

Rate has room to fall

"There is significant fear in Washington - Depression Dread Disorder - that history could repeat itself."

MARK SCHNIEPP
CALIFORNIA
FORECAST
"The Fed and Treasury are fully engaged and committed to fending off a deflation. ... It just takes longer than we would all like to thaw things out."

**INVESTMENT AD-
VISER RYAN KELLY**
SPECTRUM ASSET

The Fed says a key benchmark could drop even below 1 percent.

THE ASSOCIATED PRESS

The Federal Reserve slashed a key interest rate by half a percentage point as it sought to revive an economy hit by a long list of maladies stemming from the most severe financial crisis in decades.

The central bank Wednesday reduced its target for the federal funds rate, the interest banks charge on overnight loans, to 1 percent, a low last seen in 2003-04. The funds rate has not been lower since 1958, when Dwight Eisenhower was president.

The cut marked the second half-point reduction in the funds rate this month. The Fed slashed the rate by that amount in a coordinated move with foreign central banks on Oct. 8.

In a brief statement, the Fed said the "intensification of financial market turmoil is likely to exert

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RICHARD DREW, THE ASSOCIATED PRESS

MEASURE OF HOPE: Many economists think the Fed's rate cuts and its other actions to unfreeze credit markets will keep the country from plunging into a deep downturn.

Crude oil picks up pace

Oil prices rebounded from 17-month lows Wednesday. Traders began placing bets that falling demand for crude may have already driven oil prices as low as they will go. Crude rose \$4.77 to \$67.50 a barrel on the New York Mercantile Exchange. It traded at \$62.73 Tuesday, the lowest

↓	Dow 30 industrials Close: 8,990.96 Change: -74.16
↑	Nasdaq composite index Close: 1,657.21 Change: +7.74
↓	S&P 500 index Close: 930.09 Change: -10.42
→	10-year Treasury yield Close: 3.86% Change: None
↑	Oil Nymex per barrel Close: \$67.50 Change: +\$5.18

closing price since May 2007. In a shift from the past several weeks, the government reported that crude and gasoline inventories were actually lower than expected, giving traders another reason to be bullish. **News 18**

U.S. AIRFARES INCREASE 8.1% TO RECORD PRICE

Average U.S. airfares jumped 8.1 percent in the second quarter to their highest level since the government started keeping track 13 years ago. The Transportation Department said Wednesday that the average domestic itinerary fare in the second quarter rose to \$352, breaking the record of \$348 set in the first quarter of 2001. **News 17**

DELTA BUYS NORTHWEST

Delta Air Lines has completed its \$2.8 billion deal to acquire Northwest Airlines, creating the world's biggest carrier. The announcement late Wednesday marked a swift end to the deal. Earlier in the day, the Justice Department granted antitrust approval, and a lawyer for 28 air travelers who had sued to block the deal said the parties had settled the case. The new Delta will have headquarters in Atlanta, and Delta chief Richard Anderson will lead the combined carrier, which will integrate over the next 18 months.

REGISTER TO CUT 110

The Orange County Register will lay off about 110 employees by the end of the week, Publisher Terry Horne said Wednesday. The layoffs are part of an ongoing effort to tailor the newspaper's business model to a media environment that has been hard-hit by a loss of employment, auto and real estate advertising; a drop in readership, a sour economy and more competition from the Internet. **News 17**

PACSUN GETS HIGHER BID

Anaheim-based Pacific Sunwear of California received a higher cash-and-stock bid of \$329 million from Adrenalina after rejecting another offer as too low. **News 17**

DURABLE GOODS RISE

Orders to U.S. factories for big-ticket manufactured goods posted an unexpectedly strong showing in September - the largest gain in three months. Orders for durable goods went up 0.8 percent, surprising economists who had expected a decline.

VISA SHRINKS LOSS

Visa says it had a narrower loss for its fiscal fourth quarter. It pared its growth forecast, citing the slowing economy. Visa reported a loss of \$356 million, or 45 cents per share, compared with a loss of \$1.6 billion, or 96 cents per share, a year ago. Revenue rose 17 percent, to \$1.71 billion from \$1.46 billion last year.

COMING TODAY

- The Commerce Department releases gross domestic product for the third quarter.
- Irvine-based eMachines is introducing its first laptop after a two-year hiatus. The computer maker calls the new eMachines eMD620-5777 a notebook. It's \$430.

HOW TO REACH THE MARKETPLACE TEAM

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VIDEO ON DEMAND

A service that allows viewers to receive and play programs, usually movies, at their convenience from cable broadcasts.



'TINO'

From TiVo, a phrase for a program recorded for viewing but never watched.

Time Warner's head of operations says the acquisition of Adelphia and Comcast last year has shifted prices all over the map.



PHOTOS: EUGENE GARCIA, THE ORANGE COUNTY REGISTER

HIGH DEFINITION: Fred Stefany, president of Time Warner Cable in Orange County, with some new equipment.

Sorting out O.C.'s cable merger mess

By TAMARA CHUANG
THE ORANGE COUNTY REGISTER

For Time Warner Cable customers in Orange County upset with customer service, high cable prices and expiring discounts, there is one man with the answers.

Fred Stefany, president of Time Warner Cable's Orange County operation, offered some insight into what Time Warner is thinking.

Stefany says the mess is part of the aftermath of last year's acquisition of Adelphia and Comcast customers. When that happened, Time Warner customer service representatives had to learn two new programming guides, two more cable boxes and a variety of pricing plans for the new cities. They were learning Time Warner's new system while also juggling the older one. A year after the merger, Time Warner is in a four-way tie for the bottom of the list in customer service.

"By midyear next year, we'll just



SENDING SIGNALS: These new optical transmitters send high-definition signals over fiber-optic lines.

will still be users in Seal Beach who refuse to move to Time Warner's cheaper and more expansive digital service. There will be folks in Costa Mesa who don't want to give up their Motorola cable boxes they inherited when Comcast left the county. And because cable franchise fees vary per city, cable TV prices will continue to be all over the county price map. So there will still be a learning curve for customer service reps.

Some of the confusion may never leave us, because each city charges different franchise fees. From Time Warner's price guides, I compared prices of basic broadcast service (minimal TV service to get a clear signal on typically free channels) and basic cable. There are 10 different prices in Orange County.

The chart offers insight into a smidgen of what a Time Warner customer service rep needs to know when deal-

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