties in the energy company's accounting practices.

<http://www.nytimes.com/2002/01/17/business/17ENRO.html?todayshdlines>

Enron Letter Suggests \$1.3 Billion More Down the Drain

A letter that an Enron executive sent to the chairman of the company raises the possibility that the company might have to reduce its past earnings by \$1.3 billion more than it already has.

<http://www.nytimes.com/2002/01/17/business/17LETT.html?todayshdlines>

Microsoft Makes Software Safety a Top Goal

Microsoft's chairman, Bill Gates, distributed a companywide memorandum to call on employees to put more emphasis on making the company's products "trustworthy."
<http://www.nytimes.com/2002/01/17/technology/17SECU.html?todayshadlines>

MORE BUSINESS NEWS:

<http://www.nytimes.com/pages/business/index.html?todayshadline>

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Apple's Retail Stores Show Positive Data on Customers

Apple Computer said that 40 percent of the people who bought computers at the 27 retail stores it has opened in recent months were first-time users of Macintosh machines.
<http://www.nytimes.com/2002/01/17/technology/17APPL.html?todayshadlines>

Intel Names Heir Apparent for Chief Executive Position

Intel named a 28-year employee as president and chief operating officer, grooming him to take over the company as chief executive when Craig R. Barrett retires within three years.
<http://www.nytimes.com/2002/01/17/technology/17CHIP.html?todayshadlines>

MORE TECHNOLOGY NEWS:

<http://www.nytimes.com/pages/technology/index.html?todayshadline>

POLITICS

White House Says Economics Adviser Saw Little Risk on Enron

The White House said President Bush's top economic adviser concluded that a potential collapse of Enron posed little risk to the American economy.
<http://www.nytimes.com/2002/01/17/business/17BUSH.html?todayshadlines>

Kennedy Calls for Delaying Tax Cuts to Help Pay for Drug

Plan and Child Care

Senator Edward M. Kennedy called for postponing \$300 billion worth of last year's tax cuts.

<http://www.nytimes.com/2002/01/17/politics/17DEMS.html?todayshheadline>

Bush Declares Free Markets Are Essential for Americas

President Bush invited Central American nations on Wednesday night to strike a trade accord with the United States.

<http://www.nytimes.com/2002/01/17/international/17PREX.html?todayshheadline>

MORE POLITICS NEWS:

<http://www.nytimes.com/pages/politics/index.html?todayshheadline>

SPORTS

Nets Can't Miss as Jordan Just Falls Away

In a clinic full of alley-oop dunks, backdoor cuts and 3-pointers, the Nets embarrassed the Wizards and Michael Jordan to win their 26th game of the season.

<http://www.nytimes.com/2002/01/17/sports/basketball/17NETS.html?todayshheadline>

Owners Give Approval to Sale of Red Sox

With the threat of another legal headache behind them, Major League Baseball owners approved the \$660 million sale of the Boston Red Sox to a group led by John Henry.

<http://www.nytimes.com/2002/01/17/sports/baseball/17BASE.html?todayshheadline>

Top Five Men Vanish in Australian Summer

Andy Roddick retired early in his second-round match due to injury, becoming the latest star player to fall at the Australian Open.

<http://www.nytimes.com/2002/01/17/sports/tennis/17TENN.html?todayshheadline>

MORE SPORTS NEWS:

<http://www.nytimes.com/pages/sports/index.html?todayshheadline>

ARTS

New Director at Carnegie Eliminates Its Jazz Band

When Carnegie Hall announced its 2002-3 season on Wednesday, the hall's 16-member jazz band was nowhere on

the schedule.
<http://www.nytimes.com/2002/01/17/arts/music/17JAZZ.html?todayshadlines>

From Cuba, With Rhythms, Taking Jazz by Storm

There is a small tradition of Cuban drummers who hit New York like asteroids. Dafnis Prieto, from Santa Clara, Cuba, is the newest one.
<http://www.nytimes.com/2002/01/17/arts/music/17DRUM.html?todayshadlines>

91 Years After Dying, Mahler Hits His Stride

Today, after the 20th century's world wars and mass slaughters, Gustav Mahler's music touches many more souls than it did when it was written.
<http://www.nytimes.com/2002/01/17/arts/music/17ARTS.html?todayshadlines>

MORE ARTS NEWS:
<http://www.nytimes.com/pages/arts/index.html?todayshadline>

NY REGION

New Mayor, New Focus

Mayor Michael R. Bloomberg is showing a different approach than his predecessor, Rudolph W. Giuliani, with a focus on the poor.
<http://www.nytimes.com/2002/01/17/nyregion/17BLCO.html?todayshadlines>

A Major Health Measure, Passed Without a Second Thought

The passage of a multibillion-dollar health care bill went through Albany so fast that nobody was able to digest it fully.
<http://www.nytimes.com/2002/01/17/nyregion/17ALBA.html?todayshadlines>

Welfare Rolls Grew in City Late Last Year

A rise in New York City's welfare rolls added to growing concerns that the country's revamped welfare system may be caught short.
<http://www.nytimes.com/2002/01/17/nyregion/17WELF.html?todayshadlines>

MORE NY REGION NEWS:
<http://www.nytimes.com/pages/nyregion/index.html?todayshadline>

OP-ED

Enron and the Grammys

By BOB HERBERT

When Senator Phil Gramm and his wife Wendy danced, it was most often to Enron's tune.

<http://www.nytimes.com/2002/01/17/opinion/17HERB.html?todayshadlines>

Who Audits the Auditors?

By ARTHUR LEVITT

The Enron crisis is an opportunity to reinvigorate the checks and balances in the financial system.

<http://www.nytimes.com/2002/01/17/opinion/17LEVI.html?todayshadlines>

The Twain You'll Meet

By ROY BLOUNT JR.

Ninety-seven years after his death, Mark Twain is still alive and kicking.

<http://www.nytimes.com/2002/01/17/opinion/17BLOU.html?todayshadlines>

MORE OP-ED NEWS:

<http://www.nytimes.com/pages/opinion/index.html?todayshadlines>

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TODAY'S HEADLINES

The New York Times on the Web
Wednesday, January 16, 2002

For news updated throughout the day, visit www.nytimes.com

QUOTE OF THE DAY

"We may never know why he turned his back on our country and our values, but we cannot ignore that he did."
-JOHN ASHCROFT, attorney general, on filing criminal charges against John Walker.

<http://www.nytimes.com/2002/01/16/politics/16WALK.html?todayshdlines>

NATIONAL

Justices Limit Reach of Arbitration Law

The Supreme Court ruled that a federal agency may sue an employer for discrimination on an employee's behalf even if the worker had waived his right to sue.

<http://www.nytimes.com/2002/01/16/national/16SCOT.html?todayshdlines>

Georgia Finds Itself in Jobless Benefits Bind

Georgia legislators may have to choose between restoring the state's unemployment insurance tax and making the benefits even smaller.

<http://www.nytimes.com/2002/01/16/national/16JOBBL.html?todayshdlines>

Death of Donor Halts Some Transplants

Mount Sinai Hospital in Manhattan said that after the death of a man who donated part of his liver to his brother, it had temporarily halted such transplants. halted operations

<http://www.nytimes.com/2002/01/16/health/16LIVE.html?todayshdlines>

MORE NATIONAL NEWS:

<http://www.nytimes.com/pages/national/index.html?todayshdline>

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INTERNATIONAL

U.S.-Philippine Command May Signal War's Next Phase

American and Philippine military officials agreed to form a joint command to stamp out a Muslim extremist group linked to Al Qaeda in the southern Philippines.

<http://www.nytimes.com/2002/01/16/international/asia/16MILI.html?todaysh headlines>

2 Civilians From Israel Killed in Palestinian Militant Attacks

The killings were the first of civilians by Palestinian militants since Yasir Arafat, the Palestinian leader, called for a halt to all attacks on Dec. 16.

<http://www.nytimes.com/2002/01/16/international/middleeast/16MIDS.html?todaysh headlines>

Powell Embarks on Mission to South Asian Tinderbox

The secretary of state is embarking on an extraordinarily delicate diplomatic mission: pressing India and Pakistan to defuse their confrontation over Kashmir.

<http://www.nytimes.com/2002/01/16/international/asia/16DIPL.html?todaysh headlines>

MORE INTERNATIONAL NEWS:

<http://www.nytimes.com/pages/world/index.html?todaysh headline>

BUSINESS

Arthur Andersen Fires an Executive for Enron Orders

Arthur Andersen fired its partner in charge of auditing Enron, saying he had ordered the destruction of documents and e-mail after learning that the S.E.C. had begun an investigation.

<http://www.nytimes.com/2002/01/16/business/16ENRO.html?todaysh headlines>

Citigroup Names New President Amid Talk of More Acquisitions

Citigroup filled the long-vacant job of president with Robert E. Willumstad, who has overseen the company's consumer business.

<http://www.nytimes.com/2002/01/16/business/16PLAC.html?todaysh headlines>

Pfizer to Offer Drug Discounts to Low-Income Elderly

Pfizer said it would offer its drugs to low-income elderly people for a flat fee of \$15 a month for each prescription.
<http://www.nytimes.com/2002/01/16/business/16DRUG.html?todayshheadline>

MORE BUSINESS NEWS:

<http://www.nytimes.com/pages/business/index.html?todayshheadline>

TECHNOLOGY

Intel Reports That Earnings for Quarter Beat Estimates

Ending its worst year on an upbeat note, Intel reported fourth-quarter earnings that exceeded most expectations.
<http://www.nytimes.com/2002/01/16/technology/ebusiness/16CHIP.html?todayshheadline>

Profit at EBay Increased 8% Last Quarter

EBay, the Internet auctioneer, said that its fourth-quarter profit rose more than 8 percent as buyers and sellers used its Web site for holiday gifts.
<http://www.nytimes.com/2002/01/16/technology/ebusiness/16EBAY.html?todayshheadline>

Bleak Phone-Equipment Outlook Leads Marconi to Cut More Jobs

Marconi of Britain said it will lay off an additional 4,000 workers, about one-quarter of them in the United States.
<http://www.nytimes.com/2002/01/16/business/worldbusiness/16MARC.html?todayshheadline>

MORE TECHNOLOGY NEWS:

<http://www.nytimes.com/pages/technology/index.html?todayshheadline>

POLITICS

Walker Will Face Terrorism Counts in a Civilian Court

John Walker, the American turned Taliban warrior, was charged in a criminal complaint with conspiring to kill United States citizens and supporting terrorism.
<http://www.nytimes.com/2002/01/16/politics/16WALK.html?todayshheadline>

Arthur Andersen Fires an Executive for Enron Orders

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Enron, saying he had ordered the destruction of documents and e-mail after learning that the S.E.C. had begun an investigation.

<http://www.nytimes.com/2002/01/16/business/16ENRO.html?todayshdlines>

E.P.A. Power Plant Cases to Proceed

The Justice Department concluded that the Clinton administration was reasonable in filing lawsuits against power plants under the Clean Air Act.

<http://www.nytimes.com/2002/01/16/politics/16AIR.html?todayshdlines>

MORE POLITICS NEWS:

<http://www.nytimes.com/pages/politics/index.html?todayshdline>

SPORTS

Bucs Make Move in Parcells's Direction

The Tampa Bay Buccaneers have contacted Jimmy Sexton, the agent for Bill Parcells, to arrange a meeting for this weekend.

<http://www.nytimes.com/2002/01/16/sports/football/16BOCS.html?todayshdlines>

Braves Get Sheffield

The Atlanta Braves landed the All-Star outfielder Gary Sheffield in a four-player trade with the Los Angeles Dodgers.

<http://www.nytimes.com/2002/01/16/sports/baseball/16TRAD.html?todayshdlines>

Grosjean Joins List of Surprising Losers

After three days of play, four of the top five seeded men in the Australian Open are out. The latest to fall was No. 5 Sebastien Grosjean on Wednesday.

<http://www.nytimes.com/2002/01/16/sports/tennis/16TENN.html?todayshdlines>

MORE SPORTS NEWS:

<http://www.nytimes.com/pages/sports/index.html?todayshdline>

ARTS

An Artist's Success at 14, Despite Autism

Artistic yet prodigiously artistic in the way of savants who display extraordinary talents, Jonathan Lerman will show

his latest work at the annual Outsider Art Fair in SoHo.
<http://www.nytimes.com/2002/01/16/arts/design/16OUTS.html?todayshheadline>

Institutions Brace for Cuts by the City

The city's new budget director has asked the Department of Cultural Affairs and other city agencies for cuts of 25 percent in their building plans over the next four years.
<http://www.nytimes.com/2002/01/16/arts/design/16CUTS.html?todayshheadline>

Still Licentious, but Freshly Vulnerable Too

Sally Bowles may be as louche and licentious as ever, but with Molly Ringwald in the role she is also bringing out the parental instincts in her audiences.
<http://www.nytimes.com/2002/01/16/arts/theater/16STUD.html?todayshheadline>

MORE ARTS NEWS:

<http://www.nytimes.com/pages/arts/index.html?todayshheadline>

NY REGION

McGreevey, Inaugurated, Calls for New Jersey Unity

Declaring that the "days of irresponsible borrowing and runaway spending are over," James E. McGreevey became New Jersey's 51st governor.
<http://www.nytimes.com/2002/01/16/nyregion/16JERS.html?todayshheadline>

Gunfire Wounds 2 Students Inside a Manhattan High School

Two students were shot at Martin Luther King Jr. High School in what the authorities said may have been a dispute over a girl.
<http://www.nytimes.com/2002/01/16/nyregion/16SHOO.html?todayshheadline>

Crash Inquiry Finds Damage to Jet's Tail

The National Transportation Safety Board could not say whether damage to the tail of Flight 587 was a cause of its crash or an effect.
<http://www.nytimes.com/2002/01/16/nyregion/16CRAS.html?todayshheadline>

MORE NY REGION NEWS:

<http://www.nytimes.com/pages/nyregion/index.html?todayshheadline>

OP-ED

Cracks in the Bubble

By THOMAS L. FRIEDMAN

Will the United States show the same resolve in winning the peace in Afghanistan as it did winning the war?

<http://www.nytimes.com/2002/01/16/opinion/16FRIE.html?todayshheadline>

The Pague State

By MAUREEN DOWD

The East Coast was hit by terrorists four months ago, leaving many people on the West Coast struggling to figure out the right way to respond.

<http://www.nytimes.com/2002/01/16/opinion/16DOWD.html?todayshheadline>

Missing the Story

By PATRICIA MARX

Major news stories are complicated, and the window of opportunity for learning the redirents is, unfortunately, limited.

<http://www.nytimes.com/2002/01/16/opinion/16MARX.html?todayshheadline>

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TODAY'S HEADLINES

The New York Times on the Web
Tuesday, January 15, 2002

For news updated throughout the day, visit www.nytimes.com

QUOTE OF THE DAY

"You are victims not only of your own actions but of the
system which employed you."

-JUDGE CHARLES A. DELSHEY, fining two former New Jersey state troopers in a case that
started a racial profiling debate.

<http://www.nytimes.com/2002/01/15/nyregion/15TROOP.html?todaysh headlines>

NATIONAL

Doctors' New Practices Offer Deluxe Service for Deluxe Fee

The move has prompted accusations that the doctors are
abandoning lower-income patients to cater to the wealthy.

<http://www.nytimes.com/2002/01/15/health/15DOCT.html?todaysh headlines>

Trial Begins for Priest Accused of Molestation

A former priest in Boston has been accused by more than 130
people of sexually molesting boys for over 30 years.

<http://www.nytimes.com/2002/01/15/national/15PRIE.html?todaysh headlines>

Husband Sought in Killings Is Seized on Mexican Coast

A Michigan man accused of killing his wife and three
children on the Oregon coast was captured on Sunday.

<http://www.nytimes.com/2002/01/15/national/15FATE.html?todaysh headlines>

MORE NATIONAL NEWS:

<http://www.nytimes.com/pages/national/index.html?todaysh headline>

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INTERNATIONAL

Key Militia Leader Dies in Bomb Blast in the West Bank

After the head of a militia affiliated with Yasir Arafat's Fatah faction was killed on Monday, Palestinian gunmen killed an Israeli soldier.

<http://www.nytimes.com/2002/01/15/international/middleeast/15MIDE.html?todaysh headlines>

1,430 Being Held in Pakistan as Part of Terror Crackdown

As part of a widening crackdown on extremists ordered by the president, Pakistan has detained 1,430 people and sealed 390 offices of militant groups.

<http://www.nytimes.com/2002/01/15/international/asia/158TAN.html?todaysh headlines>

U.N. Pleads for More Aid for Afghanistan's New Government

With Afghanistan's interim government unable to pay its workers, the United Nations made an impassioned plea for nations to increase their financial donations.

<http://www.nytimes.com/2002/01/15/international/asia/15MILI.html?todaysh headlines>

MORE INTERNATIONAL NEWS:

<http://www.nytimes.com/pages/world/index.html?todaysh headline>

BUSINESS

Enron's Chairmen Received Warning About Accounting

An Enron executive told the chairman in August that improper accounting threatened to bring down the company, Congressional investigators said.

<http://www.nytimes.com/2002/01/15/politics/15ENRO.html?todaysh headlines>

Chief Used Stock to Repay Enron Loan, Lawyer Says

A lawyer for Enron said that Kenneth L. Lay used his company stock to repay a loan sometime last year, an indication that Mr. Lay had shed more of his holdings than had previously been disclosed.

<http://www.nytimes.com/2002/01/15/business/15LAY.html?todaysh headlines>

U.S. Loses Trade Case to Europeans on Offshore Tax Havens

An international ruling is considered all but certain to renew trans-Atlantic trade tensions and could cost American companies billions of dollars in higher taxes.
<http://www.nytimes.com/2002/01/15/business/worldbusiness/15TRAD.html?todayshadlines>

MORE BUSINESS NEWS:

<http://www.nytimes.com/pages/business/index.html?todayshadline>

TECHNOLOGY

New Side to Face-Recognition Technology: Identifying Victims

Since Sept. 11, discussion of the disputed technology of face recognition has focused on its potential for identifying terrorists. But English police want to use the software to search for missing children.

<http://www.nytimes.com/2002/01/15/science/physical/15FACE.html?todayshadlines>

Palm Acts to Help Advance Technology on Wireless Links

Palm introduced kits that help software developers create programs utilizing Bluetooth, an emerging technology for wirelessly connecting digital devices.

<http://www.nytimes.com/2002/01/15/technology/15PALM.html?todayshadlines>

Effort to Measure Online Ad Campaigns

A New York-based trade group is set to release a set of standardized guidelines to gauge the effectiveness of Internet marketing.

<http://www.nytimes.com/2002/01/15/business/media/15ADCO.html?todayshadlines>

MORE TECHNOLOGY NEWS:

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Enron's Chairman Received Warning About Accounting

An Enron executive told the chairman in August that improper accounting threatened to bring down the company, Congressional investigators said.

<http://www.nytimes.com/2002/01/15/politics/15ENRO.html?todayshadlines>

Bush to Be Monitored in Wake of Fainting Episode

The White House physician said that he would monitor

President Bush for a few days.
<http://www.nytimes.com/2002/01/15/politics/15PAIN.html?todayshadlines>

Bush Administration Rolls Back Clinton Rules for Wetlands

The Bush administration said the changes would reduce unnecessary paperwork.
<http://www.nytimes.com/2002/01/15/politics/15WETL.html?todayshadlines>

MORE POLITICS NEWS:
<http://www.nytimes.com/pages/politics/index.html?todayshadline>

SPORTS

Parcells Dismisses Reports That He'll Replace Dungy

The Tampa Bay Buccaneers fired Coach Tony Dungy. Bill Parcells has been widely mentioned as a replacement but says "nothing is imminent."
<http://www.nytimes.com/2002/01/15/sports/football/15BUCC.html?todayshadlines>

Big Block Gives Nets the Edge

With 10 seconds left and the score tied, Nets center Todd MacCulloch made the block that was the key to his team's win over the San Antonio Spurs.
<http://www.nytimes.com/2002/01/15/sports/basketball/15NETS.html?todayshadlines>

Bonds Signs With Giants

Harry Bonds and the San Francisco Giants agreed on Monday night to a \$90 million, five-year contract.
<http://www.nytimes.com/aponline/sports/AP-BBN-Giants-Bonds.html?todayshadlines>

MORE SPORTS NEWS:
<http://www.nytimes.com/pages/sports/index.html?todayshadline>

ARTS

Making (and Breaking) an Opera Record: Domingo Celebrates Verdi

Flacido Domingo's landmark four-CD set of the complete Verdi arias for tenors is far more than a feat.
<http://www.nytimes.com/2002/01/15/arts/music/15NOTE.html?todayshadlines>

A Cloud Over Sundance, but the Parties Go On

"There's a future which is predictable." This kernel of reflection from the documentary "Derrida" summarizes the fare at the 30th annual Sundance Film Festival.
<http://www.nytimes.com/2002/01/15/movies/15DERR.html?todayshdlines>

In an 1881 Ballet, Optimism as It Used to Be

Today a ballet that confidently portrays Light defeating Obscurantism can at most stir nostalgia for a paradise lost.
<http://www.nytimes.com/2002/01/15/arts/dance/15ARTS.html?todayshdlines>

MORE ARTS NEWS:
<http://www.nytimes.com/pages/arts/index.html?todayshdline>

NY REGION

New Jersey Troopers Avoid Jail in Case That Highlighted Profiling

Nearly four years after they shot three unarmed men during a traffic stop, two troopers pleaded guilty to misdemeanor charges.
<http://www.nytimes.com/2002/01/15/nyregion/15TROO.html?todayshdlines>

Giuliani Loosened Ball Clubs' Leases Days Before Exiting

Rudolph W. Giuliani gave the Yankees the right to leave the city on 60 days' notice if the team does not get a new stadium.
<http://www.nytimes.com/2002/01/15/nyregion/15STAD.html?todayshdlines>

Health Bill Is Rejected in Assembly

The Democratic majority in the State Assembly rejected Gov. George E. Pataki's request to pass a complex health care bill.
<http://www.nytimes.com/2002/01/15/nyregion/15HEAL.html?todayshdlines>

MORE NY REGION NEWS:
<http://www.nytimes.com/pages/nyregion/index.html?todayshdline>

OP-ED

Crony Capitalism, U.S.A.

By PAUL KRUGMAN

The Bush administration fears, and the press suspects, that the latest revelations in the Enron affair will raise the lid on crony capitalism, American style.

<http://www.nytimes.com/2002/01/15/opinion/15KRUG.html?todayshheadline>

Putting an End to Warlord Government

By BARNETT R. RUBIN

The elimination of the Taliban regime made possible the establishment of a new administration, but at the price of empowering some corrupt and brutal figures.

<http://www.nytimes.com/2002/01/15/opinion/15RUBI.html?todayshheadline>

Private Sector, Public Doubts

By DAVID CALLAHAN

The emerging story of Enron's collapse is about an abuse of corporate power.

<http://www.nytimes.com/2002/01/15/opinion/15CALL.html?todayshheadline>

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The New York Times on the Web
Monday, January 14, 2002

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QUOTE OF THE DAY

"Companies come and go. It's part of the genius of
capitalism."
-PAUL O'NEILL, treasury secretary, on the collapse of Enron.

<http://www.nytimes.com/2002/01/14/national/14REAC.html?todaysh headlines>

NATIONAL

States Face Hard Choices on Medicaid Cuts

Medicaid, the insurance program for 44 million low-income
people, is in a fiscal crisis, forcing state legislatures
to look for ways to cut benefits and reduce payments.
<http://www.nytimes.com/2002/01/14/national/14MEDI.html?todaysh headlines>

Under the Counter, Grocer Provided Immigrant Workers

In the largest immigrant-smuggling case against an American
corporation, a man pleaded guilty last week to supplying
Tyson Food with more than 2,000 illegal workers.
<http://www.nytimes.com/2002/01/14/national/14TYSO.html?todaysh headlines>

Bush Recovers After Fainting at White House

President Bush fainted briefly on Sunday after choking on a
pretzel, according to the White House physician. Mr. Bush
quickly recovered and is doing well.
<http://www.nytimes.com/sponline/national/AP-Bush-Health.html?todaysh headlines>

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INTERNATIONAL

India Welcomes Pakistani Steps, but Stays Alert

The Indian government on Sunday welcomed the commitment by Pakistan's military ruler not to allow his country to be used as a base for terrorism.

<http://www.nytimes.com/2002/01/14/international/asia/14INDI.html?todayshdlines>

Colombian Rebels Quitting Safe Havens as Peace Talks Fail

Colombian rebels announced on Sunday that they would withdraw from five towns the government handed over as a safe haven for peace talks.

<http://www.nytimes.com/2002/01/14/international/americas/14COLO.html?todayshdlines>

Kabul Takes Steps Toward Disarming Afghan Population

Starting Monday, people in Kabul whose jobs require them to carry guns will also have to carry government identification cards.

<http://www.nytimes.com/2002/01/14/international/asia/14AFGH.html?todayshdlines>

MORE INTERNATIONAL NEWS:

<http://www.nytimes.com/pages/world/index.html?todayshdline>

BUSINESS

A Bubble That Enron Insiders and Outsiders Didn't Want to Pop

What the world is now awakening to is that Enron was not much of a company, but its executives made sure that it was one hell of a stock.

<http://www.nytimes.com/2002/01/14/business/14ENRO.html?todayshdlines>

At Andersen's Helm, a Winner of Battles Who Faces a War

Joseph P. Berardino, the head of the accounting giant Arthur Andersen, faces a crisis that threatens his career, his firm and perhaps even the accounting profession.

<http://www.nytimes.com/2002/01/14/business/14ANDE.html?todayshdlines>

Deal Likely for Raytheon Unit

L-3 Communications plans to announce that it has agreed to acquire a military equipment subsidiary of Raytheon for \$1.13 billion in cash, beating out bigger rivals.
<http://www.nytimes.com/2002/01/14/business/14RAYT.html?todayshheadline>

MORE BUSINESS NEWS:
<http://www.nytimes.com/pages/business/index.html?todayshheadline>

TECHNOLOGY

Signs of a Rebound Appear in the High-Tech Heartland

The nation's high-technology heartland is in its deepest recession in recent memory, but some longtimers believe that the region is poised for a revival.
<http://www.nytimes.com/2002/01/14/technology/14VALL.html?todayshheadline>

Consultant May Decide Hewlett Deal

The next arena in the fight for the future of Hewlett-Packard is an unlikely one -- the offices a proxy voting consultant.
<http://www.nytimes.com/2002/01/14/technology/ebusiness/14HEML.html?todayshheadline>

Hiding Sensitive Data Can be Tough in a Digital Age

The issue of the destruction and possible retrieval of electronic data burst back into the news last week.
<http://www.nytimes.com/2002/01/14/technology/ebusiness/14DELE.html?todayshheadline>

MORE TECHNOLOGY NEWS:
<http://www.nytimes.com/pages/technology/index.html?todayshheadline>

POLITICS

Seeking Edge on Bush, Democrats May Advance Dates of Primaries

The Democratic Party is expected to approve an overhaul of the presidential primary schedule that would make the 2004 primaries even earlier than in the past.
<http://www.nytimes.com/2002/01/14/politics/14DEMS.html?todayshheadline>

Bush Faints at White House

President Bush fainted briefly on Sunday after choking on a pretzel, according to the White House physician. Mr. Bush

quickly recovered and is doing well.
<http://www.nytimes.com/2002/01/14/national/14BOSE.html?todaysh headlines>

Lawyers Said to Back Compensation Plan to Polish Image

The debate over the actions of trial lawyers since Sept. 11 provides a glimpse of what forces shape policy for one of the most powerful lobbying groups in the country.
<http://www.nytimes.com/2002/01/14/politics/14LAWY.html?todaysh headlines>

MORE POLITICS NEWS:

<http://www.nytimes.com/pages/politics/index.html?todaysh headline>

SPORTS

Ravens' Defense Gets Unexpected Help

The Ravens' defense played as advertised and stifled the Miami Dolphins. The surprise was that Baltimore's running game shared the spotlight.
<http://www.nytimes.com/2002/01/14/sports/football/14MIAM.html?todaysh headlines>

Redskins Fire Schottenheimer and May Hire Spurrier

The Washington Redskins fired Coach Marty Schottenheimer and could hire Steve Spurrier as soon as Monday. Also, Bill Parcells could replace Tony Dungy in Tampa Bay.
<http://www.nytimes.com/2002/01/14/sports/football/14COAC.html?todaysh headlines>

Kuerten Loses in Australia; Agassi and Serena Williams Withdraw

Gustavo Kuerten lost at the Australian Open on Monday, but the big news was the withdrawal of Andre Agassi and Serena Williams.
<http://www.nytimes.com/2002/01/14/sports/tennis/14TENN.html?todaysh headlines>

MORE SPORTS NEWS:

<http://www.nytimes.com/pages/sports/index.html?todaysh headline>

ARTS

Loved Elaine? Now Meet Ellie: A High-Stakes Sitcom Gamble

After two failed shows centered around former "Seinfeld" stars, can NBC find success with "Matching Ellie," starring Julia Louis-Dreyfus?

<http://www.nytimes.com/2002/01/14/arts/television/14JULI.html?todayshadlines>

When Ken Burns Pilots the Twain Riverboat

There's a maddening collision between Mark Twain's ironic sensibility and Ken Burns's familiar, sentimental style in this documentary about the writer.

<http://www.nytimes.com/2002/01/14/arts/television/14JAME.html?todayshadlines>

Negotiating the Darkness, Fortified by Poets' Strength

The events of Sept. 11 nailed home my convictions that lyric poetry dispenses more relief during catastrophic times than perhaps any art form.

<http://www.nytimes.com/2002/01/14/books/14KARR.html?todayshadlines>

MORE ARTS NEWS:

<http://www.nytimes.com/pages/arts/index.html?todayshadline>

NY REGION

Kelly Seeks Incentives to Stem Police Exodus

Commissioner Raymond W. Kelly is preparing to ask the Legislature to allow New York police officers some retirement benefits while still on the job.

<http://www.nytimes.com/2002/01/14/nyregion/14COPS.html?todayshadlines>

Grand Jury Examines Allegations Tax Assessors Took Bribes

A federal grand jury is investigating allegations that some of the city's tax assessors routinely reduced property tax bills in the 1990's in return for bribes.

<http://www.nytimes.com/2002/01/14/nyregion/14TAX.html?todayshadlines>

After Sept. 11 Losses, Then a Fire, a New Jersey Church Worships On

Ridgewood, a village about 30 miles from New York City, has seen a great deal of symbolic rain lately, beginning with the deaths of 12 residents in the Sept. 11 attacks.

<http://www.nytimes.com/2002/01/14/nyregion/14RIDG.html?todayshadlines>

MORE NY REGION NEWS:

<http://www.nytimes.com/pages/nyregion/index.html?todayshadline>

OP-ED

Silencing the Alarm

By BOB HERBERT

Not only were Enron employees deliberately left in the dark, but Enron had many of them locked into rules that prohibited them from selling their stakes in the company.

<http://www.nytimes.com/2002/01/14/opinion/14HERB.html?todayshheadline>

Andersengate

By WILLIAM SAFIRE

The scandal I see in the Enron debacle is nonpolitical; it's professional.

<http://www.nytimes.com/2002/01/14/opinion/14SAFI.html?todayshheadline>

The Fiscal State of the States

By WILLIAM T. FOUND

Legislatures in 39 states will begin their regular sessions this month facing fiscal challenges unseen in at least a decade.

<http://www.nytimes.com/2002/01/14/opinion/14FOUN.html?todayshheadline>

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TODAY'S HEADLINES

The New York Times on the Web
Saturday, January 12, 2002

For news updated throughout the day, visit www.nytimes.com

QUOTE OF THE DAY

"If we have to go to war, jolly good."
-GENERAL S. PADMANABHAN, India's army chief

<http://www.nytimes.com/2002/01/12/international/asia/12INDI.html?todaysh headlines>

NATIONAL

Major Death Penalty Appeal Accepted

The Supreme Court agreed to decide a potentially far-reaching challenge to the constitutionality of the death penalty laws in nine states.

<http://www.nytimes.com/2002/01/12/national/12SCOT.html?todaysh headlines>

Man Convicted in Fatal Beating in Dispute at Son's Hockey Game

Thomas Junta faces three to five years in prison for an involuntary manslaughter conviction in the death of a fellow hockey dad.

<http://www.nytimes.com/2002/01/12/national/12HOCK.html?todaysh headlines>

Wilderness Above, a Mine Below and a Furor

Montana residents are debating a new question: Should mines be allowed to extend underneath federally designated wilderness zones?

<http://www.nytimes.com/2002/01/12/national/12MINE.html?todaysh headlines>

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INTERNATIONAL

Indian General Talks Bluntly of War and a Nuclear Threat

In remarks that seemed to surprise India's own leadership, the army chief declared on Friday that the military was fully prepared for a large-scale war with Pakistan.

<http://www.nytimes.com/2002/01/12/international/asia/12INDI.html?todayshdlines>

First 'Unlawful Combatants' Seized in Afghanistan Arrive at U.S. Base in Cuba

Twenty prisoners from the war in Afghanistan arrived at the United States Naval station at Guantanamo Bay, Cuba, on Friday, some of them shackled at the legs.

<http://www.nytimes.com/2002/01/12/international/asia/12MILI.html?todayshdlines>

Suspects in Singapore Are Linked to Al Qaeda and Plans for Anti-U.S. Attacks

Terrorist suspects arrested last month were linked with Al Qaeda and planned bomb attacks against Western targets, the Singapore government said on Friday.

<http://www.nytimes.com/2002/01/12/international/asia/12SING.html?todayshdlines>

MORE INTERNATIONAL NEWS:

<http://www.nytimes.com/pages/world/index.html?todayshdlines>

BUSINESS

Enron Sought Aid of Treasury Dept. to Get Bank Loans

The president of the Enron Corporation repeatedly called Peter R. Fisher, a senior Treasury Department official, last fall and sought help arranging bank loans.

<http://www.nytimes.com/2002/01/12/business/12ENRO.html?todayshdlines>

Ford to Cut 35,000 Employees and Shut 5 Plants

The Ford Motor Company announced its most sweeping cutbacks in two decades on Friday, terminating 35,000 workers, closing five plants and dropping four models.

<http://www.nytimes.com/2002/01/12/business/12FORD.html?todayshdlines>

Greenspan Sounds Note of Caution on Economy

The Federal Reserve chairman said on Friday that the economy is not yet out of danger, contrasting a growing consensus that a recovery is imminent.

<http://www.nytimes.com/2002/01/12/business/12FED.html?todayshheadline>

MORE BUSINESS NEWS:

<http://www.nytimes.com/pages/business/index.html?todayshheadline>

TECHNOLOGY

Federal Judge Deals Setback to Microsoft in Private Suits

Microsoft suffered a setback in its recent campaign to resolve its legal problems, when a federal judge rejected a proposed settlement of more than 100 private class-action suits against the company.

<http://www.nytimes.com/2002/01/12/technology/12SOFT.html?todayshheadline>

DaimlerChrysler Speeds Sale of Stake in Software Venture

DaimlerChrysler has forced Deutsche Telekom to buy out its interest in Debis Systemhaus, a software joint venture, for \$4.1 billion, two years earlier than planned.

<http://www.nytimes.com/2002/01/12/technology/12TELE.html?todayshheadline>

Anthrax Drug Sold Online Leads to Suit

The attorneys general of Florida and Washington State filed suit against an online pharmacy and a Florida physician who prescribed Cipro.

<http://www.nytimes.com/2002/01/12/health/12CIPR.html?todayshheadline>

MORE TECHNOLOGY NEWS:

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POLITICS

Enron Sought Aid of Treasury Dept. to Get Bank Loans

The president of the Enron Corporation repeatedly called Peter R. Fisher, a senior Treasury Department official, last fall and sought help arranging bank loans.

<http://www.nytimes.com/2002/01/12/business/12ENRO.html?todayshheadline>

Parties Weigh Political Price of Enron's Fall

Republicans in Congress warned Democrats against trying to use the escalating Enron case for partisan advantage.
<http://www.nytimes.com/2002/01/12/politics/12POLI.html?todayshheadline>

Utah's Democrats Spot Opportunity in House Republican's Retirement

The announcement that Representative James V. Hansen, Utah's senior House member, is retiring gives Democrats a glimmer of hope for revival.
<http://www.nytimes.com/2002/01/12/politics/12UTAH.html?todayshheadline>

MORE POLITICS NEWS:

<http://www.nytimes.com/pages/politics/index.html?todayshheadline>

SPORTS

Bucs Brace for Eagles, Not the Chill

Tampa Bay has never won a game when the temperature at kickoff was 40 degrees or less, but the Bucs are trying to debunk the temperature whammy.
<http://www.nytimes.com/2002/01/12/sports/football/12BUCS.html?todayshheadline>

Jets Chasing a Few Big Plays

Curtis Martin has been the foundation of the Jets' offense this season, but to beat Oakland on Saturday the Jets' offense must find balance.
<http://www.nytimes.com/2002/01/12/sports/football/12JETS.html?todayshheadline>

More Loans and More Denials for Baseball

Bank loans continue to plague Major League Baseball and its contraction plan, but the commissioner and the owners continued to deny any impropriety.
<http://www.nytimes.com/2002/01/12/sports/baseball/12BASE.html?todayshheadline>

MORE SPORTS NEWS:

<http://www.nytimes.com/pages/sports/index.html?todayshheadline>

ARTS

What Is America's Place in the World Now?

Ask the most prominent strategic thinkers around, and they will all agree that pretty much every cherished notion about America's role in the world must be revised.
<http://www.nytimes.com/2002/01/12/arts/12WORLD.html?todayshdlines>

For Big History, the Past Begins at the Beginning

Over the last few decades, historical research has become more and more specialized. However, one professor is urging his colleagues to think big very big.
<http://www.nytimes.com/2002/01/12/arts/12HIST.html?todayshdlines>

The Modern Relocates Its Film Stills Amid Protests

Film historians, critics and festival publicists argue that an archive of four million still photographs is of little worth if it is kept far from the public that uses it.
<http://www.nytimes.com/2002/01/12/movies/12STIL.html?todayshdlines>

MORE ARTS NEWS:
<http://www.nytimes.com/pages/arts/index.html?todayshdline>

NY REGION

Video Captures Sept. 11 Horror in Raw Replay

A 90-minute videotape of the Sept. 11 attack circulating among firefighters captures the event in graphic detail.
<http://www.nytimes.com/2002/01/12/nyregion/12TAPE.html?todayshdlines>

Pataki Pushes Plan to Spend in Health Care

Gov. George E. Pataki is calling for a wide array of new spending, program cuts and taxes in the new health care budget.
<http://www.nytimes.com/2002/01/12/nyregion/12ALBA.html?todayshdlines>

Plan to Close Ford Plant Means Upheaval for Many

The phasing out of the Ford Motor Co. plant in Edison, N.J., will represent a major upheaval in the lives surrounding it.
<http://www.nytimes.com/2002/01/12/nyregion/12EDIS.html?todayshdlines>

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<http://www.nytimes.com/pages/nyregion/index.html?todayshdline>

OP-ED

Mr. T., Mr. G. and Mr. H.

By BILL KELLER

I'd like to begin the new year by bidding farewell to three men whose departure will raise the median decency of the United States Senate.

<http://www.nytimes.com/2002/01/13/opinion/13KELL.html?todayshadlines>

When a Gift Isn't Right

By LAWRENCE NOBLE

In the case of Senator Robert G. Torricelli, a consideration of the difference between legal and illegal gifts to a federal official may prove useful.

<http://www.nytimes.com/2002/01/13/opinion/13NOBL.html?todayshadlines>

Eisenhower in Kabul

By DOUGLAS BRINKLEY

On Dec. 9, 1959, Dwight D. Eisenhower, while on a goodwill mission to Central Asia and the Middle East, made a pilgrimage to Kabul.

<http://www.nytimes.com/2002/01/12/opinion/12BRIN.html?todayshadlines>

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TODAY'S HEADLINES

The New York Times on the Web
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QUOTE OF THE DAY

"Iran must be a contributor in the war against terror. Our nation, in our fight against terrorism, will uphold the doctrine of either you're with us or against us."
-PRESIDENT BUSH

<http://www.nytimes.com/2002/01/11/international/asia/11IRAN.html?todaysh headlines>

NATIONAL

7 Marines From Across U.S.: Profiles From a Fatal Mission

The marines killed on a military tanker plane crash in Afghanistan came from diverse backgrounds, but had a common mission.

<http://www.nytimes.com/2002/01/11/national/11CREW.html?todaysh headlines>

Nevada Site Urged for Nuclear Dump

The Energy Department said on Thursday that it would recommend that Yucca Mountain be used to bury thousands of tons of radioactive nuclear waste.

<http://www.nytimes.com/2002/01/11/national/11NUKE.html?todaysh headlines>

Judge Rules Fingerprints Cannot Be Called a Match

A Philadelphia federal judge has ruled for the first time that fingerprint evidence does not meet the standards set for scientific testimony.

<http://www.nytimes.com/2002/01/11/national/11PRIN.html?todaysh headlines>

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INTERNATIONAL

U.S. Begins First Airlift of Prisoners

A cargo plane carrying 20 Taliban and Al Qaeda prisoners left Afghanistan on Thursday, on its way to the United States naval base at Guantanamo Bay, Cuba.

<http://www.nytimes.com/2002/01/11/international/asia/11PRIS.html?todayshheadline>

Bush Tells Iran Not to Undercut Afghan Leaders

President Bush said on Thursday that Iran will face consequences if it attempts to undermine the new interim government in Afghanistan.

<http://www.nytimes.com/2002/01/11/international/asia/11IRAN.html?todayshheadline>

Israel, in Reprisal for Killings, Razes Gaza Refugee Homes

The Israeli Army retaliated on Thursday for the killing of four Israeli soldiers by bulldozing dozens of houses in a refugee camp in the Gaza Strip.

<http://www.nytimes.com/2002/01/11/international/middleeast/11MIDE.html?todayshheadline>

MORE INTERNATIONAL NEWS:

<http://www.nytimes.com/pages/world/index.html?todayshheadline>

BUSINESS

Enron Contacted 2 Cabinet Officers Before Collapsing

The White House disclosed Thursday that the chief executive of Enron contacted two Cabinet members weeks before the company's collapse.

<http://www.nytimes.com/2002/01/11/business/11ENRO.html?todayshheadline>

A Familiar Capital Script

The rapidly exploding Enron inquiry presents all the elements of earlier Washington scandals, including carefully phrased denials and accusations of improper influence.

<http://www.nytimes.com/2002/01/11/business/11ASSE.html?todayshheadline>

Ford Is Said to Be Cutting Up to 15,000 More Workers

The Ford Motor Company's board agreed on a plan to cut its work force by up to 15,000 hourly workers, in addition to the 5,000 salaried workers it said it would cut last year.
<http://www.nytimes.com/2002/01/11/business/11AUTO.html?todayshheadline>

MORE BUSINESS NEWS:

<http://www.nytimes.com/pages/business/index.html?todayshheadline>

TECHNOLOGY

Vodafone Shares Cooling With Slower Growth in America

Shares of the Vodafone Group, a wireless favorite among investors, have now given back nearly all the gains accrued in a rally that began last fall.
<http://www.nytimes.com/2002/01/11/technology/11WIRE.html?todayshheadline>

Divining the Future of Law and Technology

What are the 2-3 major Internet law and policy issues that are likely to crop up in 2002? A group of legal experts took up that challenge.
<http://www.nytimes.com/2002/01/11/technology/11CYBERLAW.html?todayshheadline>

Matsushita Plans an Overhaul to Reduce Costs

Facing huge losses this year, the sprawling Matsushita Electric Industrial Company announced a plan to overhaul itself in the next three years.
<http://www.nytimes.com/2002/01/11/business/worldbusiness/11MATS.html?todayshheadline>

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POLITICS

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SPORTS

Proposed Sale Would Save Twins From Contraction

After meeting with baseball officials on Thursday, a billionaire from Birmingham, Ala., prepared to take the next step to buy the Twins and save them from contraction.
<http://www.nytimes.com/2002/01/11/sports/baseball/11TWIN.html?todayshadlines>

Chaney Boils Over After Knicks Are Drubbed

After the Knicks were pounded by Dallas, Don Chaney was not the laid-back coach who hours earlier spoke optimistically about his crumbling team.
<http://www.nytimes.com/2002/01/11/sports/basketball/11KNIC.html?todayshadlines>

Eldredge Wins Skating Title by Playing It Safe

Todd Eldredge's throwback ways and elegant style were good enough for him to win his sixth national title and earn his third trip to the Olympics.
<http://www.nytimes.com/2002/01/11/olympics/11OLYM.html?todayshadlines>

MORE SPORTS NEWS:

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ARTS

The Camera as Witness to 'Bloody Sunday'

The images in "Hidden Truths: Bloody Sunday 1972" at the International Center of Photography are prosecution witnesses called to testify on the event.
<http://www.nytimes.com/2002/01/11/arts/design/11COTT.html?todayshheadline>

From Truffaut's Centimes, a Wealth of Inspiration

The director of "The Royal Tenenbaums" watches the most unpretentious movie he can imagine, Francois Truffaut's "Small Change."
<http://www.nytimes.com/2002/01/11/movies/11MATC.html?todayshheadline>

Old New York Visited Anew

My 12-year-old son came up with the whimsical idea of touring the New York he knows now as seen through the memory of the child I once was.
<http://www.nytimes.com/2002/01/11/arts/11COLS.html?todayshheadline>

MORE ARTS NEWS:
<http://www.nytimes.com/pages/arts/index.html?todayshheadline>

NY REGION

Mayor Sets Preer Tone, at Least at the Outset

Early indications suggest that Mayor Michael R. Bloomberg will set a different tone in City Hall than his predecessor.
<http://www.nytimes.com/2002/01/11/nyregion/11BLOC.html?todayshheadline>

Studies Will Take Sept. 11's Measure in Health Effects

Public health researchers are attempting to track people who were in the vicinity of the World Trade Center when it fell on Sept. 11.
<http://www.nytimes.com/2002/01/11/nyregion/11LAS.html?todayshheadline>

Pilot Safe After Fighter Jet Crashes in Woods

A New Jersey Air National Guard fighter jet crashed into a wooded area near the Garden State Parkway during training on Thursday morning.
<http://www.nytimes.com/2002/01/11/nyregion/11PLAN.html?todayshheadline>

MORE NY REGION NEWS:
<http://www.nytimes.com/pages/nyregion/index.html?todayshheadline>

OP-ED

Our Wretched States

By PAUL KRUGMAN

States are facing a fiscal crisis. Unfortunately, the state of the states is the shape of national things to come.

<http://www.nytimes.com/2002/01/11/opinion/11KRUG.html?todaysh headlines>

The Greater Danger

By NICHOLAS D. KRISTOF

Perhaps the most interesting question today in foreign policy is not what we do about Iraq, but what we do about North Korea.

<http://www.nytimes.com/2002/01/11/opinion/11KRIS.html?todaysh headlines>

Bold New Look, Tired Old Metaphor

By DAVID GELBENTER

Apple needs to rethink the way computers work, not just how they look.

<http://www.nytimes.com/2002/01/11/opinion/11GELE.html?todaysh headlines>

MORE OP-ED NEWS:

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TODAY'S HEADLINES

The New York Times on the Web
Thursday, January 10, 2002

For news updated throughout the day, visit www.nytimes.com

QUOTE OF THE DAY

"Do we really want to bid for the games in the future? It's a valid question. I believe the money is well spent; it makes a great statement for peace. But is it a good investment?"
-MITT ROMNEY, president of the Salt Lake City Olympic organizing committee, on the cost of holding the Games in the United States.

<http://www.nytimes.com/2002/01/10/olympics/10UTIAS.html?todaysh headlines>

NATIONAL

White House Seeking to Restore Food Stamp Aid for Noncitizens

The Bush administration proposed on Wednesday to restore food stamps to many legal immigrants whose eligibility was restricted by the 1996 welfare law.

<http://www.nytimes.com/2002/01/10/national/10WUFG.html?todaysh headlines>

Hockey Father Takes Stand in Defense of Killing

Thomas Junta, the man with charged with manslaughter in the beating death of another father during a hockey game, took the stand on Wednesday.

<http://www.nytimes.com/2002/01/10/national/10HOCK.html?todaysh headlines>

Justices Chide South Carolina in a Death Sentence, Again

The Supreme Court took South Carolina's high court to task on Wednesday for the third time over its sentencing procedures.

<http://www.nytimes.com/2002/01/10/national/10SCOT.html?todaysh headlines>

MORE NATIONAL NEWS:

<http://www.nytimes.com/pages/national/index.html?todaysh headline>

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NYU Brings Corporate Trainers to the Web

NYU's Corporate Learning Services (CLS), part of the School of Continuing and Professional Studies, is revolutionizing corporate training online. Participants of this innovative Train the Trainer program will gain the unique skills needed to master the art of teaching online and get the best of NYU in a B2B model.

http://cls.nyu.edu/index_n.html

INTERNATIONAL

Iran Exerts Sway on Afghan Border, Worrying the U.S.

Iran is seeking to push an Islamic agenda in western Afghanistan, threatening Washington's long-term goals in the country, officials said on Wednesday.

<http://www.nytimes.com/2002/01/10/international/middleeast/10IRAN.html?todayshheadline>

Seven Marines Killed in Pakistan Crash

An American military tanker plane carrying seven marines crashed into a mountainside and exploded during its approach to an airfield in southwestern Pakistan.

<http://www.nytimes.com/2002/01/10/international/asia/10MILI.html?todayshheadline>

Israeli Soldiers Are Killed in Dawn Raid in Gaza Strip

Palestinian gunmen in Gaza put an end to a lull in the violence, ambushing and killing four Israeli soldiers before being shot dead.

<http://www.nytimes.com/2002/01/10/international/middleeast/10MIDE.html?todayshheadline>

MORE INTERNATIONAL NEWS:

<http://www.nytimes.com/pages/world/index.html?todayshheadline>

BUSINESS

Justice Dept. to Form Task Force to Investigate Collapse of Enron

The Justice Department plans to form a special task force of prosecutors to conduct an inquiry into the Enron Corporation and its collapse.

<http://www.nytimes.com/2002/01/10/business/10ENRO.html?todayshheadline>

On Saggy Wall St., Merrill Leads Way With Retrenchment

Merrill Lynch & Company reported that it had trimmed 9,000 jobs since October, on top of 6,000 cut earlier last year, for a total elimination of 20 percent of its

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workforce.
<http://www.nytimes.com/2002/01/10/business/10WALL.html?todayshadlines>

History Shows First 5 Days Can Put Bulls on Right Path

One of Wall Street's most noted indicators the first five trading days of January has sent its signal. And it says that this will be a good year for the stock market.
<http://www.nytimes.com/2002/01/10/business/10PLAC.html?todayshadlines>

MORE BUSINESS NEWS:
<http://www.nytimes.com/pages/business/index.html?todayshadline>

TECHNOLOGY

Wanted, Virtually Dead

In a number of new military simulation video games, armchair Green Berets are being offered a chance to hunt Osama bin Laden.
<http://www.nytimes.com/2002/01/10/technology/circuits/10PLAY.html?todayshadlines>

The Many Futures of Music, Maybe One of Them Real

The main question at the second annual Future of Music Policy Summit: How will musicians make a living in the Internet age, preferably without a day job?
<http://www.nytimes.com/2002/01/10/arts/music/10CONF.html?todayshadlines>

Challenge Year Ahead for the Chief-to-Be at AOL

If AOL Time Warner is to generate growth in the middle of its projected range for this year 10 percent then it must come up with about \$925 million in additional cash flow.
<http://www.nytimes.com/2002/01/10/business/media/10AOL.html?todayshadlines>

MORE TECHNOLOGY NEWS:
<http://www.nytimes.com/pages/technology/index.html?todayshadline>

POLITICS

White House Seeking to Restore Food Stamp Aid for Noncitizens

The Bush administration proposed on Wednesday to restore food stamps to many legal immigrants whose eligibility was

restricted by the 1996 welfare law.
<http://www.nytimes.com/2002/01/10/national/10BUDO.html?todaysh headlines>

G.O.P. Chief Says He'll Quit Lobbying

Marc Racicot, the new head of the Republican Party, said on Wednesday that he would halt lobbying, but concerns remain in the party over who will pay his salary.
<http://www.nytimes.com/2002/01/10/national/10LOBB.html?todaysh headlines>

Bush Returns to Politics, on Behalf of His Brother

President Bush returned to fund-raising Wednesday, appearing at an event that was expected to raise over \$1 million for the campaign of Gov. Jeb Bush of Florida.
<http://www.nytimes.com/2002/01/10/national/10BUSH.html?todaysh headlines>

MORE POLITICS NEWS:

<http://www.nytimes.com/pages/politics/index.html?todaysh headline>

SPORTS

Abraham Is the Diamond in the Jets' Pass Rush

John Abraham has become so effective as a defensive end that coaches now have to plan to account for him on every down.
<http://www.nytimes.com/2002/01/10/sports/football/10JETS.html?todaysh headlines>

The Knicks' Sorry Season Is Not a Laughing Matter

As the Knicks (14-20) prepare for Thursday's game at Dallas, there is little reason to believe they will avoid their first losing season since 1990-91.
<http://www.nytimes.com/2002/01/10/sports/basketball/10KNIC.html?todaysh headlines>

Home Holds No Answers for Rangers

With no offense from their moribund power play on Wednesday night, the Rangers dropped their fifth consecutive game to the Los Angeles Kings.
<http://www.nytimes.com/2002/01/10/sports/hockey/10RANG.html?todaysh headlines>

MORE SPORTS NEWS:

<http://www.nytimes.com/pages/sports/index.html?todaysh headline>

ARTS

When the Going Gets Tough, Some Go Shopping at Museums

At a time when New York museums are hurting from the shocks of September, the Metropolitan Museum of Art managed to do a brisk business selling \$35,000 amethyst pendants and embroidered Indian shawls costing from \$2,000 to \$6,000.
<http://www.nytimes.com/2002/01/10/arts/design/10MUSE.html?todayshdlines>

The Many Futures of Music, Maybe One of Them Real

The main question at the second annual Future of Music Policy Summit: How will musicians make a living in the Internet age, preferably without a day job?
<http://www.nytimes.com/2002/01/10/arts/music/10COMP.html?todayshdlines>

Radio Station Ponders Change, and Ole Opry's Fans Worry

The 76-year relationship between the Grand Ole Opry and WSM-AM in Nashville is teetering on the brink as the struggling station faces a likely change from its country music format.
<http://www.nytimes.com/2002/01/10/arts/music/10ARTS.html?todayshdlines>

MORE ARTS NEWS:

<http://www.nytimes.com/pages/arts/index.html?todayshdline>

NY REGION

Pataki Vows to Limit Spending and to Avoid Delaying Tax Cuts

In his annual address on Wednesday, Gov. George E. Pataki included few new proposals, but did lay out goals that will help him appeal to voters next fall.
<http://www.nytimes.com/2002/01/10/nyregion/10ALBA.html?todayshdlines>

Despite Uncertain Times, Parents See Private School as a Necessity

New Yorkers are still eager to send their children to the city's private schools, many of which charge more than \$20,000 a year in tuition.
<http://www.nytimes.com/2002/01/10/nyregion/10PRIV.html?todayshdlines>

Memories of Welfare Days Differ for Agency Head and Her Mother

The city's new welfare commissioner, Verna Eggleston, learned about both work and welfare at her mother's knee.
<http://www.nytimes.com/2002/01/10/nyregion/10VERN.html?todayshdlines>

MORE NY REGION NEWS:

<http://www.nytimes.com/pages/nyregion/index.html?todayshheadline>

OP-ED

Arafat's Implausible Denials

By WILLIAM SAFIRE

While the United States and Israel have for a decade been deluding themselves with a "peace process," Iran and its Palestinian proxies have been gaining ground in their war process.

<http://www.nytimes.com/2002/01/10/opinion/10SAFI.html?todayshheadline>

Joined at the Hip

By BOB HERBERT

Enron is a case study in the dangers that will inevitably arise when unrestrained corporate greed is joined at the hip with the legalized bribery and influence-peddling that passes for government these days.

<http://www.nytimes.com/2002/01/10/opinion/10HERB.html?todayshheadline>

Who Lost the Surplus?

By BRUCE BARTLETT

The debate about the surplus is not really about the economy, but about the proper role of government.

<http://www.nytimes.com/2002/01/10/opinion/10BART.html?todayshheadline>

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TODAY'S HEADLINES

The New York Times on the Web
Friday, January 4, 2002

For news updated throughout the day, visit www.nytimes.com

QUOTE OF THE DAY

"There are too many people who come here for food. All of them need rice and other things. What should I do?"

-ABDUL BASIR BASIRAT, Red Crescent Society supervisor in Jalalabad, Afghanistan.

<http://www.nytimes.com/2002/01/04/international/asia/04AID.html?todaysh headlines>

NATIONAL

Snow Hits an Unpracticed South and Shuts It Down

The largest snowstorm in a decade iced the South, causing hundreds of traffic accidents and nine deaths.

<http://www.nytimes.com/2002/01/04/national/04STOR.html?todaysh headlines>

Black Scholars Mending a Rift With Harvard

Harvard University President Lawrence H. Summers mended fences with Cornel West, senior professor of the school's Afro-American studies department.

<http://www.nytimes.com/2002/01/04/education/04HARV.html?todaysh headlines>

Trial to Be Set in '63 Bombing

A judge ruled that Bobby Frank Cherry is mentally competent to stand trial on murder charges in the 1963 Birmingham church bombing.

<http://www.nytimes.com/2002/01/04/national/04CHUR.html?todaysh headlines>

MORE NATIONAL NEWS:

<http://www.nytimes.com/pages/national/index.html?todaysh headline>

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KATE & LEOPOLD - In theaters December 25th!

MEG RYAN and HUGH JACKMAN star in KATE & LEOPOLD, the story of two strangers in New York City, separated by a hundred years. When they meet, a century's worth of differences come crashing together. Visit the official

website at www.kateandleopold-themovie.com: This Christmas, Chivalry Makes a Comeback. Rated PG-13.

http://ads.nyt.com/th.ad/th-kateandlee03/kate.html?_RM_REDIRECT=http://www.kateandleopold-themovie.com

INTERNATIONAL

Taliban Leaders May Be Escaping; Al Qaeda Camp Is Hit by U.S. Airstrikes

The slow pace of the surrender of Taliban soldiers in Afghanistan has raised concerns that senior Taliban leaders might slip away, American officials said Thursday.

<http://www.nytimes.com/2002/01/04/international/asia/04AFGH.html?todayshdlines>

Warlords Steal Food Shipments, Hampering Efforts to Relieve Famine

An effort to feed Afghan refugees returning from Pakistan descended into violence on Thursday as food ran short and local soldiers beat back a hungry crowd.

<http://www.nytimes.com/2002/01/04/international/asia/04AID.html?todayshdlines>

India and Pakistan Together, but Not Speaking

With hundreds of thousands of troops facing one another along their border, the leaders of India and Pakistan have still made no move to discuss their differences.

<http://www.nytimes.com/2002/01/04/international/asia/04INDI.html?todayshdlines>

MORE INTERNATIONAL NEWS:

<http://www.nytimes.com/pages/world/index.html?todayshdline>

BUSINESS

Incentives Prop Up Sales but May Haunt Carmakers Later

Automakers' expectations for 2002 are pessimistic because of the economy as well as the dent that low-cost financing incentives have probably made in demand.

<http://www.nytimes.com/2002/01/04/business/04AUTO.html?todayshdlines>

Dynegy in Agreement to Get Enron Pipeline

Dynegy said that it has settled a lawsuit with subsidiaries of Enron and plans to acquire the Northern Natural Gas pipeline that was part of a dispute between the two energy companies.

<http://www.nytimes.com/2002/01/04/business/04ENRO.html?todayshdlines>

Shares Gain on Profit Outlook Despite Economic Data

Technology stocks made strong gains Thursday, with the Nasdaq composite index rising more than 3 percent, as hopes for a quick recovery in profits grew despite mixed reports on the economy.

<http://www.nytimes.com/2002/01/04/business/04STOX.html?todayshheadline>

MORE BUSINESS NEWS:

<http://www.nytimes.com/pages/business/index.html?todayshheadline>

TECHNOLOGY

Comcast Copes With Internet Problems

Some Comcast customers in New Jersey say the company has played down the extent of the technical problems that caused Internet and e-mail disruptions in the last 10 days.

<http://www.nytimes.com/2002/01/04/technology/04CCMC.html?todayshheadline>

On the Front Lines, Cashiers Propel the Euro's Advance

At supermarkets and stores in Europe, the overall pattern on the second business day after conversion to the euro was one of almost seamless transition.

<http://www.nytimes.com/2002/01/04/international/europe/04EURO.html?todayshheadline>

Moody's May Cut Xerox Ratings

Moody's Investors Service warned it may cut its "junk" debt ratings for Xerox and its units, warning that the office equipment maker will be challenged to improve profitability.

<http://www.nytimes.com/reuters/technology/tech-tech-xerox-moodys.html?todayshheadline>

MORE TECHNOLOGY NEWS:

<http://www.nytimes.com/pages/technology/index.html?todayshheadline>

POLITICS

Saschle Speech Will Begin Democratic Offensive on Economy

Worried about President Bush's popularity, Democrats are beginning a concerted election year drive to criticize his stewardship of the economy.

<http://www.nytimes.com/2002/01/04/politics/04DEMS.html?todayshheadline>

Charges Ruled Out as U.S. Concludes Torricelli Inquiry

The federal criminal investigation into the financial dealings of Senator Robert G. Torricelli of New Jersey officially ended on Thursday.

<http://www.nytimes.com/2002/01/04/politics/04TORC.html?todayshheadline>

Powder Sent to Daschle; Hoax Is Seen

An envelope containing a threatening letter and a suspicious powder was found in the Capitol office of Senator Tom Daschle.

<http://www.nytimes.com/2002/01/04/politics/04INQU.html?todayshheadline>

MORE POLITICS NEWS:

<http://www.nytimes.com/pages/politics/index.html?todayshheadline>

SPORTS

Miami Rolls to National Title

Miami dominated an overmatched Nebraska team in the Rose Bowl to become the undisputed national champions of college football.

<http://www.nytimes.com/2002/01/04/sports/ncaaf-football/04ROSE.html?todayshheadline>

Knicks Rewrite the Disaster Script

Instead of suffering another heart-wrenching loss, the Knicks captured a potentially galvanizing victory, outscoring Dallas by 14-7 in overtime.

<http://www.nytimes.com/2002/01/04/sports/basketball/04KNIC.html?todayshheadline>

Phillips Still Trying to Upgrade Mets

Mets General Manager Steve Phillips is working in several directions, negotiating for Ruben Trammell, Juan Gonzalez or possibly Jeremy Burnitz.

<http://www.nytimes.com/2002/01/04/sports/baseball/04METS.html?todayshheadline>

MORE SPORTS NEWS:

<http://www.nytimes.com/pages/sports/index.html?todayshheadline>

ARTS

Harvesting the Riches of Strauss

The classical-music critics of The Times provide a backdrop for several upcoming Strauss events by listing their favorite Strauss recordings.
<http://www.nytimes.com/2002/01/04/arts/music/04STRA.html?todayshadlines>

The Power of the Pot

A look at works made from a single material -- in this case pottery -- at the Metropolitan Museum of Art, yields a partial timeline in the form of a whirlwind tour.
<http://www.nytimes.com/2002/01/04/arts/design/04SMIT.html?todayshadlines>

Film Portrayals to Stir the Soul

Here is a checklist of some recent films (with special note made of outstanding performances) along with audience advisories.
<http://www.nytimes.com/2002/01/04/movies/04GREA.html?todayshadlines>

MORE ARTS NEWS:

<http://www.nytimes.com/pages/arts/index.html?todayshadline>

NY REGION

City Faces Challenge to Close Widest Budget Gap Since 70's

New York is facing the problem of closing a \$3 billion to \$5 billion budget gap coming in July, the largest since the 1970's.
<http://www.nytimes.com/2002/01/04/nyregion/04BUDG.html?todayshadlines>

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The federal criminal investigation into the financial dealings of Senator Robert G. Torricelli of New Jersey officially ended on Thursday.
<http://www.nytimes.com/2002/01/04/politics/04TORC.html?todayshadlines>

Bloomberg Vision for Ground Zero: Memorial and More

Mayor Michael R. Bloomberg and the head of the Lower Manhattan Redevelopment Corporation want the former World Trade Center site to be used for more than just a memorial.
<http://www.nytimes.com/2002/01/04/nyregion/04BUIL.html?todayshadlines>

MORE NY REGION NEWS:

<http://www.nytimes.com/pages/nyregion/index.html?todayshheadline>

OP-ED

America the Polarized

By PAUL KRUGMAN

Democrats and Republicans have diverged sharply since the 1980's, and are now further apart on economic issues than they have been since the early 20th century.

<http://www.nytimes.com/2002/01/04/opinion/04KRUG.html?todayshheadline>

Profile of a Killer

By NICHOLAS D. KRISTOF

The emerging image of the killer that many of the experts see is precisely the opposite of the perpetrator whom we initially imagined.

<http://www.nytimes.com/2002/01/04/opinion/04KRIS.html?todayshheadline>

Staying Off Welfare for Good

By BRUCE REED

The Bush administration and Congress should take steps now to make sure hard times don't slow the steady march from welfare to independence.

<http://www.nytimes.com/2002/01/04/opinion/04REED.html?todayshheadline>

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QUOTE OF THE DAY

'In the name of Allah, I do not have anything to plead. I enter no plea. Thank you very much.'

-ZACARIAS MOUSSAOUI, at a hearing on charges accusing him of being a conspirator in the Sept. 11 terrorist plot.

<http://www.nytimes.com/2002/01/03/national/03INQU.html?todaysh headlines>

NATIONAL

Not Guilty Plea Is Set for Man in Terror Case

Zacarias Moussaooui refused to enter a plea to an indictment that accused him of a role in the Sept. 11 attacks. His lawyer and the judge entered a plea of not guilty for him.

<http://www.nytimes.com/2002/01/03/national/03INQU.html?todaysh headlines>

Hoping It's No California, Texas Deregulates Energy

Texas began its own deregulation plan with officials promising that there would be no reprise of California's chaos.

<http://www.nytimes.com/2002/01/03/national/03DERE.html?todaysh headlines>

Suit Against Gun Makers Gains Ground in Illinois Court

Gun makers and dealers can be sued for distributing firearms in a way that makes it easy for criminals and juveniles to obtain them.

<http://www.nytimes.com/2002/01/03/national/03GUNS.html?todaysh headlines>

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INTERNATIONAL

A Smooth Debut Lifts Euro's Value in Money Markets

Europeans in 12 nations have begun using a common currency with no significant problems, a surprising amount of enthusiasm and even a slight rise in its value.

<http://www.nytimes.com/2002/01/03/business/worldbusiness/03EURO.html?todayshheadline>

Marines Complete Sweep of Al Qaeda Compound

Marines recovered only small amounts of weapons and documents belonging to Al Qaeda in a deserted terrorist training camp in southern Afghanistan.

<http://www.nytimes.com/2002/01/03/international/03AFGH.html?todayshheadline>

After Black Teenager Is Slain, Norway Peers Into a Mirror

The case of Benjamin Hermansen, a 15-year-old African-Norwegian boy who was killed by neo-Nazis, has offered a disturbing challenge to Norway's vision of itself.

<http://www.nytimes.com/2002/01/03/international/europe/03NORW.html?todayshheadline>

MORE INTERNATIONAL NEWS:

<http://www.nytimes.com/pages/world/index.html?todayshheadline>

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<http://www.nytimes.com/2002/01/03/Business/worldbusiness/03EURO.html?todayshdlines>

Analyst Talks of Bankruptcy, and Kmart Takes a Plunge

A Wall Street analyst's negative report sent the price of Kmart's shares plunging 13.2 percent, to \$4.74, in heavy trading Wednesday.

<http://www.nytimes.com/2002/01/03/business/03PLAC.html?todayshdlines>

Ruling Eases Restrictions on Tax Shelters for Companies

A federal appeals court has issued a ruling in a case involving Compaq Computer that tax experts say will make it much more difficult for the I.R.S. to demolish many corporate tax shelters.

<http://www.nytimes.com/2002/01/03/business/03IRS.html?todayshdlines>

MORE BUSINESS NEWS:

<http://www.nytimes.com/pages/business/index.html?todayshdline>

TECHNOLOGY

Toy Story: Looking for Lessons

Do the new generation of multimedia playthings teach, or do they just pacify nervous parents?

<http://www.nytimes.com/2002/01/03/technology/circuits/03TOY.html?todayshdlines>

Computerized Control Is Next for Artificial Limbs

New high-tech prosthetic limbs are, in effect, wearable computers. Those who wear them say that they perform impressively, but such electronic appendages don't come cheap.

<http://www.nytimes.com/2002/01/03/technology/circuits/03NHEE.html?todayshdlines>

Microsoft's Hometown Sees Cause for Optimism

In Redmond Wash., Microsoft employees said they were grateful to hold what appeared to be very steady employment.

<http://www.nytimes.com/2002/01/03/national/03RSDM.html?todayshdlines>

MORE TECHNOLOGY NEWS:

<http://www.nytimes.com/pages/technology/index.html?todayshdline>

POLITICS

Mining Company Gets Protection in Legislation Pushed by Daschle

Lawmakers agreed to relieve a South Dakota company, Homestake Mining, of any legal liability for damage done in digging gold in the Black Hills.
<http://www.nytimes.com/2002/01/03/politics/03MINE.html?todayshadlines>

Senate Democrats Plan to Subpoena Enron Papers

Senate Democrats plan to subpoena documents from Enron executives and to examine the company's high-level connections to the Bush administration.
<http://www.nytimes.com/2002/01/03/politics/03ENRO.html?todayshadlines>

Jewish Groups Endorse Tough Security Laws

Jewish organizations have been silent on or even supportive of the Bush administration's counterterrorism legislation.
<http://www.nytimes.com/2002/01/03/politics/03JEWS.html?todayshadlines>

MORE POLITICS NEWS:

<http://www.nytimes.com/pages/politics/index.html?todayshadline>

SPORTS

Florida Rolls in Orange Bowl

Despite starting without Heisman Trophy runner-up Rex Grossman, Florida shattered the Orange Bowl Classic record for total offense in a lopsided victory over Maryland.
<http://www.nytimes.com/2002/01/03/sports/ncaafotball/03ORAW.html?todayshadlines>

Two Different Approaches to One Prize

The Cornhuskers plan to pressure Miami quarterback Ken Dorsey, while the Hurricanes will try to combat Nebraska's Eric Crouch with speed.
<http://www.nytimes.com/2002/01/03/sports/ncaafotball/03ROSE.html?todayshadlines>

Testaverde Tries to Clear the Air

Vinny Testaverde spoke to Herman Edwards and offensive coordinator Paul Hackett to clarify controversial comments he made after Sunday's loss.
<http://www.nytimes.com/2002/01/03/sports/football/03JBTS.html?todayshadlines>

MORE SPORTS NEWS:

<http://www.nytimes.com/pages/sports/index.html?todayshheadline>

ARTS

A Tempest at Shakespeare Shrine: Plan to Raze Theater Is Debated

Even the most zealous partisans of the Royal Shakespeare Theater, built in 1932 as a showcase for the Art Deco style then in vogue, are well aware of its drawbacks.

<http://www.nytimes.com/2002/01/03/arts/theater/03ROYA.html?todayshheadline>

Mayor's Concern and a Departure Cloud the Lincoln Center's Project

A possible hold on Lincoln Center's \$1.2 billion redevelopment plan and the departure of its interim executive director dealt two heavy blows on the institution.

<http://www.nytimes.com/2002/01/03/arts/03LINC.html?todayshheadline>

Best of the Obscure Among 2001's Albums

In this annual roundup, the pop and jazz critics of The New York Times choose their favorites among the underdog albums of 2001.

<http://www.nytimes.com/2002/01/03/arts/music/03POPL.html?todayshheadline>

MORE ARTS NEWS:

<http://www.nytimes.com/pages/arts/index.html?todayshheadline>

NY REGION

Bloomberg Asks Officials to Plan for Budget Cuts

On his first day in office, Mayor Michael R. Bloomberg warned city commissioners and labor leaders about budget cuts and tough times ahead.

<http://www.nytimes.com/2002/01/03/nyregion/03BLOO.html?todayshheadline>

Mayor's Concern and a Departure Cloud the Lincoln Center's Project

A possible hold on Lincoln Center's \$1.2 billion redevelopment plan and the departure of its interim executive director dealt two heavy blows on the institution.

<http://www.nytimes.com/2002/01/03/arts/03LINC.html?todayshheadline>

At Ground Zero, New Manager, New Machines, New Focus

As the cleanup at the World Trade Center nears the four-month mark, the look and the management of the site are fundamentally changing.

<http://www.nytimes.com/2002/01/03/nyregion/03SITE.html?todaysh headlines>

MORE NY REGION NEWS:

<http://www.nytimes.com/pages/nyregion/index.html?todaysh headline>

OP-ED

Executive Privilege Again

By WILLIAM SAFIRE

John Ashcroft is determined to keep the F.B.I.'s embarrassing history hushed up.

<http://www.nytimes.com/2002/01/03/opinion/03SAFI.html?todaysh headlines>

Who Are You, Mr. Mayor?

By BOB HERBERT

I have no choice but to worry about the new mayor. He can't possibly know what he's in for.

<http://www.nytimes.com/2002/01/03/opinion/03HERB.html?todaysh headlines>

One Currency, but Not One Economy

By ROBERT M. DUNN JR.

The problem with the European Monetary Union is that it creates a single monetary policy for a group of quite different national economies that often experience divergent business-cycle patterns.

<http://www.nytimes.com/2002/01/03/opinion/03DUNN.html?todaysh headlines>

MORE OP-ED NEWS:

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<http://www.nytimes.com/specials/advertising/movies/tolkien/index.html>

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QUOTE OF THE DAY

"We feel like we're seeing a lot more first-time scared-to-death homeless. And we're looking at working homeless, not just welfare homeless."
-LIANE RAMIREZ, who works with families in Sacramento.

<http://www.nytimes.com/2001/12/18/national/18HOME.html?todaysh headlines>

NATIONAL

New Wave of the Homeless Floods Cities' Shelters

With unemployment rising and housing costs still high, cities around the country are experiencing a sudden wave of homelessness.

<http://www.nytimes.com/2001/12/18/national/18HOME.html?todaysh headlines>

U.S. Approves Timber Sale, Prompting Court Challenge

The Bush administration cleared the way for a gigantic sale of trees, prompting environmental groups to go to court.

<http://www.nytimes.com/2001/12/18/politics/18PORE.html?todaysh headlines>

Elephant Trainer on Trial in an Abuse Case

One of the biggest stars of the Ringling Brothers circus went on trial on charges that he abused an elephant.

<http://www.nytimes.com/2001/12/18/national/18ELEP.html?todaysh headlines>

MORE NATIONAL NEWS:

<http://www.nytimes.com/pages/national/index.html?todayheadline>

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INTERNATIONAL

Al Qaeda Fleeing Toward Pakistan, U.S. Officials Say

Hundreds of Al Qaeda fighters have fled from the caves of Tora Bora, and Osama bin Laden may be among them, according to United States intelligence officials.

<http://www.nytimes.com/2001/12/18/international/asia/18AFGH.html?todayheadline>

One War, Differing Aims

In Tora Bora, the United States is focusing on the capture or killing of Osama bin Laden while Afghan forces are concerned with recovering territory.

<http://www.nytimes.com/2001/12/18/international/asia/18STRA.html?todayheadline>

U.S. Again Placing Focus on Gusting Hussein

With Muslim backing, the option of taking the war against terrorism to Iraq has gained significant ground in recent weeks, according to administration officials.

<http://www.nytimes.com/2001/12/18/international/middleeast/18IRAQ.html?todayheadline>

MORE INTERNATIONAL NEWS:

<http://www.nytimes.com/pages/world/index.html?todayheadline>

BUSINESS

With Seats Empty, Airlines Cut Fares to Bargain Levels

Airlines desperate to fill seats in the economic downturn that deepened after Sept. 11 are cutting some fares to levels not seen in years.

<http://www.nytimes.com/2001/12/18/business/18FARE.html?todayshadlines>

U.S. Criticizes Trans-Atlantic Air Alliance

The Justice Department urged transportation officials to reject a proposed alliance between American Airlines and British Airways unless the two carriers sell some landing and takeoff rights.

<http://www.nytimes.com/2001/12/18/business/18AIR.html?todayshadlines>

When Failure Paves the Way for Success

So far this year, the Nasdaq 100-stock index has fallen 30 percent. But the number of QQQ shares outstanding has leaped 41 percent.

<http://www.nytimes.com/2001/12/18/business/18PLAC.html?todayshadlines>

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<http://www.nytimes.com/pages/business/index.html?todayshadline>

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<http://www.nytimes.com/2001/12/18/business/18PLAC.html?todayshadlines>

Amgen-Immunex Deal Spurs Forecasts About Others

Amgen's \$16 billion acquisition of Immunex is the largest of a spate of acquisitions sweeping the biotechnology industry and portending a change in the structure of the industry.

<http://www.nytimes.com/2001/12/18/business/18BIOT.html?todayshadlines>

Priceline and AOL Form Alliance

Priceline.com, the name-your-own-price Internet company, entered into a travel marketing alliance with America Online.

<http://www.nytimes.com/aonline/technology/AP-Pricelinecom-America-Online.html?todayshadlines>

MORE TECHNOLOGY NEWS:

<http://www.nytimes.com/pages/technology/index.html?todayshadline>

POLITICS

Lobby Groups Find Congress in Giving Mood

Congress is dispensing last-minute favors before it adjourns, and lobbyists have lined up with requests.
<http://www.nytimes.com/2001/12/18/politics/18LOBB.html?todaysh headlines>

Move in Congress Would Relax a New Disclosure Law

Representative Bill Thomas is trying to loosen requirements intended to shed light on certain tax-exempt groups.
<http://www.nytimes.com/2001/12/18/politics/18DCNA.html?todaysh headlines>

Parties Press Effort to Pass Stimulus Plan

Republicans and Democrats headed into the final steps of their negotiations over an economic recovery package.
<http://www.nytimes.com/2001/12/18/politics/18STIM.html?todaysh headlines>

MORE POLITICS NEWS:

<http://www.nytimes.com/pages/politics/index.html?todaysh headline>

SPORTS

Rams Earn a Playoff Spot

The St. Louis Rams defeated the New Orleans Saints with deep throws from Kurt Warner, nifty runs by Marshall Faulk and big hits on defense.
<http://www.nytimes.com/2001/12/18/sports/football/18RAMS.html?todaysh headlines>

Yanks Sign White and Mull Wells Bid

The Yankees signed Roodell White to a two-year, \$10-million deal that was formally completed on Monday. They continue to talk with the free-agent David Wells.
<http://www.nytimes.com/2001/12/18/sports/baseball/18YANK.html?todaysh headlines>

Houston Arena Manager Sends Apology to Knight

The Houston arena manager who accused Texas Tech Coach Bobby Knight of abusive behavior apologized for confronting Knight.
<http://www.nytimes.com/2001/12/18/sports/ncaaabasketball/18BOBB.html?todaysh headlines>

MORE SPORTS NEWS:

<http://www.nytimes.com/pages/sports/index.html?todayshheadline>

ARTS

From Virginia to Louisiana, a Building Boom for Museums

New art museums, or large additions to existing ones, are being planned, built and opened in more than a dozen Southern cities.

<http://www.nytimes.com/2001/12/18/arts/design/18MUZE.html?todayshheadline>

Enron's Fall Reverberates in Houston's Arts World

The spectacular collapse of Enron has derailed an ambitious effort to create a major corporate art collection.

<http://www.nytimes.com/2001/12/18/arts/design/18COLL.html?todayshheadline>

Finally, a Fuss for Prokofiev, Both Uptown and Down

Prokofiev appears to have become the poor relation among the great 20th-century Russian composers.

<http://www.nytimes.com/2001/12/18/arts/music/18PROK.html?todayshheadline>

MORE ARTS NEWS:

<http://www.nytimes.com/pages/arts/index.html?todayshheadline>

NY REGION

Church Lawsuit Tries to Stop Police From Ejecting Homeless

Twenty to 10 people sleep at the Fifth Avenue Presbyterian Church amid expensive stores and hotels.

<http://www.nytimes.com/2001/12/18/nyregion/18CHUR.html?todayshheadline>

Bloomberg Is Changing Strategies on U.S. Aid

The mayor-elect is lobbying for financial aid, but the current mayor said New York doesn't need more money.

<http://www.nytimes.com/2001/12/18/nyregion/18BLOO.html?todayshheadline>

Hospital Layoffs Loom in Nassau After a Budget Vote

About 400 workers will be laid off under the budget adopted by the Nassau Health Care Corporation.

<http://www.nytimes.com/2001/12/18/nyregion/18NASS.html?todayshheadline>

MORE NY REGION NEWS:

<http://www.nytimes.com/pages/nyregion/index.html?todayshheadline>

OP-ED

The Hidden Enemies

By NICHOLAS D. KRISTOF

Long after Osama bin Laden is buried, after a new government is presiding over Afghanistan's reconstruction, land mines will continue to haunt this country.

<http://www.nytimes.com/2001/12/18/opinion/18KRIS.html?todayshheadline>

Death by Guru

By PAUL KRUGMAN

Enron sold lots of things, but above all it sold itself: it crafted a self-portrait that business gurus loved.

<http://www.nytimes.com/2001/12/18/opinion/18KRUG.html?todayshheadline>

Mullah Omar's Martyrdom Operation

By MICHAEL GRIFFIN

The Taliban and their dreams are about to disappear.

<http://www.nytimes.com/2001/12/18/opinion/18GRIF.html?todayshheadline>

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QUOTE OF THE DAY

"People may say, 'Let Tom Ridge watch out for our shores. I'll watch out for my doors.'"

-JAMES ALAN FOX, professor of criminal justice, on the sharp rise in gun sales since Sept. 11.

<http://www.nytimes.com/2001/12/16/national/16GUNS.html?todaysh headlines>

NATIONAL

Equal Opportunity Recession: Almost Everyone Is Feeling It

In the three months since Sept. 11, the economic downturn has quickly become one of the broadest on record.

<http://www.nytimes.com/2001/12/16/business/16ECON.html?todaysh headlines>

Steep Rise in Gun Sales Reflects Post-Attack Fears

Since Sept. 11, more Americans are taking what many consider to be the most personal step toward feeling safer: arming themselves.

<http://www.nytimes.com/2001/12/16/national/16GUNS.html?todaysh headlines>

Anthrax Shot Considered for Civilians

The government is considering making the anthrax vaccine that is now used by the military available to postal workers and others at high risk of exposure.

<http://www.nytimes.com/2001/12/16/national/16NAIL.html?todaysh headlines>

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INTERNATIONAL

Tora Bora Attack Advances in Tough Fighting

Even as the fight against Al Qaeda fighters in Tora Bora intensifies, local Afghan leaders cautioned on Saturday that the campaign for Osama bin Laden could drag out.
<http://www.nytimes.com/2001/12/16/international/asia/16STRA.html?todayshheadline>

U.S. Believes It Has Recorded Radio Messages From bin Laden

The United States has intercepted communications that officials said appeared to record Osama bin Laden giving orders to Al Qaeda troops in Tora Bora.
<http://www.nytimes.com/2001/12/16/international/16CALL.html?todayshheadline>

China, in Harsh Crackdown, Executes Muslim Separatists

A fertile strip of western China is the only place in the country where people are regularly put to death for political offenses.
<http://www.nytimes.com/2001/12/16/international/asia/16CHIN.html?todayshheadline>

MORE INTERNATIONAL NEWS:
<http://www.nytimes.com/pages/world/index.html?todayshheadline>

BUSINESS

At 63, Ted Turner May Yet Roar Again

Richard D. Parsons's elevation to chief executive over AOL's Robert W. Pittman could sugar a comeback for Ted Turner, the bad boy of business.

<http://www.nytimes.com/2001/12/16/business/yourmoney/16TURN.html?todayshdlines>

Visions of a Brand-Name Office Empire

Even as the real estate market weakens and as Wall Street analysts question his deals, Sam Zell says he is writing a new chapter in real estate history.

<http://www.nytimes.com/2001/12/16/business/yourmoney/16ZELL.html?todayshdlines>

Enron Board Comes Under a Storm of Criticism

As more questions emerge over the Enron board's independence and role in the collapse of the company, its outside directors are coming under sharp criticism.

<http://www.nytimes.com/2001/12/16/business/yourmoney/16BOAR.html?todayshdlines>

MORE BUSINESS NEWS:

<http://www.nytimes.com/pages/business/index.html?todayshdline>

TECHNOLOGY

Problems and Promise for Personal Computers

Kimberly Alexy, an analyst at Prudential Securities who follows computer makers, took some time last week to talk about the industry and what ails it.

<http://www.nytimes.com/2001/12/16/business/yourmoney/16INSI.html?todayshdlines>

TV's, DVD's: All Yours, But First Do the Math

While President Bush has urged consumers to spend more of their money, Rent-a-Center offers an important reminder that some kinds of spending can do more long-term harm than short-term good.

<http://www.nytimes.com/2001/12/16/business/yourmoney/16VIEW.html?todayshdlines>

Miniature Movie Screens for Small Critics

Many parents have turned to in-car video systems providing distractions and serving as built-in backseat baby-sitters.

<http://www.nytimes.com/2001/12/16/automobiles/16VIDX.html?todayshdlines>

MORE TECHNOLOGY NEWS:

<http://www.nytimes.com/pages/technology/index.html?todayshdline>

POLITICS

Navy Missile Defense Plan Is Canceled by the Pentagon

The Pentagon has canceled a Navy program intended to shoot down short-range ballistic missiles.
<http://www.nytimes.com/2001/12/16/politics/16NAVY.html?todayshdlines>

Government Fiddlers and the Economy Burns

As they confront this economic downturn, Democrats and Republicans are facing the likelihood that the hopeful possibilities of recent years may have vanished.
<http://www.nytimes.com/2001/12/16/weekinreview/16STEV.html?todayshdlines>

This Time, Dissent Stops at the White House Door

President Bush's White House is remarkably devoid of infighting and more disciplined and loyal than any administration in decades.
<http://www.nytimes.com/2001/12/16/weekinreview/16BERK.html?todayshdlines>

MORE POLITICS NEWS:

<http://www.nytimes.com/pages/politics/index.html?todayshdline>

SPORTS

Giants Still Breathing After Rally

The Giants' victory over Arizona was lifeless and unskilled for all but the final five minutes of play, when the Giants suddenly came to life and rallied for a win.
<http://www.nytimes.com/2001/12/16/sports/football/16GIAN.html?todayshdlines>

Quarterbacks Top the Lineups of Bowl Games

Quarterbacks are the focus of this year's bowl games, as they were for the Heisman Trophy and are likely to be in next year's N.F.L. draft.
<http://www.nytimes.com/2001/12/16/sports/ncaafotball/16CCLL.html?todayshdlines>

Jets' Season Is Now Only Four Games Long

The Jets' season, once floating on a cloud of confidence, has been reduced to the equivalent of scrounging through your pocket to get enough change to buy a cup of coffee.
<http://www.nytimes.com/2001/12/16/sports/football/16JETS.html?todayshdlines>

MORE SPORTS NEWS:

<http://www.nytimes.com/pages/sports/index.html?todayshheadline>

ARTS

The Atlanta Symphony Gets a Jolt of Energy

For Robert Spano, while keeping his post as music director of the Brooklyn Philharmonic, the Atlanta Symphony Orchestra is now his official home.

<http://www.nytimes.com/2001/12/16/arts/music/16ELLI.html?todayshheadline>

Gene Hackman, Hollywood's Every Angry Man

At 71, Gene Hackman continues to occupy a middle ground between character acting and movie stardom that has earned him the bland appellation "Everyman."

<http://www.nytimes.com/2001/12/16/movies/16EDEL.html?todayshheadline>

Art in Earnest: The (Self) Importance of Being Isadora

Peter Kurth's new biography, "Isadora: A Sensational Life," leaves little doubt that the mother of modern dance found few things amusing, least of all herself.

<http://www.nytimes.com/2001/12/16/arts/dance/16TEAC.html?todayshheadline>

MORE ARTS NEWS:

<http://www.nytimes.com/pages/arts/index.html?todayshheadline>

NY REGION

Victims' Families Find No Salve in Holidays

Even as the nation seems to crave the warmth of the holiday hearth with a special fervor this year, there are hundreds of homes where gaiety is lacking.

<http://www.nytimes.com/2001/12/16/nyregion/16WIDO.html?todayshheadline>

500 Officers to Be Issued High-Powered Weapons Used by Elite Unit

The assault rifles and submachine guns will be used in a sharper focus on fighting terrorism and will double the number of officers with high-powered weapons.

<http://www.nytimes.com/2001/12/16/nyregion/16COPE.html?todayshheadline>

Followers of Kahane Are Subjects of Inquiry

In announcing charges in Los Angeles against two followers of Brooklyn Rabbi Meir David Kahane, authorities say complaints of them singling out Middle Easterners should be put to rest.
<http://www.nytimes.com/2001/12/16/nyregion/16KANA.html?todayshheadline>

MORE NY REGION NEWS:
<http://www.nytimes.com/pages/nyregion/index.html?todayshheadline>

OP-ED

Vanity Foul
By MAUREEN DOWD
Familiar forms of egotism are piddling compared with the grandiosity of religiosity displayed by Osama bin Laden on tape last week.
<http://www.nytimes.com/2001/12/16/opinion/16DOWD.html?todayshheadline>

Spiritual Missile Shield
By THOMAS L. FRIEDMAN
What was most chilling about the bin Laden tape was the unidentified Saudi sheik sitting next to him eagerly nodding his head in agreement.
<http://www.nytimes.com/2001/12/16/opinion/16FRIE.html?todayshheadline>

Tribunals Without the Military
By BURT NEUBORNE
We need not choose between the unpalatable extremes of secret military proceedings or an international version of the O. J. Simpson trial.
<http://www.nytimes.com/2001/12/16/opinion/16NEUB.html?todayshheadline>

MORE OP-ED NEWS:
<http://www.nytimes.com/pages/opinion/index.html?todayshheadline>

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The New York Times on the Web
Thursday, December 13, 2001

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<http://www.nytimes.com/specials/advertising/movies/tolkien/index.html>

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QUOTE OF THE DAY

"We were dragging our feet on getting it finished. The lith made me realize that you're more vulnerable than you thought. And you can't control the circumstances."
-MARK GENSBERG, 37, on preparing a will after Sept. 11.

<http://www.nytimes.com/2001/12/13/nyregion/13WILL.html?todaysh headlines>

NATIONAL

U.S. Recently Produced Anthrax in a Highly Lethal Powder Form

Government officials have acknowledged that Army scientists in recent years have made anthrax in a powdered form that could be used as a weapon.

<http://www.nytimes.com/2001/12/13/national/13ANTH.html?todaysh headlines>

2 Held in Plot to Attack Mosque and Congressman

The chairman and another member of the Jewish Defense League were charged in a plot to bomb a Los Angeles mosque and the office of a congressman of Middle Eastern descent.

<http://www.nytimes.com/2001/12/13/national/13BOMB.html?todaysh headlines>

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U.S. Seems Intent on Focusing on Al Qaeda in First Sept. 11 Trial

Zecharias Mousaoui may be a secondary figure when he goes on trial because the government seems intent on prosecuting Al Qaeda.

<http://www.nytimes.com/2001/12/13/national/13INQU.html?todayshheadline>

MORE NATIONAL NEWS:

<http://www.nytimes.com/pages/national/index.html?todayshheadline>

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INTERNATIONAL

Palestinian Assault on Bus Kills 10; Israeli Response Is Swift

The Israeli government decided early this morning to break off contact with Yasir Arafat after Palestinian militants killed 10 people Wednesday evening.

<http://www.nytimes.com/2001/12/13/international/middleeast/13MIDE.html?todayshheadline>

Bombs Have Killed 3 Qaeda Leaders, U.S. Now Believes

Intelligence officials said on Wednesday that three senior Qaeda leaders had been killed and that Osama bin Laden remains holed up in eastern Afghanistan.

<http://www.nytimes.com/2001/12/13/international/asia/13QAED.html?todayshheadline>

New Deadline Set for Qaeda After Deal on Surrender Fails

Afghan fighters set a new deadline of Thursday for Al Qaeda fighters bottled up in mountain canyons and caves to give up.

<http://www.nytimes.com/2001/12/13/international/asia/13AFGH.html?todayshheadline>

MORE INTERNATIONAL NEWS:

<http://www.nytimes.com/pages/world/index.html?todayshheadline>

BUSINESS

Fallout From Enron Continues to Take Toll on Power Sector

The power companies that not long ago were criticized as "profiteers" responsible for California's energy crisis are now reeling from Enron's collapse.
<http://www.nytimes.com/2001/12/13/business/13ENER.html?todayshadlines>

Skepticism in Senate Panel Over Accord With Microsoft

Democrats and Republicans on the Senate Judiciary Committee voiced deep skepticism about the Bush administration's proposed settlement of the antitrust case against Microsoft.
<http://www.nytimes.com/2001/12/13/technology/13SOFT.html?todayshadlines>

Drugs to Spur New Cells, and Without the Politics

As debate again heats up over cloning and stem cell research, several biotechnology companies are trying to develop a far less controversial approach to cell regeneration.
<http://www.nytimes.com/2001/12/13/business/13CELL.html?todayshadlines>

MORE BUSINESS NEWS:

<http://www.nytimes.com/pages/business/index.html?todayshadline>

TECHNOLOGY

Naturalists Share Their Findings Online

The latest technological innovation for the treasurers of woods and fields is the interactive online database.
<http://www.nytimes.com/2001/12/13/technology/circuits/13BIRD.html?todayshadlines>

Skepticism in Senate Panel Over Accord With Microsoft

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<http://www.nytimes.com/2001/12/13/technology/13SOFT.html?todayshadlines>

Digital Mementos of Terror's Victims

Many of those involved in the events of Sept. 11 have done whatever they can to preserve voice mail and e-mail and even instant messages from people who were lost.
<http://www.nytimes.com/2001/12/13/technology/circuits/13ARCH.html?todayshadlines>

MORE TECHNOLOGY NEWS:

<http://www.nytimes.com/pages/technology/index.html?todayshheadline>

POLITICS

Back to School

The current education bill will do more harm than good, saddling our school systems with federal requirements they cannot afford to meet.

<http://www.nytimes.com/2001/12/13/opinion/13JEFF.html?todayshheadline>

E-Mail Gets the Cold Shoulder in Congress

Congress has not embraced e-mail as a way of keeping in touch with constituents.

<http://www.nytimes.com/2001/12/13/technology/circuits/13CONS.html?todayshheadline>

Little Movement on Stimulus Plan as Lawmakers' Recess Looms

President Bush's insistence that any recovery plan include a reduction in personal income tax rates stalled negotiations on the package.

<http://www.nytimes.com/2001/12/13/politics/13STIM.html?todayshheadline>

MORE POLITICS NEWS:

<http://www.nytimes.com/pages/politics/index.html?todayshheadline>

SPORTS

Yanks Finish Giambi Deal and Keep On Buying

The Yankees will finally unveil Jason Giambi as their newest player at a news conference on Thursday. New York has also agreed in principle to a two-year deal with Rondell White.

<http://www.nytimes.com/2001/12/13/sports/baseball/13YANK.html?todayshheadline>

Alomar Wants Mets to Want Him for Long Haul

Roberto Alomar, the star second baseman the Mets acquired from the Indians on Tuesday, says he wants to negotiate a long-term contract with the team.

<http://www.nytimes.com/2001/12/13/sports/baseball/13METS.html?todayshheadline>

Rangers Lose Lindros and Fall to Predators

After scoring two goals, Eric Lindros crumpled to the ice with 7.2 seconds remaining in the second period of the Rangers' loss to Nashville.
<http://www.nytimes.com/2001/12/13/sports/hockey/13RANG.html?todayshadlines>

MORE SPORTS NEWS:

<http://www.nytimes.com/pages/sports/index.html?todayshadline>

ARTS

Slinky Winter Garden Opens in Philadelphia

Rafael Vinoly's Kimmel Center for the Performing Arts, the new home of the Philadelphia Orchestra, is precise, luminous architecture for lovers of rich, cultivated sound.
<http://www.nytimes.com/2001/12/13/arts/design/13KIMM.html?todayshadlines>

Alvarez Bravo's 'Less of Revelations'

More than 100 photographs by Manuel Alvarez Bravo, perhaps the most significant artist in Mexico today, are on view at the J. Paul Getty Museum in Los Angeles.
<http://www.nytimes.com/2001/12/13/arts/design/13BRAV.html?todayshadlines>

Playing Pinero as Just Enough of a Mess

Benjamin Bratt resurrects the spirit of the playwright, poet and actor Miguel Pinero in this moody agitated portrait of the late artist.
<http://www.nytimes.com/2001/12/13/movies/13PINE.html?todayshadlines>

MORE ARTS NEWS:

<http://www.nytimes.com/pages/arts/index.html?todayshadline>

NY REGION

Faulty Fireproofing Is Suspected in Trade Center's Sept. 11 Collapse

An expert who is helping lead an inquiry into the collapse of the World Trade Center said that inadequate fireproofing may have played a role.
<http://www.nytimes.com/2001/12/13/nyregion/13TCNE.html?todayshadlines>

Yale Proposes That Elite Colleges Abandon Early-Decision

Admissions

The president of Yale University wants his and other selective colleges to abandon the frenzied process of early-decision admissions.

<http://www.nytimes.com/2001/12/13/education/13YALE.html?todayshheadline>

2 Suspects Found on Train Probably Are Not Linked to Attack, Officials Say

Two men from Jersey City faded as suspects in the Sept. 11 attacks and are unlikely to be charged with any crimes.

<http://www.nytimes.com/2001/12/13/nyregion/13DFTA.html?todayshheadline>

MORE NY REGION NEWS:

<http://www.nytimes.com/pages/nyregion/index.html?todayshheadline>

OP-ED

Making the City Whole

By BOB HERBERT

Is the federal government willing to make genuine national commitment to provide meaningful assistance to New York as it makes its comeback?

<http://www.nytimes.com/2001/12/13/opinion/13HERB.html?todayshheadline>

The Center Can Hold

By WILLIAM SAFIRE

In three key areas, politicians are meeting in the middle: Missile defense, economic stimulus and the prosecution of suspected terrorists.

<http://www.nytimes.com/2001/12/13/opinion/13SAFI.html?todayshheadline>

Is Government the Good Guy?

By JOHN D. DONAHUE

After 50 years of market ascendancy, government may be poised to reclaim its role as an integral and admirable part of American life.

<http://www.nytimes.com/2001/12/13/opinion/13DONA.html?todayshheadline>

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QUOTE OF THE DAY

"To them we are like bubbles. They know if they turn away and ignore us, we will soon pop and be gone."

-XIE YAN, on how officials in China's Chengguan township regard those with AIDS.

<http://www.nytimes.com/2001/12/11/health/11AIDS.html?todayshdlines>

NATIONAL

U.S. Reports Disease Link to Gulf War

Military officials said veterans of the conflict were nearly twice as likely as other soldiers to suffer from Lou Gehrig's disease.

<http://www.nytimes.com/2001/12/11/health/anatomy/11GULF.html?todayshdlines>

Bus Company Is Accused of Traffic in Illegal Aliens

The Justice Dept. and the I.N.S. announced the indictment of 12 employees that they said moved thousands of illegal aliens.

<http://www.nytimes.com/2001/12/11/national/11SMUG.html?todayshdlines>

New Pentagon Debate Over Stealth Plane

A struggle is under way among senior Pentagon officials over whether to restart production of the B-2 stealth bomber.

<http://www.nytimes.com/2001/12/11/politics/11BOMB.html?todayshdlines>

MORE NATIONAL NEWS:

<http://www.nytimes.com/pages/national/index.html?todayshheadline>

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INTERNATIONAL

Taliban Defeated, Pentagon Asserts, but War Goes On

Even as a senior Pentagon official announced the demise of the Taliban, the official cautioned that the military campaign in Afghanistan was far from over.

<http://www.nytimes.com/2001/12/11/international/asia/11MILI.html?todayshheadline>

Witnesses Recount Taliban Dying While Held Captive

Dozens of Taliban died after surrendering to Northern Alliance forces, asphyxiated in the shipping containers used to transport them to prison, witnesses say.

<http://www.nytimes.com/2001/12/11/international/asia/11JAIL.html?todayshheadline>

Spread of AIDS in Rural China Ignites Protests

As China's central government takes steps to address its growing AIDS problem, officials in central China are doing little to help patients or to curb the spread.

<http://www.nytimes.com/2001/12/11/health/11AIDS.html?todayshheadline>

MORE INTERNATIONAL NEWS:

<http://www.nytimes.com/pages/world/index.html?todayshheadline>

BUSINESS

Hyatt Hotel Family Will Pay \$460 Million in S. & L. Case

The Fritskers, one of the nation's wealthiest families, agreed to pay a record \$460 million to the federal government to avoid being punished for the failure of Superior Bank F.S.B.

<http://www.nytimes.com/2001/12/11/business/11BANK.html?todayshheadline>

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America West Revises Loan to Offer U.S. 10% of Airline

America West Airlines, seeking to win a federal loan guarantee, said that it had amended its application to give the government an option to buy 10 percent of the airline.
<http://www.nytimes.com/2001/12/11/business/11AIR.html?todaysh headlines>

Viacom Unites UPN and CBS; Executive Quits

Viacom expanded the power of Leslie Moonves, the president of CBS, while prompting the resignation of the executive in charge of UPN.
<http://www.nytimes.com/2001/12/11/business/media/11PARA.html?todaysh headlines>

MORE BUSINESS NEWS:

<http://www.nytimes.com/pages/business/index.html?todaysh headline>

TECHNOLOGY

Phone Giants in Europe Shift Focus

Two new deals show how European telecommunications companies are searching for ways to squeeze revenue growth from their existing assets.
<http://www.nytimes.com/2001/12/11/business/worldbusiness/11TELE.html?todaysh headlines>

More Hurdles for EchoStar-DirectV Plan

EchoStar Communications knew it was going to have a tough task getting government approval for its planned \$32 billion takeover of DirecTV. Just how hard is now clear.
<http://www.nytimes.com/2001/12/11/technology/11DISH.html?todaysh headlines>

Chief-Designate at AOL Asks Turner to Stay

AOL Time Warner's Richard D. Parsons, who is known as the consummate diplomat and reconciler, wants Ted Turner to renew his contract and remain in the fold.
<http://www.nytimes.com/2001/12/11/business/media/11AOL.html?todaysh headlines>

MORE TECHNOLOGY NEWS:

<http://www.nytimes.com/pages/technology/index.html?todaysh headline>

POLITICS

Lobbyists Seek Special Spin on Federal Bioterrorism Bill

Lobbyists are trying to adorn a bill on bioterrorism with all sorts of special-interest provisions.

<http://www.nytimes.com/2001/12/11/politics/11LOBB.html?todaysh headlines>

Social Security Panel Presents Options but No Unified Plan

President Bush's Social Security commission will take up its final report on Tuesday without having reached a consensus.

<http://www.nytimes.com/2001/12/11/politics/11SOCL.html?todaysh headlines>

Republican Leader to Announce Plans for His Future, Aide Says

Following reports that he is considering retirement, Dick Arney plans to make an announcement this week about his future.

<http://www.nytimes.com/2001/12/11/politics/campaigns/11ARNE.html?todaysh headlines>

MORE POLITICS NEWS:

<http://www.nytimes.com/pages/politics/index.html?todaysh headline>

SPORTS

Colts' Woes Continue in Miami

Jay Fiedler threw for three touchdowns and ran for another as the Dolphins routed the reeling Indianapolis Colts.

Peyton Manning threw three interceptions.

<http://www.nytimes.com/2001/12/11/sports/football/11MIAM.html?todaysh headlines>

Erstad Is Next on Yankees' Wish List

With Jason Giambi's signing all but complete, the Yankees are considering trading Orlando Hernandez and minor league pitchers to Anaheim for Darin Erstad.

<http://www.nytimes.com/2001/12/11/sports/baseball/11OLNE.html?todaysh headlines>

B.C.S. Formula Works Just Fine

As it has the past three years, the B.C.S. system worked. Undefeated Miami versus Nebraska (11-1) is the best matchup for the national title game.

<http://www.nytimes.com/2001/12/11/sports/ncaafootball/11COLL.html?todaysh headlines>

MORE SPORTS NEWS:

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ARTS

M. G. Sebald Combines Memoir, Novel and Essay and Adds
Photos

Even without reading M. G. Sebald's books, you can see at a
glance that they are idiosyncratic. His latest novel,
"Austerlitz," is no exception.
<http://www.nytimes.com/2001/12/11/books/11ARTS.html?todayshheadline>

Latin Stars Unite in Benefit Concert With Radio Roots

From across the hemisphere Latin pop singers gathered at
Madison Square Garden on Sunday night for a benefit
concert, *Hispanos Unidos por New York*.
<http://www.nytimes.com/2001/12/11/arts/music/11HISP.html?todayshheadline>

Did Hubby Really Have to Go? He's Such a Nice Guy

Though you sense a real composer at work, Tobias Picker's
score does not do the job.
<http://www.nytimes.com/2001/12/11/arts/music/11BALL.html?todayshheadline>

MORE ARTS NEWS:

<http://www.nytimes.com/pages/arts/index.html?todayshheadline>

NY REGION

Green Aide Calls Finances in Race Unfair

The chairman of Mark Green's unsuccessful mayoral campaign
said the city's campaign finance program "failed
completely."
<http://www.nytimes.com/2001/12/11/nyregion/nyregion/campaigns/11FINA.html?todayshheadline>

2001 Bonuses on Wall Street Decline 30%, to \$10 Billion

The \$4.3 billion decline has implications for city
government and for a lot of people whose jobs are far from
Wall Street.
<http://www.nytimes.com/2001/12/11/nyregion/11BONU.html?todayshheadline>

Biggest Union of Teachers in Archdiocese Reaches Accord

The union representing most Roman Catholic schools in New
York City has accepted a three-year contract with an 11
percent raise.

<http://www.nytimes.com/2001/12/11/education/11SETT.html?todayshadlines>

MORE NY REGION NEWS:

<http://www.nytimes.com/pages/nyregion/index.html?todayshadline>

OP-ED

Laissez Not Fair

By PAUL KRUGMAN

If Enron was an experiment in doing away with regulatory
activism, Argentina was an experiment in doing away with
monetary activism.

<http://www.nytimes.com/2001/12/11/opinion/11KRUG.html?todayshadlines>

The Veiled Resource

By NICHOLAS D. KRISTOF

The war may be ending, but the effort to bring
opportunities to Afghan women should be just beginning.

<http://www.nytimes.com/2001/12/11/opinion/11KRIS.html?todayshadlines>

Out of Many, New York

By MARIO VARGAS LLOSA

The cosmopolitanism of New York is at the antipodes of
every form of fanaticism.

<http://www.nytimes.com/2001/12/11/opinion/11VARG.html?todayshadlines>

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QUOTE OF THE DAY

"Many of you in today's Navy are the children and grandchildren of the generation that fought and won the Second World War. Now your calling has come."

-PRESIDENT BUSH, on the aircraft carrier Enterprise.

<http://www.nytimes.com/2001/12/08/politics/08BUSH.html?todaysh headlines>

NATIONAL

Fed Building Is Untainted by Anthrax

Federal authorities said that they had found no evidence of anthrax contamination at the Federal Reserve's headquarters a day after a batch of mail there tested positive for the disease.

<http://www.nytimes.com/2001/12/08/national/08INQO.html?todaysh headlines>

In a Reversal, Army Permits Pilot's Burial

The secretary of the Army granted full burial rights at Arlington National Cemetery for the captain of American Airlines Flight 77 when it crashed into the Pentagon on Sept. 11.

<http://www.nytimes.com/2001/12/08/national/08BURI.html?todaysh headlines>

In Letter, 300 Law Professors Oppose Tribunals Plan

More than 300 law professors from around the country are

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protesting President Bush's order to establish military tribunals for foreign terrorist suspects.
<http://www.nytimes.com/2001/12/08/national/08TRIB.html?todayshheadline>

MORE NATIONAL NEWS:
<http://www.nytimes.com/pages/national/index.html?todayshheadline>

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INTERNATIONAL

Streets of Kandahar Are Chaotic as Victorious Factions Clash

Taliban forces on Friday abandoned their last stronghold in Kandahar, while U.S. officials admitted they did not know the exact whereabouts of the Taliban leader.
<http://www.nytimes.com/2001/12/08/international/asia/08APOH.html?todayshheadline>

Pakistan Ended Aid to Taliban Only Hesitantly

One month after Pakistan agreed to end its support of the Taliban, its intelligence agency was still providing them with safe passage and arms.
<http://www.nytimes.com/2001/12/08/international/asia/08STAN.html?todayshheadline>

In Spat Over Russia in NATO, Rumsfeld Loses Out to Powell

A proposal to expand Russia's role in NATO decision-making ran afoul of a clash of views between Colin Powell and Donald Rumsfeld, Western diplomats say.
<http://www.nytimes.com/2001/12/08/international/europe/08NATO.html?todayshheadline>

MORE INTERNATIONAL NEWS:
<http://www.nytimes.com/pages/world/index.html?todayshheadline>

BUSINESS

Unemployment Rate Jumped Last Month on Surge of Layoffs

A vast wave of job cuts in November sent the unemployment rate up sharply, the government reported.
<http://www.nytimes.com/2001/12/08/business/08ECON.html?todaysh headlines>

Foundation Deals Setback to Hewlett-Packard's Plans

The family foundation that is the largest shareholder of Hewlett-Packard, said it would vote against the proposal to buy Compaq Computer.
<http://www.nytimes.com/2001/12/08/technology/ebusiness/08HEWL.html?todaysh headlines>

Halliburton Battered as Asbestos Verdict Stirs Deep Anxieties

Investors frightened by Enron's rapid demise jettisoned Halliburton shares after a string of asbestos-related verdicts against the company.
<http://www.nytimes.com/2001/12/08/business/08HALL.html?todaysh headlines>

MORE BUSINESS NEWS:
<http://www.nytimes.com/pages/business/index.html?todaysh headline>

TECHNOLOGY

AOL Time Warner and the Sorcerer's Stock

The part of AOL Time Warner that investors seem to buying the stock for is, of all volatile things, the movie operation.
<http://www.nytimes.com/2001/12/09/business/yourmoney/09WATC.html?todaysh headlines>

O.K., O.K., I'm Going Cellular

OR the longest time, I had designs on being the last New Yorker without a cellphone. I was well on my way. I survived years of direct marketing campaigns, not to mention family and peer pressure. I envisioned a 30-second slot on the
<http://www.nytimes.com/2001/12/09/business/yourmoney/09MYNY.html?todaysh headlines>

24/7 Service, But Who's Counting?

REALIZE now that I've been a bit of a rube when it comes to understanding the concept of time. And I'd like to thank AT&T for helping me to better grasp the idea, by enlightening me to the space, time, customer-service continuum.
<http://www.nytimes.com/2001/12/09/technology/09SLAS.html?todaysh headlines>

MORE TECHNOLOGY NEWS:

<http://www.nytimes.com/pages/technology/index.html?todayshheadline>

POLITICS

Senate Rejects \$17 Billion Bill to Aid the City

Senate Republicans killed a Democratic plan to provide \$17 billion of aid to New York, along with a similar amount of money for various domestic programs to combat terrorism.
<http://www.nytimes.com/2001/12/08/politics/08CONG.html?todayshheadline>

Congress' Bomb-Screening Deadline Called Unrealistic

Congress was unrealistic when it set the end of 2002 as the deadline for screening all checked baggage for bombs, private and government experts testified at a Congressional hearing.
<http://www.nytimes.com/2001/12/08/politics/08SECU.html?todayshheadline>

Republicans Break Off Talks on Measures to Spur Economy

House Republicans broke off bipartisan negotiations on an economic recovery package, reducing the chances that Congress and the Bush administration will reach a deal this year.
<http://www.nytimes.com/2001/12/08/politics/08STIM.html?todayshheadline>

MORE POLITICS NEWS:

<http://www.nytimes.com/pages/politics/index.html?todayshheadline>

SPORTS

Mets and Yankees Exchange Ventura and Justice

With both teams looking to shed high-salaried veterans, the Mets swapped third baseman Robin Ventura to the Yankees for outfielder David Justice on Friday.
<http://www.nytimes.com/2001/12/08/sports/baseball/08BASE.html?todayshheadline>

Volunteers and Tigers Reach the Crossroads

When Louisiana State plays Tennessee for the S.E.C. title on Saturday, the underdog Tigers will play for national recognition and the Volunteers will vie for a spot in the Rose Bowl.
<http://www.nytimes.com/2001/12/08/sports/ncaafotball/08COLL.html?todayshheadline>

Nets Stay Focused Against Cavaliers

Instead of taking a laid-back approach after an emotional win over Phoenix, all five Nets starters scored in double figures as New Jersey used talent and intensity to top the Cavaliers.

<http://www.nytimes.com/2001/12/08/sports/basketball/08NETS.html?todaysh headlines>

MORE SPORTS NEWS:

<http://www.nytimes.com/pages/sports/index.html?todaysh headline>

ARTS

A Funny New Yorker Map Is Again the Best Defense

A simple pastel map on the cover of a recent New Yorker magazine recalls a famous cover from a quarter century ago.

<http://www.nytimes.com/2001/12/08/arts/design/08NOTE.html?todaysh headlines>

Historian's Prizewinning Book on Guns Is Embroiled in a Scandal

Michael A. Bellesiles denies that the errors in "Arming America: The Origins of a National Gun Culture" are more serious than the ones found in any lengthy and serious work of scholarship.

<http://www.nytimes.com/2001/12/08/books/08GUNS.html?todaysh headlines>

Is a New Boom Somewhere Over the Rainbow?

A vibrant upturn is just around the corner, the nation's forecasters insist. But in the world of forecasting, the upturn has been just around the corner for months.

<http://www.nytimes.com/2001/12/08/arts/08PREB.html?todaysh headlines>

MORE ARTS NEWS:

<http://www.nytimes.com/pages/arts/index.html?todaysh headline>

NY REGION

City's Poorest Neighborhoods Show Healthy Economic Gains

A new study shows that New York's poorest neighborhoods gained economic ground faster than those in the city's wealthiest neighborhoods.

<http://www.nytimes.com/2001/12/08/nyregion/08HOUS.html?todaysh headlines>

Senate Rejects \$17 Billion Bill to Aid the City

Senate Republicans killed a Democratic plan to provide \$17 billion of aid to New York, along with a similar amount of money for various domestic programs to combat terrorism.
<http://www.nytimes.com/2001/12/08/politics/08CONG.html?todaysh headlines>

Bloomberg Choices for Top Aides Set Inclusive Tone for Mayoralty

Mayor-elect Michael R. Bloomberg named three deputy mayors to his administration, a power triumvirate formed by a longtime close aide and two men hardly known to the mayor-elect.
<http://www.nytimes.com/2001/12/08/nyregion/08BLOO.html?todaysh headlines>

MORE NY REGION NEWS:

<http://www.nytimes.com/pages/nyregion/index.html?todaysh headline>

OP-ED

Confessions of a Traitor

By FRANK RICH

It's no longer just politically incorrect to criticize George W. Bush or anyone in his administration these days now it's treason.

<http://www.nytimes.com/2001/12/08/opinion/08RICH.html?todaysh headlines>

Hope Against Hope

By ANTHONY LEWIS

Reliance on force to solve the Israeli-Palestinian conflict is futile and tragic on both sides.

<http://www.nytimes.com/2001/12/08/opinion/08LEWI.html?todaysh headlines>

The Afghans Need America, and They Know It

By LAILI ZIKRIA HELMS

For peace and a just government to take hold, Afghanistan needs a triumph of unflinching American reason.

<http://www.nytimes.com/2001/12/08/opinion/08HELM.html?todaysh headlines>

MORE OP-ED NEWS:

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The New York Times and New Line Cinema have teamed up to explore the world of J. R. R. Tolkien. This sponsored feature includes articles from the New York Times archives, slide shows of Tolkien's artwork, multimedia presentations from New Line Cinema, weekly trivia quizzes and more.

<http://www.nytimes.com/specials/advertising/movies/tolkien/index.html>

QUOTE OF THE DAY

"Hey, the law's the law."
-MIKE D'ANGELO, jury foreman, on convicting A. Alfred Taubman of price fixing.

<http://www.nytimes.com/2001/12/06/arts/06BOTH.html?todaysh headlines>

NATIONAL

Indiana Factory Shooting Leaves 2 Dead and 6 Hurt

Hours after arguing with a co-worker, an angry employee opened fire at a small factory in Goshen, Ind., killing one worker and wounding six others before committing suicide.
<http://www.nytimes.com/2001/12/07/national/07SHOO.html?todaysh headlines>

Mail at Federal Reserve Tests Positive for Anthrax, but Cause Is Still Unclear

A batch of mail delivered to the Federal Reserve on Wednesday tested positive for anthrax raising further concern about cross-contamination among letters in the postal system.
<http://www.nytimes.com/2001/12/07/national/07INQU.html?todaysh headlines>

U.S. Appeals Court Hears Debate on Race-Based Admissions

The constitutionality of race-conscious admissions policies at the University of Michigan was debated before a

05166

federal appeals court in Cincinnati.
<http://www.nytimes.com/2001/12/07/education/07AFFI.html?todayshheadline>

MORE NATIONAL NEWS:
<http://www.nytimes.com/pages/national/index.html?todayshheadline>

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INTERNATIONAL

Surrender Deal May Hinge on Amnesty for Mullah Omar

The Taliban agreed on Thursday to surrender the city of Kandahar, but negotiators had yet to resolve the fate of Mullah Muhammad Omar, the Taliban leader.

<http://www.nytimes.com/2001/12/07/international/asia/07APGH.html?todayshheadline>

Officials Say Bomber of the Cole Was in Yemeni Custody Earlier

One of the suicide bombers who attacked the destroyer Cole last year had been arrested and released just 17 months earlier by Yemeni authorities.

<http://www.nytimes.com/2001/12/07/international/07COLE.html?todayshheadline>

Fatah and Hamas in Truce After Clashes Kill Militant

Yasir Arafat's Fatah faction and the extremist group Hamas appeared to have achieved a fragile truce on Thursday, after clashes left a young Hamas activist dead.

<http://www.nytimes.com/2001/12/07/international/middleeast/07CAZA.html?todayshheadline>

MORE INTERNATIONAL NEWS:
<http://www.nytimes.com/pages/world/index.html?todayshheadline>

BUSINESS

Retailers Post Dismal Sales for November

The nation's merchants reported sales growth for November that was below already low expectations, as not even

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desperate pre-holiday price slashing enticed consumers to spend.
<http://www.nytimes.com/2001/12/07/business/07SHDP.html?todayshdlines>

Japanese Consumers Revel in Deflation's Silver Lining

As long as prices keep falling, experts say, many Japanese will hoard their cash and postpone purchases on all but essentials, making the current recession even worse.
<http://www.nytimes.com/2001/12/07/business/worldbusiness/07CHEA.html?todayshdlines>

2 Enron Roles Raise Questions of Allegiance

As many investors were scrambling to sell Enron stock, Alliance Capital Management was aggressively buying. And sitting on Enron's board was a senior executive and director of Alliance.
<http://www.nytimes.com/2001/12/07/business/07FUND.html?todayshdlines>

MORE BUSINESS NEWS:

<http://www.nytimes.com/pages/business/index.html?todayshdline>

TECHNOLOGY

***** AOL's Problems Go Beyond Even Harry Potter's Magic

When AOL and Time Warner merged a year ago, their hopes were pegged to the magic of the Internet. Today the brightest spot for the company is the wizardry of Harry Potter.
<http://www.nytimes.com/2001/12/07/business/media/07AOL.html?todayshdlines>

2 Big Chip Makers Raise Forecasts

Intel and Advanced Micro Devices raised their financial forecasts for the current quarter, saying that their microprocessors that power personal computers were selling better than expected.
<http://www.nytimes.com/2001/12/07/technology/07TECH.html?todayshdlines>

Deal for CCR Continues Merger Trend in Biotech

Millennium Pharmaceuticals said that it would buy CCR Therapeutics, the maker of the heart drug IntegriLin, for about \$2 billion in stock.
<http://www.nytimes.com/2001/12/07/technology/07BIOT.html?todayshdlines>

MORE TECHNOLOGY NEWS:

<http://www.nytimes.com/pages/technology/index.html?todayshdline>

POLITICS

Ashcroft Defends Antiterror Plan and Says Criticism May Aid Foes

Attorney General John Ashcroft defended the administration's array of antiterrorism proposals and even accused some critics of aiding terrorists.

<http://www.nytimes.com/2001/12/07/politics/07CIVI.html?todaysh headlines>

House Supports Trading Powers Sought by Bush

The House passed legislation that gives the Bush administration a stronger hand to negotiate trade agreements.

<http://www.nytimes.com/2001/12/07/politics/07TRAD.html?todaysh headlines>

Republicans in Senate Win Round on Curbing Spending

Republicans won two early skirmishes tonight in their effort to block \$7.5 billion in additional spending for domestic security and \$7.5 billion in aid to New York.

<http://www.nytimes.com/2001/12/07/politics/07CONG.html?todaysh headlines>

MORE POLITICS NEWS:

<http://www.nytimes.com/pages/politics/index.html?todaysh headline>

SPORTS

Giambi Deal Is Expected, but No One Says When

Jason Giambi is eventually expected to sign a seven-year contract for around \$17 million a year, but Yankees officials and Giambi's agent stress that the agreement is not completed.

<http://www.nytimes.com/2001/12/07/sports/baseball/07YANK.html?todaysh headlines>

Putting a Price on the Heisman

Besides determining a tight race among quarterback candidates, the big question looming for the members of the Downtown Athletic Club this year is just how much the Heisman Trophy is worth.

<http://www.nytimes.com/2001/12/07/sports/ncaafootball/07COLL.html?todaysh headlines>

Selig Defends Contraction to Congress

Commissioner Bud Selig told the House Judiciary Committee

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why baseball needed to eliminate two teams and why its economic system led to a \$519 million loss last season.
<http://www.nytimes.com/2001/12/07/sports/baseball/07BASE.html?todayshdlines>

MORE SPORTS NEWS:

<http://www.nytimes.com/pages/sports/index.html?todayshdline>

ARTS

The Miracle of Coltrane: Dead at 40, Still Vital at 75

John Coltrane's albums are better understood as markers of his own thought than of jazz at the time.

<http://www.nytimes.com/2001/12/07/arts/music/07COLT.html?todayshdlines>

The Man Who Was Martha Stewart Back Before She Was

The Cooper-Hewitt Museum presents a comprehensive show -- maybe a little overstocked -- of Russel Wright's contributions to American design.

<http://www.nytimes.com/2001/12/07/arts/design/07GLUX.html?todayshdlines>

Hunting for a Treasured Tree

This Christmas, we figured we had better go to the source for a tree. We decided to play lumberjack and cut one down ourselves.

<http://www.nytimes.com/2001/12/07/arts/07TREE.html?todayshdlines>

MORE ARTS NEWS:

<http://www.nytimes.com/pages/arts/index.html?todayshdline>

NY REGION

Clouds Loom for New York, but Bloomberg Stays Sunny

Mayor-elect Mike Bloomberg is taking office without blaming his predecessor for the financial crisis that he is inheriting.

<http://www.nytimes.com/2001/12/07/nyregion/07BLOO.html?todayshdlines>

On the Run With a Fugitive: Tales of Aliases and Disguises

Authorities are trying to piece together the last two months of millionaire heir Robert A. Burst leading up to his capture and arrest.

<http://www.nytimes.com/2001/12/07/nyregion/07BURS.html?todayshdlines>

Auction Houses Are Set Back by Price-Fixing Conviction

After the conviction of Sotheby's former chairman, A. Alfred Taubman, for his pivotal role in the conspiracy, the economic situation for Sotheby's and Christie's looks many times worse.

<http://www.nytimes.com/2001/12/07/arts/design/07SOTH.html?todayshheadline>

MORE NY REGION NEWS:

<http://www.nytimes.com/pages/nyregion/index.html?todayshheadline>

OP-ED

Hitting the Trifecta

By PAUL KRUGMAN

President Bush and Enron used the same strategy: Use cooked numbers to justify big giveaways at the top. Then, if things don't work out, let ordinary workers pay the price.

<http://www.nytimes.com/2001/12/07/opinion/07KRUG.html?todayshheadline>

Welcome to Kabul

By NICHOLAS D. KRISTOF

America needs to deploy diplomats in Afghanistan as well as troops.

<http://www.nytimes.com/2001/12/07/opinion/07KRIS.html?todayshheadline>

The Peacemaker of the Pashtun

Past

By KARL E. MEYER

Pashtuns are thought of as warriors, but they also produced one of the most remarkable pacifist movements of the 20th century.

<http://www.nytimes.com/2001/12/07/opinion/07MEYR.html?todayshheadline>

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<http://www.nytimes.com/specials/advertising/movies/tolkien/index.html>

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QUOTE OF THE DAY

"I feel him kicking and I feel happy and then I feel sad."

-PAULINA DEL CARMEN CARDONA, on her baby, due four months after her husband, Jose, was killed at the World Trade Center.

<http://www.nytimes.com/2001/12/05/nyregion/05BABI.html?todaysh headlines>

NATIONAL

Justice Dept. Bars Use of Gun Checks in Terror Inquiry

The Justice Department has refused to let the F.B.I. check its records to determine whether any people detained after the Sept. 11 attacks had bought guns.

<http://www.nytimes.com/2001/12/06/national/06GUNS.html?todaysh headlines>

Man Is Arrested in Threats Mailed to Abortion Clinics

The fugitive sought in a nationwide wave of hundreds of anthrax threats against abortion clinics, was arrested by federal agents after an employee at a photocopy store recognized him.

<http://www.nytimes.com/2001/12/06/national/06HOAX.html?todaysh headlines>

Robertson Resigns From Christian Coalition

Pat Robertson, the widely televised evangelist, resigned as president of the Christian Coalition, the grass-roots organization he made one of the most powerful political

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forces in the country.
<http://www.nytimes.com/2001/12/06/national/06CHRI.html?todaysh headlines>

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INTERNATIONAL

Bin Laden Hunted in Caves; Errant U.S. Bomb Kills 3 G.I.'s

Opposition forces closed in on the last Al Qaeda stronghold in eastern Afghanistan, while intensified combat in the south led to the deaths of three American soldiers.

<http://www.nytimes.com/2001/12/06/international/asia/06MILI.html?todaysh headlines>

A New Mideast Battle: Arafat vs. Hamas

After 14 months of conflict, the radical group Hamas has gathered such strength that it has as much claim as Yasir Arafat to represent the Palestinian mainstream.

<http://www.nytimes.com/2001/12/06/international/middleeast/06HAMA.html?todaysh headlines>

As Refugees Suffer, Supplies Sit Unused Near Afghan Border

Victims of war and three years of crippling drought, the people of Afghanistan are at the end of their endurance, aid officials say.

<http://www.nytimes.com/2001/12/06/international/asia/06REFU.html?todaysh headlines>

MORE INTERNATIONAL NEWS:
<http://www.nytimes.com/pages/world/index.html?todaysh headline>

BUSINESS

AOL Time Warner Gets a New Chief as Levin Departs

The chief executive of the world's biggest media company, AOL Time Warner, surprised his company and his industry

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by announcing that he would retire in May.
<http://www.nytimes.com/2001/12/06/business/media/06AOL.html?todaysh headlines>

Surge in Stocks Arouses Visions of a New Bull Market

Stocks shot sharply higher Wednesday on growing optimism that the economy would quickly rebound. Are millions of investors are jumping to a conclusion too soon?
<http://www.nytimes.com/2001/12/06/business/06PLAC.html?todaysh headlines>

Enron Paid Out "Retention" Bonuses Before Bankruptcy Filing

Just days before Enron filed for bankruptcy and laid off 4,000 people, it paid out \$55 million in bonuses to about 500 employees.
<http://www.nytimes.com/2001/12/06/business/06ENRO.html?todaysh headlines>

MORE BUSINESS NEWS:

<http://www.nytimes.com/pages/business/index.html?todaysh headline>

TECHNOLOGY

Levin to Retire as Chief Executive of AOL Time Warner

AOL Time Warner said that its chief, Gerald Levin, will retire in May and would be succeeded by Richard Parsons, the company's co-chief operating officer.
<http://www.nytimes.com/2001/12/05/business/media/05CND-AOL.html?todaysh headlines>

The Web Turns Conversation Into a Trivia Contest

Trivia debates are now easily and definitively settled with the help of the Web.
<http://www.nytimes.com/2001/12/06/technology/circuits/06FACT.html?todaysh headlines>

Sizing Up Camcorders Made Small

This year, JVC, Canon and Sony introduced spectacularly tiny camcorders, but those who buy them must make some severe compromises.
<http://www.nytimes.com/2001/12/06/technology/circuits/06STAT.html?todaysh headlines>

MORE TECHNOLOGY NEWS:

<http://www.nytimes.com/pages/technology/index.html?todaysh headline>

POLITICS

War on Terrorism Brings Plan to Cut Smithsonian Financing

In a sign of its intention to pare spending to pay for the war on terrorism, the Bush administration has proposed substantial cuts in the Smithsonian Institution's budget.
<http://www.nytimes.com/2001/12/06/politics/06SPEE.html?todayshdlines>

Vote on Spending Bill Is Risky for Republicans

President Bush threatened to veto a military spending bill if it included money he had not sought.
<http://www.nytimes.com/2001/12/06/politics/06CONG.html?todayshdlines>

\$25 Billion to Aid the Jobless Is Backed by House G.O.P. Leaders

House Republican leaders offered to spend about \$25 billion to aid the unemployed as major issues before Congress merged in furious end-of-session horse trading.
<http://www.nytimes.com/2001/12/06/politics/06TRAD.html?todayshdlines>

MORE POLITICS NEWS:

<http://www.nytimes.com/pages/politics/index.html?todayshdline>

SPORTS

Baseball Teams Lost Half a Billion, Selig Says

Major League Baseball will claim that it lost more than a half-billion dollars last season in a report that Commissioner Bud Selig will unveil in testimony before the House Judiciary Committee on Thursday.
<http://www.nytimes.com/2001/12/06/sports/baseball/06BASE.html?todayshdlines>

Kidd Gets First Laugh in Marbury's Return

Jason Kidd outplayed the player he was traded for last summer, the Suns' point guard Stephon Marbury, and lifted the Nets to an exultant romp over Phoenix.
<http://www.nytimes.com/2001/12/06/sports/basketball/06NETS.html?todayshdlines>

Tennessee's Defense Uses Element of Surprise

With a new defensive strategy called Prowler, Tennessee sowed fresh confusion and reaped new success at Florida last week.
<http://www.nytimes.com/2001/12/06/sports/ncaafootball/06COLL.html?todayshdlines>

MORE SPORTS NEWS:

<http://www.nytimes.com/pages/sports/index.html?todayshheadline>

ARTS

Looking for the Light in Cabaret Songs

Pop standards evoke a comforting continuity between now and then, an assurance that in a climate overwhelmingly devoted to disposable novelty, some things are made to last.

<http://www.nytimes.com/2001/12/06/arts/music/06CABA.html?todayshheadline>

How van Gogh Would've Painted, if He'd Been on TV

"Rolf on Art" is an idiosyncratic BBC series that is as much about its host, a jovial Australian with a triangular beard, as it is about the artists he discusses.

<http://www.nytimes.com/2001/12/06/arts/television/06ARTS.html?todayshheadline>

De Niro Plans a Film Festival in TriBeCa

Robert De Niro and the film producer Jane Rosenthal say they intend to bring some economic and emotional relief to the beleaguered southern tip of Manhattan.

<http://www.nytimes.com/2001/12/06/movies/06FEST.html?todayshheadline>

MORE ARTS NEWS:

<http://www.nytimes.com/pages/arts/index.html?todayshheadline>

NY REGION

Ex-Chief of Sotheby's Is Convicted of Price Fixing

A. Alfred Taubman, principal owner of Sotheby's, was convicted of conspiring with rival Christie's to fix fees charged to auction house sellers.

<http://www.nytimes.com/2001/12/06/arts/06SOTH.html?todayshheadline>

Indictments Name 73 Linked to the Genovese Crime Family

Federal prosecutors announced sweeping indictments of dozens of people they called leaders and associates of the Genovese crime family.

<http://www.nytimes.com/2001/12/06/nyregion/06MOB.html?todayshheadline>

Private Security's Gain Is Public Safety's Loss, Police Say

In increasing numbers, the New York Police Department is losing personnel to the private security industry.
<http://www.nytimes.com/2001/12/06/nyregion/06SECU.html?todayshheadline>

MORE NY REGION NEWS:

<http://www.nytimes.com/pages/nyregion/index.html?todayshheadline>

OP-ED

'Voices of Negativism'

By WILLIAM SAFIRE

Military tribunals are beginning to be recognized by cooler heads in the White House, Defense department and C.I.A. as more than a bit excessive.

<http://www.nytimes.com/2001/12/06/opinion/06SAFI.html?todayshheadline>

Yesterday

By BOB HERBERT

George was only 58 when he died, still a young man, which tells me that 1964 was both a long time ago and only yesterday.

<http://www.nytimes.com/2001/12/06/opinion/06HERB.html?todayshheadline>

Rooting Out Terrorists Just Became Harder

By JAMES ORENSTEIN

Military tribunals may actually make it harder to prevent and punish terrorism.

<http://www.nytimes.com/2001/12/06/opinion/06OROX.html?todayshheadline>

MORE OP-ED NEWS:

<http://www.nytimes.com/pages/opinion/index.html?todayshheadline>

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TODAY'S HEADLINES

The New York Times on the Web
Wednesday, December 5, 2001

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Yesterday we experienced a disruption in the delivery of Today's Headlines. As a result, a number of our readers did not receive their regularly scheduled e-mail. We apologize for the inconvenience.

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Examine the World of J. R. R. Tolkien

The New York Times and New Line Cinema have teamed up to explore the world of J. R. R. Tolkien. This sponsored feature includes articles from the New York Times archives, slide shows of Tolkien's artwork, multimedia presentations from New Line Cinema, weekly trivia quizzes and more.

<http://www.nytimes.com/specials/advertising/movies/tolkien/index.html>

\-----/

QUOTE OF THE DAY

"A war has been forced upon us a war of terror."
-ARIEL SHARON, Israeli prime minister.

<http://www.nytimes.com/2001/12/04/international/04MIDE.html?todaysh headlines>

NATIONAL

Likeness Seen Between Anthrax Sent to Senators and to Florida

Experts believe the pattern in which anthrax spread around the office of a Florida publisher is much like the behavior of the anthrax mailed to two senators.

<http://www.nytimes.com/2001/12/05/national/05ANTH.html?todaysh headlines>

Justices Hear Case on the Disabilities Act and Seniority

The Supreme Court wrestled with the meaning of the "reasonable accommodation" that the law obliges employers to offer to workers who could not otherwise remain on the job.

<http://www.nytimes.com/2001/12/05/national/05SCOT.html?todaysh headlines>

Safety of Nuclear Plants Again Raises Concerns

05183

The Sept. 11 terror attacks have raised new concerns about the safety of communities situated near nuclear plants.
<http://www.nytimes.com/2001/12/05/national/05NUKE.html?todayshheadline>

MORE NATIONAL NEWS:
<http://www.nytimes.com/pages/national/index.html?todayshheadline>

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INTERNATIONAL

Israelis Attack Arafat's Compound and 7 Other Sites

Israel launched the most wide-ranging attack on Palestinian areas in 14 months of conflict, killing at least two Palestinians and injuring scores.
<http://www.nytimes.com/2001/12/05/international/middleeast/05MIDEX.html?todayshheadline>

Marines Advance Toward Kandahar to Prepare Siege

United States marines are scouting enemy movements from helicopters and armored vehicles, and sealing the roads to Kandahar, Pentagon officials said.
<http://www.nytimes.com/2001/12/05/international/asia/05MILI.html?todayshheadline>

China Resists Efforts to Make Donation of Organs Feasible

In China, the legal question surrounding organ donation turns on precisely when to declare a potential donor dead.
<http://www.nytimes.com/2001/12/05/international/asia/05DONO.html?todayshheadline>

MORE INTERNATIONAL NEWS:
<http://www.nytimes.com/pages/world/index.html?todayshheadline>

BUSINESS

A New Health Plan May Raise Expenses for Sickest Workers

Some of the nation's biggest insurers are introducing a new kind of health plan that would significantly change the way employees are reimbursed for ordinary medical expenses.
<http://www.nytimes.com/2001/12/05/business/05CARE.html?todayshadlines>

Steel Producers Seek a Merger, With U.S. Help

The nation's biggest steel companies said that they were asking the Bush administration and Congress to back a plan allowing up to half a dozen steel makers to merge into a single company.
<http://www.nytimes.com/2001/12/05/business/05STEE.html?todayshadlines>

Watching the Firms That Watch the Books

The sudden failure of Enron has generated a new wave of criticism that corporate accounting is out of control.
<http://www.nytimes.com/2001/12/05/business/05INVE.html?todayshadlines>

MORE BUSINESS NEWS:

<http://www.nytimes.com/pages/business/index.html?todayshadline>

TECHNOLOGY

AOL Retreats From Big Push For E-Books

The books division of AOL Time Warner said that it was cutting back its expensive line of digital books and laying off almost all 29 employees.
<http://www.nytimes.com/2001/12/05/technology/05BOOK.html?todayshadlines>

They Looked, They Clicked, a New E-Mail Virus Conquered

A new malicious computer virus named Goner began making the rounds of the online world like an Internet IQ test.
<http://www.nytimes.com/2001/12/05/technology/05VIRU.html?todayshadlines>

Phone Giant in Britain to Cut Jobs

The BT Group, as British Telecommunications has been renamed, said that it would eliminate 4,000 more jobs to cut costs.
<http://www.nytimes.com/2001/12/05/business/worldbusiness/05PHON.html?todayshadlines>

MORE TECHNOLOGY NEWS:

<http://www.nytimes.com/pages/technology/index.html?todayshadline>

POLITICS

Bush Defends Wartime Call for Tribunals

President Bush said that he needed military tribunals and other legal weapons to protect the safety of Americans.
<http://www.nytimes.com/2001/12/05/politics/05JUDI.html?todayshadlines>

Senate Committee Backs \$15 Billion More in Emergency Spending

The Senate Appropriations Committee voted an additional \$7.5 billion for measures to combat bioterrorism and improve security.
<http://www.nytimes.com/2001/12/05/politics/05COMM.html?todayshadlines>

As Vote Nears, Bush Presses for New Trade Powers

The Bush administration is warning that if Congress rejects the president's trade proposal this week, "no one will negotiate" with the United States on trade.
<http://www.nytimes.com/2001/12/05/politics/05TRAD.html?todayshadlines>

MORE POLITICS NEWS:

<http://www.nytimes.com/pages/politics/index.html?todayshadline>

SPORTS

Heisman Voters Thinking Passers

Quarterbacks Joey Harrington of Oregon, Ken Dorsey of Miami, Rex Grossman of Florida and Eric Crouch of Nebraska are finalists for the Heisman Trophy.
<http://www.nytimes.com/2001/12/05/sports/ncaafootball/05COLL.html?todayshadlines>

Stewart Has Found Comfort Zone

Kordell Stewart has waded through taxing times with the Pittsburgh Steelers, but he is back. So is Pittsburgh.
<http://www.nytimes.com/2001/12/05/sports/football/05ONPR.html?todayshadlines>

Keyshawn's Contradictory Season

Tampa Bay's Keyshawn Johnson has an N.F.L.-leading 83 receptions, but he also has zero touchdowns.
<http://www.nytimes.com/2001/12/05/sports/football/05KEYY.html?todayshadlines>

MORE SPORTS NEWS:

<http://www.nytimes.com/pages/sports/index.html?todayshheadline>

ARTS

A Stodgy Museum Spruces Up

On Nov. 22, the Victoria and Albert Museum inaugurated its sleek new British Galleries to universal praise from art critics in London.

<http://www.nytimes.com/2001/12/05/arts/design/05MUSE.html?todayshheadline>

Bernie Mac Moves From King of Comedy to Ruler of the Roost

Bernie Mac found success as part of the Original Kings of Comedy tour in 1997. Now he's seeking to make a leap into national television with "The Bernie Mac Show."

<http://www.nytimes.com/2001/12/05/arts/television/05BERN.html?todayshheadline>

A Family Makes Unbeautiful Music Together

Those who feel that the American musical has hit a cul-de-sac haven't been paying attention to Richard Maxwell, who directs, writes and composes his own works.

<http://www.nytimes.com/2001/12/05/arts/theater/05DRUM.html?todayshheadline>

MORE ARTS NEWS:

<http://www.nytimes.com/pages/arts/index.html?todayshheadline>

NY REGION

E.P.A. Orders G.E. to Dredge Hudson River

The Bush administration today ordered tons of PCBs removed from New York's upper Hudson River, setting in motion one of the largest dredging operations in the nation's history.

<http://www.nytimes.com/aponline/science/AP-Hudson-PCBs.html?todayshheadline>

At \$92.60 a Vote, Bloomberg Shatters an Election Record

Michael R. Bloomberg spent \$68,980,185 from his personal fortune on the election, according to campaign documents.

<http://www.nytimes.com/2001/12/04/nyregion/04BLOC.html?todayshheadline>

A Changed Police Department Awaits Kelly in Second Turn

When he returns as commissioner, Raymond W. Kelly will face pressures that will make the job more taxing than usual.

<http://www.nytimes.com/2001/12/04/nyregion/04COPS.html?todayshadlines>

MORE NY REGION NEWS:

<http://www.nytimes.com/pages/nyregion/index.html?todayshadline>

OP-ED

The Intifada Is Over

By THOMAS L. FRIEDMAN

If there is anything left of the Palestinian national movement for independence, it better act now to rescue itself.

<http://www.nytimes.com/2001/12/05/opinion/05FRIE.html?todayshadlines>

Who's Joey Bishop?

By MAUREEN DOWD

Once the Sinatra Rat Pack was regarded as the ultimate men's club. Now the nation digs the Bush warriors, doing it Their Way.

<http://www.nytimes.com/2001/12/05/opinion/05DOWD.html?todayshadlines>

Sharon's War Cannot Be Won

By ALI ABUNIMAH

The occupation is the fuel of the Israeli-Palestinian conflict.

<http://www.nytimes.com/2001/12/05/opinion/05ABUN.html?todayshadlines>

MORE OP-ED NEWS:

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The New York Times on the Web
Tuesday, December 4, 2001

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Examine the World of J. R. R. Tolkien

The New York Times and New Line Cinema have teamed up to explore the world of J. R. R. Tolkien. This sponsored feature includes articles from the New York Times archives, slide shows of Tolkien's artwork, multimedia presentations from New Line Cinema, weekly trivia quizzes and more.

<http://www.nytimes.com/specials/advertising/movies/tolkien/index.html>

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QUOTE OF THE DAY

"A war has been forced upon us a war of terror."
-ARIEL SHARON, Israeli prime minister.

<http://www.nytimes.com/2001/12/04/international/middleeast/04MIDE.html?todayshadlines>

NATIONAL

H.M.O.'s Flee Medicare Despite Rise in Payments

Increasing payments to H.M.O.'s in hope of persuading them to stay in Medicare has largely been a failure, investigators said.

<http://www.nytimes.com/2001/12/04/politics/04MEDI.html?todayshadlines>

U.S. Is Said to Criticize Music Industry on Marketing

Companies have not done enough to curb inappropriate material aimed at young audiences, according to a F.T.C. study.

<http://www.nytimes.com/2001/12/04/politics/04LYRI.html?todayshadlines>

Judicial Candidates' Speech to Be Reviewed by Justices

The question in a case the court accepted is, when do limitations on what judicial candidates may say cross the line?

<http://www.nytimes.com/2001/12/04/national/04SCOT.html?todayshadlines>

MORE NATIONAL NEWS:

<http://www.nytimes.com/pages/national/index.html?todayshheadline>

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INTERNATIONAL

Arafat Not at Headquarters During Israeli Strikes

Israel struck in the West Bank and Gaza Strip as the Israeli prime minister accused the Palestinian leader of provoking war by pursuing "the path of terrorism."

<http://www.nytimes.com/2001/12/04/international/middleeast/04MIDE.html?todayshheadline>

Taliban Resists in Some Pockets North of Kabul

As the Americans marshaled their forces in the southern part of Afghanistan, the Pentagon for the first time described several pockets of Taliban and foreign resistance.

<http://www.nytimes.com/2001/12/04/international/asia/04MILI.html?todayshheadline>

C.I.A. Leader Asks Pakistan for Help in bin Laden Hunt

C.I.A. Director George Tenet sought tactical assistance for an assault on a mountain base in Afghanistan where Osama bin Laden is suspected of hiding, government officials said.

<http://www.nytimes.com/2001/12/04/international/asia/04STAN.html?todayshheadline>

MORE INTERNATIONAL NEWS:

<http://www.nytimes.com/pages/world/index.html?todayshheadline>

BUSINESS

Collapse of Enron May Reshape the Battlefield of Deregulation

The bankruptcy of Enron has Washington debating the way it oversees the \$200 billion power industry and an energy

policy the company's political largess helped forge.
<http://www.nytimes.com/2001/12/04/business/04DERE.html?todayshadlines>

Fed Now Says '02 Recovery to Be Gradual

Federal Reserve officials say they expect a modest and gradual recovery in the economy next year rather than the quick turnaround many investors and forecasters are expecting.
<http://www.nytimes.com/2001/12/04/business/04FED.html?todayshadlines>

Vivendi's Chairman Seeks to Woo U.S. Investors

Jean-Marie Messier, chairman of Vivendi Universal, insists that there is no more important, indeed essential, site for a media company to be than smack in the middle of Manhattan.
<http://www.nytimes.com/2001/12/04/business/04MOVE.html?todayshadlines>

MORE BUSINESS NEWS:
<http://www.nytimes.com/pages/business/index.html?todayshadline>

TECHNOLOGY

Cable Companies Sign On for Excite@Home Service

Excite@Home signed an agreement with a group of cable companies, including the Comcast Corporation and Cox Communications, to maintain high-speed Internet access for their customers.
<http://www.nytimes.com/2001/12/04/technology/04NET.html?todayshadlines>

Three Giants Square Off in the Bidding for AT&T Broadband

Three of the nation's biggest cable companies lined up in hopes of taking over the largest one, AT&T Broadband, submitting complex bids that AT&T will begin reviewing in the coming days.
<http://www.nytimes.com/2001/12/04/business/04PLAC.html?todayshadlines>

2 Rival Chip Makers Consider Joining Forces

Two archrivals in the chip-making business, Hynix Semiconductor and Micron Technology, have begun negotiations on a strategic alliance.
<http://www.nytimes.com/2001/12/04/technology/abusiness/04CHIP.html?todayshadlines>

MORE TECHNOLOGY NEWS:

<http://www.nytimes.com/pages/technology/index.html?todayshheadline>

POLITICS

U.S. Says Thousands of Letters Might Be Tinged With Anthrax

The secretary of Health and Human Services said that some tens of thousands of letters might have been contaminated.
<http://www.nytimes.com/2001/12/04/politics/04ANTH.html?todayshheadline>

White House Issues Alert of New Terrorism Threat

The director of homeland security warned there could be new terror strikes against the United States in the next several weeks.
<http://www.nytimes.com/2001/12/04/politics/04ALER.html?todayshheadline>

Senate Declines to Take Up Proposed Cloning Moratorium

It now appears unlikely that the Senate will enact cloning legislation this year.
<http://www.nytimes.com/2001/12/04/politics/04CLON.html?todayshheadline>

MORE POLITICS NEWS:

<http://www.nytimes.com/pages/politics/index.html?todayshheadline>

SPORTS

Vols Gain Position in B.C.S.

Tennessee moved up to No. 2 in the latest B.C.S. standings, but if the Volunteers lose to L.S.U. on Saturday, the legitimacy of the system will be questioned.
<http://www.nytimes.com/2001/12/04/sports/ncaafootball/04BCWL.html?todayshheadline>

PGA Tour Has Courses for High School Junior

At 17, Ty Tryon became the youngest player ever to earn a PGA Tour card when he shot a six-under-par 66 during the final round of the tour's Qualifying Tournament.
<http://www.nytimes.com/2001/12/04/sports/golf/04GOLF.html?todayshheadline>

Favre Engineers a Packer Comeback

Brett Favre threw three touchdown passes and ran 6 yards for the game-winner with 1:30 left to rally Green Bay to a win over Jacksonville.
<http://www.nytimes.com/aponline/sports/AP-FBN-Packers-Jaguars.html?todayshheadline>

MORE SPORTS NEWS:

<http://www.nytimes.com/pages/sports/index.html?todayshheadline>

ARTS

Beyond Renovation: Lincoln Center Partners Can Seek Artistic Vision

The Lincoln Center project should be a visionary effort, a chance for each organization to address longstanding issues that have affected its artistic growth.

<http://www.nytimes.com/2001/12/04/arts/design/04NOTE.html?todayshheadline>

Spy Wanted. Must Know Hollywood.

"Hollywood Goes to War" captures the remarkable insularity and weary self-righteousness of filmmakers whose work emphasizes special-effects violence rather than human relationships.

<http://www.nytimes.com/2001/12/04/arts/television/04SALA.html?todayshheadline>

Paintings Too Perfect? The Great Optics Debate

The artist David Hockney derived a new theory of art and optice: around 1430, artists began secretly using camerallike devices.

<http://www.nytimes.com/2001/12/04/arts/design/04OPTI.html?todayshheadline>

MORE ARTS NEWS:

<http://www.nytimes.com/pages/arts/index.html?todayshheadline>

NY REGION

At \$92.60 a Vote, Bloomberg Shatters an Election Record

Michael R. Bloomberg spent \$68,980,185 from his personal fortune on the election, according to campaign documents.

<http://www.nytimes.com/2001/12/04/nyregion/04BLCO.html?todayshheadline>

A Changed Police Department Awaits Kelly in Second Turn

When he returns as commissioner, Raymond W. Kelly will face pressures that will make the job more taxing than usual.

<http://www.nytimes.com/2001/12/04/nyregion/04COPS.html?todayshheadline>

Price-Fixing at Sotheby's Is Depicted

In closing arguments, the ex-chief is alternately portrayed as a devious price fixer and an innocent dupe.
<http://www.nytimes.com/2001/12/04/arts/04SOTB.html?todayshheadline>

MORE BY REGION NEWS:

<http://www.nytimes.com/pages/nyregion/index.html?todayshheadline>

OP-ED

A Defining Issue

By PAUL KRUGMAN

Behind this disaster for ordinary workers lies a little-remarked sea change in America's retirement system.

<http://www.nytimes.com/2001/12/04/opinion/04KROG.html?todayshheadline>

Dust in Our Eyes

By ANTHONY LEWIS

John Ashcroft and his colleagues have sought to conceal the menacing facts of the Bush order establishing military tribunals.

<http://www.nytimes.com/2001/12/04/opinion/04LEWI.html?todayshheadline>

Can Arafat Stop the Violence?

By DENNIS ROSS

Now, at last, Yasir Arafat must decide that the Palestinian Authority will not be a safe haven for terrorists.

<http://www.nytimes.com/2001/12/04/opinion/04ROSS.html?todayshheadline>

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INTERNATIONAL

State of Emergency in Gaza and the West Bank

The third Palestinian suicide bomber in just over 12 hours struck on a city bus in Haifa on Sunday, killing himself and 15 others.

<http://www.nytimes.com/2001/12/03/international/middleeast/03MIDE.html?todayshheadline>

U.S. Planes Keep Up Bombing of Kandahar as Allies Close In

American warplanes resumed their daily attack on Kandahar on Sunday as Pashtun leaders in southern Afghanistan said their fighters had taken new ground.

<http://www.nytimes.com/2001/12/03/international/asia/03MILI.html?todayshheadline>

Calls for New Push Into Iraq Gain Power in Washington

When President Bush told Saddam Hussein last week to submit to weapons inspections or else, he bolstered the spirits of a coalition of conservatives.

<http://www.nytimes.com/2001/12/03/international/middleeast/03IRAQ.html?todayshheadline>

MORE INTERNATIONAL NEWS:

<http://www.nytimes.com/pages/world/index.html?todayshheadline>

BUSINESS

Enron Files Largest U.S. Claim for Bankruptcy

Enron filed the largest corporate bankruptcy in American history and blamed the company that presented itself as its rescuer.

<http://www.nytimes.com/2001/12/03/business/03ENRO.html?todayshheadline>

An Inventor Unveils His Mysterious Personal Transportation

Device

The award-winning inventor Dean Kamen plans to demonstrate his hotly anticipated mystery creation: a two-wheeled, battery powered device designed for a single standing rider.
<http://www.nytimes.com/2001/12/03/technology/03THIN.html?todayshadlines>

Fox Portrays a War of Good and Evil, and Many Applaud

Fox, led by Roger Ailes, has pushed television news where it has never gone before: to unabashed and vehement support of a war effort.
<http://www.nytimes.com/2001/12/03/business/03FOX.html?todayshadlines>

MORE BUSINESS NEWS:

<http://www.nytimes.com/pages/business/index.html?todayshadline>

TECHNOLOGY

An Inventor Unveils His Mysterious Personal Transportation Device

The award-winning inventor Dean Kamen plans to demonstrate his hotly anticipated mystery creation: a two-wheeled, battery powered device designed for a single standing rider.
<http://www.nytimes.com/2001/12/03/technology/03THIN.html?todayshadlines>

Discounts Aid Sales of New PC's

The reeling personal computer market, whose fortunes turned sharply downward last holiday season, is showing some signs of life this season.
<http://www.nytimes.com/2001/12/03/technology/03SALE.html?todayshadlines>

Steve Jobs Rejects Microsoft Plan

Steven P. Jobs says that Microsoft's proposal to settle antitrust lawsuits would allow it to dig into the education market, one of the few Microsoft does not dominate.
<http://www.nytimes.com/2001/12/03/technology/03APPL.html?todayshadlines>

MORE TECHNOLOGY NEWS:

<http://www.nytimes.com/pages/technology/index.html?todayshadline>

POLITICS

Since Sept. 11, Lobbyists Use New Pitches for Old Pleas

The war against terrorism has created some novel pitches from Washington lobbyists, now swarming over the capital as Congress tries to wrap up its business.
<http://www.nytimes.com/2001/12/03/politics/03LOBB.html?todaysh headlines>

Democrat in Houston Wins With Some National Help

The close mayoral race that had become a proxy battle between national Republicans and Democrats went to the Democratic candidate, Lee P. Brown, on Saturday.
<http://www.nytimes.com/2001/12/03/politics/03MAYO.html?todaysh headlines>

Bush and Cheney Attend Kennedy Center Gala

President Bush and Vice President Dick Cheney stepped outside the White House together for the first time since Sept. 11.
<http://www.nytimes.com/2001/12/03/national/03WARR.html?todaysh headlines>

MORE POLITICS NEWS:

<http://www.nytimes.com/pages/politics/index.html?todaysh headline>

SPORTS

Jets' Swagger Turns to Stagger

The Jets lost the game to New England and the lead in the A.F.C. East. They also lost the conviction that they would always find a way to win.
<http://www.nytimes.com/2001/12/03/sports/football/03JETS.html?todaysh headlines>

Who Is Up in Bowl Game Bingo?

An L.S.U. upset of Tennessee in the S.E.C. championship game on Saturday could raise uncomfortable questions about the fairness of the B.C.S. system.
<http://www.nytimes.com/2001/12/03/sports/ncaaf football/03COLL.html?todaysh headlines>

The Irish Fire Davie

The turbulent five-year reign of Coach Bob Davie at Notre Dame ended when university officials fired Davie and his entire staff on Sunday.
<http://www.nytimes.com/2001/12/03/sports/ncaaf football/03DAVI.html?todaysh headlines>

MORE SPORTS NEWS:

<http://www.nytimes.com/pages/sports/index.html?todayshheadline>

ARTS

Jokes Aside, It's the Hips That Do the Job

John Leguizamo uses his intensity to turn comedy club material about sex into something vital enough to fill a Broadway house.

<http://www.nytimes.com/2001/12/03/arts/theater/03SEX.html?todayshheadline>

Italy Plans to Have Private Sector Run Museums

The Italian government plans to take bids and turn over management of its museums. But it will retain legal ownership of the properties and remain responsible for the preservation of the art.

<http://www.nytimes.com/2001/12/03/arts/design/03MUSE.html?todayshheadline>

A Backyard That Belongs to No One and Everyone

"Central Park was built to make this city civilized," the historian Barry Lewis says in this effervescent valentine to this "country estate for every New Yorker."

<http://www.nytimes.com/2001/12/03/arts/television/03MERT.html?todayshheadline>

MORE ARTS NEWS:

<http://www.nytimes.com/pages/arts/index.html?todayshheadline>

NY REGION

Postal Center in Connecticut Shows Traces of Anthrax

Trace amounts of anthrax spores have been found in the distribution center that sorts the mail for the 94-year-old woman died last month of inhalation anthrax.

<http://www.nytimes.com/2001/12/03/nyregion/03YORK.html?todayshheadline>

Green Lacks Plan B, but Politics (and Beard) May Be Out

When Mark Green spoke recently with Ralph Nader, his longtime friend, he was asked a question that has been on the minds of many New Yorkers: What next?

<http://www.nytimes.com/2001/12/03/nyregion/03GREE.html?todayshheadline>

Deals, Debts and the Choice for Speaker in New Jersey

Out of a maze of deals, allegiances and grudges, a former

teacher has been picked for the third- highest post in the New Jersey state government.
<http://www.nytimes.com/2001/12/03/nyregion/03SPEA.html?todaysh headlines>

MORE NY REGION NEWS:
<http://www.nytimes.com/pages/nyregion/index.html?todaysh headline>

OP-ED

The Witch Hunt
By BOB HERBERT
The American public is predisposed to give the government a free hand in its search for terrorists. But a criminal-justice club wielded without restraint is all but guaranteed to spread its own form of terror.
<http://www.nytimes.com/2001/12/03/opinion/03HERB.html?todaysh headlines>

'Israel or Arafat'
By WILLIAM SAFIRE
The time for Palestinians to decide their own fate is now: antiterrorism and a peaceful state of their own, or terrorism and defeat.
<http://www.nytimes.com/2001/12/03/opinion/03SAFI.html?todaysh headlines>

Keep the Focus on Al Qaeda
By VINCENT M. CANNISTRARO
With success in Afghanistan, the impulse to broaden the struggle against terrorism is almost irresistible. Yet we are in grave danger of overreaching.
<http://www.nytimes.com/2001/12/03/opinion/03CANN.html?todaysh headlines>

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QUOTE OF THE DAY

"I guess we all see a little of ourselves in him. He was in the background, and maybe we all do little great things in the background in our own lives."
-ROGER REEBCE, on George Harrison.

<http://www.nytimes.com/2001/12/01/obituaries/01GEOR.html?todaysh headlines>

NATIONAL

Ashcroft Seeking to Free F.B.I. to Spy on Groups

Attorney General John Ashcroft is considering a plan to relax restrictions on the F.B.I.'s spying on religious and political organizations.
<http://www.nytimes.com/2001/12/01/national/01BURE.html?todaysh headlines>

Former Sheriff Is Charged With Killing Political Rival

Former Sheriff Sidney Dorsey of DeKalb County, Ga., was charged with murdering his political opponent, Derwin Brown, three days before Mr. Brown was to take office.
<http://www.nytimes.com/2001/12/01/national/01SHER.html?todaysh headlines>

Man With Artificial Heart Dies 5 Months After Implant

Robert Tools, the first recipient of a self-contained artificial heart, died Friday at Jewish Hospital in Louisville, Ky.
<http://www.nytimes.com/2001/12/01/health/01HEAR.html?todaysh headlines>

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INTERNATIONAL

U.S. to Press Iraq to Let U.N. Inspect for Banned Arms

A State Department official said on Friday that President Bush intended to force Iraq to open its borders to United Nations weapons inspectors.

<http://www.nytimes.com/2001/12/01/international/middleeast/01DIPL.html?todayshheadline>

Bush Administration Says It's Too Early to Deploy International Peacekeepers

Calling conditions on the ground too dangerous, the Bush administration said on Friday that it was too soon to send peacekeepers to Afghanistan.

<http://www.nytimes.com/2001/12/01/international/01MILI.html?todayshheadline>

Marines Dig In, but They Find Little to Battle

Hundreds of marines have turned a compound in the Afghan desert into a heavily fortified base intended to intensify military pressure on the Taliban.

<http://www.nytimes.com/2001/12/01/international/asia/01MARI.html?todayshheadline>

MORE INTERNATIONAL NEWS:

<http://www.nytimes.com/pages/world/index.html?todayshheadline>

BUSINESS

Enron Scrambles for Funds to Ease Way Into Bankruptcy

The fallout from Enron's collapse continued on Friday as the company struggled to line up financing.

<http://www.nytimes.com/2001/12/01/business/01ENRO.html?todayshheadline>

Report Offers Conflicting Signals on Recovery of the Economy

The economy shrank significantly more this summer than the government initially estimated, the Commerce Department said on Friday.
<http://www.nytimes.com/2001/12/01/business/01ECON.html?todayshadlines>

Creditors' Move Puts Excite@Home's Service at Risk

A judge ruled on Friday that Excite@Home could sever its contracts with cable companies, meaning that about 3.7 million subscribers could lose Internet access.
<http://www.nytimes.com/2001/12/01/technology/01NET.html?todayshadlines>

MORE BUSINESS NEWS:

<http://www.nytimes.com/pages/business/index.html?todayshadline>

TECHNOLOGY

Creditors' Move Puts Excite@Home's Service at Risk

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<http://www.nytimes.com/2001/12/01/technology/01NET.html?todayshadlines>

Cable and Wireless Bidding For Assets of Web Operator

Cable and Wireless made a bid on Friday to become the biggest manager of Web sites in the United States.
<http://www.nytimes.com/2001/12/01/technology/01CABL.html?todayshadlines>

Apple Offers More Than an Update to Its System

Sometimes engineers fix software mistakes; other times the task falls to lawyers.
<http://www.nytimes.com/2001/12/01/technology/01APPL.html?todayshadlines>

MORE TECHNOLOGY NEWS:

<http://www.nytimes.com/pages/technology/index.html?todayshadline>

POLITICS

G.O.P.'s National Chairman to Resign After Brief Term

Republican party officials accused the White House of forcing Gov. James S. Gilmore III of Virginia from his post as Republican national chairman.
<http://www.nytimes.com/2001/12/01/politics/01REPU.html?todayshadlines>

2 Sides Turn More Heated in Exchanges Over Economy

Democrats intensified their efforts to portray Republicans as more concerned about corporate interests than laid-off workers and to pin blame for the recession on President Bush.
<http://www.nytimes.com/2001/12/01/politics/01DEMS.html?todayshadlines>

Special Education Increases Cut From Bill

Lawmakers rejected an attempt to guarantee multibillion dollar increases for special education as part of a sweeping education bill.
<http://www.nytimes.com/2001/12/01/education/01EDUC.html?todayshadlines>

MORE POLITICS NEWS:
<http://www.nytimes.com/pages/politics/index.html?todayshadline>

SPORTS

Daylight Is Narrowing for Bowl Hopes

Of the 25 postseason bowl games, only five have filled both brackets, and another nine have selected a single team. Much more will be known on Sunday.
<http://www.nytimes.com/2001/12/01/sports/ncaafootball/01COLL.html?todayshadlines>

Wilpon Might Increase Mets' Payroll

Fred Wilpon hinted that he might authorize Mets General Manager Steve Phillips to exceed the team's budget to sign a top player.
<http://www.nytimes.com/2001/12/01/sports/baseball/01METS.html?todayshadlines>

Security, and Event, Will Be Extraordinary

Concerned that the country's most watched sporting event would be an inviting target for terrorists, the federal government and the N.F.L. are planning extraordinary measures to protect the Super Bowl.
<http://www.nytimes.com/2001/12/01/sports/football/01SUPE.html?todayshadlines>

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<http://www.nytimes.com/pages/sports/index.html?todayshheadline>

ARTS

George Harrison, "Quiet Beatle" and Lead Guitarist, Dies at 58

George Harrison, the youngster of the Beatles who composed some of their most venerated songs, died on Thursday in Los Angeles.

<http://www.nytimes.com/2001/12/01/obituaries/01GEOR.html?todayshheadline>

Break Up Afghanistan? Why Not?

Some experts believe ethnic groups that have been warring for generations would be better off in separate nations.

<http://www.nytimes.com/2001/12/01/arts/01PROP.html?todayshheadline>

A Black Author Hurls That Word as a Challenge

Randall Kennedy, an African-American scholar at Harvard, argues that new uses of "nigger" are helping to exorcise the word's power as America's paradigmatic ethnic slur.

<http://www.nytimes.com/2001/12/01/books/01BOOK.html?todayshheadline>

MORE ARTS NEWS:

<http://www.nytimes.com/pages/arts/index.html?todayshheadline>

NY REGION

Connecticut Detects Anthrax on a Letter Near Victim's Home

Connecticut officials said that a trace amount of anthrax had been discovered on a letter delivered near the home of a 94-year-old woman who died of the disease last week.

<http://www.nytimes.com/2001/12/01/nyregion/01ANTH.html?todayshheadline>

Shoplifting Charge Ends U.S. Manhunt for Real Estate Heir

The nationwide manhunt for Robert A. Durst, the scion of a wealthy Manhattan real estate family, ended when he was arrested for shoplifting.

<http://www.nytimes.com/2001/12/01/nyregion/01DURS.html?todayshheadline>

Bush Picks Virginia Prosecutor for U.S. Attorney

President Bush announced that he would nominate James E. Conoy as United States attorney for the Southern District of New York to succeed Mary Jo White.

<http://www.nytimes.com/2001/12/01/nyregion/01ATTO.html?todayshadlines>

MORE NY REGION NEWS:

<http://www.nytimes.com/pages/nyregion/index.html?todayshadline>

OP-ED

Join the Club

By BILL KELLER

The terror attacks have actually made the enlargement of the NATO family more right than ever.

<http://www.nytimes.com/2001/12/01/opinion/01KELL.html?todayshadlines>

It Can Happen Here

By ANTHONY LEWIS

It seems shocking that the United States Department of Justice should state as a fact something that a judge has found to be untrue.

<http://www.nytimes.com/2001/12/01/opinion/L01LEWI.html?todayshadlines>

Getting at the Roots of Arab Poverty

By ALAN SCHWARTZ

Many Muslims are not poor because we are rich; they are poor because of the policies their countries pursue.

<http://www.nytimes.com/2001/12/01/opinion/01SCHW.html?todayshadlines>

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QUOTE OF THE DAY

"It was really something to see a Fire Department funeral, for one guy, on one day. But sad to say, you're starting to hear a lot of the same things. Sad to say, they're almost like routine now."
-JOSEPH CIOFFI, a firefighter whose Manhattan firehouse lost 10 members on Sept. 11.

<http://www.nytimes.com/2001/11/30/nyregion/30FUNR.html?todayshadlines>

NATIONAL

Immigrants Offered Incentives to Help U.S. Fight Terrorism

Foreigners who provide useful information about terrorism may get a fast track to United States citizenship, the attorney general said.
<http://www.nytimes.com/2001/11/30/national/30JUST.html?todayshadlines>

Boys, 12 and 13, Accused of Killing Father

A 13-year-old boy and his 12-year-old brother, both described as "good students," have been charged with bludgeoning their father to death.
<http://www.nytimes.com/2001/11/30/national/30FLOR.html?todayshadlines>

F.B.I. Identifies Suspect for Fake Anthrax Mailings to Abortion Clinics

Attorney General John Ashcroft said that a man who is on the F.B.I.'s 10 Most Wanted List is the primary suspect in the mailing of anthrax threats to hundreds of abortion clinics.

<http://www.nytimes.com/2001/11/30/national/30NDAX.html?todayshadlines>

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INTERNATIONAL

Militias in South Nearing Siege of Taliban's Last Major Bastion

Aided by American air power and ground troops, opposition forces in southern Afghanistan are on the verge of laying siege to the city of Kandahar.

<http://www.nytimes.com/2001/11/30/international/asia/30MILI.html?todayshadlines>

Level of Food Aid to Afghans Drops

A crucial bridge into northern Afghanistan remains closed due to poor security, cutting off the most promising avenue for shipping in relief aid.

<http://www.nytimes.com/2001/11/30/international/30RELI.html?todayshadlines>

Another Arab Bombing Kills 3 Israelis

A Palestinian bomber blew himself up on an intercity bus near Badera, Israel, on Thursday night, killing three Israelis and wounding nine.

<http://www.nytimes.com/2001/11/30/international/30MIDE.html?todayshadlines>

MORE INTERNATIONAL NEWS:

<http://www.nytimes.com/pages/world/index.html?todayshadline>

BUSINESS

Liquidation Is the Trend, as Opposed to Reorganizing

The growing trend in corporate bankruptcy has been liquidation. What are Enron's prospects in today's bankruptcy environment?
<http://www.nytimes.com/2001/11/30/business/30BANK.html?todayshdlines>

Ripples Spreading From Enron's Expected Bankruptcy

With business a sliver of its level just weeks ago, Enron, once a giant energy trading company, sought protection from some of its creditors in Europe.
<http://www.nytimes.com/2001/11/30/business/30ENRO.html?todayshdlines>

House Votes to Limit Suits by Future Terror Victims

The House of Representatives adopted a measure that would provide as much as \$100 billion in government loans to the insurance industry to cover losses from future large-scale terrorist attacks.
<http://www.nytimes.com/2001/11/30/business/30INSU.html?todayshdlines>

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TECHNOLOGY

Creditors' Move Puts Excite@Home's Service at Risk

A judge will be asked on Friday to rule that Excite@Home can cut off Internet access to its 3.7 million subscribers, who are caught in a battle over the bankrupt company's assets and future.
<http://www.nytimes.com/2001/11/30/technology/30NET.html?todayshdlines>

Considering 'Community Standards' and Internet Pornography

The local community standards rule long a guiding principle of legal thinking on obscenity may soon be shaken up as the Supreme Court considers Internet pornography and the geographic diffusion of cyberspace.
<http://www.nytimes.com/2001/11/30/technology/30CYBERLAW.html?todayshdlines>

European Confrontation Over Privacy Rights on the Internet

The two institutions that vote on Europe-wide laws are facing a confrontation over how much access law enforcement authorities should have to the digital trails left by phone and Internet users.
<http://www.nytimes.com/2001/11/30/technology/30DATA.html?todayshdlines>

MORE TECHNOLOGY NEWS:

<http://www.nytimes.com/pages/technology/index.html?todayshheadline>

POLITICS

President Defends Secret Tribunals in Terrorist Cases

President Bush portrayed the military tribunals and detentions of Middle Eastern men as necessary byproducts of America's wartime footing.

<http://www.nytimes.com/2001/11/30/politics/30CIVI.html?todayshheadline>

Health Officials Put Cost of Germ-Warfare Defense at Almost Twice Bush Plan

Two leading federal health officials put the cost of fighting bioterrorism at roughly \$2.8 billion, almost twice the \$1.5 billion the Bush administration has proposed.

<http://www.nytimes.com/2001/11/30/national/30PREP.html?todayshheadline>

Bush Panel Outlines 3 Plans for Social Security Overhaul

President Bush's Social Security Commission set out three options for allowing workers to establish individual investment accounts.

<http://www.nytimes.com/2001/11/30/politics/30SOCT.html?todayshheadline>

MORE POLITICS NEWS:

<http://www.nytimes.com/pages/politics/index.html?todayshheadline>

SPORTS

Hokies Say Perfect Game Will Topple Miami

The Hokies want to ruin Miami's season, crash the B.C.S. computer and remind fans that Virginia Tech is far more than the sum of its two sensational seasons with Michael Vick.

<http://www.nytimes.com/2001/11/30/sports/ncaafootball/30COLL.html?todayshheadline>

Richter Gets Shutout, With Plenty of Help

Mike Richter stopped 33 shots and led the Rangers to a victory over the Carolina Hurricanes for his first shutout in 213 games.

<http://www.nytimes.com/2001/11/30/sports/hockey/30RANG.html?todayshheadline>

Gianbi's Strength Is Yanks' Weakness

Jason Giambi would provide the Yankees precisely what they need: An experienced and accomplished hitter who reaches base in almost half of his plate appearances.
<http://www.nytimes.com/2001/11/30/sports/baseball/30YANK.html?todaysh headlines>

MORE SPORTS NEWS:
<http://www.nytimes.com/pages/sports/index.html?todaysh headline>

ARTS

The Art of Inhabiting Secondhand Roles

There's nothing ignoble about replacing another actor in a hit musical. But there's not much glory in it, either.
<http://www.nytimes.com/2001/11/30/arts/theater/30MARK.html?todaysh headlines>

You Never Get Over Yankee Doodle Fever
"Yankee Doodle Dandy," a movie about the legendary George M. Cohan, has been dear to John Travolta since he was a little boy dreaming about a life on the stage.
<http://www.nytimes.com/2001/11/30/movies/30WATC.html?todaysh headlines>

Time Reveals the Delicacy in Playful Pop
Two shows of Roy Lichtenstein's paintings reveal work that is not anonymous but particular, even strangely vulnerable.
<http://www.nytimes.com/2001/11/30/arts/design/30KIMM.html?todaysh headlines>

MORE ARTS NEWS:
<http://www.nytimes.com/pages/arts/index.html?todaysh headline>

NY REGION

New York Police Officers Face Counseling on Sept. 11 Events

The New York Police Department has ordered all 55,000 employees to attend mental health counseling to relieve the stress and strain imposed by the Sept. 11 attack.
<http://www.nytimes.com/2001/11/30/nyregion/30COPS.html?todaysh headlines>

First New Yorkers Face Welfare Limit and Uncertain Fate
Beginning Friday, tens of thousands of families in New York will reach a five-year lifetime limit on federal welfare

aid, the largest group to face the federal cutoff.
<http://www.nytimes.com/2001/11/30/nyregion/30WELP.html?todayshadlines>

Schumer Backs Bush Choice for U.S. Attorney

Senator Charles E. Schumer offered a strong endorsement of the federal prosecutor who is President Bush's likely choice for United States attorney in the Southern District of New York.
<http://www.nytimes.com/2001/11/30/nyregion/30ATTO.html?todayshadlines>

MORE NY REGION NEWS:
<http://www.nytimes.com/pages/nyregion/index.html?todayshadline>

OP-ED

Pay Attention

By THOMAS L. FRIEDMAN

Forging a strategic partnership with Russia is far more important than building a missile shield.
<http://www.nytimes.com/2001/11/30/opinion/30FRIE.html?todayshadlines>

Wake Up, America

By ANTHONY LEWIS

President Bush's military tribunals represent the broadest move in American history to sweep aside constitutional protections.
<http://www.nytimes.com/2001/11/30/opinion/30LEWI.html?todayshadlines>

Bankrupt Analysis

By ADAM LASHINSKY

The Enron debacle is emblematic of a problem that has become all too evident in the last few years: Wall Street's loss of objectivity.
<http://www.nytimes.com/2001/11/30/opinion/30LASH.html?todayshadlines>

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QUOTE OF THE DAY

"The same compassion that caused me to root for the New York Yankees for the first time in 31 years makes me think it would be fun to go to New York and show the presidential flag there."

-BILL OWENS, governor of Colorado, on the idea of holding the 2004 Republican convention in the city.

<http://www.nytimes.com/2001/11/29/national/29POL8.html?todaysh headlines>

NATIONAL

C.I.A. Names Agent Killed in Fortress

Johnny Michael Spann, 32, was the first American combat death in Afghanistan since the campaign began.

<http://www.nytimes.com/2001/11/29/national/29INTE.html?todaysh headlines>

Al Qaeda Link Seen in Only a Handful of 1,200 Detainees

The nationwide search for terrorists after Sept. 11 has resulted in the arrests of more than 1,200 people, but officials believe only a small number have any links to terrorism.

<http://www.nytimes.com/2001/11/29/national/29DETA.html?todaysh headlines>

Justices Revisit the Issue of Child Protection in the Age of Internet Pornography

Supreme Court justices considered whether the federal government's efforts to shield children from pornography on the Internet could pass First Amendment muster.

<http://www.nytimes.com/2001/11/29/national/29PORN.html?todayshadlines>

MORE NATIONAL NEWS:

<http://www.nytimes.com/pages/national/index.html?todayshadline>

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INTERNATIONAL

U.S. Might Establish More Afghan Bases to Intensify Pressure on the Taliban

Gen. Tommy R. Franks said Wednesday that the United States might establish more makeshift bases inside Afghanistan.

<http://www.nytimes.com/2001/11/29/international/29MILI.html?todayshadlines>

At Site of Quelled Prisoner Revolt, Afghan Fort's Walls Tell a Tale of Death

Northern Alliance soldiers on Wednesday picked over the bodies of more than 150 Taliban prisoners who were killed in an uprising against their captors.

<http://www.nytimes.com/2001/11/29/international/asia/29MAZA.html?todayshadlines>

Where's bin Laden? Here's One Hunch

American forces have enlisted commanders in eastern Afghanistan to help search for Osama bin Laden in isolated mountain hide-outs south of Jalalabad.

<http://www.nytimes.com/2001/11/29/international/asia/29EAST.html?todayshadlines>

MORE INTERNATIONAL NEWS:

<http://www.nytimes.com/pages/world/index.html?todayshadline>

BUSINESS

Enron Collapses as Suitor Cancels Plans for Merger

Enron, the champion of energy deregulation, imploded after a rival backed out of a deal to buy it and many big trading partners stopped doing business with it.

<http://www.nytimes.com/2001/11/29/business/29ENRC.html?todayshadlines>

A Big Fall Evoking Nasty Old Memories of a Run on a Bank

The final collapse of Enron amounted to something that few living Americans have ever seen: a bank run like those in the days before deposit insurance.

<http://www.nytimes.com/2001/11/29/business/29PLAC.html?todayshadlines>

White House Says it Expects at Least 3 Years of Deficits

The expected budget deficits confirmed that the recession and the costs of fighting terrorism had combined to wipe out projected surpluses.

<http://www.nytimes.com/2001/11/29/business/29ECON.html?todayshadlines>

MORE BUSINESS NEWS:

<http://www.nytimes.com/pages/business/index.html?todayshadline>

TECHNOLOGY

Justices Revisit the Issue of Child Protection in the Age of Internet Pornography

Supreme Court justices considered whether the federal government's efforts to shield children from pornography on the Internet could pass First Amendment muster.

<http://www.nytimes.com/2001/11/29/national/29PORN.html?todayshadlines>

2 Copyright Cases Decided in Favor of Entertainment Industry

The entertainment industry won two closely watched cases that pit owners of copyrighted works against the people who develop technologies that can be used to copy those works.

<http://www.nytimes.com/2001/11/29/technology/29DVD.html?todayshadlines>

In the Bronx, an Ounce of Connection

A new children's hospital in the Bronx is trying to make technology part of the cure.

<http://www.nytimes.com/2001/11/29/technology/circuits/29HOSP.html?todayshadlines>

MORE TECHNOLOGY NEWS:

<http://www.nytimes.com/pages/technology/index.html?todayshadline>

POLITICS

White House Says It Expects at Least 3 Years of Deficits

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<http://www.nytimes.com/2001/11/29/business/29ECON.html?todayshadlines>

Justice Dept. and Senate Clash Over Bush Actions

The Bush administration's antiterrorism initiatives were questioned in a Senate hearing where questions were asked about the planned use of a military tribunal.

<http://www.nytimes.com/2001/11/29/politics/29JUST.html?todayshadlines>

2 Parties Embrace New York and Look to '04 Conventions

The terrorist attacks have sent the political parties scurrying to New York, eager to show unity with the nation's most wounded city.

<http://www.nytimes.com/2001/11/29/national/29POLG.html?todayshadlines>

MORE POLITICS NEWS:

<http://www.nytimes.com/pages/politics/index.html?todayshadline>

SPORTS

For One Night, Legend Rules the Court

Despite the Wizards' win over Philadelphia and his 30-point night, Michael Jordan is blamed by some critics for hampering the development of Washington's young players.

<http://www.nytimes.com/2001/11/29/sports/basketball/29JORD.html?todayshadlines>

Knicks Beat Hawks and Reach .500

Latrell Sprewell, the game's high scorer with 25 points, hit three of four free throws in the closing seconds to give the Knicks a win over the Hawks.

<http://www.nytimes.com/2001/11/29/sports/basketball/29KNIC.html?todayshadlines>

Miami's Sure-Fire Formula: Winning

Despite criticism for their weak nonconference schedule, the Hurricanes will likely capture a national title by winning all of their games this season.

<http://www.nytimes.com/2001/11/29/sports/ncaafootball/29COLL.html?todayshadlines>

MORE SPORTS NEWS:

<http://www.nytimes.com/pages/sports/index.html?todayshheadline>

ARTS

Lou Reed, Exploring Poe's Plutonian Shore

This disjointed gray mass of a celebration by the rocker Lou Reed is glacially slow, painstakingly deliberate and almost clinical in its retelling of favorite Edgar Allan Poe stories.

<http://www.nytimes.com/2001/11/29/arts/theater/29POET.html?todayshheadline>

Old Masters Pursued by Artistic Gunshoes

Art historians will gather this weekend to discuss and debate David Hockney's iconoclastic theory that old masters used optical devices to help them produce realistic images.

<http://www.nytimes.com/2001/11/29/arts/design/29OPTI.html?todayshheadline>

Bin Laden on Trial: Television Anticipates

Court TV and VH1 present vastly different but equally earnest programs that manage to cast fresh hooks into the news that dominates today's headlines.

<http://www.nytimes.com/2001/11/29/arts/television/29NOTE.html?todayshheadline>

MORE ARTS NEWS:

<http://www.nytimes.com/pages/arts/index.html?todayshheadline>

NY REGION

Engineers Have a Culprit in the Strange Collapse of 7 World Trade Center: Diesel Fuel

Engineers and scientists are trying to determine what role diesel fuel, ignited into an uncontrollable fire, had in the collapse of 7 World Trade Center.

<http://www.nytimes.com/2001/11/29/nyregion/29TOWE.html?todayshheadline>

2 Parties Embrace New York and Look to '04 Conventions

The terrorist attacks have sent the political parties scurrying to New York, eager to show unity with the nation's most wounded city.

<http://www.nytimes.com/2001/11/29/national/29POL2.html?todayshheadline>

New Daily Newspaper Is Planned in New York City for 2002

An investment group that includes the company of the publisher Conrad M. Black said that it planned to start printing a new daily newspaper in New York City in the first few months of 2002.
<http://www.nytimes.com/2001/11/29/business/29PAPER.html?todaysh headlines>

MORE NY REGION NEWS:
<http://www.nytimes.com/pages/nyregion/index.html?todaysh headline>

OP-ED

The Tourism Crisis
By BOB HERBERT
When you think of tourism in New York City, think jobs, jobs, jobs.
<http://www.nytimes.com/2001/11/29/opinion/29HERB.html?todaysh headlines>

Enemy of My Enemy
By WILLIAM SAFIRE
The enmity of our enemies should not make Iran our friend.
<http://www.nytimes.com/2001/11/29/opinion/29SAFI.html?todaysh headlines>

Survivor Security
By NANCY J. ALTMAN
The Sept. 11 attacks show that changing Social Security could have unintended consequences.
<http://www.nytimes.com/2001/11/29/opinion/29ALTM.html?todaysh headlines>

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QUOTE OF THE DAY

"Terrorists and invaders, come to ruin our country. I wonder what they are thinking now."

-AGHA MUHAMMAD, guarding a caravan of Taliban prisoners, mostly Pakistanis.

<http://www.nytimes.com/2001/11/28/international/asia/28CARA.html?todaysh headlines>

NATIONAL

Ashcroft Offers Accounting of 641 Charged or Held

Attorney General John Ashcroft provided for the first time the names of 93 people charged with crimes arising from the government's investigation of the Sept. 11 attacks.

<http://www.nytimes.com/2001/11/28/national/28INQU.html?todaysh headlines>

Supreme Court Dismisses Challenge in Its Main Affirmative Action Case

Supreme Court justices dismissed a constitutional challenge to a federal highway contracting program and conceded that the case had been "improvidently granted."

<http://www.nytimes.com/2001/11/28/national/28SCOT.html?todaysh headlines>

Student Charged in Plot She Warned About

A 17-year-old girl who police say warned a teacher about a student plot to stage a Columbine-style rampage killing at her high school was charged with conspiracy to commit murder.

<http://www.nytimes.com/2001/11/28/education/28SCHO.html?todaysh headlines>

MORE NATIONAL NEWS:

<http://www.nytimes.com/pages/national/index.html?todayshheadline>

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INTERNATIONAL

Taliban and Qaeda Leaders Said to Use Compound Hit by U.S.

American warplanes bombed a compound southeast of Kandahar on Tuesday that the Pentagon said was used by leaders of the Taliban and Al Qaeda.

<http://www.nytimes.com/2001/11/28/international/asia/28MILIT.html?todayshheadline>

Alliance Declares Revolt Is Crushed

Northern Alliance soldiers described a deadly final battle in which they drove the rebels from their last stronghold.

<http://www.nytimes.com/2001/11/28/international/asia/28NAZA.html?todayshheadline>

A Lonely Crusade Warning Africans of AIDS

Dr. Neil E. Jorgensen has brought the rate of H.I.V. in a small South African town to 20 percent, well below the region's 36 percent.

<http://www.nytimes.com/2001/11/28/health/28AIDS.html?todayshheadline>

MORE INTERNATIONAL NEWS:

<http://www.nytimes.com/pages/world/index.html?todayshheadline>

BUSINESS

Trying to Restore Confidence in Enron to Salvage a Merger

Enron and Dynegy worked to find ways to bolster confidence in Enron's energy-trading business as the companies' negotiators continued talks on revising the terms of their merger.

<http://www.nytimes.com/2001/11/28/business/28PLAC.html?todayshadlines>

Microsoft Move May Hasten Settlement of European Case

Offering a strong signal that it wants to settle its antitrust case in Europe, Microsoft has told the European Commission that it will forgo its right to a hearing next month.

<http://www.nytimes.com/2001/11/28/technology/28SOFT.html?todayshadlines>

Vehicle Sales Remain Robust This Month

Auto sales have remained surprisingly strong this month, easing the recession - and possibly shortening it - economists say.

<http://www.nytimes.com/2001/11/28/business/28AUTO.html?todayshadlines>

MORE BUSINESS NEWS:

<http://www.nytimes.com/pages/business/index.html?todayshadline>

TECHNOLOGY

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<http://www.nytimes.com/2001/11/28/technology/28SOFT.html?todayshadlines>

Belgian Hope in Software Sells Assets at Auction

The speech technology empire that Lernout & Hauspie had cobbled together was dismantled in a somber bankruptcy auction at a law office in Lower Manhattan.

<http://www.nytimes.com/2001/11/28/technology/28LERN.html?todayshadlines>

Nokia Sees Weak Sales Into 2002

Nokia reduced estimates for the number of handsets it expects consumers to buy in 2001, and said the market would continue to shrink through the early part of next year.

<http://www.nytimes.com/2001/11/28/technology/28PHON.html?todayshadlines>

MORE TECHNOLOGY NEWS:

<http://www.nytimes.com/pages/technology/index.html?todayshadline>

POLITICS

\$30 Billion Tax Hiatus Proposed

Republicans in the Senate said they would support a new idea to free employers and employees from paying Social Security payroll taxes for one month.

<http://www.nytimes.com/2001/11/28/politics/28TAX.html?todaysh headlines>

Senate Wants to Hear More About Cloning

An effort to ban all human cloning failed to advance in the Senate as opponents of a ban said more time was needed to ensure the continuation of research.

<http://www.nytimes.com/2001/11/28/politics/28CLOW.html?todaysh headlines>

Official Says He'll Miss Screening Goal

The transportation secretary said that his department could not meet the deadline established in the new aviation security law for screening airline baggage for explosives.

<http://www.nytimes.com/2001/11/28/politics/28SECU.html?todaysh headlines>

MORE POLITICS NEWS:

<http://www.nytimes.com/pages/politics/index.html?todaysh headline>

SPORTS

Selig Offers His Forecast

Commissioner Bud Selig underwent what seemed more like a coronation than a re-election, then produced as bleak a picture of baseball's economics as he ever has.

<http://www.nytimes.com/2001/11/28/sports/baseball/28BASE.html?todaysh headlines>

Torre Promises Gianbi the Job at

First

Joe Torre told Jason Gianbi that he would be the starting first baseman, not a designated hitter for any extended period, if Gianbi signed with the Yankees.

<http://www.nytimes.com/2001/11/28/sports/baseball/28YANK.html?todaysh headlines>

No. 5 Terps Knock Off No. 3 Illini

Juan Dixon scored 25 points for Maryland in a win over Illinois on Tuesday night in the ACC/Big Ten Challenge.

<http://www.nytimes.com/aponline/sports/AP-BKC-Illinois-Maryland.html?todaysh headlines>

MORE SPORTS NEWS:

<http://www.nytimes.com/pages/sports/index.html?todayshheadline>

ARTS

Legal Changes Allow Sotheby's and Christie's to Hold First Sales on French Turf

Sotheby's will make history this week when it becomes the first foreign auction house to hold a public sale in France. Christie's, its main competitor, will follow suit next week.

<http://www.nytimes.com/2001/11/28/arts/design/28AUCT.html?todayshheadline>

Assembling Scattered Works by the Cognoccenti's Painter

The American painter Louis M. Silskenius was so varied in style, feeling and ambition that he catches viewers out whenever they think they have him pinned to the ground.

<http://www.nytimes.com/2001/11/28/arts/design/28RUSS.html?todayshheadline>

A Conductor's Net Debut and a Soprano's Role Debut

Christoph Eschenbach made an impressive Metropolitan Opera debut and Renee Fleming gave her first Met performance of the title role in Strauss's "Arabella" on Monday.

<http://www.nytimes.com/2001/11/28/arts/music/28ARAB.html?todayshheadline>

MORE ARTS NEWS:

<http://www.nytimes.com/pages/arts/index.html?todayshheadline>

NY REGION

Man's Death Not Related to Anthrax, Governor Says

Gov. John G. Rowland defused rumors that the death of an 84-year-old Connecticut man was caused by anthrax.

<http://www.nytimes.com/2001/11/28/nyregion/28ANTH.html?todayshheadline>

Error Puts Body of One Firefighter in Grave of a Firehouse Colleague

A New York firefighter who was killed in the World Trade Center collapse was buried in the wrong grave, much to the dismay of the Fire Department.

<http://www.nytimes.com/2001/11/28/nyregion/28BODY.html?todayshheadline>

The White House Steps in to Quell a Struggle Over a New
Prosecutor

The White House stepped in with its own candidate for United States attorney, possibly averting a showdown between Gov. George E. Pataki and Senator Charles E. Schumer.
<http://www.nytimes.com/2001/11/28/nyregion/28NOMI.html?todayshheadline>

MORE NY REGION NEWS:

<http://www.nytimes.com/pages/nyregion/index.html?todayshheadline>

OP-ED

Bunks and Brutes

By MAUREEN DOWD

If the United States can bomb a path to victory for the Northern Alliance, we can lay down some terms for what women can attain in the new Afghanistan.

<http://www.nytimes.com/2001/11/28/opinion/28DOWD.html?todayshheadline>

How Secure Is Pakistan's Plutonium?

By MANSOOR IJAZ and R. JAMES WOOLSEY

The United States should export its methods for guarding nuclear materials.

<http://www.nytimes.com/2001/11/28/opinion/28WOOL.html?todayshheadline>

What New York Will Have to Give Up

By STEVEN RATTNER

An onerous \$40 billion debt load limits what New York can do to address the budget deficit.

<http://www.nytimes.com/2001/11/28/opinion/28RATT.html?todayshheadline>

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QUOTE OF THE DAY

"He just doesn't feel to me like the surrendering type."
-DONALD H. RUMSFELD, secretary of defense, on Mullah Muhammad Omar.

<http://www.nytimes.com/2001/11/27/international/asia/27MILL.html?todaysh headlines>

NATIONAL

U.S. Pressures Foreign Airlines Over Manifests

Foreign airline passengers will be put through lengthy searches if the airlines did not provide information to identify potential terrorists.

<http://www.nytimes.com/2001/11/27/politics/27SECU.html?todaysh headlines>

Michigan 'Invites' Men From Mideast to Be Interviewed

Officials are sending letters today to hundreds of young men inviting them to make appointments for interviews.

<http://www.nytimes.com/2001/11/27/national/27MUSL.html?todaysh headlines>

A Harvard Professor's Baffling Vanishing

The disappearance in Memphis earlier this month of Don C. Wiley, a leading expert on dangerous viruses like Ebola, has provoked wide attention.

<http://www.nytimes.com/2001/11/27/national/27HARV.html?todaysh headlines>

MORE NATIONAL NEWS:

<http://www.nytimes.com/pages/national/index.html?todayshheadline>

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INTERNATIONAL

U.S. Will Place 1,000 Troops on Ground

American marines on Monday helped direct air attacks on an armored column, inaugurating a new phase in the war in Afghanistan.

<http://www.nytimes.com/2001/11/27/international/asia/27MILI.html?todayshheadline>

Fight With Prisoners Rages at Northern Afghan Fort

Five Americans were wounded while helping the Northern Alliance try to quell a revolt of surrendered Taliban soldiers inside a prison near Mazar-i-Sharif.

<http://www.nytimes.com/2001/11/27/international/asia/27MAZA.html?todayshheadline>

A Deadly Fece Settles on Kunduz's Streets

As Taliban soldiers fled their last big garrison innorthern Afghanistan, they left behind several mysteries.

<http://www.nytimes.com/2001/11/27/international/asia/27KUND.html?todayshheadline>

MORE INTERNATIONAL NEWS:

<http://www.nytimes.com/pages/world/index.html?todayshheadline>

BUSINESS

Economists Make It Official: U.S. Is in Recession

A group of economists said that the longest economic expansion on record gave way earlier this year to the first recession in a decade.

<http://www.nytimes.com/2001/11/27/business/27ECOM.html?todayshheadline>

Enron Talking With Dynegy as They Work to Rescue Deal

The Enron Corporation and its would-be rescuer, Dynegy Inc., are talking about renegotiating the terms of their deal, originally valued at \$9 billion.
<http://www.nytimes.com/2001/11/27/business/27ENRO.html?todayshheadline>

Top Companies Issuing Debt at a Fast Pace

Blue-chip corporations are taking advantage of the chance to raise cash at bargain baserent prices, thanks to low interest rates, and to retire more expensive debt.
<http://www.nytimes.com/2001/11/27/business/27DEBT.html?todayshheadline>

MORE BUSINESS NEWS:

<http://www.nytimes.com/pages/business/index.html?todayshheadline>

TECHNOLOGY

Bankruptcy Auction Begins for Speech Technology Company

The bankruptcy auction for the assets of Lernout & Hauspie is expected to produce only a fraction of the hundreds of millions of dollars that the company owes.
<http://www.nytimes.com/2001/11/27/technology/27SPEE.html?todayshheadline>

A Practical Way to Make Power From Wasted Heat

Scientists at M.I.T. and a small company in Salt Lake City will announce that they have developed technology that can efficiently and inexpensively transform heat pollution into electricity.
<http://www.nytimes.com/2001/11/27/technology/27HEAT.html?todayshheadline>

A Breakthrough on Cloning? Perhaps, or Perhaps Not Yet

Shadowing the raging dispute on whether cloning should be outlawed is a major question: Is the human-cloning attempt a milestone or a forgettable blunder?
<http://www.nytimes.com/2001/11/27/health/27EMBR.html?todayshheadline>

MORE TECHNOLOGY NEWS:

<http://www.nytimes.com/pages/technology/index.html?todayshheadline>

POLITICS

Next Target in Terror War: Bush Says It Could Be Iraq

President Bush warned Saddam Hussein that if he did not

admit inspectors to determine if Iraq is developing weapons of mass destruction, he would face consequences.
<http://www.nytimes.com/2001/11/27/international/27PREX.html?todaysh headlines>

Bush Denounces Cloning and Calls for Ban

President Bush condemned the work of a Massachusetts biotechnology company that says it has created human embryos through cloning.
<http://www.nytimes.com/2001/11/27/health/27CLON.html?todaysh headlines>

A Democrat to Run Fund for Sept. 11

The attorney general appointed Kenneth R. Feinberg to run the \$11 billion fund set up to compensate families of the victims.
<http://www.nytimes.com/2001/11/27/politics/27FUND.html?todaysh headlines>

MORE POLITICS NEWS:

<http://www.nytimes.com/pages/politics/index.html?todaysh headline>

SPORTS

***** Yankees' Brosius to Retire

Scott Brosius, who played in the World Series in each of his four seasons with the Yankees and earned three championship rings, has decided to retire.
<http://www.nytimes.com/2001/11/27/sports/baseball/27PINS.html?todaysh headlines>

Miami and Florida Top List, but Nothing's Settled

In the new B.C.S. ranking, Miami is No. 1 and Florida is No. 2, but they are not the only teams that could end up in the Rose Bowl.
<http://www.nytimes.com/2001/11/27/sports/ncaaf football/27COLL.html?todaysh headlines>

Camby Back and Knicks Win

Marcus Camby, the Knicks' much-missed center, turned in an outstanding performance, and the Knicks beat the Atlanta Hawks on Monday night.
<http://www.nytimes.com/2001/11/27/sports/basketball/27KNIC.html?todaysh headlines>

MORE SPORTS NEWS:

<http://www.nytimes.com/pages/sports/index.html?todaysh headline>

ARTS

New Interest in Florida Paintings by a Group of Black Artists

For decades following World War II, Florida landscapes shaped the state's popular image, but few knew that they were largely the creations of self-taught, African-American artists.

<http://www.nytimes.com/2001/11/27/arts/design/27ARTS.html?todaysh headlines>

Audience Stands Up to Cheer a Stand-In

Though not technically flawless, Veronica Villarroel's affecting performance in the title role of "Madama Butterfly" is vocally distinguished and unerringly honest.

<http://www.nytimes.com/2001/11/27/arts/music/27BUTT.html?todaysh headlines>

The Panic of 1837: Those Were the Days!

"The Streets of New York" is almost 150 years old and strikes just the right note for late 2001, midway between laughable sentimentality and sincere philanthropic sympathy.

<http://www.nytimes.com/2001/11/27/arts/theater/27STRE.html?todaysh headlines>

MORE ARTS NEWS:

<http://www.nytimes.com/pages/arts/index.html?todaysh headline>

NY REGION

White House Offers a Choice for Prosecutor

James B. Conroy, a native New Yorker who won acclaim for prosecuting gun violence, is in line to be the next U.S. attorney in Manhattan.

<http://www.nytimes.com/2001/11/27/nyregion/27APTO.html?todaysh headlines>

Nassau Democrats Form Plan to Cut Spending and Raise Taxes

The County Legislature is facing a Wednesday deadline to balance the budget or risk a state fiscal takeover.

<http://www.nytimes.com/2001/11/27/nyregion/27MASS.html?todaysh headlines>

Bloomberg, in Dominican Republic, Meets With Crash Victims' Relatives

The mayor-elect of New York met with about 35 Dominicans whose loved ones were killed in the crash of Flight 587.

<http://www.nytimes.com/2001/11/27/nyregion/27BLOG.html?todaysh headlines>

MORE NY REGION NEWS:

<http://www.nytimes.com/pages/nyregion/index.html?todayshheadline>

OP-ED

The Seal War

By THOMAS L. FRIEDMAN

If 9/11 was indeed the onset of World War III, we have to understand what this war is about. We're fighting to defeat an ideology: religious totalitarianism.

<http://www.nytimes.com/2001/11/27/opinion/27FRIE.html?todayshheadline>

Muslim Women as Symbols and Pawns

By RINA AMIRI

Envisioning a real peace, with women as key stakeholders in Afghanistan, requires looking beyond symbols.

<http://www.nytimes.com/2001/11/27/opinion/27AMIR.html?todayshheadline>

Catching the Urban Wave

By D. J. WALDIE

After 50 years of discarded opportunities, there are now new and hopeful signs that city life in Los Angeles has a chance of being revived.

<http://www.nytimes.com/2001/11/27/opinion/27WALD.html?todayshheadline>

MORE OP-ED NEWS:

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QUOTE OF THE DAY

'I think there is going to be some heartburn on the part of police chiefs to take on this role because this is not how we usually do business.'

-KEN YARBROUGH, police chief of Richardson, Tex., on Attorney General John Ashcroft's request for help interviewing 5,000 Middle Eastern men.

<http://www.nytimes.com/2001/11/22/national/22POLI.html?todaysh headlines>

NATIONAL

Police Are Split on Questioning of Mideast Men

Police chiefs are concerned that Attorney General John Ashcroft's request that they help interview thousands of Middle Eastern men seems like racial profiling.

<http://www.nytimes.com/2001/11/22/national/22POLI.html?todaysh headlines>

Hints of an Alzheimer's Aid in Anti-Inflammatory Drugs

Middle-age and elderly people who took anti-inflammatory drugs like ibuprofen or naproxen for at least two years were apparently protected from Alzheimer's disease.

<http://www.nytimes.com/2001/11/22/health/22ALZH.html?todaysh headlines>

One Maryland County Moves to Regulate In-Home Smoking

A suburban Maryland county has approved a strict antismoking measure that would impose \$750 fines against residents if the odor of their smoking irritates neighbors.

<http://www.nytimes.com/2001/11/22/national/22SMOK.html?todaysh headlines>

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<http://www.nytimes.com/pages/national/index.html?todayheadline>

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INTERNATIONAL

Foreign Militants Seek Safe Passage From Afghan City

Foreign militants trapped inside Kunduz have asked to leave
Afghanistan through a protected corridor and travel to
Pakistan.

<http://www.nytimes.com/2001/11/22/international/asia/22KUND.html?todayheadline>

How bin Laden and Taliban Forged Jihad Ties

Osama bin Laden's relationship with the Taliban helped lead
the Afghan religious movement into a more global jihad and,
eventually, doom.

<http://www.nytimes.com/2001/11/22/international/asia/22TALI.html?todayheadline>

Saudi Sees No bin Laden-Iraq Link

Saudi Arabia's former intelligence chief said Wednesday that
his government had seen no evidence that the Iraqi
government had provided support to Al Qaeda.

<http://www.nytimes.com/2001/11/22/international/middleeast/22SAUD.html?todayheadline>

MORE INTERNATIONAL NEWS:

<http://www.nytimes.com/pages/world/index.html?todayheadline>

BUSINESS

Employees' Retirement Plan Is a Victim as Enron Tumbles

The rapid decline of the Enron Corporation has devastated
its employees' retirement plan, which was heavy with
company stock.

<http://www.nytimes.com/2001/11/22/business/22RETI.html?todayshadlines>

Circling the Wagons Around Enron

Officials of Dynegy weighed whether to seek to renegotiate the terms of the company's agreement to acquire Enron, while Enron and its bankers sought to shore up the company's finances.

<http://www.nytimes.com/2001/11/22/business/22ENRO.html?todayshadlines>

Reports Suggest Recovery Soon, but Not Exactly a Robust One

The economy remains weak but reports suggest it is no longer worsening, giving weight to the increasingly popular view that a recovery is only a few months away.

<http://www.nytimes.com/2001/11/22/business/22ECON.html?todayshadlines>

MORE BUSINESS NEWS:

<http://www.nytimes.com/pages/business/index.html?todayshadline>

TECHNOLOGY

What Did You Do Before the War?

New fears and new data tools are yielding a boom in background checks -- even after you're hired.

<http://www.nytimes.com/2001/11/22/technology/circuits/22CHEC.html?todayshadlines>

Microsoft's Top Lawyer Sets Retirement

On the heels of two major settlements, William H. Neukon, the legal field general in Microsoft's antitrust conflicts, said that he would retire next year.

<http://www.nytimes.com/2001/11/22/technology/22SOFT.html?todayshadlines>

A Thermometer That Squawks When the Bird Is Done

By providing remote readouts, digital meat thermometers are designed to take the worry and the guesswork out of cooking the holiday turkey.

<http://www.nytimes.com/2001/11/22/technology/circuits/22HOWX.html?todayshadlines>

MORE TECHNOLOGY NEWS:

<http://www.nytimes.com/pages/technology/index.html?todayshadline>

POLITICS

Bush Says War May Go Beyond Afghan Border

President Bush said that the United States would take the war on terrorism to nations beyond Afghanistan that harbor terrorists.

<http://www.nytimes.com/2001/11/22/politics/22BUSH.html?todayshdlines>

Ridge to Seek Big Increases for Fight on Terror

Tom Ridge, the director of homeland security, said that he will seek new spending for federal law enforcement agencies and public health facilities.

<http://www.nytimes.com/2001/11/22/politics/22RIDGE.html?todayshdlines>

Some Wonder Where Pataki Has Been During Uphill Fight for Billions

Gov. George E. Pataki remained curiously silent while New York politicians spoke up as the White House and Congress tried to clamp down on federal aid for New York.

<http://www.nytimes.com/2001/11/22/nyregion/22AID.html?todayshdlines>

MORE POLITICS NEWS:

<http://www.nytimes.com/pages/politics/index.html?todayshdline>

SPORTS

High-Flying Suns Pull Knicks Back to Earth

With Stephen Marbury directing the action, the Suns put on a high-flying, dunk-laden display as they dominated and deflated the Knicks.

<http://www.nytimes.com/2001/11/22/sports/basketball/22KNIC.html?todayshdlines>

Gruden Is Brains Behind the Raiders

The Oakland Raiders' Jon Gruden possesses a multilayered personality that has led many N.F.L. general managers to call him the best young coaching talent in years.

<http://www.nytimes.com/2001/11/22/sports/football/22GRUD.html?todayshdlines>

Giant Optimism Well Above .500 Level

Despite losses in four of their last six games, the Giants still stress the positives about their season and expect to win most of their remaining games.

<http://www.nytimes.com/2001/11/22/sports/football/22GIAN.html?todayshdlines>

MORE SPORTS NEWS:

<http://www.nytimes.com/pages/sports/index.html?todayshheadline>

ARTS

Where Old Pianos Go to Live

Unlike most museums, this important collection of historic 19th-century pianos is meant to be used.

<http://www.nytimes.com/2001/11/22/arts/design/22PIAN.html?todayshheadline>

Ballet as Balm in a Tribute to a City on the Mend

It was certainly not your usual opening of a winter season by the New York City Ballet.

<http://www.nytimes.com/2001/11/22/arts/dance/22GALA.html?todayshheadline>

Catching the World in the Act of Changing

The man who recorded the events of Sept. 11, Evan Fairbanks, has made a Zapruder film for our time.

<http://www.nytimes.com/2001/11/22/arts/design/22WAGN.html?todayshheadline>

MORE ARTS NEWS:

<http://www.nytimes.com/pages/arts/index.html?todayshheadline>

NY REGION

Connecticut Woman, 94, Is Fifth to Die From Inhalation Anthrax

Medical investigators began searching for clues as to how a widow who rarely left her house had become the country's fifth recent anthrax fatality.

<http://www.nytimes.com/2001/11/22/nyregion/22ANTH.html?todayshheadline>

Some Wonder Where Pataki Has Been During Uphill Fight for Billions

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<http://www.nytimes.com/2001/11/22/nyregion/22AID.html?todayshheadline>

Developer Briefs Bloomberg on Plans to Rebuild Towers

Larry A. Silverstein, the developer who holds the lease on

the World Trade Center, met with Mayor-elect Michael R. Bloomberg and said that he would go ahead with plans to rebuild at the site.
<http://www.nytimes.com/2001/11/22/nyregion/22MIKE.html?todayshheadline>

MORE NY REGION NEWS:
<http://www.nytimes.com/pages/nyregion/index.html?todayshheadline>

OP-ED

Hunger in the City
By BOB HERBERT
There is something very wrong, in a society as affluent as ours, when families have to choose between food and rent.
<http://www.nytimes.com/2001/11/22/opinion/22HERB.html?todayshheadline>

Welcome Back, Politics!
By WILLIAM SAFIRE
Here is the trick in political prognostication: Take what you know to be true and then play fast and loose with the possible.
<http://www.nytimes.com/2001/11/22/opinion/22SAFI.html?todayshheadline>

Educating the World
By GENE SPERLING
The United States should commit to getting all the world's children in school.
<http://www.nytimes.com/2001/11/22/opinion/22SPER.html?todayshheadline>

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QUOTE OF THE DAY

"You don't decide need based on an arbitrary line. A line makes it easy for administration, but not for the people who have to suffer through the pain every day."
-DON LEE, on the part of Chinatown that was designated for financial aid.

<http://www.nytimes.com/2001/11/21/nyregion/21CHIN.html?todayshadlines>

NATIONAL

In Utah, a Government Hater Sells a Germ-Warfare Book

A Nebraska entrepreneur has been selling copies of his self-published book which includes directions for making "mail-delivered" anthrax.
<http://www.nytimes.com/2001/11/21/national/21BOOK.html?todayshadlines>

A Police Force Rebuffs F.B.I. on Querying Mideast Men

The Portland, Ore., police will not cooperate with the Federal Bureau of Investigation in its efforts to interview 5,000 young Middle Eastern men because such questioning violates state law.
<http://www.nytimes.com/2001/11/21/national/21PORT.html?todayshadlines>

Boat Found, but 30 Cubans Are Missing

Coast Guard officials found a capsized speedboat that they believe was carrying 30 Cubans who were being smuggled to the United States.
<http://www.nytimes.com/2001/11/21/national/21BOAT.html?todayshadlines>

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INTERNATIONAL

U.S. Ready to Send Additional Troops to Hunt bin Laden

The United States is prepared to send additional ground forces to capture or kill Osama bin Laden if intelligence pinpoints his location, Pentagon officials said.

<http://www.nytimes.com/2001/11/21/international/21MILI.html?todayshheadline>

Direction of Global War on Terror Raises Unsettling Questions

The military campaign in Afghanistan has given the world a stark view of a new American doctrine to take war on the sources of terrorism.

<http://www.nytimes.com/2001/11/21/international/21ASSE.html?todayshheadline>

An Investigation in Egypt Illustrates Al Qaeda's Web

Records from a 1999 Cairo trial show how the merger of Al Qaeda and Islamic Jihad vastly enhanced Osama bin Laden's reach and organizational ability.

<http://www.nytimes.com/2001/11/21/international/middleeast/21JIHA.html?todayshheadline>

MORE INTERNATIONAL NEWS:

<http://www.nytimes.com/pages/world/index.html?todayshheadline>

BUSINESS

Enron's Growing Financial Crisis Raises Doubts About Merger Deal

Shares of Enron plunged 33 percent as expectations grew in

the markets that Dynegy would either back out of its deal to rescue the company or seek to renegotiate terms of their merger.
<http://www.nytimes.com/2001/11/21/business/21ENRO.html?todayshdlines>

Conoco Plays Security Card in Promoting Its Merger

The chairman of Conoco, Archie W. Dunham, has added a new rationale for his company's planned merger with Phillips Petroleum: energy security.
<http://www.nytimes.com/2001/11/21/business/21PLAC.html?todayshdlines>

Microsoft Aims to Settle Suits by Equipping 12,500 Schools

Microsoft proposed giving some of the nation's poorest schools computers, software and training to settle more than 100 private class-action antitrust suits.
<http://www.nytimes.com/2001/11/21/technology/21SOFT.html?todayshdlines>

MORE BUSINESS NEWS:

<http://www.nytimes.com/pages/business/index.html?todayshdlines>

TECHNOLOGY

Microsoft Aims to Settle Suits by Equipping 12,500 Schools

Microsoft proposed giving some of the nation's poorest schools computers, software and training to settle more than 100 private class-action antitrust suits.
<http://www.nytimes.com/2001/11/21/technology/21SOFT.html?todayshdlines>

Vacations as Early Education

Instead of M.I.T., Charles Herington, president of AOL Latin America, enrolled in Monterrey Tech in northern Mexico. And he's not sorry that things turned out the way they did.
<http://www.nytimes.com/2001/11/21/business/21BOSS.html?todayshdlines>

Protesters Find the Web to Be a Powerful Tool

With opinion polls showing overwhelming support for President Bush, antiwar activists are relying heavily on the Internet to weave their fragmented constituents into a movement.
<http://www.nytimes.com/2001/11/21/technology/21ANTI.html?todayshdlines>

MORE TECHNOLOGY NEWS:

<http://www.nytimes.com/pages/technology/index.html?todayshdlines>

POLITICS

Putting Name to Bush Justice Dept.: Kennedy

President Bush reached out to the nation's most prominent Democratic political family in a ceremony to name the Justice Department headquarters in honor of Robert F. Kennedy.

<http://www.nytimes.com/2001/11/21/national/21BUSH.html?todayshadlines>

Treffinger Enters 2002 Race for Torricelli's Senate Seat

The Essex County, N.J., executive, James W. Treffinger, announced in unusually low-key fashion that he was seeking the Republican nomination.

<http://www.nytimes.com/2001/11/21/politics/21SENA.html?todayshadlines>

Congressional Visitors Urge Federal Protection for All N-Plants

The federal government should assume responsibility for protecting the country's nuclear power plants, a group of Democratic members of Congress from New York said.

<http://www.nytimes.com/2001/11/21/nyregion/21NUKE.html?todayshadlines>

MORE POLITICS NEWS:

<http://www.nytimes.com/pages/politics/index.html?todayshadline>

SPORTS

In Any Language, Suzuki Is A.L.'s Best

Seattle's Ichiro Suzuki has a knack for making strong first impressions, and on Tuesday he became only the second rookie to win the Most Valuable Player award.

<http://www.nytimes.com/2001/11/21/sports/baseball/21MVP.html?todayshadlines>

Yankees Begin Courting Giambi

The Yankees opened talks with Jason Giambi on Tuesday, the first day that the free-agent slugger could discuss specific offers from teams other than Oakland.

<http://www.nytimes.com/2001/11/21/sports/baseball/21YANK.html?todayshadlines>

Rangers Give Roy the Chills

Patrick Roy, who was trying to tie the modern-era N.H.L. record for consecutive shutouts, four, was shelled for five

goals in the Rangers' win over Colorado.
<http://www.nytimes.com/2001/11/21/sports/hockey/21RANG.html?todayshadlines>

MORE SPORTS NEWS:
<http://www.nytimes.com/pages/sports/index.html?todayshadline>

ARTS

Foundation Starts \$50 Million Fund for Arts Groups Hurt by
Terrorism

The Andrew W. Mellon Foundation is creating a fund for
cultural institutions affected by repercussions of the
Sept. 11 attacks, as well as for parks where people
congregated after the disaster.
<http://www.nytimes.com/2001/11/21/arts/21MELL.html?todayshadlines>

A Friendship Tested as the Cold War Thaws

Tony Scott's new movie, which tracks the 24 hours before
a maverick C.I.A. agent retires, has the pointless,
thrilling kineticism of a sports car commercial.
<http://www.nytimes.com/2001/11/21/movies/21SPY.html?todayshadlines>

'Monsters, Inc.' and 'Shrek' Are Likely Foes for New Oscar

The hottest race for an Academy Award is in a newly created
category: best animated feature.
<http://www.nytimes.com/2001/11/21/movies/21OSCA.html?todayshadlines>

MORE ARTS NEWS:
<http://www.nytimes.com/pages/arts/index.html?todayshadline>

NY REGION

Inhalation Anthrax Is Diagnosed in Connecticut Woman, 94

A 94-year-old Connecticut woman appears to have contracted
the inhaled form of anthrax, officials said. She was
hospitalized in critical condition.
<http://www.nytimes.com/2001/11/21/nyregion/21ANTH.html?todayshadlines>

Toll From Attack at Trade Center Is Down Sharply

The official count of the dead and missing has fallen below
3,900 nearly 3,000 fewer than the number officials
originally feared had perished.

<http://www.nytimes.com/2001/11/21/nyregion/21NUMB.html?todayshadlines>

Terror Attacks Have Left Chinatown's Economy Battered

Chinatown is still reeling financially and is perhaps the hardest hit neighborhood outside the red zone.

<http://www.nytimes.com/2001/11/21/nyregion/21CHIN.html?todayshadlines>

MORE NY REGION NEWS:

<http://www.nytimes.com/pages/nyregion/index.html?todayshadline>

OP-ED

Blessings and Bombings

By MAUREEN DOWD

President Bush definitely has a talent for holding opposed ideas in his mind.

<http://www.nytimes.com/2001/11/21/opinion/21DOWD.html?todayshadlines>

The 55-Cent Solution

By PAUL KRUGMAN

George W. Bush has backed off his personal pledge to provide aid to a battered New York City.

<http://www.nytimes.com/2001/11/21/opinion/21KRUG.html?todayshadlines>

Help Iraqis Take Their Country Back

By KANAN MAKIYA

If the challenge represented by the attacks of Sept. 11 is going to be met, then overthrowing Saddam Hussein by reaching out to the people of Iraq is where it has to begin.

<http://www.nytimes.com/2001/11/21/opinion/21MAKI.html?todayshadlines>

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QUOTE OF THE DAY

"It could not have happened at a worse place. This is like the aftershock of an earthquake. Just when you're getting comfortable, another plane falls out of the sky."
-ANTHONY D. WEINER, a Queens congressman.

http://www.nytimes.com/2001/11/13/nyregion/_13CRAS.html?todaysh headlines

NATIONAL

Fliers Take Solace in Absence of Apparent Ties to Terrorism

More than ever, passengers relied on the comforting, sturdy voices of pilots.

<http://www.nytimes.com/2001/11/13/national/13AIRP.html?todaysh headlines>

Experts Divided on New Antiterror Policy That Scuttles Lawyer-Client Confidentiality

Legal experts differ on the Justice Department policy of monitoring communications between people suspected of terrorism and their lawyers.

<http://www.nytimes.com/2001/11/13/national/13LEGA.html?todaysh headlines>

Drought Holds Much of East in Its Grip; Fires Spread

An East Coast drought has fueled brush fires, lowered reservoirs and brought appeals to conserve water.

<http://www.nytimes.com/2001/11/13/national/13DROU.html?todaysh headlines>

MORE NATIONAL NEWS:

<http://www.nytimes.com/pages/national/index.html?todayshheadline>

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INTERNATIONAL

Taliban Withdrawing From Kabul as Rebels Move Toward Capital

As the Taliban headed southward to their heartland, Northern
Alliance commanders appeared to be holding their forces
outside the Afghan capital.

<http://www.nytimes.com/2001/11/13/international/asia/13MILI.html?todayshheadline>

Powell Says Muslim Nations Should Be Peacekeepers in Kabul

The secretary of state said that Turkey, Bangladesh and
Indonesia have offered forces for an operation that would
prepare the ground for an interim government.

<http://www.nytimes.com/2001/11/13/international/asia/13DIPL.html?todayshheadline>

Putin, Starting U.S. Trip, Predicts Missile Accord

Asid high hopes for arms talks, President Vladimir V. Putin
of Russia arrived on his first official visit to the United
States on Monday.

<http://www.nytimes.com/2001/11/13/international/europe/13PREX.html?todayshheadline>

MORE INTERNATIONAL NEWS:

<http://www.nytimes.com/pages/world/index.html?todayshheadline>

BUSINESS

Crash Inflicts Heavy Blow on Prospects of American

Before Flight 587 crashed, American Airlines was seen as one
of the carriers best positioned to weather the drastic
downturn. But now American could find itself in much deeper
trouble.

<http://www.nytimes.com/2001/11/13/business/13AMER.html?todayshadlines>

Credit Suisse Trims Compensation of More Top Bankers

John J. Mack, the new chief executive of Credit Suisse First Boston, has done away with special, lucrative compensation deals for many senior investment bankers.

<http://www.nytimes.com/2001/11/13/business/13WALL.html?todayshadlines>

Gas Pipeline Is Prominent as Dynegy Seeks Enron

As part of its planned acquisition of Enron, Dynegy will get the right to acquire Northern Natural Gas, a potentially lucrative pipeline system.

<http://www.nytimes.com/2001/11/13/business/13PLAC.html?todayshadlines>

MORE BUSINESS NEWS:

<http://www.nytimes.com/pages/business/index.html?todayshadline>

TECHNOLOGY

European Union Set to Vote on Data Law

European Union lawmakers are expected to approve a data-protection law they are drafting to allow the authorities greater access to information about telephone calls and Internet messages.

<http://www.nytimes.com/2001/11/13/technology/13NET.html?todayshadlines>

Juniper to Buy Pacific Broadband for \$200 Million

Juniper Networks said it would buy privately held Pacific Broadband Communications for about \$200 million in stock in order to connect its optical equipment with home and office cable systems.

<http://www.nytimes.com/reuters/technology/tech-telecom-juniper.html?todayshadlines>

Traffic Hits Web Sites After Crash

An anxious public flooded the Internet for news immediately after Monday's American Airlines crash, forcing some news sites to take special measures to meet the demand.

<http://www.nytimes.com/aponline/technology/AP-Crash-Internet.html?todayshadlines>

MORE TECHNOLOGY NEWS:

<http://www.nytimes.com/pages/technology/index.html?todayshadline>

POLITICS

Putin, Starting U.S. Trip, Predicts Missile Accord

Amid high hopes for arms talks, President Vladimir V. Putin of Russia arrived on his first official visit to the United States on Monday.

<http://www.nytimes.com/2001/11/13/international/europe/13PREX.html?todaysh headlines>

Divided Senate Takes Up Stimulus Bill Today

The Senate plans to take up a Democratic economic recovery package on Tuesday that has left the two parties bitterly divided.

<http://www.nytimes.com/2001/11/13/politics/13STIM.html?todaysh headlines>

A Test for Fledgling Disaster Response Network

The jet crash set off a real-time test of how the nation's nascent homeland defense system would work in the aftermath of Sept. 11.

<http://www.nytimes.com/2001/11/13/politics/13DEFE.html?todaysh headlines>

MORE POLITICS NEWS:

<http://www.nytimes.com/pages/politics/index.html?todaysh headline>

SPORTS

Pitino Rebuilds in Louisville

Last spring, Rick Pitino was at loose ends. Now he's at Louisville, back in the state of Kentucky, thanks to a friend who was killed on Sept. 11 in the World Trade Center.

<http://www.nytimes.com/2001/11/13/sports/ncaa-basketball/13RICK.html?todaysh headlines>

For McGwire, the End Came Too Soon

Mark McGwire's career is over prematurely after 15 years of slugging 583 home runs fifth on the career list and recovering from injuries.

<http://www.nytimes.com/2001/11/13/sports/baseball/13MARK.html?todaysh headlines>

Pujols and Suzuki Win Rookie Awards

Albert Pujols of the St. Louis Cardinals was unanimously selected the N.L.'s rookie of the year, and Ichiro Suzuki of the Seattle Mariners took the A.L. honor.

<http://www.nytimes.com/2001/11/13/sports/baseball/13ROOK.html?todaysh headlines>

MORE SPORTS NEWS:

<http://www.nytimes.com/pages/sports/index.html?todayshheadline>

ARTS

At Least for the Moment, a Cooling Off in the Culture Wars

Not only have the squirmishes subsided between Washington and Hollywood, but a first attempt has been made to forge a role for the entertainment industry in the nation's war effort.

<http://www.nytimes.com/2001/11/13/arts/13TRUC.html?todayshheadline>

A Cable Channel Focused on the Past Turns to the Present

After 15 days, according to the History Channel, news turns into history. It has used this demarcation in making decisions for airing programs related to terrorism.

<http://www.nytimes.com/2001/11/13/arts/television/13NOTE.html?todayshheadline>

Very First Feminist's Earle Revenge on Men

Deborah Drettell has earned much good will among artists, staff and, it would appear, audiences, so it is disappointing to report on her opera's score.

<http://www.nytimes.com/2001/11/13/arts/music/13LILI.html?todayshheadline>

MORE ARTS NEWS:

<http://www.nytimes.com/pages/arts/index.html?todayshheadline>

NY REGION

Jet Crashes Near Kennedy; Recorder Is Found

An American Airlines jetliner bound from New York to Santo Domingo plunged into a neighborhood in Queens minutes after takeoff.

http://www.nytimes.com/2001/11/13/nyregion/_13CRAS.html?todayshheadline

Grief Echoes From New York to Santo Domingo

At 9:17 a.m., Washington Heights and the Dominican Republic, joined by culture, family and commerce, suddenly had grief to share, too.

<http://www.nytimes.com/2001/11/13/nyregion/13VICT.html?todayshheadline>

Horror Arrives in a Serene Haven

Into the sleepy rhythms of a holiday morning, human bodies came hurtling from a jet fuselage onto a quiet residential street.

<http://www.nytimes.com/2001/11/13/nyregion/13SCEN.html?todayshadlines>

MORE NY REGION NEWS:

<http://www.nytimes.com/pages/nyregion/index.html?todayshadline>

OP-ED

In Pakistan, It's Jihad 101

By THOMAS L. FRIEDMAN

The real war for peace in Pakistan is in the schools.

<http://www.nytimes.com/2001/11/13/opinion/13FRIE.html?todayshadlines>

Can Bush and Putin Control Russia's Arsenal?

By CHRISTOPHER J. BOBB and CHUCK HAGEL

President Bush and President Vladimir Putin need to work together to keep Russia's nuclear material out of the hands of terrorists.

<http://www.nytimes.com/2001/11/13/opinion/t13BOBB.html?todayshadlines>

A Homeland in Search of Security

By DANIEL BENJAMIN and STEVEN SIMON

Homeland defense must be based on identifying our vulnerabilities and reducing them.

<http://www.nytimes.com/2001/11/13/opinion/13BENJ.html?todayshadlines>

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QUOTE OF THE DAY

"When something like that happens, you feel helpless. I had to fix that."
-KIRK EVANS, 19, who joined the Army after the Sept. 11 attacks.

<http://www.nytimes.com/2001/11/12/national/12RECR.html?todayheadlines>

NATIONAL

U.S. Is Expecting to Spend \$1 Billion a Month on War

The cost is likely to rise rapidly above that level as the Pentagon builds its forces in the region.

<http://www.nytimes.com/2001/11/12/national/12PBNT.html?todayheadlines>

In Sweeping Campus Canvasses, U.S. Checks on Mideast Students

Investigators have contacted administrators at more than 200 colleges to collect information about students from Middle Eastern countries.

<http://www.nytimes.com/2001/11/12/national/12STUD.html?todayheadlines>

Sagging Economy Threatens Health Coverage

The loss of a full-time job can quickly translate into the loss of health benefits.

<http://www.nytimes.com/2001/11/12/national/12HEAL.html?todayheadlines>

MORE NATIONAL NEWS:

<http://www.nytimes.com/pages/national/index.html?todayshheadline>

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INTERNATIONAL

Anti-Taliban Units Open Assault on Positions North of Kabul

Backed by American airpower, the anti-Taliban Northern Alliance opened a major assault on Taliban positions north of Kabul early this morning.

<http://www.nytimes.com/2001/11/12/international/asia/12MILI.html?todayshheadline>

U.S. Indicates Fresh Resolve to Mediate a Mideast Peace

Yasir Arafat expressed his "deepest appreciation" on Sunday for President Bush's public endorsement of Palestine as a state.

<http://www.nytimes.com/2001/11/12/international/middleeast/12MIDE.html?todayshheadline>

Honoring Lost Lives From Some 80 Nations in Memorial for World

Sunday's service at the site of the World Trade Center collapse, which marked the two-month anniversary of the attacks, was a memorial for the world.

<http://www.nytimes.com/2001/11/12/international/12PREX.html?todayshheadline>

MORE INTERNATIONAL NEWS:

<http://www.nytimes.com/pages/world/index.html?todayshheadline>

BUSINESS

CBS News Asks '60 Minutes' to Cut Back on Producers

Television's pre-eminent newsmagazine has been asked by CBS News to reduce its production staff as part of a plan to reduce costs.

<http://www.nytimes.com/2001/11/13/business/media/12PINK.html?todayshheadline>

Dynegy's Rushed Gamble on Enron Carries Some Big Risks

The acquisition of Enron by Dynegy, an energy marketer and trader based in Houston, may be a \$9 billion shotgun wedding.

<http://www.nytimes.com/2001/11/12/business/12ENRO.html?todayshheadline>

The Toy War for Holiday Movies

Three upcoming children's movies illustrate how the alliance between Hollywood and toys has been enduring and lucrative.

<http://www.nytimes.com/2001/11/12/business/12MARR.html?todayshheadline>

MORE BUSINESS NEWS:

<http://www.nytimes.com/pages/business/index.html?todayshheadline>

TECHNOLOGY

Complaints That Chinese Companies Supply Rogue Nations

China has been responsive to efforts to set up a system of export controls, which are crucial now that China has joined the World Trade Organization.

<http://www.nytimes.com/2001/11/12/technology/12CHIN.html?todayshheadline>

Andy Grove's Tale of a Boyhood in Wartime

Andrew S. Grove, Intel's chairman, has published a memoir that tells of the experiences he faced growing up in Hungary through a fascist regime, a Nazi invasion and a Soviet occupation.

<http://www.nytimes.com/2001/11/12/technology/ebusiness/12ANDY.html?todayshheadline>

Online Privacy Expert Shifts Focus to Security

Richard M. Smith, a vocal authority on data privacy, is turning his attention to studying whether the public is sufficiently secure.

<http://www.nytimes.com/2001/11/12/technology/12RICH.html?todayshheadline>

MORE TECHNOLOGY NEWS:

<http://www.nytimes.com/pages/technology/index.html?todayshheadline>

POLITICS

Study of Disputed Florida Ballots Finds Justices Did Not

Cast the Deciding Vote

George W. Bush would have won even if the Supreme Court had allowed the statewide manual recount that the Florida court had ordered to go forward.
<http://www.nytimes.com/2001/11/12/politics/12VOTE.html?todaysh headlines>

Honoring Lost Lives From Some 80 Nations in Memorial for World

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<http://www.nytimes.com/2001/11/12/international/12PREX.html?todaysh headlines>

Oil Drilling in Arctic Called Departure From Past Policy

The General Accounting Office says that if Congress approves the drilling, it will be breaking with government practice of the last 35 years.
<http://www.nytimes.com/2001/11/12/politics/12ARCT.html?todaysh headlines>

MORE POLITICS NEWS:

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SPORTS

McGwire Retires to Help the Cards

The St. Louis Cardinals' Mark McGwire, who was the first major league player to hit 70 home runs, announced his retirement on Sunday night.
<http://www.nytimes.com/2001/11/12/sports/baseball/12MARK.html?todaysh headlines>

Jets' Martin Leads Rout of Chiefs

Curtis Martin scored three touchdowns and the defense had three sacks and forced four turnovers in an overwhelming Jets victory over Kansas City.
<http://www.nytimes.com/2001/11/12/sports/football/12JETS.html?todaysh headlines>

Barber Shows Old Form in Giants Win

Tiki Barber played by far his best game of the season as the Giants escaped Arizona with a much-needed win over the Cardinals.
<http://www.nytimes.com/2001/11/12/sports/football/12GIAN.html?todaysh headlines>

MORE SPORTS NEWS:

<http://www.nytimes.com/pages/sports/index.html?todayheadline>

ARTS

Broken Lives and Healing at the Coffee Shop

Every tough wisecrack in Neil Simon's sincere but paper-thin valentine to New York has a heart as soft as melting butter.

<http://www.nytimes.com/2001/11/12/arts/theater/12SECO.html?todayheadlines>

At Auction Trial, a Cameo For a Johns Painting

At the price-fixing trial of A. Alfred Taubman, the former chairman of Sotheby's auction house, the first important painting to be mentioned was Jasper Johns's "Highway."

<http://www.nytimes.com/2001/11/12/arts/design/12SOTH.html?todayheadlines>

Skyscrapers Are Here to Stay, Says Panel of Experts

At a symposium on skyscrapers at the National Building Museum, an architectural panel agreed that skyscrapers will persist as a powerful presence in cities.

<http://www.nytimes.com/2001/11/12/arts/design/12SKY.html?todayheadlines>

MORE ARTS NEWS:

<http://www.nytimes.com/pages/arts/index.html?todayheadline>

NY REGION

Under Bloomberg, Kelly Will Guide Police Again

Raymond W. Kelly has accepted Mayor-elect Michael R. Bloomberg's offer to return as the city's 41st police commissioner.

<http://www.nytimes.com/2001/11/12/nyregion/12POLI.html?todayheadlines>

Victims' Funds May Violate U.S. Tax Law

There is no sign that the I.R.S. will bend its charity rules for Sept. 11 donors.

<http://www.nytimes.com/2001/11/12/nyregion/12DONA.html?todayheadlines>

Electric Cars May Lose Push in Northeast

New York, Massachusetts and Vermont are considering postponing the requirement of the sale of electric cars.

<http://www.nytimes.com/2001/11/12/nyregion/12ELEEC.html?todayheadlines>

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OP-ED

The Sadness Within

By BOB HERBERT

If you stay away from Ground Zero, which remains a landscape out of Dante, the city can seem pretty normal. But beneath the surface, the sorrow continues.

<http://www.nytimes.com/2001/11/12/opinion/12HERB.html?todayshheadline>

Prague Connection

By WILLIAM SAFIRE

A meeting between Mohamed Atta and Ahmed al-Ani, the Iraqi consul in Prague, links Saddam Hussein to Osama bin Laden.

<http://www.nytimes.com/2001/11/12/opinion/12SAFI.html?todayshheadline>

Lost Jobs, Ragged Safety Net

By ROBERT M. REICH

The economic fallout from terrorism is hardest on those who earn the least.

<http://www.nytimes.com/2001/11/12/opinion/12REIC.html?todayshheadline>

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QUOTE OF THE DAY

"It's too slow, but it's safe. Well, it's a little bit safer"

-ENRIQUE GALINDO, on Greyhound vs. air travel.

<http://www.nytimes.com/2001/11/10/national/10BUS.html?todaysh headlines>

NATIONAL

Single Letter With Anthrax Is Discounted

Postal investigators said that other mail containing anthrax bacteria was probably sent to Washington last month in addition to the letter sent to the office of Senator Tom Daschle.

<http://www.nytimes.com/2001/11/10/national/10ANTH.html?todaysh headlines>

Shake-Up at Largest Provider of Security for U.S. Airports

Argenbright Security, the nation's largest airport security company, appointed a new chief executive to replace its founder and overhaul its management and policies.

<http://www.nytimes.com/2001/11/10/business/10BECO.html?todaysh headlines>

Longer Visa Waits for Arabs; Stir Over U.S. Eavesdropping

The State Department said that it would slow the process for granting visas to young men from Arab and Muslim nations in an effort to prevent future terrorist attacks.

<http://www.nytimes.com/2001/11/10/national/10VISA.html?todaysh headlines>

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INTERNATIONAL

Strategic Site Would Provide Link to Uzbekistan

Forces opposed to the Taliban have captured the key northern city of Mazar-i-Sherif after days of bombing, both rebel and Taliban officials said on Saturday.

<http://www.nytimes.com/2001/11/10/international/10MILI.html?todayheadline>

Pakistani Leader Seeks 'Gestures' for Backing U.S.

General Musharraf said he has come to the United States in search of major gestures from the Bush administration, including the release of American F-16 fighters.

<http://www.nytimes.com/2001/11/10/international/10DIFL.html?todayheadline>

Iran's Leader Says Muslims Reject bin Laden's 'Islam'

President Mohammad Khatami of Iran said Osama bin Laden's version of Islam does not represent the majority of the world's 1.2 billion Muslims.

<http://www.nytimes.com/2001/11/10/international/10KHAT.html?todayheadline>

MORE INTERNATIONAL NEWS:

<http://www.nytimes.com/pages/world/index.html?todayheadline>

BUSINESS

Rival to Buy Energy Trader After Diszying Financial Fall

With its stock plunging and its finances in doubt, the Enron Corporation agreed to be acquired by the rival Dynegy Inc. for about \$9 billion in stock.

<http://www.nytimes.com/2001/11/10/business/10POWE.html?todayheadline>

Regulators Struggle With a Marketplace Created by Enron

Regulators are still struggling to grasp the complexities created by Enron's drive to deregulate the nation's natural gas and electricity businesses.
<http://www.nytimes.com/2001/11/10/business/10REGS.html?todayshadlines>

Change Ahead as Taiwan Enters W.T.O.

Under the terms of Taiwan's membership in the World Trade Organization, the government must dismantle the monopoly that has controlled prices of bottles of rice wine.
<http://www.nytimes.com/2001/11/10/business/worldbusiness/10TAIW.html?todayshadlines>

MORE BUSINESS NEWS:

<http://www.nytimes.com/pages/business/index.html?todayshadline>

TECHNOLOGY

Europe Moving Toward Ban on Internet Hate Speech

The Council of Europe is trying to ban racist and hate speech from the Internet by adding a protocol to its cybercrime convention, which was slated for ratification on Thursday.
<http://www.nytimes.com/2001/11/10/technology/10CYBE.html?todayshadlines>

Email Provider Receives \$95 Million Boost

Erbattled email provider Critical Path announced a \$95 million investment that management said will keep the company afloat until it becomes profitable.
<http://www.nytimes.com/aponline/technology/AP-Critical-Path-Infusion.html?todayshadlines>

Judge Sets Microsoft Case Schedule

The judge in the Microsoft antitrust trial set the case to proceed early next year for the nine states that rejected a settlement with the software giant and the Justice Department.
<http://www.nytimes.com/aponline/technology/AP-Microsoft.html?todayshadlines>

MORE TECHNOLOGY NEWS:

<http://www.nytimes.com/pages/technology/index.html?todayshadlines>

POLITICS

After Asking for Volunteers, Government Tries to Determine
What They Will Do

After President Bush asked for volunteers to help the war on
terror on the homefront, his administration began trying to
figure out how to mobilize such a vast force.

<http://www.nytimes.com/2001/11/10/national/10HOME.html?todaysh headlines>

Bush Chides Some in Coalition for Inaction

President Bush expressed impatience on Friday with nations
that he said had done little in the war against terrorism
beyond offering condolences.

<http://www.nytimes.com/2001/11/10/international/10PREX.html?todaysh headlines>

Benefits Panel Plans Array of Choices for Solvency

The co-chairmen of President Bush's Social Security
commission intend to set out alternative plans for creating
personal investment accounts rather than present a single
proposal.

<http://www.nytimes.com/2001/11/10/national/10SOCC.html?todaysh headlines>

MORE POLITICS NEWS:

<http://www.nytimes.com/pages/politics/index.html?todaysh headlines>

SPORTS

Knicks Lead, No Surprise, Doesn't Last

The Knicks fell apart on the road again, squandering a
20-point cushion in an abysmal loss to the Indiana Pacers.

<http://www.nytimes.com/2001/11/10/sports/basketball/10KNIC.html?todaysh headlines>

Reconstructed Arizona Stuns and Surprises

With one of the nation's top point guards in Jason Gardner
and timely scoring from forward Rick Anderson, Arizona hung
on for an upset victory over Florida in the Ikon Classic.

<http://www.nytimes.com/2001/11/10/sports/ncaabasketball/10AZCP.html?todaysh headlines>

Just How Are 5-3 Jets Doing It?

The Jets are an impressive 5-3, and no one knows how or why.
The West Coast offense is no juggernaut and the defense is
no Steel Curtain.

<http://www.nytimes.com/2001/11/10/sports/football/10RHOB.html?todaysh headlines>

MORE SPORTS NEWS:

<http://www.nytimes.com/pages/sports/index.html?todayheadline>

ARTS

Islam Experts Off on a Wild Ride, Willing or Not

Scholars with an expertise in everything from medieval Arabic poetry to Middle Eastern terrorism are finding themselves in the spotlight.

<http://www.nytimes.com/2001/11/10/arts/10PROF.html?todayheadline>

Dissecting the Era of Virgins and Satyrs

Peter Gay, in a new study of Victorian culture, concentrates on Arthur Schnitzler, copious recorder of his sex life.

<http://www.nytimes.com/2001/11/10/arts/10GRY.html?todayheadline>

Saluting a Star With a Galaxy of Her Own Making

Ballet Nacional de Cuba has been ruled by Alicia Alonso, who founded it in 1960 as an outgrowth of a small troupe she formed in 1948 in Havana.

<http://www.nytimes.com/2001/11/10/arts/10ALON.html?todayheadline>

MORE ARTS NEWS:

<http://www.nytimes.com/pages/arts/index.html?todayheadline>

NY REGION

Early Test for Bloomberg: Shaping Police Strategy

With the announcement that Police Commissioner Bernard B. Kerik would leave his position on Jan 1., a Bloomberg administration could be looking toward former commissioner Raymond W. Kelly.

<http://www.nytimes.com/2001/11/10/nyregion/10POLI.html?todayheadline>

One Center Staying Open; Anthrax Found at 4 Others

A federal judge refused a request by the New York Metro Area Postal Union to shut down the Morgan Processing and Distribution Center.

<http://www.nytimes.com/2001/11/10/nyregion/10YORK.html?todayheadline>

Threat to Close Faces Schools in Roosevelt

The New York State education commissioner moved to dissolve the academically and financially troubled Roosevelt school district by next fall.
<http://www.nytimes.com/2001/11/10/education/10BOOS.html?todaysh headlines>

MORE NY REGION NEWS:
<http://www.nytimes.com/pages/nyregion/index.html?todaysh headline>

OP-ED

War Is Heck

By FRANK RICH

Disingenuous official claims of our allies' strengths and our enemies' weaknesses will come back to haunt the administration if all does not go smoothly.

<http://www.nytimes.com/2001/11/10/opinion/10RICH.html?todaysh headlines>

Ideology As Usual

By ANTHONY LEWIS

George W. Bush has not yet understood what a wartime president has to do at home: Put aside ideological politics so he can be president of all the people.

<http://www.nytimes.com/2001/11/10/opinion/10LEWI.html?todaysh headlines>

An Easy Bargain With Russia

By BURTON RICHTER

The Anti-Ballistic Missile Treaty is not the obstacle it's made out to be.

<http://www.nytimes.com/2001/11/10/opinion/10RICT.html?todaysh headlines>

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QUOTE OF THE DAY

"Let me just say this, they really are so off base that it's a sin. And I mean that in a moral sense. What they're doing is sinful. The effort here is to try to recover as many human remains as possible. They have absolutely no monopoly on caring about the people there."
-RUDOLPH W. GIULIANI, on fire union officials' criticism of new rules at ground zero.

<http://www.nytimes.com/2001/11/09/nyregion/09RUDY.html?todayshadlines>

NATIONAL

The Leader in Airport Security, and in Lapses

Those who want to federalize airport security point to the security problems and high turnover rate at Argenbright, the nation's largest airport-security firm.

<http://www.nytimes.com/2001/11/09/business/09SECU.html?todayshadlines>

In Anthrax Inquiry, Some See Missteps and Missed Chances

Criminal investigators may have missed opportunities to gather valuable evidence in the anthrax attacks because of a lack of scientific understanding.

<http://www.nytimes.com/2001/11/09/national/09INQU.html?todayshadlines>

Ashcroft Plan Would Recast Justice Dept. in a War Mode

Attorney General John Ashcroft has begun to revamp the Justice Department's priorities under a plan in which employees would work in an antiterror capacity.

<http://www.nytimes.com/2001/11/09/national/09BURE.html?todayshadlines>

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INTERNATIONAL

U.S. Commander, Saying Rebels Need Help, Hints More Troops

Gen. Tommy R. Franks gave his first Washington briefing on Thursday as the Northern Alliance claimed it was close to capturing the key Afghan city Mazar-i-Sharif.

<http://www.nytimes.com/2001/11/09/international/09MILI.html?todayshadlines>

Shackles Off, Russia's Muslims Are Still Chafing

In Russia, even in tolerant Tatarstan, the state reaction to Islam seems to depend very much on what form of Islam it is.

<http://www.nytimes.com/2001/11/09/international/europe/09RUSS.html?todayshadlines>

Pakistan Tries to Split Army From Mullahs

Seeking to undercut militant mullahs, Pakistan has arrested religious leaders and sidelined officers with ties to religious parties.

<http://www.nytimes.com/2001/11/09/international/asia/09PTAN.html?todayshadlines>

MORE INTERNATIONAL NEWS:

<http://www.nytimes.com/pages/world/index.html?todayshadline>

BUSINESS

Enron Admits to Overstating Profits by About \$600 Million

Enron sliced more than half a billion dollars from its reported profits over the last five years, yet Dynegy still appeared to be willing to acquire the energy company.

<http://www.nytimes.com/2001/11/09/business/09POWE.html?todayshadlines>

Does Enron Trust Its New Numbers? It Doesn't Act Like It

Enron's restatement of earnings did not go far enough to allow investors to understand all of what went on during the company's many strange transactions with related parties.

<http://www.nytimes.com/2001/11/09/business/09NORR.html?todayshadlines>

Fewer Choices for Workers on Benefits

Tens of thousands of employees are being forced to drop their health plans and choose a different one this month.

<http://www.nytimes.com/2001/11/09/business/09CARE.html?todayshadlines>

MORE BUSINESS NEWS:

<http://www.nytimes.com/pages/business/index.html?todayshadline>

TECHNOLOGY

After Slower Sales and Missteps, Chief Resigns From Palm

Mired in a sales slump, Palm Inc., the hand-held computer maker, said that its chief executive, Carl J. Yankowski, had resigned.

<http://www.nytimes.com/2001/11/09/technology/09PALM.html?todayshadlines>

Court Says France Can't Censor Yahoo Site

A federal judge ruled that the United States Constitution's protections of free speech trumped a French order requiring Yahoo to remove Nazi materials from its Web site.

<http://www.nytimes.com/2001/11/09/technology/09YAH0.html?todayshadlines>

Randon House Is Dropping E-Book Imprint, but Not E-Books

The Randon House Trade Group, one of the first publishers to announce the creation of a line of purely digital books last year, became the first to cancel that idea.

<http://www.nytimes.com/2001/11/09/technology/09BOOK.html?todayshadlines>

MORE TECHNOLOGY NEWS:

<http://www.nytimes.com/pages/technology/index.html?todayshadline>

POLITICS

Bush Seeks New Volunteer Force for Civil Defense

President Bush called for the creation of a new volunteer civil defense service and asked for domestic citizen participation in the war on terrorism.
<http://www.nytimes.com/2001/11/09/national/09BUSH.html?todayshdlines>

Democrats' Recovery Plan Moves Forward in Senate

Democrats pushed their economic recovery plan through the Senate Finance Committee, setting out their negotiating position on an issue that has left the two parties bitterly divided.
<http://www.nytimes.com/2001/11/09/politics/09STIM.html?todayshdlines>

Voting System Overhaul Plan Moves Ahead

House Republicans and Democrats have reached agreement on a bill to overhaul the nation's election system.
<http://www.nytimes.com/2001/11/09/politics/09VOTE.html?todayshdlines>

MORE POLITICS NEWS:

<http://www.nytimes.com/pages/politics/index.html?todayshdline>

SPORTS

Rangers Enjoy Bringing Islanders Back to Earth

The Rangers shook off a torpid start to hand the Islanders their first regulation home loss of the season, a decisive victory before a sellout crowd at Nassau Coliseum.
<http://www.nytimes.com/2001/11/09/sports/hockey/09RANG.html?todayshdlines>

Kidd's Unlikely Shot Lifts Amazing Nets

Launching an off-balance shot as he was tumbling to the floor and as his sneaker was about to pop off, Jason Kidd banked in a basket that helped lead the Nets over Seattle.
<http://www.nytimes.com/2001/11/09/sports/baseball/09NETS.html?todayshdlines>

Legacy Passed From Legend to Legend at Grambling

N.F.L. legend Doug Williams has the daunting task of replacing Eddie Robinson, who won 408 games and created a shimmering history of leadership as coach of Grambling's football team.
<http://www.nytimes.com/2001/11/09/sports/ncaafootball/09GRAM.html?todayshdlines>

MORE SPORTS NEWS:

<http://www.nytimes.com/pages/sports/index.html?todayshheadline>

ARTS

'Lilith' Is Made Flesh

"Lilith," composed by Deborah Drattell, certainly doesn't have much in common with a lot of New York City Opera's regular fare.

<http://www.nytimes.com/2001/11/09/arts/music/09LILLI.html?todayshheadline>

Ow! Watch Those Claws

Clare Boothe Luce's 1936 hit play, now in a bumpy Broadway revival, still has the dubious appeal of showing ladies being anything but ladylike.

<http://www.nytimes.com/2001/11/09/arts/theater/09WOME.html?todayshheadline>

Patterns of a Can-Do Idealist

Jacob Lawrence was a modernist painter, an American painter and an African-American painter. Work from the end of his life is on display at the Whitney Museum.

<http://www.nytimes.com/2001/11/09/arts/design/09COTT.html?todayshheadline>

MORE ARTS NEWS:

<http://www.nytimes.com/pages/arts/index.html?todayshheadline>

NY REGION

Bloomberg Visits Heads of Two Unions Over Fiscal Fears

Mayor-elect Michael R. Bloomberg visited the leaders of two of New York's most powerful municipal unions to build ties with officials key to solving the city's budget problems.

<http://www.nytimes.com/2001/11/09/nyregion/09BLOO.html?todayshheadline>

Fire Commissioner to Leave, Proud, if Sad and Bewildered

After 11 years with the New York Fire Department, Commissioner Thomas Von Essen is leaving, carrying the weight of a grieving city service on his shoulders.

<http://www.nytimes.com/2001/11/09/nyregion/09FIRE.html?todayshheadline>

Longtime Congresswoman Will Step Down

Representative Marge Roukema, the elder stateswoman of New Jersey's Congressional Delegation, announced that she would not seek re-election next year.
<http://www.nytimes.com/2001/11/09/politics/09RETI.html?todayshheadline>

MORE BY REGION NEWS:
<http://www.nytimes.com/pages/nyregion/index.html?todayshheadline>

OP-ED

Beware of Icebergs
By THOMAS L. FRIEDMAN
To win the war in Afghanistan, we will have to navigate alliances where what you see on the surface is only a sliver of what you might get.
<http://www.nytimes.com/2001/11/09/opinion/09FRIE.html?todayshheadline>

It's Still a Safe World for Microsoft
By LAWRENCE LESSIG
While the core idea of this proposed Microsoft settlement is a good one, the execution plainly is not.
<http://www.nytimes.com/2001/11/09/opinion/09LESS.html?todayshheadline>

Why the Chicanery in Connecticut?
By COLIN McHENROE
Three political scandals have shocked a state accustomed to gravitas.
<http://www.nytimes.com/2001/11/09/opinion/09MCEN.html?todayshheadline>

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QUOTE OF THE DAY

"I refused to help Green, and by anyone's estimation it hurt him. But there's nothing the party can do to me. What can they do to me?"
-THE REV. AL SHARPTON, on Mark Green's loss in the New York mayoral race.

<http://www.nytimes.com/2001/11/08/nyregion/08MAYO.html?todayshadlines>

NATIONAL

Worker Who Died Suspected Anthrax Was Root of Illness

Hours before he died last month from inhalation anthrax, a postal worker called 911 and, clearly afraid, told the emergency operator he suspected he had the disease.
<http://www.nytimes.com/2001/11/08/national/08ANTH.html?todayshadlines>

U.S. Explores Indicting a Possible Member of the Hijackers' Squad

Federal prosecutors are weighing whether to seek a conspiracy indictment against a man in custody in New York who the authorities suspect was the 30th suicide hijacker in the Sept. 11 terror attacks.
<http://www.nytimes.com/2001/11/08/national/08SUSP.html?todayshadlines>

4 Oregon Patients Seeking Suicide Sue U.S.

The United States Justice Department authorized federal drug agents to take action against any doctor in Oregon who prescribed lethal medication.
<http://www.nytimes.com/2001/11/08/national/08SUIC.html?todayshadlines>

MORE NATIONAL NEWS:
<http://www.nytimes.com/pages/national/index.html?todayshheadline>

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INTERNATIONAL

U.S. Moves to Cut 2 Financial Links for Terror Group

President Bush announced an international effort Wednesday to destroy two financial networks that officials suspect of having ties to Al Qaeda.
<http://www.nytimes.com/2001/11/08/international/08PREX.html?todayshheadline>

Defectors Cite Iraqi Training for Terrorists

Two defectors from Iraqi intelligence said Wednesday that they had worked at a secret Iraqi government camp that had trained Islamic terrorists.
<http://www.nytimes.com/2001/11/08/international/middleeast/08IRAQ.html?todayshheadline>

Northern Army Says It's Near Key Crossroad

Forces opposed to the Taliban claimed another victory Wednesday on a road to Mazar-i-Sharif, a city regarded as a linchpin in the battle to control northern Afghanistan.
<http://www.nytimes.com/2001/11/08/international/asia/08MILI.html?todayshheadline>

MORE INTERNATIONAL NEWS:
<http://www.nytimes.com/pages/world/index.html?todayshheadline>

BUSINESS

Dynegy Is Said to Be Near to Acquiring Enron for \$8 Billion

Dynegy was in the final stages of talks to acquire a bigger competitor, the Enron Corporation, the struggling energy-trading company, for about \$8 billion in stock.

<http://www.nytimes.com/2001/11/08/business/08POWE.html?todayshadlines>

Pakistanis Urge U.S. to Suspend Textile Tariffs

A two-thirds decline in business from United States companies is forcing apparel and textile concerns in Pakistan to lay off thousands of people and could soon close numerous factories.

<http://www.nytimes.com/2001/11/08/business/worldbusiness/08PIBS.html?todayshadlines>

Suit Contends Lost Millions Never't

'Lost'

Three executives of a currency firm with offices in the twin towers plotted to cover up \$105 million that was missing from the firm, according to a lawsuit filed Wednesday.

<http://www.nytimes.com/2001/11/08/business/08GONE.html?todayshadlines>

MORE BUSINESS NEWS:

<http://www.nytimes.com/pages/business/index.html?todayshadline>

TECHNOLOGY

Relatives May Spoil Deal Between Hewlett-Packard and Compaq

With David W. Packard joining the opposition to the proposed merger of Hewlett-Packard with Compaq, executives of both companies were scrambling to rescue the deal.

<http://www.nytimes.com/2001/11/08/business/08PLAC.html?todayshadlines>

A Paternity Dispute Divides Net Pioneers

A dispute is churning around credit for a modern scientific breakthrough: packet switching. Few people have heard of packet switching, much less its origins, but the Internet wouldn't work without it.

<http://www.nytimes.com/2001/11/08/technology/circuits/08NETT.html?todayshadlines>

Palmtop Makers Take Aim at the Military Market

The hand-held computer is using off-the-shelf software tested by the road warriors of the business world as well as applications designed specifically for the armed forces.

<http://www.nytimes.com/2001/11/08/technology/circuits/08MILI.html?todayshadlines>

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<http://www.nytimes.com/pages/technology/index.html?todayshadline>

POLITICS

Spending War With White House Focuses on Countering Terrorism

Democrats in Congress vowed to defy President Bush's threat to veto legislation that provides additional counterterrorism funding.
<http://www.nytimes.com/2001/11/08/national/08CTCS.html?todaysh headlines>

Ridge Offers Hope of End to the Anthrax Attacks, but Inquiry Is Still Stalled

As President Bush prepared to make a major address on the domestic wartime effort, his director of homeland security tried to reassure the public.
<http://www.nytimes.com/2001/11/08/national/08RIDGE.html?todaysh headlines>

House Panel Approves Bill to Aid Insurance Industry

A House committee voted to promise insurers billions of dollars in loans in the event of any large terrorist attacks next year.
<http://www.nytimes.com/2001/11/08/business/08INSUR.html?todaysh headlines>

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<http://www.nytimes.com/pages/politics/index.html?todaysh headline>

SPORTS

Baseball Now Waiting for the Sale of Two Teams

As intriguing as baseball's decision to eliminate two teams, so are the ongoing negotiations for the sale of two other teams, one of them to an owner whose team is No. 1 on the contraction list.
<http://www.nytimes.com/2001/11/08/sports/baseball/08BASE.html?todaysh headlines>

For Knicks, Even Victory Over Cavs Feels Good

Reeling from three straight defeats, the Knicks found that even a win over the woeful Cleveland Cavaliers felt just fine.
<http://www.nytimes.com/2001/11/08/sports/basketball/08KNIC.html?todaysh headlines>

Surging Islanders Find Little Things Do Add Up

Peter Laviolette, the Islanders' new coach, has led the team

to startling success this season with a system that is rich
in minutiae but by no means passive.
<http://www.nytimes.com/2001/11/08/sports/hockey/08ISLE.html?todayshdlines>

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<http://www.nytimes.com/pages/sports/index.html?todayshdline>

ARTS

Elaine Stritch in the Role of a Lifetime

She is tall and blonde, with skyscraper legs and
kling-light eyes, and she has the approximate energy
quotient of a supernova in midexplosion. And she is 76.
<http://www.nytimes.com/2001/11/08/arts/08STRI.html?todayshdlines>

'Max Bickford' Struggles to Earn Television Tenure

"The Education of Max Bickford," a high-profile CBS series
about a college professor facing a midlife crisis, is
heading for some major adjustments.
<http://www.nytimes.com/2001/11/08/arts/television/08BICK.html?todayshdlines>

Small Sale at Sotheby's Cools Fever of Bidders

After overheated auctions at Phillips and Christie's this
week, reality bit Wednesday night at Sotheby's sale of
Impressionist and modern art.
<http://www.nytimes.com/2001/11/08/arts/08AUCT.html?todayshdlines>

MORE ARTS NEWS:

<http://www.nytimes.com/pages/arts/index.html?todayshdline>

NY REGION

As Democrats Bicker, Bloomberg Era Begins

Mayor-elect Michael R. Bloomberg has given no indication of
whether Mayor Rudolph W. Giuliani's top aides will carry
over into the new administration.
<http://www.nytimes.com/2001/11/08/nyregion/08TRAN.html?todayshdlines>

Conquered Party Bitterly Divided Across the City

In a day of recriminations, New York Democrats battled over
who was to blame for Mark Green's loss to Michael R.
Bloomberg in the mayor's race.

<http://www.nytimes.com/2001/11/08/nyregion/08MAYO.html?todayshadlines>

McGreevey Warns of Tough Fiscal Future in New Jersey

While New Jersey Governor-elect James E. McGreevey thanked voters for their support, he warned that the state is facing a tough fiscal situation.

<http://www.nytimes.com/2001/11/08/nyregion/08JERS.html?todayshadlines>

MORE NY REGION NEWS:

<http://www.nytimes.com/pages/nyregion/index.html?todayshadlines>

OP-ED

To the Crawford Summit

By WILLIAM SAFIRE

America's national travail has enabled Vladimir Putin to speed a rapprochement, but we should not forget that once up on its hind legs, the Russian bear will growl again.

<http://www.nytimes.com/2001/11/08/opinion/08SAFI.html?todayshadlines>

Mark Green's Problem

By BOB HERBERT

Mark Green's biggest problem was not that he made mistakes, but that he never learned from his mistakes.

<http://www.nytimes.com/2001/11/08/opinion/08HERB.html?todayshadlines>

No Strings, No Loyalists

By ANDREW WHITE

Michael Bloomberg's challenge is to blend a dose of humility and inclusiveness with the projection of competence and clarity of goals.

<http://www.nytimes.com/2001/11/08/opinion/08WHIT.html?todayshadlines>

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TODAY'S HEADLINES

The New York Times on the Web
Sunday, October 28, 2001

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Own a Classic Piece of New York Baseball History for Just \$9.95.

Get a glimpse into an unforgettable era in baseball history as Glory Days of Baseball brings to life the mythical period New York baseball from 1947-1957, through original New York Times articles and photos available for the first time in digital form.

<http://www.nytimes.com/editors/picks/index.html>

QUOTE OF THE DAY

'Obviously, if we're getting all these bomb threats and anthrax calls that we normally wouldn't get, it's going to take us longer to get to other calls.'
-LT. HORACE E. FRANK, a Los Angeles Police Department spokesman

<http://www.nytimes.com/2001/10/28/national/28COPS.html?todayshdlines>

NATIONAL

Jubilant Calls on Sept. 11 Led to F.B.I. Arrests

Within hours of the Sept. 11 attacks, F.B.I. agents intercepted telephone calls in which suspected associates of Al Qaeda were overheard celebrating.
<http://www.nytimes.com/2001/10/28/national/28ATTA.html?todayshdlines>

Focus on Terror Creates Burden for the Police

Forced to respond repeatedly to anthrax reports and bomb scares, the police are now rethinking how much time and effort they can spend on the tactics that reduce crime.
<http://www.nytimes.com/2001/10/28/national/28COPS.html?todayshdlines>

Workers at House Offices Begin Anthrax Treatment

Senator Tom Daschle urged the nation to move quickly to expand its defenses against bioterrorism as workers in three congressional offices began protective treatment.
<http://www.nytimes.com/2001/10/28/politics/28ANTH.html?todayshdlines>

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INTERNATIONAL

Allies Preparing for Long Fight as Taliban Dig In

Senior American and British officials say they are preparing for longer and tougher combat in Afghanistan than they had hoped, but eventual victory is seen.

<http://www.nytimes.com/2001/10/28/international/asia/28STRA.html?todayshheadline>

Bush Adviser Says Russia Is Warming to U.S. ABM Tests

National Security Adviser Condoleezza Rice says Russia's leaders are becoming persuaded that missile defense tests are "not actually a threat" to their nation.

<http://www.nytimes.com/2001/10/28/international/28MISS.html?todayshheadline>

A Glimpse Behind the Plot Against the American Embassy in Paris

Law enforcement officials across Europe said a plot against the American Embassy in Paris gave them a glimpse of how Osama bin Laden has operated in their midst.

<http://www.nytimes.com/2001/10/28/international/europe/28EMBA.html?todayshheadline>

MORE INTERNATIONAL NEWS:

<http://www.nytimes.com/pages/world/index.html?todayshheadline>

BUSINESS

Murdoch Ends DirecTV Bid After G.M. Delays Decision

News Corporation withdrew from talks to acquire the General Motors Corporation's Hughes Electronics division after G.M.

postponed a decision on selling the unit Saturday night.
<http://www.nytimes.com/2001/10/28/business/media/28BIRD.html?todayshadlines>

Winning Jet Contract Is a Boon to Lockheed

The initial development contract for the joint strike fighter was for \$19 billion, but spending is expected to total more than \$200 billion over the next 20 years.
<http://www.nytimes.com/2001/10/28/business/28STRI.html?todayshadlines>

Once-Mighty Enron Strains Under Scrutiny

At the beginning of this year, the Enron Corporation appeared unstoppable. Now the energy company's stock is plunging, and questions about its finances are mounting.
<http://www.nytimes.com/2001/10/28/business/28ENRO.html?todayshadlines>

MORE BUSINESS NEWS:

<http://www.nytimes.com/pages/business/index.html?todayshadline>

TECHNOLOGY

Developing Warning System for Biological Attack Proves Difficult

The United States has spent hundreds of millions of dollars trying to develop early warning detectors for biological attacks but so far the systems are far from perfect, scientists say.
<http://www.nytimes.com/2001/10/28/national/28BETE.html?todayshadlines>

Government Clamps Down on Agency Web Sites

In the weeks since the terrorist attacks, government officials have been removing information from their agencies' Web sites because of security concerns.
<http://www.nytimes.com/2001/10/28/national/28INFO.html?todayshadlines>

Cal Tech Gets \$600 Million, a Record Gift

The California Institute of Technology has announced that it has received the largest gift to a university, \$600 million from Gordon Moore, the longtime chairman of Intel Corporation.
<http://www.nytimes.com/2001/10/28/education/28PCOA.html?todayshadlines>

MORE TECHNOLOGY NEWS:

<http://www.nytimes.com/pages/technology/index.html?todayshadline>

POLITICS

Bush Adviser Says Russia Is Warning to U.S. ABM Tests

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<http://www.nytimes.com/2001/10/28/international/28MISS.html?todayshdlines>

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<http://www.nytimes.com/2001/10/28/politics/28ANTH.html?todayshdlines>

MORE POLITICS NEWS:

<http://www.nytimes.com/pages/politics/index.html?todayshdline>

SPORTS

Yanks Fall to Arizona in Game 1

The Diamondbacks blistered Mike Mussina for five runs in three innings on their way to a 9-1 victory over the Yankees and a 1-0 lead in the World Series.

<http://www.nytimes.com/2001/10/28/sports/baseball/28YANK.html?todayshdlines>

Yankees Go Up Against Their Storied Legacy

The Yankees' lopsided loss in Game 1 was an ominous opening step in the team's attempt to extend a legacy that began eight decades ago.

<http://www.nytimes.com/2001/10/28/sports/baseball/28RHOD.html?todayshdlines>

Cornhuskers Stake Claim to Top Spot on Trick Play

In a memorable game filled with hard hitting and one spectacular play, the Cornhuskers defeated Oklahoma to remain undefeated and stake a claim for the top spot in the BCS standings.

<http://www.nytimes.com/2001/10/28/sports/ncaafootball/28OKLA.html?todayshadlines>

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<http://www.nytimes.com/pages/sports/index.html?todayshadline>

ARTS

Power, Imagination and New York's Future

For Lower Manhattan to fulfill its destiny, architectural factions must begin to work together.

<http://www.nytimes.com/2001/10/28/arts/design/28MUSC.html?todayshadlines>

One Orchestra Builder in a Worldly Musical Mix

As James Levine takes over the Boston Symphony Orchestra in 2004, he becomes the fourth in the current round of music director hirings in major American orchestras.

<http://www.nytimes.com/2001/10/28/arts/28MET.html?todayshadlines>

When Horror Can Be Healthy

In a time of high anxiety, why should we add to our troubles with monsters of our own invention?

<http://www.nytimes.com/2001/10/28/arts/design/28UMGX.html?todayshadlines>

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<http://www.nytimes.com/pages/arts/index.html?todayshadline>

NY REGION

Anthrax Closes a 3rd New Jersey Post Office

A third postal facility in central New Jersey was closed on Saturday after a small amount of anthrax was discovered on a mail bin.

<http://www.nytimes.com/2001/10/28/nyregion/28YORK.html?todayshadlines>

Red Tape at Red Cross: Groups Now in a Tangle

Families that have lost loved ones in the World Trade Center attack feel overwhelmed by the labyrinth of rules they must navigate to get money to stay on their feet.

<http://www.nytimes.com/2001/10/28/nyregion/28DOWA.html?todayshadlines>

Bloomberg Puts Eggs in a Basket: Giuliani's

Mayor Rudolph W. Giuliani's endorsement of Michael R. Bloomberg provides Mr. Bloomberg with perhaps his greatest hope for victory in the last days of what has been called a troubled campaign.
<http://www.nytimes.com/2001/10/28/nyregion/28MAYO.html?todaysh headlines>

MORE NY REGION NEWS:
<http://www.nytimes.com/pages/nyregion/index.html?todaysh headline>

OP-ED

Can Bush Bushkazi?
By MAUREEN DOWD
After one of the worst weeks in the capital's history, the question was suspended like a spore in the autumn air: Are we quagmiring ourselves again?
<http://www.nytimes.com/2001/10/28/opinion/28DOWD.html?todaysh headlines>

Taking Care of Business
By PAUL KRUGMAN
Cynics tell us that big corporations basically bought themselves a government that will serve their interests. They may be right.
<http://www.nytimes.com/2001/10/28/opinion/28KRUG.html?todaysh headlines>

Can Democrats Still Play the Game?
By JEFFREY TOOBIN
One year after the recount in Florida, the post-Clinton Democratic Party continues a policy of accommodation.
<http://www.nytimes.com/2001/10/28/opinion/28TOOB.html?todaysh headlines>

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