

INNOCOLL ANNOUNCES CLINICAL TRIAL

Ashburn biotech company Innocoll will begin the second of two phase-3 clinical trials testing its latest drug product. The trial is for CollaRx Gentamicin Surgical Implant, the company said Tuesday. The drug treats localized, deep tissue infections and helps prevent infections from occurring in surgery. The drug has been approved in 49 other countries.

— Melissa Frederick

ON WALL STREET

Market ends mixed over inflation fears

By Madlen Read

NEW YORK - Wall Street gave up a big early advance and closed mixed Tuesday after oil prices closed above \$100 for the first time and stoked fears that inflation will stymie an already troubled economy.

Soaring oil prices could bring more problems for consumers, having already made many Americans shy about spending in recent months. Consumer spending, a key driver of U.S. economic growth, has also been shaken by falling home prices and the volatile stock market.

The market was also concerned that rising inflation might make the Federal Reserve reconsider its bias toward lowering interest rates to help the economy. The central bank, which next meets March 18, last month slashed rates by 1.25 percent.

"I think there are still a lot of worries in the market that we have this stagnant growth in the economy and higher prices," said Richard Sparks, senior equities analyst at Schaeffer's Investment Research in Cincinnati.

Investors likely were positioning themselves ahead of a half-dozen economic reports that could give the market further direction. Paramount will be Wednesday's Labor Department report on consumer prices for January, which is a closely watched gauge for inflation. The Fed will also release minutes from its last meeting.

Meanwhile, new concerns that banks are facing more financial problems this year dragged the sector sharply lower. — AP

MORE IN BUSINESS

» TRANSPORTATION

Sources: Delta, Northwest boards may vote on merger

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David's Bridal stores settle with Md. A.G.

David's Bridal Inc. has settled with the Maryland Attorney General's office over how much it charges customers for layaways.

Under the state Layaway Sales Act, a business can charge only 10 percent of the layaway price of a purchase if a consumer cancels or defaults under a layaway sales agreement.

The attorney general's Consumer Protection Division said David's Bridal, which has stores in Bowie,

Glen Burnie, Hagerstown, Rockville and Waldorf, had been charging a 25 percent forfeiture fee.

Under the settlement, David's Bridal did not admit wrongdoing, but agreed to stop charging fees beyond the act and pay the state more than \$33,000, the estimated extra cost charged customers.

The company also will pay the state \$30,000 for costs and penalties. — Whitney Blake



— AP

▼ DOW JONES
10.99 | 12,337.22

▼ NASDAQ
15.60 | 2,306.20

▼ S&P 500
1.21 | 1,348.78

▲ 10 YR. T-NOTE
0.095 | 3.875%

▲ YEN/DOLLAR
0.110 | 107.885

▲ EURO/DOLLAR
0.0002 | 1.4727

Oil jumps back above \$100 on a Texas refinery outage and possible OPEC cut

By John Wilen
in New York

Oil futures shot higher Tuesday, closing above \$100 for the first time as investors bet that crude prices will keep climbing despite evidence of plentiful supplies and falling demand. At the pump, gas prices rose further above \$3 a gallon.

There was no single driver behind oil's sharp price jump; investors seized on an explosion at a 67,000 barrel per day refinery in Texas, the falling dollar, the possibility that OPEC may cut production next month, the threat of new violence in Nigeria and continuing tensions between the U.S. and Venezuela.

The fact that there was no overriding reason for such a price spike could be a bad omen for consumers already bearing the burdens of high heating costs and falling real estate values. Many recent forecasts have said oil demand growth this year will be less than initially expected, yet prices continue to rise. That suggests they may continue rising as the weakening dollar attracts new investors to the futures market.

MILITARY

Two Va. firms win battle for \$4.6B linguistics deal

By Whitney Blake
Examiner Staff Writer

Falls Church's DynCorp International and Springfield's McNeil Technologies Inc. have won a \$4.6 billion contract from the U.S. Intelligence and Security Command to provide interpretation and translation services to the Army and other agencies working in Iraq.

The two companies will hire up to 7,000 people for the work. Most of the employees will be stationed in Iraq, according to DynCorp spokesman Douglas Ebner. A maximum of 6,000 translators will be locally hired from Iraq, and up to 1,000 will be U.S. citizens with security clearances.

"We think we're offering a solid proposal," Ebner said, and "we're



Oil prices jumped back above \$100 Tuesday after a Texas refinery outage and possible OPEC production cut. — AP

And rising oil prices mean higher gas prices.

"As the economy weakens, it's going to be met with \$3.50 and \$3.60 gasoline," said James Cordier, founder of OptionSellers.com, a Tampa, Fla., trading firm. "And that really spells trouble for the consumer."

Light, sweet crude for March delivery rose \$4.51 to settle at a record \$100.01 a barrel on the New York

Mercantile Exchange after earlier rising to \$100.10, a new trading record. It was the first time since Jan. 3 that oil had been above \$100.

Oil prices are still within the range of inflation-adjusted highs set in early 1980.

Depending on how the adjustment is calculated, \$38 a barrel then would be worth \$96 to \$103 or more today. — AP

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definitely competent and capable of meeting the contract requirements."

DynCorp and McNeil Technologies, who have not worked together previously, formed a consortium, Global Linguistics Solutions, to bid for the contract.

DynCorp is the managing partner in GLS with a 51 percent stake. DynCorp specializes in logistics support and mission-critical services, while McNeil Technologies is known for recruiting and deploying linguists.

The five-year contract originally was awarded to the two compa-

nies in December 2006 but faced protests twice from L-3 Communications, which had acquired the previous Army linguistics contractor, Titan Corp., in 2005.

The General Accountability Office, Congress' investigative arm, sustained the first protest, GLS submitted a revised proposal, and the U.S. Army Inscow awarded the contract again to GLS in December. After a second protest from L-3 Communications, the Army re-evaluated the proposals and chose GLS late last week.

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AROUND THE REGION

REAL ESTATE

Loudoun leases space in Sterling development

Duke Realty said the Loudoun County government will lease space in one of its new buildings at the TransDulles Centre in Sterling.

Loudoun County, the second tenant in the building following Cogent Communications, will use its 9,680 square feet for warehouse/flex purposes. The building has a total of more than 800,000 square feet. — Whitney Blake

INTERNET

Small-business resource for women comes online

The Washington Area Women's Foundation has started an online directory for local women who are starting their own small businesses.

The Women's Small Business Development Directory is a project started by a Trinity Washington professor and her students. It includes information about where to find micro-loans, training and technical assistance, and help developing a business plan. — Whitney Blake

MATERIALS

Javan Partners buys The Countertop Co.

Bethesda firm Javan Capital Partners has bought retail granite chain The Countertop Co.

Financial details were not disclosed.

The Countertop Co. has eight locations in Maryland, Virginia and North Carolina, according to the Javan Capital Partners.

Javan Capital Partners owns the Bethesda Persian restaurant Javan, and has holdings in a number of other businesses. — Melissa Frederick

ENERGY

Pepco creates Web site for new power line

D.C. electric company Pepco Holdings has created a Web site to keep the community updated on developments with its new planned power lines.

The site is powerpathway.com. It will provide information on the new 230-mile, 500-kilovolt transmission line that Pepco is building to serve the mid-Atlantic area. — Melissa Frederick