

Rising fuel prices put throttlehold on transit system's budget

By PETER WALLSTEN
Staff Writer

Rising gasoline prices resulting from the tense situation in the Middle East could make bus operations a problem, a Chapel Hill Transit official said Aug. 30.

"If the cost per gallon goes up significantly and remains up, it could create some problems," said Chapel Hill Transit administrative assistant Scott McClellan.

McClellan said it would be premature to consider raising fares or cutting the regular schedules for the transit system. "We're committed to our published

level of service," he said. "The situation has not gotten to the point that the government has had to ration fuel or anything yet. It's all going to depend on how high prices go and how long they're going to stay that way."

The town uses about 40,000 gallons of diesel fuel per month to run its buses, McClellan said, adding that the price of gas is currently about 20 cents higher than what Chapel Hill Transit budgeted and "if it stays this way, it will be interesting."

The bus service, however, could benefit from the Middle East situation if students and residents take full advantage of public transportation, McClellan said.

"I'd like to believe the higher prices would have a positive impact on our ridership," he said. "I would hope people would use our services more, or even share a ride or carpool."

Students who normally commute to campus by car are beginning to switch to the bus system as fuel prices continue to rise.

"I know people who have cars but permanently park them in lots," said Lisa Cunningham, a sophomore from Chapel Hill. "It's a lot cheaper to find a parking space than pay for gas."

Transit officials will not know until later this week whether ridership has increased significantly since Iraq's invasion of Kuwait, but McClellan said an increase in numbers would not necessarily be the result of the Middle East situation.

"We've been seeing an increase in use for about the past four or five years," he said, noting that more than 2.5 million people took the bus last year. "To cite just one example, July's ridership was up significantly from last July. We had just had a fare increase, so we were pleasantly surprised."

Meanwhile, the price of a gallon of

unleaded regular gasoline continues to hover above the norm for Chapel Hill. Local prices range from \$1.22 to \$1.34.

Local cab companies are in the process of assessing their situations and may soon announce increased fares to make up for the rising gas prices.

"We're reevaluating our costs and what the gas crunch is going to do," said Henry Richardson, owner of Tar Heel Taxi. "We don't want to price ourselves out of business... This gas thing has just got us in a bind."

The increase of approximately 15 to 20 cents per gallon of unleaded gas could cost Tar Heel Taxi at least an

extra \$700 per month, and the company is trying to save money creatively before raising fares, Richardson said.

"We're going to combine trips," he said. "We're going to try to design our trip dispatches to help minimize the effect."

The rising prices also are causing more students to stay in Chapel Hill instead of going back to their hometowns on weekends.

"I live in Garner, and when I was a freshman I used to go home every weekend," said junior Jade Peele. "But now, it's definitely stopped me from going home on the weekend."

Investigations begun as gas prices leap 18.2 cents in 1 month

By GLENN O'NEAL
Staff Writer

The price of self-service regular unleaded gasoline has risen by an average of 18.2 cents a gallon since Aug. 1 in the Carolinas, according to a spokesman for the American Automobile Association Carolina Motor Club.

Meanwhile, state and federal authorities have launched investigations into gasoline price increases since the Aug. 2 invasion of Kuwait by Iraq.

"I'm afraid until this (Middle East) situation is resolved, we can expect a very volatile situation with gas prices,"

said Quentin Anderson, public relations director of the Carolina Motor Club. "We will probably see more increases before it reaches its peak."

As of Aug. 30, the average cost of all grades of unleaded gasoline in North Carolina was \$1.37 a gallon, he said. In South Carolina, the comparable average was \$1.30.

The motor club's research was conducted by Computer Petroleum Corporation of St. Paul, Minn. The research firm contacted 150 service stations in seven cities in the Carolinas.

John Simmons, spokesman for N.C.

Attorney General Lacy Thornburg, said Friday that the U.S. Department of Justice Anti-Trust Division began a preliminary investigation of oil companies' pricing last week following a meeting with 35 states concerning the issue.

The state is investigating Exxon Corporation for possible unfair and deceptive trade practices, Simmons said. Exxon allegedly quoted one price to the wholesaler, only to raise the price after delivery of the product, he said.

There is an injunction against Exxon that requires the company to honor posted prices, he added.

Al Dorsett, executive director of the N.C. Service Station Association, said the major oil companies are responsible for the gas increases.

"The major oil companies are raping

the motor public," he said.

It takes about 30 to 60 days for the refined product to get to the retailer, he said. A gasoline price increase should not have occurred until at least 30 days after the Middle East situation developed.

Bill Weatherspoon, executive director of the N.C. Petroleum Council, said the primary reason for the gasoline price increases is the embargo on Iraqi and Kuwaiti oil by the United States, denying the world four million barrels of crude oil per day.

Brokers, traders and purchasers of crude oil bid up prices of refined oil when it became evident that the embargo would occur, Weatherspoon said.

"Even the perception of a shortage, even if there is no actual shortage, will

drive the price up among the people who have to buy it."

Simmons said the world's oil supply has been at its highest level in nine years, despite the loss of Iraqi and Kuwaiti oil.

"They're (major oil companies) raising the price because they can," he said.

Weatherspoon added that crude oil prices go up when war is mentioned. People in the oil industry are concerned that a war could affect the oil production of Saudi Arabia, which would have a large effect on the world's oil market, he said.

From mid-June to Aug. 30, crude oil prices rose on the average of \$10 per barrel, he said. On Aug. 29, the closing price for crude oil was \$26.77 per barrel. Before the invasion, the price for crude oil was about \$15.50 per barrel, he said.

When asked if oil companies were trying to profit from the Middle East situation, Weatherspoon said, "I haven't seen any indication of anybody trying to raise their profit margin. There is absolutely no indication that anything is happening here except the healthy, appropriate workings of the marketplace."

Campus Calendar

TUESDAY

3:30 p.m.: Career Planning and Placement Services will hold Job Hunt 101: Basic information on how to use the UCPPS Office for seniors and graduate students in 210 Hanes.

The Study Abroad Program invites you to come to the Study Abroad Office in 12 Caldwell Hall until 4:30 p.m. if you are interested in spending a year in Bristol, England, and getting UNC major, elective and perspective credit.

4:15 p.m.: UCPPS will hold Job Hunt 102: Resume-writing workshop for seniors and graduate students in 210 Hanes.

5 p.m.: UCPPS will hold Job Hunt 101: Basic information on how to use the UCPPS office for seniors and graduate students in 210 Hanes.

5:45 p.m.: UCPPS will hold Job Hunt 102: Resume writing workshop for seniors and graduate students in 210 Hanes.

6 p.m.: Alpha Phi Omega Service Fraternity will have its fall informal rush in rooms 205-206 of the Union. We welcome all interested people. We are socially serious and seriously social.

7 p.m.: UNC Cheerleading announce Carolina Cheerleading Tryouts to be held in Fetzer Gymnasium Room until 9 p.m. Come put your athletic skills to good use.

The Student Environmental Action Coalition will be having a fun-filled first meeting in Gerrard. Come party and save the planet with the biggest student environmental group in the world. Benefit concert at Cat's Cradle to follow.

11 p.m.: WXYC FM 89.3 will play the new al-

bum from Trisomie 21: *Plays the Pictures*, in its entirety with no interruptions.

ITEMS OF INTEREST

Carolina Tar Heel Voices is now holding auditions for the upcoming year. We are a mixed a capella group who love to sing and have fun. Sign-up sheet available at the Union desk. Auditions are today through Thursday.

Unstead Committee of the Campus Y will be in the Pit from 11 a.m. to 1 p.m. until Wed., Sept. 5 to answer students' questions about volunteering.

Student Health Service announces that a Diabetes Educational Group is now forming. Call 966-6562 for information/registration.

The Dialectic and Philanthropic Societies, UNC's oldest student organizations, will hold a reception for persons interested in joining on Sunday, Sept. 16, from 2 until 4 in the Phi Chamber, top floor of New East Hall.

PlayMakers Repertory Company will open its 15th season with "You Never Can Tell," Sept. 12 - Oct. 7 at the Paul Green Theatre. For information call 962-PLAY.

UCPPS announces that the Foreign Service Written Exam will be held on October 27. Deadline for receipt of application is September 21. Applications are available in 211 Hanes.

Attention business students! Delta Sigma Pi, the professional business fraternity, is holding registration for fall rush today through Friday outside Carroll Hall. All sophomore, junior and senior business students welcome!

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Donation

sistance, but by no means did we have to make this kind of effort. It seems regrettable that the only place that we've had this kind of resistance is a facility of higher learning."

Linda Shaw, director of the N.C. Low Income Housing Coalition, said

the donations would be divided among the N.C. Low Income Housing Coalition in Raleigh, the Durham Men's Shelter, the InterFaith Council Homeless Shelter in Chapel Hill and the Home Street Home in Raleigh.

DTH desperately seeking a few good journalists... QUITE a few

So, you're not too happy with your classes? Does Lenoir food have you down? Need excitement in your life? No, it's not 962-DATE, it's the DTH! We are looking for some talented, hard-working people who want to expand their horizons and meet new people. All of the news desks are looking for new writers, copy editors and photographers.

Anyone interested should come to the new writers' meeting today at 6:30

p.m. in rooms 208 and 209 of the Student Union. People applying for staff writer positions will be required to write a news story. Those interested in copy editing should plan to spend an hour after the meeting to take a copy editing test, and should also come armed with dictionaries and/or AP Stylebooks if they have them. Photos-to-be should talk with the photography editors. We'll see you there!

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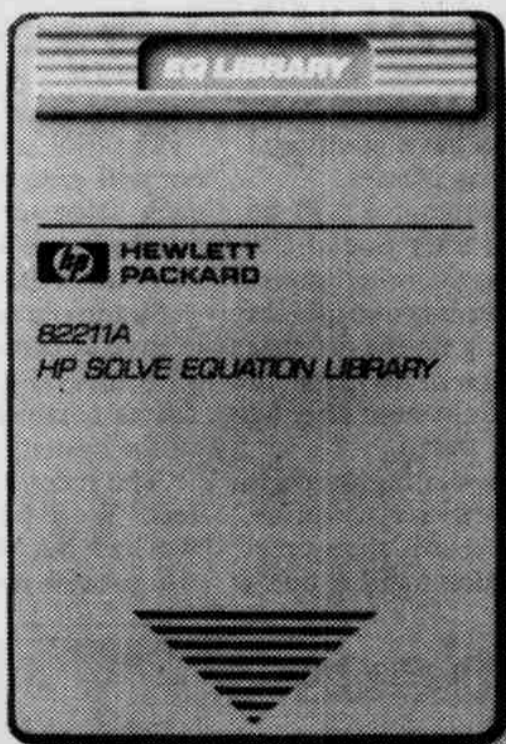
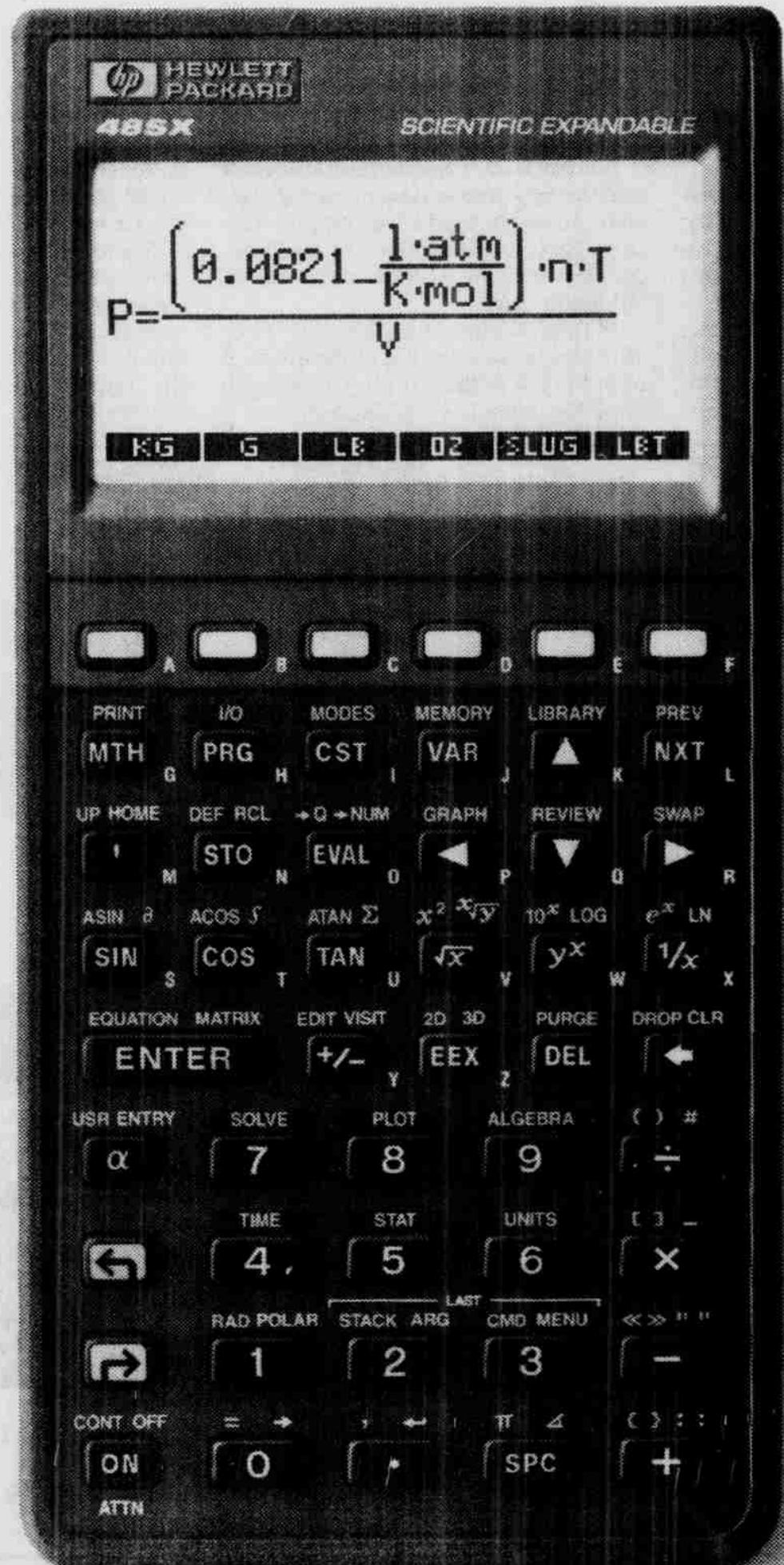
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