



MICHAEL S. WIRTZ / Inquirer Staff Photographer

Jamie Wright, a test engineer for Christini Technologies, tests an all-wheel-drive bike. The firm has testimonials from off-road riders that the converted cycles handle rough terrain better than other cycles.

Innovation seeks traction

MOTORCYCLE from C1 investors, Trattner said.

"We're not in here to make a couple of million," Trattner said, scoffing at the notion of such a meager return. "We're here to make big bucks. It's something that's changing the rules."

Christini's system can be fitted onto certain existing motorcycles, or become the basis for a new line of bikes. Its advantage, say riders who have tried it, is that having two drive wheels gives the motorcycle better traction on loose or steep surfaces, improves handling and, overall, makes the machine safer and easier to operate.

Yamaha Corp., the Japanese conglomerate that makes pianos, music equipment, golf carts — and motorcycles — has been working on the two-wheel drive concept for many years, but is not marketing the innovation to consumers.

On its corporate Web site, the company says its "2Trac" technology is for competition only, and that it will "further study" using it in other products, "Following future market research results and potential customer demand."

Christini acknowledged that the world might not be ready for such a potentially disruptive technology, especially if it costs as much as a new motorcycle.

Initially, the company's "frame kits" will cost about \$6,800, plus the customer will need a Honda CRF250 off-road motorcycle, which costs \$6,400. Professional installers will perform frame and fork-ectomies on the bike, substituting Christini's strengthened all-wheel-drive skeletal system.

"We're not going for the average guy right away," said Christini, company

founder and inventor of the technology. Rather, he said, the technology's commercial debut, which will consist of about 200 units later this year, is targeted at hard-core enthusiasts.

To that end, the company has collected testimonials from several notables in the world of off-road motorcycling, using an unusual marketing technique — lacking money for paid endorsements, he simply invites top-level riders to try the Christini-equipped bike during trail runs in the woods, and they show up.

"You can go over logs, go over rocks, climb hills where your rear wheel would normally be spinning," said Ron Lucas, an accomplished trail-bike rider who operates a motorcycle suspension-tuning shop called Enduro Experts, in Egg Harbor City.

Christini's kit consists of a heat-treated motorcycle frame and a patented network of gears and rotating shafts in the motorcycle's front-fork section. A chain connected to the engine sets the front-wheel-drive assembly in motion, but only when the system "senses" that the rear wheel has lost traction.

Last week, in the company's post-industrial loft workspace near Seventh and Callowhill Streets, Christini said the company planned a rollout of a dozen or so racing-spec all-wheel-drive motorcycles this summer. The company will use them to publicize the technology at motorcycling events along the East Coast.

A "limited production run" of about 200 frame kits will become available in the fall, with customers able to have the modifications done to their own Honda motorcycles. Alternatively, Christini AWD will arrange

for the modifications to be made by its dealership partners for their customers.

The idea could potentially help all types of motorcyclists, including those who ride more traditional cruisers and zippy "crotch rockets."

For now though, Christini is aiming at the off-road segment — people who ride on dirt tracks and in the woods — because they stand to benefit the most from increased traction.

Meager revenue from the sale of two-wheel-drive bicycles, along with a parade of loans and investments from friends, families and angels have kept the business alive since Christini, his brother and father formed a partnership in 1998.

"We hit up everyone we knew," said Christini, a 1995 Villanova engineering graduate.

"Everything we learned on the bike, we knew we could transfer to motorcycles," Christini said that if the company partners with a major motorcycle manufacturer and licenses the technology, "in production this should only be an \$800 upgrade."

That could happen, or a larger company could buy Christini Technologies outright and create a windfall for its investors — an outcome Christini said sat just fine with him.

Or, he said, "The dream — maybe we decide to make 5,000 of these and just become a motorcycle company."

If it is truly a "disruptive technology," an industry game-changer like the advent of the electric start or disc brakes, Christini said, "this has the power to do that."

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Congress mulls ways to tax oil companies

But economists and other experts agreed that no measures were likely to drive gas prices down.

By H. Josef Hebert
ASSOCIATED PRESS

WASHINGTON — Congress considered billions of dollars in new taxes on oil companies yesterday, looking for ways to punish the cash-rich industry and soothe the growing anger over high gasoline prices.

Senate Republicans also proposed a \$100 fuel-cost rebate for millions of taxpayers, and Democrats talked of suspending the 18.4-cent federal gasoline tax for two months.

But even as lawmakers jockeyed for political advantage on the issue, there was agreement among economists and energy experts that the government has few if any weapons to quickly drive down gasoline prices that have rushed past \$3 a gallon across much of the country.

"Unfortunately there's nothing, really, that can be done that's going to affect energy prices or gasoline prices in the very short run," Federal Reserve Chairman Ben S. Bernanke said at a congressional hearing.

Congressional anxiety in this election year is increasing as major oil companies begin announcing huge first-quarter profits. Exxon Mobil Corp. said yesterday it made more than \$8 billion from January to March, the fifth-largest quarterly profit for any public company ever.

"While Exxon Mobil executives are popping champagne and cele-

brating their record profits, American families are popping antacids under the strain of searing gas prices," said Sen. Bob Menendez (D., N.J.).

Menendez proposed a 60-day suspension of the 18.4-cent federal tax on gasoline and 24-cent-a-gallon diesel tax. Revenue lost to the government, as much as \$6 billion, would be made up by removing some oil-company tax breaks, he said.

Among the tax provisions targeted by both Republicans and Democrats was a measure that has allowed oil companies to save tens of millions of dollars through rules for oil inventories.

A House-Senate negotiating committee appeared close yesterday to changing the accounting rules, imposing \$4.3 billion in additional taxes on the oil companies over the next five years.

The oil industry said it amounted to a windfall-profit tax, which oil-company executives have said would reduce the amount of money available for oil exploration and development.

Senate Republicans, meanwhile, offered a 10-point response to high fuel costs, including a proposal to give millions of taxpayers \$100 checks. They also proposed a federal law against price gouging. But Democrats criticized the proposal because it linked attempts at short-term relief with oil drilling in the Arctic National Wildlife Refuge in Alaska.

Exxon's quarterly profit is 5th highest

EXXON from C1 historically among quarterly earnings. Exxon also holds the first, second and fourth spots; Royal Dutch Shell P.L.C. has the third spot. Exxon's profit of \$10.7 billion in the fourth quarter of last year is first.

Exxon said the figure for the first quarter came in below the record because some of its businesses — refining and chemicals — did not perform as well. "They are trying to produce as much oil and gas as is reasonably possible," Evan Smith of U.S. Global Investors Inc. in San Antonio, Texas, said of Exxon. "The growth in demand that's been driving prices higher will extend well into the next decade."

In trading yesterday, light, sweet crude for June delivery fell 96 cents, to \$70.97, a barrel on the New York Mercantile Exchange.

Exxon's earnings report comes amid consumer outcry about soaring gasoline prices. The average retail price of gasoline in the United States is now \$2.91 a gallon, or 68 cents higher than a year ago.

In Philadelphia and its four suburban counties in Pennsylvania, the price of regular gasoline was \$3.04 a gallon on Wednesday compared with \$2.23 a year ago, according to AAA Mid-Atlantic. In South Jersey, it was \$2.90 on Wednesday, up 83 cents from a year ago.

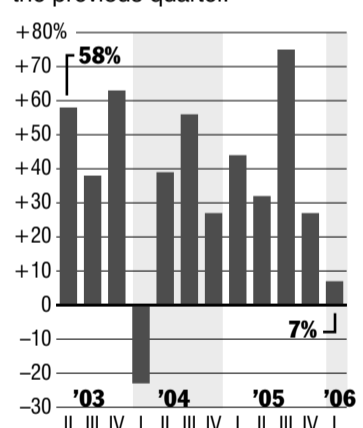
The report also comes as Washington lawmakers are looking to appease consumers with various proposals to make big oil companies pay more taxes or provide consumers with some other relief.

In the first quarter, Exxon's net income rose to \$1.37 a share from \$1.22 a share, or \$7.86 billion, a year earlier.

But analysts polled by Thomson Financial were looking for a profit of \$1.47 a share for the latest quarter. The company's shares fell 68 cents, or 1 per-

Pumping Up Profit

Exxon Mobil Corp.'s first-quarter profit of \$8.4 billion was up 7 percent over the same quarter in 2005. The chart shows the change in quarterly profit over the previous quarter.



SOURCE: Bloomberg News
The Philadelphia Inquirer

Rendell backed Burkle bid for PNI

He urged McClatchy Co. to sell to the Calif. firm.

Bank supports Canadians

Wachovia Corp. is throwing high-level support behind a group of Canadian investors who may submit a bid for The Inquirer and Philadelphia Daily News. Wachovia, the dominant bank in the Philadelphia area, is sending officials from its Charlotte, N.C., headquarters to join executives from Onex Corp., Toronto, and Black Press, Victoria, Canada, in a meeting with managers at the Philadelphia newspapers scheduled for today, according to people familiar with the bidding.

— Joseph N. DiStefano

break the unions. And I think, in a city like Philadelphia, that would be the best thing for the Daily News and The Inquirer."

Burkle, his wife and Yucaipa have contributed about \$1 million to the Democratic National Committee, roughly half of which came when Rendell was its chairman. He also gave Rendell's 2002 campaign \$10,000.

Rendell said he did not place the call at Burkle's request. The two are at odds, he said, over the proposed new arena for the Pittsburgh Penguins.

Burkle is a minority team owner and supports a casino's plan to build an arena if awarded the slots license in Pittsburgh. Rendell offered an alternative plan that would require the team to also contribute.

The Newspaper Guild sought investors, and landed Yucaipa.

Henry J. Holcomb, an Inquirer business reporter and Philadelphia Guild president, said Michael Sklaroff, a real estate lawyer close to Rendell, contacted him about a month ago and offered his help. At the time, McClatchy would not give Yucaipa access to company records needed to bid.

Holcomb asked Sklaroff to seek Rendell's support, with this pitch: "Some of the bidders appeared to be the kinds of people that would provoke a strike to cut costs and increase profits. That would be damaging to Philadelphia and to the papers."

Asked if his efforts posed a conflict, Holcomb — who covers commercial real estate — said he

had made it clear throughout the bidding that he was speaking as union president.

"I prize the confidence of the readers and the independence of the press," he said. "So, like all good reporters must — even when they are acting as a union president — I have refrained from asking for anything that would benefit the union more than the community that its members serve."

Sklaroff — a partner at Rendell's former firm, Ballard Spahr — said he relayed the message to the governor's office. Rendell spokeswoman Kate Philips said the governor never got Sklaroff's message. He called on his own, she said.

Brian P. Tierney, an investor and former advertising executive who heads a local group of investors interested in the newspapers, said he was unaware that Rendell had lobbied for Yucaipa.

"We haven't reached out to lobby the governor or any other elected officials," Tierney said. "It didn't seem appropriate to involve them."

Kevin McClatchy and Burkle could not be reached.

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Long-Haired Gray Kitten