

The Boston Globe

TUESDAY, SEPTEMBER 18, 2001

THE WEATHER
TODAY: Mostly sunny,
low to mid 70s
TOMORROW: Mostly sunny,
low to mid 70s
HIGH TIDE: 12:00 a.m., 12:29 p.m.
FULL REPORT: PAGE B8

The markets lurch in terror's wake

Bush seeks bin Laden — 'dead or alive'

By Thomas Farragher and Anand Vaishnav
GLOBE STAFF

Federal officials yesterday vowed to place armed marshals on US jetliners, and President Bush said he wants the suspected perpetrator of last week's terror attack "dead or alive."

Meeting with the nation's military leaders at the Pentagon, Bush employed frontier-justice language, vowing to launch a relentless hunt for Osama bin Laden.

"There's an old poster out West, that I recall, that said: 'Wanted, Dead or Alive,'" the president said.

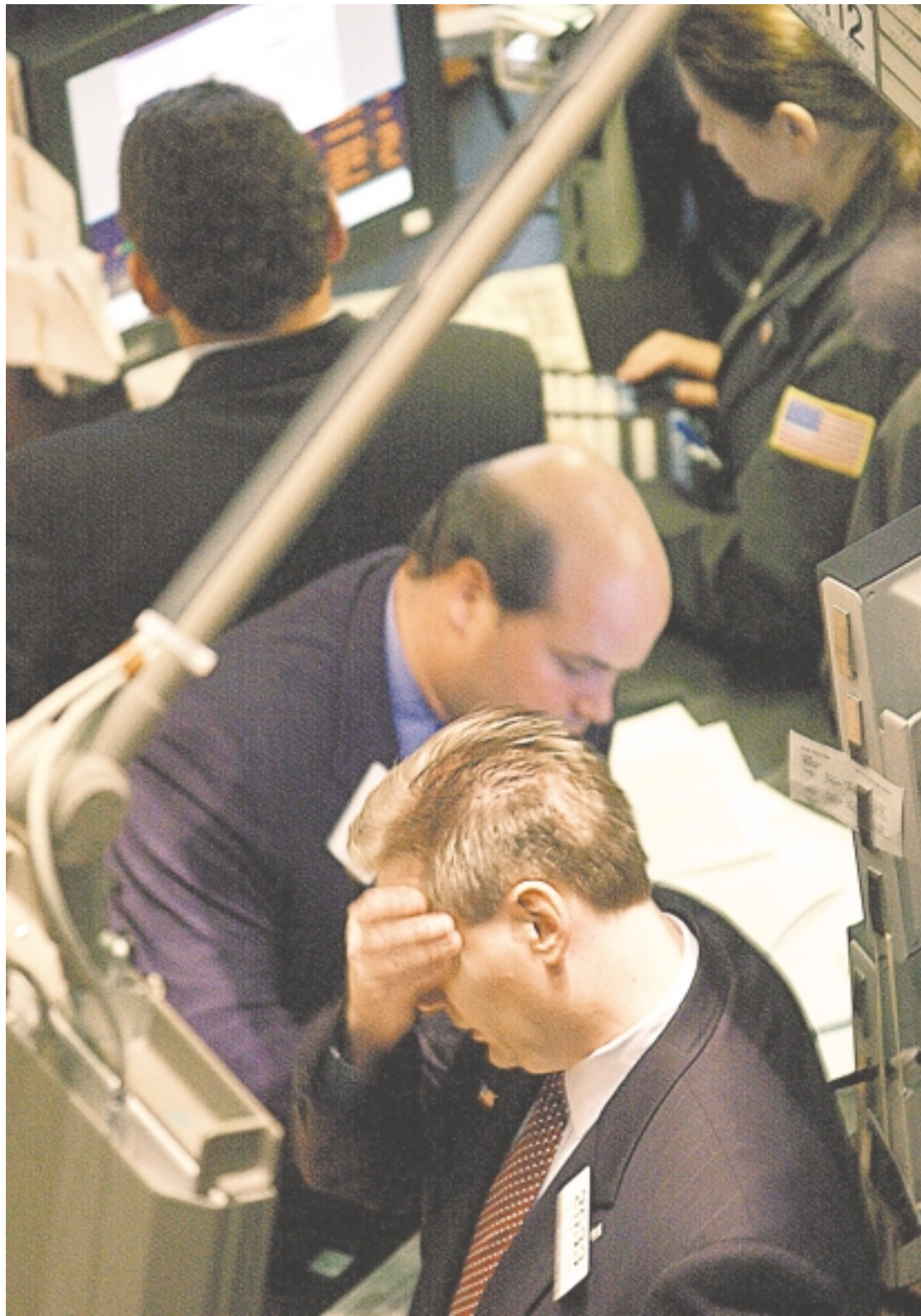
"Osama bin Laden is a prime suspect and the people who house him; encourage him; provide food, comfort, or money are on notice," said Bush.

Bush's comments came on one of Wall Street's darkest days, its first trading session since the attack on the World Trade Center. Major stock indexes ended the day with record losses in spite of a half-point interest rate cut by the Federal Reserve.

In Washington, Attorney General John D. Ashcroft said associates of the hijackers who used passenger jets as missiles last week may still be in the United States.

He asked Congress for sweeping new authority to battle terrorism.

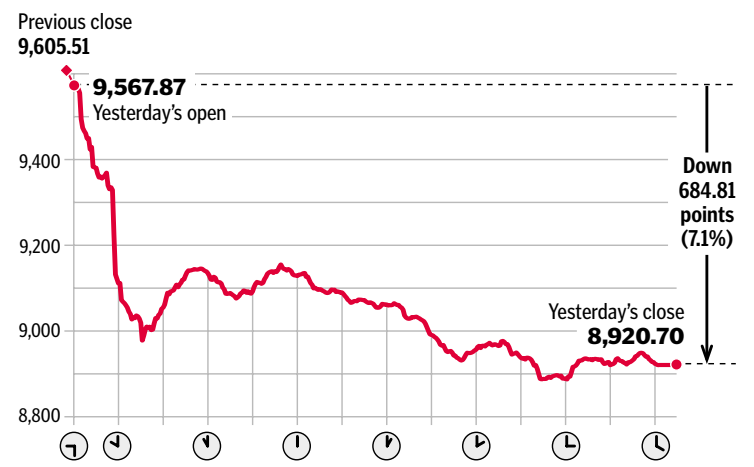
TERRORISM, Page A19



GLOBE STAFF PHOTO/DAVID L. RYAN

Wall Street traders reacting on the floor of the New York Stock Exchange near the day's end.

The Dow Jones industrial average, minute by minute:



SOURCE: Bloomberg News

GLOBE STAFF CHART

Dow has record loss, but reopening hailed

By Scott Bernard Nelson
GLOBE STAFF

NEW YORK — During emotional, turbulent trading in the wake of the World Trade Center attack, the Dow Jones industrial average yesterday suffered its largest point loss in history.

Airlines, insurance companies, and investment companies were hit especially hard.

The 684.81 fall in the Dow came despite a half-point Federal Reserve rate cut shortly before the opening bell and the announcement of dozens of corporate share repurchase programs.

But the majority of market watchers were surprisingly upbeat after the exchanges closed, calling it a victory that the system not only opened on time but operated without a hitch during what turned out to be its busiest trading day ever, with 4.5 billion shares trading hands.

The four-day closure of the market was the longest since the Great Depression.

"The capital markets passed

their first test today, and we couldn't be prouder," Nasdaq chief executive Hardwick Simmons said during a closing ceremony at the exchange's Times Square headquarters yesterday afternoon. "It won't be the last test, but it was certainly an important first test."

Fed tries to bolster confidence; day is still jittery for some fund managers. D1.

The "patriotic rally" some had hoped for never did materialize. Mutual fund companies, though, reported that the bulk of their customers — who tend to be smaller investors — weren't selling stock funds in large numbers, either. Although concerned and in some cases moving money into safe havens such as money-market funds, they were generally sitting out the short-term volatility.

Professional traders, on the other hand, frequently sold stocks of the industries most affected by the terrorist attacks, such as air-

STOCK MARKET, Page A10

Kabul mulls surrender of Saudi exile

By Indira A.R. Lakshmanan
GLOBE STAFF

ISLAMABAD, Pakistan — Afghanistan's council of elders will meet today to consider Pakistan's entreaty that they surrender suspected terrorist mastermind Osama bin Laden in a bid to avoid an American onslaught, a senior Pakistani diplomat said last night.

A delegation of senior Pakistani officials went to Afghanistan yesterday to urge the Taliban leadership to turn in bin Laden to appease international outrage over last week's terror attacks on New York and Washington.

In a three-hour meeting, the Pakistanis tried to convey Washington's fury and the depth of its resolve to punish the Afghan regime, whose isolated leadership has access to radio but not to television under a ban it imposed to keep out foreign influences. The Taliban ruler, Mullah Mohammed Omar, said that he would discuss the request at a meeting today of senior clerics and tribal leaders, the source said.

The Pakistanis told the Taliban, a regime they have openly supported and covertly funded, that they could not guarantee that

PAKISTAN, Page A23

Business jets pose a little-regulated attack opportunity

By Glen Johnson
GLOBE STAFF

WASHINGTON — There's a big loophole in the nation's broadened aviation safety rules.

The focus on making airliners more secure after last week's terrorist hijackings ignores the fleet of fast and increasingly large corporate jets that fly in and out of major cities each day, none of them subject to the new rules, or even to the less stringent ones formerly in force.

Passengers on the estimated 8,000 business jets operating in the United States are not checked to see whether they are carrying a knife or a gun. They generally board directly off the tarmac. Their bags aren't screened before going in the cargo hold. And there's little to prevent a wealthy terrorist from buying or chartering a fully fueled corporate jet — most of which lack the safety buffer of a cockpit door — and pointing it at Quincy Market, Fenway Park, or any of the National Football League stadiums that will be filled next weekend.

"I could take off from National Airport on a northern departure and be in Trent Lott's Capitol hideaway in about eight seconds," said one aviation specialist who raised the issue on the condition of anonymity. "I can be Osama bin Laden under an alias. All he has to do is pony up the money and he's got a new missile."

BUSINESS JETS, Page A20

PILOT'S FUNERAL



GLOBE STAFF PHOTO/JOHN BOHN

Margaret Ogonowski clutching a flag after a memorial Mass for her husband, John Ogonowski, yesterday in Dracut. He piloted American Flight 11 one week ago. A19. Full coverage, A2-23; index, A2.

Flight school says FBI trailed suspect prior to hijackings

By Kevin Cullen and Ralph Ranalli
GLOBE STAFF

FBI Director Robert Mueller continued to insist yesterday that federal authorities had no reason to suspect Islamic extremists were training at US flight schools before last week's suicide hijackings, even as more evidence surfaced raising questions about those assertions.

The vice president of a flight school in Oklahoma told The Boston Globe yesterday that three weeks before Tuesday's suicide hijackings, FBI agents interviewed him about a suspected terrorist who had trained at the school.

Dale Davis, the vice president of Airman Flight School in Norman, Okla., said FBI agents showed up at the facility asking questions about Zacarias Mousaoui, who was arrested in Minnesota last month after he tried to get flight simulator lessons on flying a commercial-size jet.

Davis also said that two of the men who hijacked two flights out of Boston's Logan Airport last week, including Mohamed Atta, who investigators believe was the ringleader of the Boston hijackings, had visited the Norman flight school last year before deciding to attend one in Florida.

At a Washington briefing yesterday, Mueller repeated his assertion, first made Friday, that federal au-

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MANY FLEE PRU FIRE — A small blaze on the 32d floor sent hundreds from the Prudential tower yesterday. With tensions heightened following the World Trade Center attacks, major employers told workers to go home for the day. B3.



GLOBE STAFF PHOTO/BILL GREENE

Big Dig firm would cut its profits

In letter, an offer is seen to lower fee if costs keep rising

By Thomas C. Palmer Jr.
GLOBE STAFF

For the first time in the 15-year history of the Big Dig, the state's management consultant, Bechtel/Parsons Brinckerhoff, will negotiate a reduction in profit if the huge highway and tunnel project's cost continues to skyrocket.

The consultant's current five-year contract offers financial incentives if project managers reduce costs — something even they admit is unlikely. But it does not

penalize the two multinational companies that run the project if its price tag keeps going up.

Now, Bechtel/Parsons executives are willing to renegotiate their contract, which expires in 2005, to include a provision that would reduce their fee if they cannot keep costs from rising. The project's current estimated cost is about \$14.5 billion.

Bechtel/Parsons's position is contained in a letter sent to Massachusetts Turnpike Authority officials, who are demanding a multi-million-dollar rebate from the consultants to offset more than a decade of rising costs.

"They would be willing to have discussions about putting part of

their fee at risk," said a source familiar with the letter's content.

Turnpike officials would not discuss details of the letter, which they received last week.

The letter did not address the Turnpike's request for the return of \$250 million of the approximately \$1.5 billion that Bechtel has been paid since 1986.

An estimated \$100 million of that amount is what Turnpike officials consider "pure profit." Big Dig records also indicate about \$550 million of the \$1.5 billion has been paid to Bechtel/Parsons as "overhead."

Such payments cover expenses unrelated to design and construction. BIG DIG, Page B8