

THE NEW YORK POST, MONDAY, SEPTEMBER 17, 2001

CAPITALISM SET

Wall St. trades fear for optimism

By TOM TOPOLIS,
BRAD HUNTER
and JESSICA SOMMAR

The Bull is ready to roar back today.

After a Herculean effort, Wall Street will reopen for business this morning in an act that city officials say will defy the terrorists bent on shutting down the world's financial capital.

"It's important to make Wall Street work (today) to send a message to these perpetrators of this criminal act that we're back in business," vowed John Dyson, economic adviser to Mayor Giuliani.

Despite limited electrical power and scattered phone outages, Dyson said it looks as if the New York Stock Exchange and other financial markets will open for the first time since the terror attack.

"We're all working to achieve a very high level of normalcy at the markets," said Dyson. "That's our mission."

The exchanges were set for their usual 9:30 opening last Tuesday morning when disaster struck just blocks away before 9 a.m.

The NYSE, other exchanges and most of the major financial institutions in lower Manhattan will have to rely on their own electric-generating systems.

"So that means many of the small stores and restaurants will not have electricity unless they have their own generation," said Dyson. "A wise idea would be bring your own lunch."

He predicted most operations on Wall Street should go smoothly, citing trial runs at the exchange over the weekend.

The New York Board of Trade, which lost its facility at the trade center, will move to a backup location it established in Queens after the 1993 garage-bomb attack at the Twin Towers.

All eyes will be on the markets to see how investors around the world react to the attacks.

Billionaire investor Warren Buffett gave the markets a shot in the arm last night when he told CBS's "60 Minutes" that he won't sell any stock today.

President Bush said he has confidence in the city's ability to get back to business.

"People will be amazed at how quickly we rebuild New York, how quickly people come together to wipe away the rubble," Bush said yesterday. "We need to get back to work."

About 5,000 people work at the New York



CLEAN START: A worker sprays down an overhang yesterday near the stock exchange. Reuters

Price tag to rebuild: \$100B

The cost of rebuilding in New York and Washington, and of compensating the families of the thousands of people killed and injured in the attacks, could be as high as \$100 billion, according to B&W Deloitte, the leading actuarial consultancy.

A loss on this scale would be five times as much as the cost of Hurricane Andrew, which devastated Florida in 1992 and caused the previous biggest claim. Initial estimates suggested last week's terrorist outrages would generate insurance claims of \$10 billion to \$15 billion.

Sunday Times of London

Stock Exchange alone. City officials expect at least another 20,000 workers to return to the Financial District this morning.

Mayor Giuliani said the

resumption of business downtown along with the reopening of theaters, museums and shops shows New York is coming back to life.

"The life of the city goes

on and I encourage people to go about their lives," said Giuliani. "One of the best things they can do is to show how strong we are and how terrorists can't cower us."

Many small merchants who serve the brokers and bankers took the mayor's message to heart, heading back to their shops over the weekend.

Samuel Castro vowed to reopen his Samuel's Hats store on Nassau Street even though he doesn't expect brisk sales.

"I just want to open — it doesn't matter whether I make money," Castro said as he cleared away debris. "We have to continue with our lives."

At the Pearl Street Diner, owners Jimmy Couliandis and dad Manny were busy tossing out spoiled food. The popular eatery is without power.

"I don't know whether we'll be able to open [today]. I doubt it. We can't get any deliveries," said Couliandis.

But he and his father were getting ready so they could reopen as soon as power comes back.

As of last night, 1,900 Con Ed workers were laying transmission cables to restore service to 9365 customers.

Officials stress they are encouraging only those people with business on Wall Street to return.

"This is not a sightseeing undertaking," Dyson warned.

Officials urge everyone

in lower Manhattan to limit their use of phones and electricity.

"We need a less-than-usual demand for electricity when it comes back there and for the phone system because we're patching it together," said Dyson.

Meanwhile, the city is waging a full-court press on businesses that lost their offices, in an effort to keep them from moving out of the city.

Giuliani and City Council Speaker Peter Vallone are talking to top executives and also weighing the creation of a commission focused on helping rebuild lower Manhattan.

Dyson said the commission would allow builders to cut through red tape to speed up new construction and to access funding that often takes months or years to secure.

So far, all 3 million square feet of lower Manhattan office space that was vacant before the attack has been filled. And city and state officials are trying to consolidate or move government agencies to free up space for private firms.

"We are doing everything we can to find people space to stay here," said Dyson. "It would be a wonderful gesture for New York and against the terrorists for people to be patient with us."

More in Business
/ Pages 48-50

City biz should rebound after short-term dip

By BETH J. HARPAZ

Realtors and economists predict that the World Trade Center attack will result in a short-term blow to the local economy, but say that, over time, the city will likely come out OK.

"In the short term, obviously, there's a large amount of devastation and loss of life. It's a huge blow for New York," said Columbia University economics Professor David Weinstein.

But Weinstein, who has studied what happens when cities suffer catastrophes such as bombings during wartime, said that historically, "the long-run impact is actually quite modest."

In the short run, there will be a run-up in commercial real-estate prices in the scramble to find office space, and some

businesses are going to have to move out. But with federal help and city help, there's going to be a rebuilding."

Mark Thompson, managing director of Plymouth Partners, a commercial Realtor, says many companies will relocate into space recently made vacant by the dot-com bust. And in the long term, he predicts, there will be new construction to help create needed offices.

But he acknowledges that some of New York's most prestigious addresses might be less desirable from now on than an anonymous building in downtown Brooklyn or Queens. "There may be some issues some companies will have, [such] as being in landmark buildings they see as potential

targets," he said. "But I don't see people fleeing New York."

Marcia Van Wagner, chief economist for the Citizen's Budget Commission, a fiscal watchdog group, agrees that there will likely be a short-term turndown, accelerated by the national economic slump already in progress when Tuesday's attack on the Twin Towers occurred.

"A year from now, if your cop or condo is worth less, it will probably be worth about the same that it would have been without this," she said.

"It's not part of a structural erosion of what makes the city competitive. That's not to say this doesn't present a fiscal challenge. There are a lot of very big taxpayers involved in this, and if a number of them

leave the city, that's not good for the city's fiscal base."

The attack destroyed office space for hundreds of firms and thousands of jobs, not just in the Twin Towers but also in surrounding buildings that are now off-limits due to structural damage. Small businesses that provided ancillary services to some of the firms directly hit — everything from delis to copy shops — will experience reduced revenues from fewer customers.

On the other hand, billions of dollars in federal aid are in the pipeline. Insurance payments will help damaged companies reconstitute. New jobs will be created in construction.

Largely due to the airline slowdown, tourists have largely

disappeared from normally bustling places like Times Square. Cabs are suddenly available in neighborhoods where they used to be impossible to find. And discount tickets are available to Broadway shows that had been hard to see.

Van Wagner says that an immediate tourist slowdown was to be expected, explaining, "When things like this happen, people get superstitious about the place where the tragedy occurred."

Barbara Corcoran, who is probably the best-known high-end Realtor in Manhattan, predicts that prices will soften in the short term, but largely because of a wait-and-see attitude that she expects will rule the real-estate market for the next few months.

AP

CITY_21MC100_011829457

THE NEW YORK POST, MONDAY, SEPTEMBER 17, 2001

TO REIGN AGAIN

Mass transit on track for influx

By TOM TOPOUSIS

Workers are set to return to the Financial District today, but the only way in will be by subway or on foot.

The Transit Authority worked through the weekend to restore most subway service through the district, with the exception of some station closings nearest to the World Trade Center site.

But TA officials said last night that service on the I/R line south of Canal Street is lost indefinitely. N and R service between Canal and Whitehall streets will be out for weeks.

All passenger cars and non-essential vehicles are banned south of Canal Street. The Holland Tunnel and the Brooklyn-Battery Tunnel are closed.

Limited express-bus service will run to Pearl and Water streets in lower Manhattan.

The Brooklyn Bridge will be open only for pedestrians — making this perhaps the 118-year-old span's longest closing to vehicular traffic since the invention of the automobile.

Brooklyn will get new ferry service that the city will run free of charge from the Brooklyn Army Terminal in Bay Ridge to the Whitehall Ferry Terminal in lower Manhattan.

Ferries will leave Brooklyn at First Avenue and 58th Street on the hour from 6 to 9 a.m. for the 30-minute ride. They will re-

turn from Manhattan on the hour from 3:30 to 7:30 p.m.

Staten Island Ferries are also slated to resume normal weekday service this morning into South Ferry at the tip of Manhattan.

PATH-train service from New Jersey will run only through the north tube to 33rd Street. The PATH station at the World Trade Center was destroyed and its tunnels flooded.

New York Waterway ferries will boost service for commuters from New Jersey, especially at the Hoboken station where thousands of commuter-rail riders used to switch to PATH trains to the trade center.

Pat Smith, a spokesman for New York Waterway, said the ferry system is prepared to carry 250,000 riders today, compared with its 32,500 daily average.

The ferries will be one of the only transit links across the Hudson to lower Manhattan, with service running to Pier 11 at Wall Street. Boats will also be going to 38th Street on the Hudson.

All ferry service to the World Financial Center has been canceled.

The Long Island Rail Road, Metro-North and NJ Transit commuter rail lines are expected to resume normal service to Penn Station and Grand Central Terminal.

Airlines' urgent plea

U.S. airlines braced for a worsening crisis ahead of urgent meetings with the Bush administration, where they will seek a federal bailout for an industry hobbled by last week's terror attacks.

Airline executives were calling for government assistance as the industry struggles with the aftermath of a national air transportation shutdown. Thousands of airline industry jobs are at risk as carriers grapple with the loss of public confidence that has slashed traffic.

"If you want to have an air transportation system in this country that can get the economic engine running again, then you are going to have to do something," Continental Airlines Chief Executive Gordon

Bethune said on ABC television yesterday.

Continental Airlines said on Saturday it would lay off 12,000 staffers and warned it could file for bankruptcy.

Delta Air Lines, the nation's third largest, yesterday joined other carriers in reducing scheduled service and said it would consider job cuts if the government does not provide federal aid to salvage carriers from the deepening crisis.

"Were this to go on for any extended time without aid from the government, then we would have to consider employee reductions," Leo Mullin, Delta chief executive, told ABC.

Reuters

Getting to Wall Street

For Monday
Transportation officials request that commuters use public transportation to keep roads clear for emergency vehicles.

• **ROADS:** Most open below Canal Street and east of Broadway.

SUBWAY:

A, J, Fulton St.-Broadway Routes
4 and 5 / Fulton St.-[along Wall Street], Bowling Green
or 4, 5 and 6 / Brooklyn Bridge stations then walk north to Wall Street
J and Z / Broadway

• **BUS:** New stops have been created along Water Street for private and public express bus routes.

• **PEDESTRIANS:** Able to walk in some areas of lower Manhattan. Signs have been posted and police officers will be directing. Street lights will be on at night. Pedestrians can also walk over the Brooklyn Bridge, which remains closed to non-emergency vehicles.

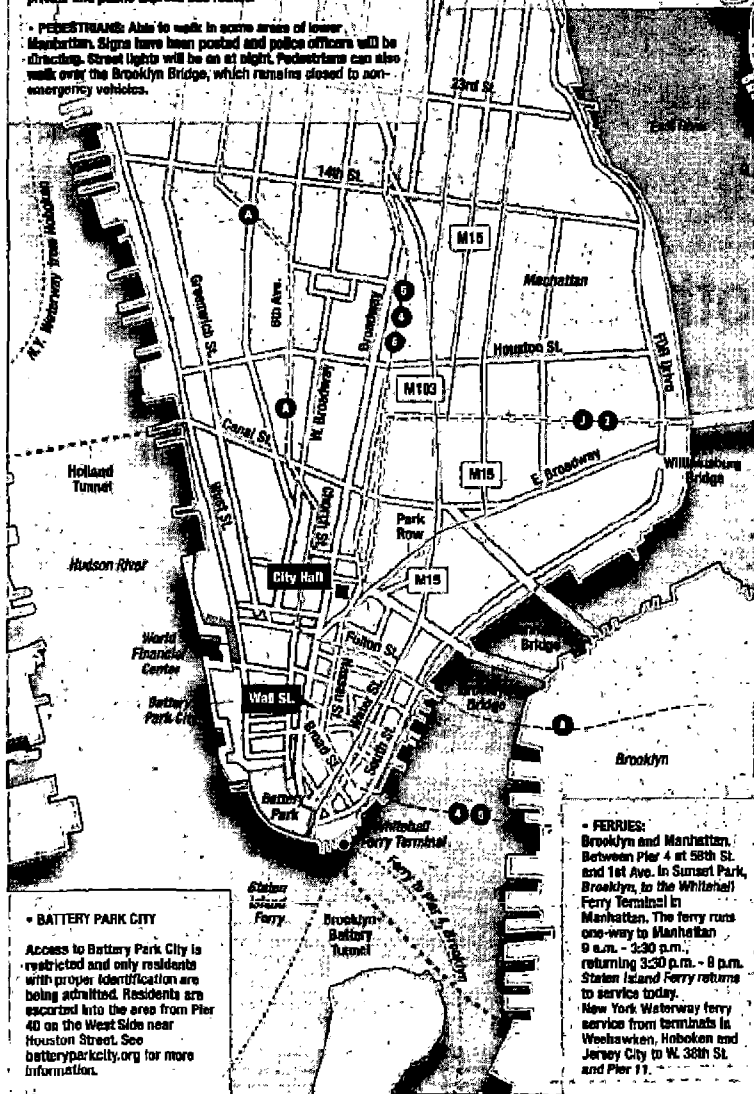
TRAINS:

• **Astoria, the Long Island Rail Road and Metro-North** are running on regular schedules. New Jersey Transit trains and buses are running on or close to schedule.

• **PATH:** Trains are running from 33rd Street to Hoboken and Newark.

BRIDGES/TUNNELS:

• The Brooklyn-Battery and Holland Tunnels and the Brooklyn Bridge remain closed in both directions. All other bridges and tunnels are open in both directions.



BATTERY PARK CITY

Access to Battery Park City is restricted and only residents with proper identification are being admitted. Residents are escorted into the area from Pier 40 on the West Side near Houston Street. See batteryparkcity.org for more information.

• **FERRIES:** Brooklyn and Manhattan: Between Pier 4 at 58th St. and 1st Ave. in Sunset Park, Brooklyn, to the Whitehall Ferry Terminal in Manhattan. The ferry runs one-way to Manhattan 9 a.m. - 3:30 p.m., returning 3:30 p.m. - 8 p.m. Staten Island Ferry returns to service today. New York Waterway ferry service from terminals in Weehawken, Hoboken and Jersey City to W. 38th St. and Pier 11.

CITY_21MC100_011829458