

THE WALL STREET JOURNAL.

What's News

Business & Finance

Federal regulators are preparing to reprimand Citigroup for failing to improve its risk-management systems designed to detect problematic transactions, risky trades and other threats. **A1**

◆ **Amazon plans** to hire 100,000 additional employees in the U.S. and Canada, continuing a rapid expansion during the coronavirus pandemic. **A1**

◆ **Verizon has agreed** to buy TracFone, a provider of wireless prepaid services, in a deal worth up to \$7 billion. **B1**

◆ **Delta is** the latest carrier to raise cash by borrowing against its frequent-flier program to weather the pandemic. **B1**

◆ **Hedge-fund manager** Cohen has agreed to buy the New York Mets in a deal valued at between \$2.4 billion and \$2.5 billion. **B2**

◆ **Ex-Nissan executive Kelly** pleaded not guilty to charges that he helped hide Ghosn's compensation. **B3**

◆ **Fiat Chrysler** and PSA changed the terms of their merger to preserve cash to shore up their financial positions amid the pandemic. **B3**

◆ **Berkshire's BNSF** Railway unit named Kathryn Farmer as CEO. **B3**

◆ **Apple is expected** to reveal its latest watch and an updated iPad on Tuesday. **B4**

◆ **A rebound** in tech shares helped major indexes recover after last week's pullback. The Nasdaq, S&P 500 and Dow gained 1.9%, 1.3% and 1.2%, respectively. **B9**

World-Wide

◆ **Eighty-seven** large wildfires have burned more than 4.6 million acres in 10 states, according to the National Interagency Fire Center, leaving at least 35 people dead. **A1**

◆ **Trump put** the blame on forest management rather than climate change for the unprecedented wildfires, while Biden focused on global warming. **A2**

◆ **The administration** is withdrawing a plan to tighten Medicaid oversight after concerns of funding cuts to states amid a pandemic. **A2**

◆ **Hurricane Sally** took aim at the central Gulf Coast as thousands of people prepared for heavy rain and potentially deadly flooding. **A3**

◆ **Prosecutors** in Lancaster, Pa., are investigating a fatal shooting by police and pursuing charges against people who later set fires and damaged property. **A3**

◆ **The Trump** administration can wind down humanitarian protections for hundreds of thousands of immigrants, a federal appeals court ruled. **A3**

◆ **Putin pledged** support for Belarus's president, signaling Moscow's intention to bolster its embattled junior partner. **A10**

◆ **Candidates loyal** to Putin swept regional and local elections despite pockets of support for Navalny's opposition movement. **A10**

◆ **Religious leaders** and business owners in Israel are rushing to prepare for a second nationwide Covid-19 lockdown that is set to upend the Jewish holidays. **A10**

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In Tokyo, Ruling Party Clears Way for Successor to Abe



HANDOVER: Japan's ruling Liberal Democratic Party elects Yoshihide Suga as its new leader on Monday, assuring him of succeeding Shinzo Abe as prime minister. Mr. Abe is stepping down this week because of health reasons. **A9**

Unusual Talks, Politics Put Oracle Ahead in TikTok Race

Oracle Corp. is one of the most lucrative but unflashy companies in Silicon Valley, a provider of business software and consulting services. Now,

By Georgia Wells, Aaron Tilley and John D. McKinnon

it is poised to become the U.S. partner for TikTok, the smash Chinese social-media app that has become a staple on the smartphones of millions of American teenagers.

The emergence of this oddball alliance is the latest twist in six weeks of negotiations that bear little resemblance to regular deal talks, driven by U.S.-China tensions, commercial rivalries and President Trump's personal interventions.

TikTok parent ByteDance Ltd. confirmed on Monday it had submitted a proposal to the U.S. government that the Beijing company says would solve the Trump administration's longstanding security

concerns about a Chinese-owned app possessing the data on American users.

Details were scant, and many people close to the deal cautioned that much still needed to be decided and that it could still unravel.

The talks took multiple unexpected turns, and at various times drew in some of the biggest names in global business, including Walmart Inc., Twitter Inc. and Alphabet Inc.'s Google, and featured high-level political maneuvering.

Oracle isn't believed to be getting a majority stake in TikTok, according to people familiar with the matter, despite Mr. Trump's demand that it get sold. Instead, ByteDance's plan involves a series of moves to address the national-security issues without having to either sell the U.S. *Please turn to page A8*

- ◆ Deal needs national-security check..... A8
- ◆ Heard on the Street: No TikTok spoils for Oracle... B10

Amazon Ramps Up Hiring Plans, Adds 100,000 New Jobs

By BEN OTTO AND SEBASTIAN HERRERA

Amazon.com Inc. plans to hire 100,000 additional employees in the U.S. and Canada, continuing a rapid expansion that began as the coronavirus pandemic forced many people to stay home and shop online for work and other necessities.

Amazon's seemingly relentless hiring this year has come even as the wider economic picture has darkened, with companies across a range of industries slashing workers and filing for bankruptcy. Robust online spending during the crisis has fueled Amazon's growth and created a need for more workers.

Not including temporary employees the company describes as seasonal, its total world-wide workforce will be roughly one million after accounting for the 100,000 new warehouse positions and 33,000 positions Amazon is hiring for in its corporate divisions. Once those positions are filled, it will have more than 700,000 employees in the U.S.

The Seattle-based company, which is the nation's second-largest employer behind Walmart Inc., said it would take a few months for all the new hires to be reflected in its financial statements.

New jobs will be added at dozens of Amazon locations *Please turn to page A6*

Ash Raining From Sky Fuels Misery in West

By JIM CARLTON

GRIDLEY, Calif.—In this small Northern California town near where the deadliest wildfire of 2020 is still burning, ash fell from the sky Monday and the smoke was so thick that it was difficult to see more than half a mile.

Fourteen people are reported dead in the North Complex fire, one of 87 large blazes that have burned more than 4.6 million acres in 10 states, according to the National Interagency Fire Center. Fatalities have totaled at least 35 so far as an area bigger than the state of Connecticut has burned. The West Coast has endured

one of its most dangerous and overwhelming fire seasons on record, as firefighters have been rushing to bring some of the largest blazes in history under control until fire-friendly weather returns. A Red Flag Warning, which indicates extreme fire conditions with gusty winds and low relative humidity, was in effect Monday in parts of Northern California and Oregon.

The crisis drew a visit Monday from President Trump, who toured a former Air Force base north of Sacramento that is serving as an emergency operation center. *Please turn to page A2*

- ◆ Blazes become fodder in presidential race..... A2

Citi Faces Rebuke For Its Handling Of Risk

Expected regulatory demand for changes accelerated the bank's CEO succession plan

By DAVID BENOIT AND BEN EISEN

Federal regulators are preparing to reprimand Citigroup Inc. for failing to improve its risk-management systems—an expansive set of technology and procedures designed to detect problematic transactions, risky trades and anything else that could harm the bank.

The expected rebuke from the Office of the Comptroller of the Currency and the Federal Reserve accelerated planning for Chief Executive Michael Corbat's retirement, according to people familiar with the matter. Regulators didn't ask Mr. Corbat to step down, the people said. Rather, he came to believe that an expensive, multiyear systems overhaul designed to address regulators' concerns was best left in the hands of his successor, Jane Fraser, they said.

Citigroup said on Thursday Mr. Corbat would retire in February, surprising analysts and investors who expected him to remain in the job for a few more years.

The rebuke, which would come in the form of a consent order, likely would require Citigroup to develop and execute a plan to fix its risk systems, the people said. Such formal regulatory actions sometimes come with fines or stricter oversight, but it isn't clear what, if any, punishment would be imposed, they said.

"We are completely committed to improving our risk *Please turn to page A4*

Gulf Coast Braces For Sally

Rodney and Peggy Thomas fill sandbags Monday in Bay St. Louis, Miss., as Hurricane Sally approaches. From New Orleans to the Alabama-Florida state line, thousands of residents prepared for heavy rain and potentially deadly flooding from the storm. **A3**



Pink Hair Gives Many The Blues

Dye jobs from lockdown don't wash out easily

By CANDACE TAYLOR

Bored and depressed during lockdown, Madison Namohala tried to cheer herself up by dying her blond hair bright pink. When she finished applying the dye, she started sobbing.

Instead of pink, her hair was "literally the color of an orange Crayola crayon," says the 24-year-old Idaho resident. She tried applying a rose-gold conditioner, but that turned the tips of her hair pink. The roots remained "fiery orange."

She was eventually able to remove the orange, but it took \$1,200, three appointments *Please turn to page A11*

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U.S. NEWS

States Get a Reprieve on Medicaid Proposal

By Stephanie Armour

WASHINGTON—The Trump administration said it was withdrawing a plan to tighten federal oversight of how states pay for their share of Medicaid after some states and medical groups said the new rule would have deprived them of billions of dollars in funding in the throes of the pandemic.

"We've listened closely to concerns that have been raised by our state and provider partners about potential unintended consequences of the proposed rule, which require further study," Seema Verma,

administrator at the Centers for Medicare and Medicaid Services tweeted on Monday. "Therefore, CMS is withdrawing the rule from the regulatory agenda."

The decision is being celebrated by hospitals, governors and other health organizations that had fiercely lobbied for the idea to be shelved. The move to scrap the proposal for now followed weeks of debate within Health and Human Services, according to people familiar with the decision. White House advisers had been pushing for tightening oversight, according to people familiar

with the decision, but some top HHS leaders, including HHS Deputy Secretary Eric Hargan, had been opposed.

An HHS spokeswoman said the agency doesn't comment on internal deliberations.

A senior administration official said Ms. Verma advocated for the change but was overruled. CMS spokesman Johnathan Monroe called that "a blatantly false statement," adding that Ms. Verma "is the one who suggested more time be dedicated to addressing the concerns of stakeholders and avoiding any unattended consequences of the proposed rule."

The proposal would impose new limits on certain supplemental payments that states give to some Medicaid providers, a change some hospitals and physicians say would prompt some providers to opt out of the program.

"Drastic cuts in Medicaid during a pandemic was beyond the pale," said Tom Nickels, an executive vice president at the American Hospital Association.

CMS officials had said the change was needed because some states' Medicaid financial arrangements are deceptive. In February, Ms. Verma said the agency had seen "a

proliferation of payment arrangements that mask or circumvent the rules, where shady recycling schemes drive up taxpayer costs and pervert the system."

The proposal would have imposed new reporting requirements and restrictions on financial practices many states use to pay for Medicaid. The Medicaid Fiscal Accountability Regulation, as the proposal is known, also would apply to extra payments states give to some doctors and providers.

Medicaid is a federal-state health program for low-income people and the disabled.

Under the program's open-ended funding setup, Washington guarantees matching funds to states for qualifying Medicaid expenditures. Federal spending on the program is about \$400 billion a year. An estimated 74 million people are on Medicaid.

The National Governors Association warned that the rule might lead to cuts to states' Medicaid programs.

The rule, if adopted, would create "major upheaval for states," according to an analysis by Manatt Health, a business-strategy and consulting firm.

U.S. WATCH

WASHINGTON

Inspector General Reviews Kodak Loan

A planned \$765 million U.S. loan for **Eastman Kodak Co.** to produce drug ingredients is under review by the inspector general of the agency that helped put together the deal.

The newly named inspector general of the U.S. International Development Finance Corp., a federal agency charged with making loans to businesses in connection with the coronavirus pandemic, told Sen. Elizabeth Warren (D, Mass.) that his office was opening a review of the loan, according to a spokeswoman for Ms. Warren.

The inquiry is the latest known government probe of the planned transaction. The Securities and Exchange Commission began an investigation into how the one-time photography giant disclosed the loan, while several Democratic-led congressional committees have announced a probe of the agreement. Kodak has said it would conduct an internal review.

Ms. Warren's spokeswoman said the inspector general, Anthony Zake, agreed to open his review in response to an Aug. 20 request the senator made to the Pandemic Response Accountability Committee. Mr. Zake said he had been in touch with Ms. Warren's office but would "not comment on ongoing audits, reviews or investigations."

A DFC spokeswoman said the agency "is providing answers to a request for information submitted by the Inspector General as part of the standard process in response to Sen. Warren's letter."

The White House declined to comment. Kodak's spokeswoman said the company wouldn't comment on pending investigations.

—Rachael Levy

FEDERAL RESERVE

Powell Aide to Lead Monetary-Affairs Unit

The Federal Reserve named Trevor Reeve, a senior adviser to Chairman Jerome Powell, to the role of director of its monetary-affairs division on Monday.

Mr. Reeve has served as the division's deputy director since 2017. Thomas Laubach, who served as the division's director since 2015, died on Sept. 2 after being treated for cancer.

Mr. Reeve joined the Fed's staff of economists in 1998 and was appointed to its official staff in 2006, serving in roles in its division of international finance and, later, monetary affairs. He

has a doctorate in economics from Harvard University.

The director of the monetary-affairs division is a participant in meetings of the central bank's rate-setting Federal Open Market Committee, tasked with preparing briefings, strategies and the heavily scrutinized policy statements delivered upon their conclusion.

—Nick Timiraos

WISCONSIN

Green Party Won't Get Spot on Ballot

The Wisconsin Supreme Court denied the Green Party's request to appear on the state's ballot in the presidential election, dropping a temporary order that had halted the mailing of ballots to voters.

In a 4-3 decision Monday, the court said there isn't sufficient time to add Green Party presidential candidate Howie Hawkins and vice presidential candidate Angela Walker to the ballot. The ruling noted that many ballots already have been printed and some likely had been mailed.

The order ended a few days of uncertainty for election officials in Wisconsin. On Thursday, the court ordered local election officials to stop mailing ballots to voters temporarily, while it considered the Green Party's bid.

—Alexa Corse

SCIENCE

Possible Sign of Life Detected on Venus

An international group of scientists reported the detection of small quantities of a gas in the atmosphere of Venus they believe could be a sign of biological life on the often-overlooked planet. The findings need to be confirmed with additional measurements, the researchers and other experts said.

The gas, known as phosphine, is a rare, hard-to-detect molecule typically produced in highly inhospitable environments that lack oxygen, like the violent depths of Jupiter and Saturn. "We found a unique signal in Venus for which the most likely explanation is phosphine, and the most likely explanation for phosphine seems to be life," said Clara Sousa-Silva, a Massachusetts Institute of Technology quantum astrochemist and one of the authors of the study.

The results, published Monday in the journal *Nature Astronomy*, could turn a new spotlight onto Earth's second-closest neighbor, whose surface was once much cooler and may have had oceans.

—Daniela Hernandez

CORRECTIONS & AMPLIFICATIONS

Panelist Kitty Carlisle

voted for Cynthia Nixon, who was pretending to be a showpony rider, during an appearance on the TV show "To Tell the Truth." A Mansion article Friday about Ms. Nixon incorrectly said panelist Peggy Cass voted for her.

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The sun rising though smoke over charred foothills above Arcadia, Calif., in Los Angeles County, on Monday.

Winds Add To Threat Of Fires

Continued from Page One

Ron Jarrie arrived at a shelter in Gridley on Monday morning in his white Jeep Cherokee after fleeing on a winding mountain road. The cabin where he lived and worked as a caretaker was destroyed when the 264,000-acre North Complex fire eviscerated the nearby small town of Berry Creek last week.

The 66-year-old said he was thankful to be alive after the treacherous travel. "It was 30 feet of flames on one side, 40 feet on the other side, and I'm the piece of toast in the middle," Mr. Jarrie said as he waited to check in to the shelter, near a parking lot where other evacuees had stuffed trucks and other vehicles with possessions.

Mr. Jarrie said the speed of the fire caught the town by surprise because it didn't seem to be moving that fast when evacuation warnings were issued

last week. But an hour and a half into his methodical packing, he said a neighbor drove by and shouted for him to get in his truck and leave as the fire was bearing down. At about the same time, he began hearing explosions of what he assumed were propane tanks at nearby homes.

"As the explosions got louder, I decided to stop and just get out," he said. He has stayed on friends' couches before arriving at the shelter.

The Federal Emergency Management Agency brought supplies to Oregon over the weekend. Fire crews and equipment from New Jersey flew to California to help suppress the blazes, according to the state Office of Emergency Services.

But some operations were already stretched thin as simultaneous fires broke out.

"Not only do we have our firefighters out there fighting fires, but they're actually having to do their normal 911 emergency responses," said Lynnette Round, information officer with the California Department of Forestry and Fire Protection, or Cal Fire. The department had more than 40,000 emergency incidents while fighting these fires, she said.

After staying at her son's

home on the outskirts of Chico, Calif., Denise Bethune returned to her home in Berry Creek under a police escort a few days ago and found almost everything burned to the ground. The only exceptions were a hammock strung between two trees and a vegetable garden.

"The tomatoes were still ripe," said the 51-year-old. Ms. Bethune and her husband, Larry, managed to pack several family heirlooms before evacuating, including an antique organ and a saddle.

Ms. Bethune, a cancer survivor who suffers from muscular sclerosis, said she and her husband moved to Berry Creek from Sacramento 12 years ago in search of a more stress-free life. The couple plans to rebuild.

"We went up there for healing, and we're going to help it heal," Ms. Bethune said.

California has reported 24 deaths from this year's wildfires, and more than 3.1 million acres have burned in the state. At least 10 have died in Oregon in nearly a million burned acres, while Washington state has seen at least one death and 806,000 acres burned.

Oregon's two largest wildfires, in the central part of the state, have been burning for nearly a month. The Beachie Creek fire has burned more

than 190,000 acres southeast of the state capital, Salem, and hasn't been at all contained. The nearby Lionshead fire is about 5% contained and has burned more than 168,000 acres.

The August Complex fire, the largest blaze in California history, has charred more than 877,000 acres in the Mendocino National Forest, according to Cal Fire. Only 28% of that wildfire had been contained as of Monday. Crews from Montana, Utah, Texas and New Jersey were on site assisting Californian firefighters in containing the fire, according to Cal Fire.

Five wildfires that are still burning in California are already among the top 20 largest fires recorded in state history. Compared with this time in 2017, there have been about 1,500 fewer fires but more than double the acreage burned, said Ms. Round of Cal Fire.

State officials were encouraging residents to stay indoors when possible to limit their exposure to smoke as the wildfires are expected to continue producing unhealthy to hazardous conditions on the West Coast.

—Alicia A. Caldwell,
Joseph De Avila, Ken Thomas
and Andrew Restuccia
contributed to this article.

Blazes Become Fodder in Presidential Race

President Trump blamed poor forest management rather than climate change for the unprecedented wildfires engulfing Western states, while Joe Biden focused squarely on global warming and warned of worsening natural disasters if Mr. Trump prevails in November.

By Ken Thomas
in Wilmington, Del.,
and Andrew Restuccia
in Washington

Mr. Biden, speaking outdoors in his hometown of Wilmington, Del., said a spate of Western fires, along with a summer onslaught of tropical weather, floods and drought, would become "more common, more devastating, and more deadly" if the president won a second term.

"If you give a climate arsonist four more years in the White House, why would anyone be surprised if we have more of America ablaze?" Mr. Biden said Monday.

In response to Mr. Biden, Trump campaign spokeswoman Courtney Parella said the Democratic candidate was "saying that the Earth will be destroyed if he's not elected," and that "his lurch to the left is scary enough."

Mr. Trump himself took a



California Gov. Newsom and President Trump held a briefing Monday at Sacramento McClellan Airport.

markedly different approach Monday during a briefing with California Gov. Gavin Newsom, a Democrat, emphasizing the importance of forest management and raising doubts about the scientific consensus about climate change.

When a top California environmental official said during the briefing outside Sacramento that climate change was a cause of the fires, Mr. Trump said, "It'll start getting cooler. You just watch."

"I wish science agreed with you," said California Secretary for Natural Resources Wade Crowfoot.

The president responded, "I

don't think science knows, actually."

Experts say thinning dense forests is the most effective short-term tool to address the fires. The vast majority of scientific experts also say warmer weather across the West caused by climate change has greatly worsened the fire threat.

California, Oregon and Washington state are contending with one of their most dangerous fire seasons in history. More than 3 million acres have burned in California, tens of thousands have been forced to evacuate and nearly three dozen people have been killed. The wildfires have elevated

climate as an issue in the presidential campaign just 50 days before Election Day. Mr. Biden has said he would rejoin the Paris climate agreement on his first day in office and has promoted a \$2 trillion plan to tackle climate change. Polling has shown that majorities of Americans want action on climate change.

Mr. Trump, appealing to a conservative base skeptical of global warming, has rejected the scientific community's consensus on climate change and warned that his opponent's policies would lead to the loss of manufacturing jobs and higher energy costs.

U.S. NEWS

Hurricane Takes Aim at Gulf Coast

By Valerie Bauerlein and Collin Eaton

Hurricane Sally took aim at the central Gulf Coast on Monday, as thousands of people prepared for heavy rain and potentially deadly flooding from New Orleans and Biloxi, Miss., to the Alabama-Florida state line.

Sally, with maximum sustained winds of 100 miles an hour, strengthened to a Category 2 storm and was expected to make landfall around the Mississippi-Alabama state line early Wednesday, according to the National Hurricane Center.

Forecasters said the storm could drop up to 24 inches of rain over the course of days along the central Gulf Coast.

Forecasters also expect Sally could trigger a storm surge from the Mississippi River Delta in Louisiana to the Florida Panhandle, triggering life-threatening flooding.

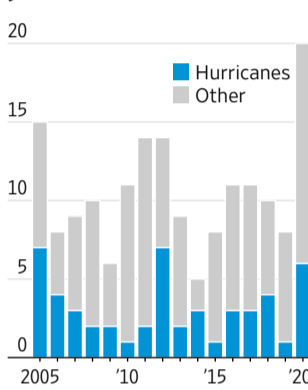
Sally was about 130 miles southeast of Biloxi Monday night and was moving slowly over warm Gulf waters, which were expected to fuel the storm's strengthening.

New Orleans Mayor LaToya Cantrell said the city was staging rescue equipment and boats in anticipation of possible flooding and tweeted a request that people stay indoors for the duration of the storm. Municipal courts and other offices in New Orleans were closed on Monday, and streetcars and buses stopped running at noon, according to the mayor.

Along the Biloxi beachfront on Monday, water was already rising halfway to U.S. 90, known locally as Beach Boulevard, according to city emergency officials. They asked residents to prepare for 24 hours of rain and flooding that would occur over two high-tide cycles.

Meteorologist and author Eric Holthaus said Sally's rapidly intensifying winds are terrifying, but the bigger threat may be rainfall, akin to 2018's Hurricane Florence, which

Named storms in the Atlantic basin through Sept. 14 of each year



Note: 2020 storms through Tropical Storm Vicky on Sept. 14. Source: National Hurricane Center



City of New Orleans worker Louis Marrero boarded up businesses in the French Quarter on Monday.

KATHLEEN FLYNN/REUTERS

made landfall as a Category 1 storm and stalled for days over eastern North Carolina. "Be prepared for catastrophic flooding," he said in a tweet.

Louisiana Gov. John Bel Edwards said there were no plans to evacuate the New Orleans area, including the 12,000 people in hotels there who are evacuees from Hurricane Laura, which devastated Lake Charles, La., last month.

He asked residents to stay vigilant. "If one of those bands of rain settles over Louisiana, flooding will be a problem," he said in a news conference Monday.

Sally forced energy companies to shut down some oil pro-

duction in the Gulf of Mexico on Monday, but the impact was considerably smaller than Laura. It was more powerful and hit farther west, closer to the heart of U.S. energy infrastructure.

Offshore energy producers have curbed oil production in the Gulf of Mexico by about 21%, or about 396,000 barrels a day, the Bureau of Safety and Environmental Enforcement said Monday. They had shut about a quarter of the region's natural-gas output.

Gulf operators had shut as much as 1.56 million barrels a day, or about 84% of the offshore region's crude production, ahead of Hurricane Laura, BSEE data show.

In advance of Sally, Royal Dutch Shell PLC said it had curtailed some output at its Olympus, Mars and Appomattox offshore platforms, while Chevron Corp. had evacuated and shut its Blind Faith and Petronius platforms. BP PLC said it had evacuated nonessential personnel from its Na Kika and Thunder Horse platforms.

The Louisiana Offshore Oil Port, one of the nation's largest crude-export terminals, has suspended marine operations, according to its website.

Phillips 66 said it had begun shutting its Alliance Refinery south of New Orleans over the weekend. Valero Energy Corp. said it was assess-

ing refinery operations.

It has already been an unusually busy hurricane season, which lasts from June to November. There are four named storms, a rarity at one time, in the Atlantic region: Paulette, Sally, Teddy and Vicky.

The National Oceanic and Atmospheric Administration said this season it expects to see as many as 10 hurricanes—of which three to six are expected to be rated a major hurricane of Category 3 or higher. The prediction is based on warmer ocean temperatures and weaker trade winds in the main development region of the tropical Atlantic and Caribbean Sea, forecasters have said.

Court Rules a Protection for Immigrants Can End

By Michelle Hackman

WASHINGTON—The Trump administration can wind down humanitarian protections for hundreds of thousands of immigrants from at least four countries, a federal appeals court in California ruled on Monday.

In a 2-1 decision, the U.S. Ninth Circuit Court of Appeals, based in San Francisco, reversed a 2018 lower court ruling that blocked the administration from phasing out Temporary Protected Status, known as TPS, for immigrants from El Salvador, Haiti, Nicaragua and Sudan.

TPS gives the secretary of Homeland Security the authority to provide legal protections and work permits to immi-

grants from countries deemed too dangerous to return to, typically because of war or natural disaster. The Trump administration during 2017 and 2018 terminated TPS for the four countries as well as Honduras and Nepal.

TPS holders from El Salvador, Haiti, Nicaragua and Sudan and their children sued the administration, saying the decisions were unlawful. Monday's ruling is also likely to affect TPS holders from Honduras and Nepal who in February 2019 filed a separate lawsuit that was put on hold the following month pending the outcome of the case decided Monday. The ruling is likely to eventually be appealed to the Supreme Court.

Together, about 300,000

immigrants from the six countries stand to be impacted, according to the Congressional Research Service.

Judge Consuelo Callahan, who wrote the decision for the court, said immigration law prohibits courts from reviewing the process the executive branch uses to determine when a country should be designated for TPS, meaning the plaintiffs in the suit couldn't challenge the Trump administration. Judge Callahan, who was appointed by President George W. Bush, also said the plaintiffs were likely to fail on their argument that the administration showed racial animus in its decision to end protections for the countries.

The Department of Homeland Security didn't respond

to a request for comment. The Justice Department said it was pleased with the decision.

The Bush and Obama administrations routinely renewed the six countries' TPS every six to 18 months.

The Trump administration has said that conditions in the six countries have since improved, and that previous administrations treated TPS, which was created in 1990, as a de facto permanent status.

Plaintiffs in the case and other immigration advocates criticized the decision, saying it would upend the lives of hundreds of thousands of immigrants, who are estimated to be parents to at least 250,000 U.S. citizen children.

"I'm just shocked because already we have coronavirus,

we have hurricanes, there's so much going on," said Wilna Destin, a TPS holder from Haiti who fled on a boat and has lived in the U.S. for 20 years with her children. "For me, it's another disaster."

Ahilan T. Arulanandham, senior counsel with the ACLU of Southern California and one of the lawyers who argued the case for the plaintiffs, said the court's finding that the government's TPS decisions can't be reviewed by courts is dangerous. "If a future administration more favorable to immigrants were to grant TPS to everyone from Mexico or everyone from China to sweeten some trade deal, in ways that have nothing to do with the statute, no court could stop them," he said.

Mr. Arulanandham said they would ask the full Ninth Circuit to review the decision.

Immigrants with TPS from the six countries involved in the litigation will keep their work authorizations and legal protections through March 5, 2021. After that date, they would need a different legal status to remain in the U.S.

TPS holders from El Salvador, whose president negotiated a deal in October with President Trump, will be given a year after the wind down takes effect.

The ruling is the latest in a string of court victories for the Trump administration on immigration policy, following a pattern of lower courts blocking his policies only to be reversed by higher courts.



Demonstrators gathered in Lancaster, Pa., on Sunday. 'This has been a heartbreaking day for our city,' Mayor Danene Sorace said.

Lancaster Police Shooting Sparks Protest

By Kris Maher

Prosecutors in Lancaster, Pa., said they were investigating a fatal shooting by police on Sunday and pursuing charges against people who engaged in subsequent protests that included setting fires and damaging property.

Shortly after 4 p.m. Sunday, police in the city of 60,000 about 70 miles west of Philadelphia went to the home of a woman who had said in a 911 call that her brother was being aggressive with her mother and trying to break into her house, according to the Lancaster County

District Attorney's office.

The Lancaster City Bureau of Police released body camera footage on Sunday that showed a man running out of a house and chasing an officer while holding a knife. The officer, who was the only officer on the scene at the time, started to run away, turned and fired several shots, killing the man, as seen in video footage released by the police department.

Police identified the man as 27-year-old Ricardo Munoz.

Sunday night, more than 100 protesters gathered outside the Lancaster police station and squared off against officers, throwing rocks and other ob-

jects, according to police and video taken at the scene. Demonstrators threw traffic barricades, planters and trash cans across an access ramp at the station, and tear gas was used after protesters failed to disperse, the department said.

"This office fully supports the right to gather and peacefully protest, however, the riotous behavior exhibited last night is completely unacceptable and will not be tolerated," Lancaster County District Attorney Heather Adams said on Monday.

The district attorney's office said when it released the officer's body-camera video that it

wasn't making a determination about whether bureau policies had been followed or if the use of force had been justified. Prosecutors said the investigation into the shooting was in the early stages.

Police said protesters damaged numerous buildings and businesses, in addition to the clashes at the police station. The department said Monday afternoon that eight people were arrested on charges related to arson and rioting.

"This has been a heartbreaking day for our city," Lancaster Mayor Danene Sorace said Sunday following the fatal shooting.

Rochester Mayor Fires Chief Over Man's Death

By Ben Chapman

The mayor of Rochester, N.Y., fired the city's police chief, suspended its corporation counsel and communications director, and requested the Justice Department review the city's police department amid growing criticism and protests over the asphyxiation death of Daniel Prude.

Mayor Lovely Warren said Monday that she asked the Justice Department to look at all body-camera footage from Rochester Police Department officers that involved use-of-force arrests in the past three years.

The decision to fire Chief La'Ron Singletary came after a management review of the response to the death of Mr. Prude, Ms. Warren said.

"This initial look has shown what so many have suspected, that we have a pervasive problem in the Rochester Police Department," she said.

Mr. Singletary announced his resignation last week, but was meant to continue in his duties until the end of the month. Mark Simmons, a deputy police chief, will serve as acting chief for 30 days starting Monday, a City Hall spokesman said.

Ms. Warren said the city's corporation counsel, Tim Curtin, and communications director, Justin Roj, were suspended for 30 days without pay for failing to act, inform and follow policy in the circumstances surrounding the death of Mr. Prude.

Mr. Prude, a Black man, died in a hospital seven days after a March 23 incident, in which officers restrained him and placed a spit hood over his head after responding to reports of a person acting erratically. A spit hood is a restraining device sometimes used by police to prevent someone from biting or spitting.

Mr. Prude's death, which was ruled a homicide, became public after his family held a Sept. 2 news conference and provided police body-camera footage of the incident.

Seven other officers involved in the death of Mr. Prude were suspended on Sept. 3. Mr. Prude's death has also sparked days of Black Lives Matter protests.

Messrs. Singletary and Curtin couldn't be reached for comment.

In a tweet Monday, Mr. Roj said he accepted Ms. Warren's disciplinary action. "I personally believe that Mr. Prude would be alive today if the responding officers recognized his humanity, and acted with compassion and restraint," Mr. Roj said.

A lawyer representing Mr. Prude's family didn't respond to a request for comment.

Ms. Warren said she also directed the city's Office of Public Integrity to investigate whether any city employees violated policies or ethical standards in the case of Mr. Prude. New York Attorney General Letitia James is already investigating the death.

—Jimmy Vielkind contributed to this article.

U.S. NEWS

Start of First Debate Is Race's Key Moment



CAPITAL JOURNAL
By Gerald F. Seib

The most important 30 minutes of this year's presidential campaign haven't arrived yet.

They will come Sept. 29, in the first half-hour of the first presidential debate.



That is the crucial period when Joe Biden will have his best chance to show he's up to the job, and give wavering voters who don't really like President Trump a feeling that it's safe to move away from him and toward the Democrats.

That will be merely a first impression, of course, yet in this case the initial impression on

this key question may be more important than whatever substantive wrangling follows across three scheduled debates.

Why? Because Mr. Trump is trying to do something no president in modern history has ever attempted: win reelection when his job-approval in the venerable Gallup poll has never been above 50%. A stunning 44% of Americans said in the most recent Wall Street Journal/NBC News poll that they have "very negative" feelings toward him personally.

Clearly, a lot of Americans don't particularly like the president, and many decided long ago they simply won't vote for him. Yet, Mr. Trump also proved in 2016 that there also are plenty of other voters who may not like him personally, yet they will vote for him anyway, particularly if they think the alternative is worse.

Mr. Biden's mission is to convince such voters that he is a safe alternative—that he

has the strength and mental acuity at age 77 to take on the presidency, and that he is in control of a Democratic Party moving to the left, not the other way around. The Trump campaign is busy sowing doubts on those fronts. The first debate is Mr. Biden's best chance to erase them.

The classic example of this dynamic came in 1980. By this point that year, Jimmy Carter was an unpopular president seen by many as not quite up to the job—or at least as not the right man for a tough job at a turbulent moment in history. His Gallup job-approval rating stood at 37% in mid-September.

Yet there were equally significant doubts about his challenger, Republican nominee Ronald Reagan. Mr. Reagan also was seen as old—though his age of 69 then would make him almost spry by today's standards—and, more important, as a politician whose staunch conservative views made him seem slightly dangerous to some in

the middle of the electorate. Put bluntly, the negative stereotype of Ronald Reagan was that he was a shallow and uninformed warmonger.

So lots of voters already knew by the fall of that year that they didn't really want to vote for a second Carter term, but they also needed to be assured it was safe to go with a challenger about whom they also were uneasy.

In the one and only debate

Joe Biden can give voters a feeling that it's safe to move away from Trump.

between the two major-party contenders that fall, which came just a week before the election, Mr. Reagan performed well enough to give them that assurance. He offered a calm demeanor. When Mr. Carter wheeled out the charge that Democrats were

using most prominently to show that Mr. Reagan was a dangerous ideologue, accusing him of planning to cut Medicare, Mr. Reagan responded with a shake of his head and a bemused look and the most memorable line of the debate: "There you go again." That is to say, there you go, misrepresenting my positions again. He came across as likable rather than scary.

Voters had gotten permission to cross over to the Reagan line. As they say, the rest was history. Mr. Reagan trailed Mr. Carter by three points among likely voters in the Gallup survey just before the debate. He moved promptly into a three-point polling lead. But the rush to Mr. Reagan had only begun. By Election Day, he won by a whopping 10 percentage points.

Intriguing footnote: Ironically, that debate, like this year's first Trump-Biden debate, was held in Cleveland. History plays funny tricks sometimes.

Peter Hart is a Democratic pollster who has been following presidential campaigns for half a century, and he sees parallels. "Everything up to now has been a shadow play, in which voters are looking at what I call an indirect image of Joe Biden," says Mr. Hart, who helps conduct the Journal/NBC News poll along with Republican Bill McInturf. "And when he's in the ring with Donald Trump, voters are going to make a determination. And the determination is: Is he ready to be president of the United States?"

For his part, Mr. Trump will merely be trying to "allow people to say, 'I don't like Trump, but I may have to vote for him.'"

The bottom line, says Mr. Hart, is this: "We know that if this election is a referendum on Donald Trump, he loses." The Biden debate challenge is to make sure it remains a referendum on the incumbent, not on the challenger.

Biden Pitches Highest Spending in Decades

By JACOB M. SCHLESINGER AND ELIZA COLLINS

Joe Biden won the Democratic presidential nomination running as a moderate, rejecting the big-government plans of progressive rivals as unaffordable.

In the general election campaign, he has rolled out his own multi-trillion-dollar platform that a new study finds would push long-term Washington spending to its highest level in decades.

The former vice president has proposed a total of \$5.4 trillion in new spending over the next 10 years, according to an analysis published Monday by the Penn Wharton Budget Model, a nonpartisan group at the University of Pennsylvania's Wharton School. That includes historically high allocations for sectors from education and health to child-care and housing.

Mr. Biden's proposed budget is more than double that of Hillary Clinton, the 2016 Democratic nominee. It is a fraction of the \$30 trillion to \$50 trillion spending plans that progressive Sens. Bernie Sanders and Elizabeth Warren laid out during the Democratic primary. But since effectively sealing the nomination in March, Mr. Biden's plan has grown in response to the pandemic, the lockdowns, and the resulting recession.

The plan also reflects a nod to Mr. Sanders, who has prodded Mr. Biden to move closer to his agenda to help solidify the support of the progressive



Joe Biden addressing wildfires Monday from Wilmington, Del.

wing. "I've talked to Joe on a number of occasions and I think he recognizes the suffering that is taking place out there right now," says Mr. Sanders. "I believe he is prepared to respond to that pain once he's elected president."

If enacted, the Biden budget would elevate federal spending to 24% of gross domestic product by 2030, according to the Wharton study. Outside two big crisis-driven spending spikes—the budgets swollen by the 2009 financial crisis and the 2020 pandemic—that would be the biggest federal budget going back more than half a century, according to Wharton.

"This is the largest proposed spending increase since George McGovern," says Kent Smetters, a Wharton economics pro-

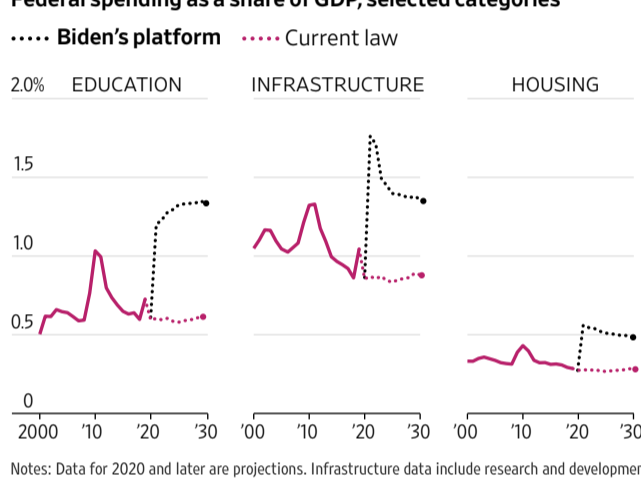
fessor who oversees the budget model project. He was referring to the losing 1972 Democratic presidential candidate who ran on a liberal platform that included a guaranteed minimum income for all Americans.

His proposed budget is more than double that of Hillary Clinton.

The Wharton team based its estimates on the Biden campaign's public proposals, and on discussions with Biden aides. Other analysts have come up with higher tallies for Mr. Biden's proposed total spending,

but those appear to double-count campaign proposals repeated at different times for different purposes. The Wharton estimates attempt to adjust for that duplication.

Federal spending as a share of GDP, selected categories



President Trump hasn't laid out a detailed second-term agenda that could be subject to a similar accounting analysis, the Wharton analysts said. But the Republican has indicated that his fiscal policy would tilt more toward tax cuts than spending increases.

If fully enacted, the Biden plan would mean federal spending would equal nearly a quarter of all economic activity in the U.S. That is up from 21%

in 2019, but well below the jump to 30% this year amid the pandemic.

It is also below the level of government spending in most of the world's developed countries—and far short of the social democracies of Europe, where the public sector in many countries equals roughly half of GDP.

Aides say the former vice president remains committed to avoiding an expansion of government debt, instead paying for all of his proposed permanent spending increases through tax hikes or spending cuts. Mr. Trump has fueled record-high budget deficits, even before the emergency spending prompted by the pandemic, by enacting in 2017 a \$1.5 trillion tax cut without offsetting spending reductions.

U.S. to Deny Requests for Biofuels Law Exemptions

By LINDSAY WISE AND ANDREW RESTUCCIA

WASHINGTON—The Trump administration will deny oil refiners' retroactive requests for exemptions from U.S. biofuel laws, a boon for Iowa, the leading producer of biofuels.

The federal Renewable Fuel Standard requires that oil refineries blend billions of gallons of biofuels into fuel each year or pay a compliance fee. Small refineries can apply for waivers based on financial hardship.

The Environmental Protection Agency said it will deny so-called gap-filling petitions seeking retroactive exemptions for 2011-2018. "This decision follows President Trump's promise to promote domestic biofuel production, support our nation's farmers, and in turn strengthen our energy independence," EPA Administrator Andrew Wheeler said.

Monday's decision is significant for Sen. Joni Ernst (R., Iowa), who has been lobbying the president to deny the waivers as she campaigns for reelection. Ms. Ernst's Democratic opponent, Theresa Greenfield, has been hitting her hard on the issue. Ms. Greenfield noted last month the EPA was considering dozens more waivers and criticized Ms. Ernst for supporting Mr. Wheeler's nomination to lead the EPA. Mr. Wheeler is a former coal industry lobbyist.

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Regulators To Rebuke Citigroup

Continued from Page One and control environment," a Citigroup spokeswoman said, citing the bank's efforts to strengthen controls, infrastructure and governance. "However, while we have made significant and demonstrable progress in each of these areas, we recognize that we are not yet where we need to be and that has to change."

Citigroup's shares closed down 5.6% to \$48.15 on Monday after The Wall Street Journal reported the expected regulatory action. The KBW Nasdaq Bank Index rose 1.8%.

For years, regulators have privately pressed Citigroup and Mr. Corbat to fix the bank's risk systems, according to people familiar with the matter. A public rebuke would significantly ratchet up the pressure. The Fed and the OCC have many tools at their disposal to address problems out of the public eye. A consent order indicates that those methods didn't achieve the desired results.

Regulators have faulted Citi's management for not giving priority to the risk-management overhaul, the people said. A recent high-profile flub—Citigroup's accidental \$900 million payment to creditors of cosmetics company

Revlon Inc.—was seen as evidence of weaknesses in the system, the people said.

Mr. Corbat, who has run the bank since 2012, had been expected to retire sometime around 2022. Citigroup elevated Ms. Fraser last year to president and put her in charge of its consumer bank, establishing her as the front-runner to succeed Mr. Corbat.

Mr. Corbat was quietly planning a 2021 exit but hadn't discussed the exact timing with Ms. Fraser or the board, some of the people said. Over the Labor Day weekend, he decided he would retire after closing out 2020, in part because of the work needed to address regulators' concerns, the people said.

In memos to Citigroup staff Thursday, both Mr. Corbat and Ms. Fraser acknowledged that the bank needs to transform its internal systems for risk and compliance.

Mr. Corbat is widely credited with sharpening the bank's focus and reducing its sprawl during his eight years as CEO. Yet the bank has long struggled to convince regulators that it was moving fast enough to address their concerns.

The Federal Reserve gave Citigroup in 2014 a failing grade on its annual stress test, citing the bank's gaps in assessing risk in its capital planning. The bank revamped its risk models and hired more compliance employees. It hasn't failed the test since.

Citigroup is still operating under consent orders from 2012 and 2013 that required it



Citigroup CEO Michael Corbat

to improve its anti-money-laundering processes. The OCC fined it in 2017 for failing to comply with the 2012 order.

At issue now is the infrastructure underpinning its broader risk systems, a legacy of a string of deals in the 1990s that transformed the bank into a financial super-market. For instance, many of Citigroup's various businesses—commercial banking, credit cards, corporate-advisory services, to name a few—run on their own independent systems that have their own methods for tracking customers and transactions. There are hundreds of identification systems inside the bank. A customer doing business with several parts of the bank could have different identification codes for each one.

Banking regulators require banks to track customers across all of their operations. The idea is to catch crimes like money laundering and avoid errors that could harm customers. While Citigroup is able to keep tabs on customers across its businesses, regulators worry that its mishmash of systems makes it vulnerable to costly and potentially damaging missteps, people familiar with the matter said.

Citigroup in recent months has tried to highlight its efforts to shore up its systems and convince regulators it is taking their concerns seriously. In January, a Citigroup executive told Bloomberg News the bank would hire 2,500 coders to work on the technology underpinning its investment- and corporate-banking businesses, with an eye toward improving the bank's ability to use the data they generate.

In June, it named a new compliance chief and hired Karen Peetz, the former president of Bank of New York Mellon Corp., to fill the new role of chief administrative officer. Ms. Peetz was given authority over broad bank safety projects, including those aimed at improving data and anti-money-laundering efforts. At the time, Mr. Corbat said she would bring "consistency and clarity" to dealings with regulators.

Mr. Corbat has said the investments, which total \$1 billion this year alone, would make Citigroup safer and more competitive.

—Christina Rexrode contributed to this article.

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U.S. NEWS

Virus Bills Highlight Coverage Disparities

By ROBBIE WHELAN

Across America, bills for Covid-19 treatment are coming due, and some patients are paying large out-of-pocket fees despite a federal safety net set up to help them avoid such financial surprises.

Early in the coronavirus pandemic, Congress formed an emergency system to ensure free testing for the virus and to help uninsured Americans avoid big hospital bills for Covid-19 treatment.

At the same time, most large insurance companies waived cost-sharing agreements for Covid-19 patients, limiting out-of-pocket costs for holders of private health insurance.

The result is a robust system to keep patients from receiving large "surprise bills" that result in major financial hardships, health-policy experts say.

But as many bills arrive, some patients are falling through the cracks. And the uninsured are required to seek financial assistance and sometimes fill out labyrinthine paperwork to cover their bills.

In other instances, hospitals mistakenly bill insured patients directly, or there are disagreements over whether certain treatments are the direct result of a Covid-19 diagnosis.

"There's a lot of confusion, and a lot of patients are scrambling," says Jack Hoadley, a researcher at Georgetown University's Health Policy Institute who has studied billing. "But what they've tried to create is a sort of patchwork universal health-care system for this one disease."

The Wall Street Journal interviewed dozens of Covid-19 patients and identified four key groups that experience the financial ramifications of infection in different ways.

Clutch Funding: The Uninsured

Jonathan Perez got sick at the end of June. A 31-year-old Marine veteran in Hoover, Ala., Mr. Perez had recently

been laid off. Like nearly 28 million other Americans, he had no health insurance.

One Monday morning, he started feeling a fever, body aches and chills. He tested positive and spent a week at Shelby Baptist Medical Center breathing oxygen from a tank.

After a chest X-ray, a doctor told him, "A 31-year-old should not have this" level of lung damage, he says. Now back home, he has been walking his dogs three times a day to regain his wind.

Mr. Perez says he applied for financial assistance and was told costs between \$50,000 and \$55,000 would be covered by funds administered under the Cares Act, Congress's emergency law that allocated \$175 billion to providers to cover treatment costs for the uninsured. He received bills for fol-

The pandemic has spotlighted vast gaps in the affordability of health care.

low-up care and a chest X-ray that weren't done in the hospital, resulting in out-of-pocket costs of \$876. A friend set up a GoFundMe campaign to help cover costs.

Vulnerable: Some Medicare Beneficiaries

The six million Americans covered by Medicare but who don't have supplementary insurance plans to cover cost-sharing, copayments and prescriptions "are the people who are most at risk of catastrophic health expenses," says Tricia Neuman of the Kaiser Family Foundation.

Medicare, the government health plan that covers seniors and the disabled, doesn't have out-of-pocket spending limits and hasn't suspended its 20% cost-sharing for Covid-19.

Before the pandemic, Dawn Christensen, 52 years old, and

her husband lived comfortably in Suffern, N.Y., on a household income of about \$85,000. She taught wellness classes to senior citizens; he was an assistant manager at a Hilton property in New York City.

The new coronavirus began attacking Ms. Christensen's lungs in March. She visited the emergency room once, had an echocardiogram and was prescribed steroids, beta blockers, antibiotics and anti-inflammatory medications.

Her husband lost his job in July, and Ms. Christensen still doesn't feel well enough to go back to work. The family is getting by on \$4,400 a month in unemployment and disability payments.

Because Ms. Christensen suffers from a rare connective-tissue disease, she has been eligible for Medicare since 1999. In recent years, though, she hasn't been able to afford supplemental insurance.

Her bills for treatment related to Covid-19 have totaled \$9,500, and her out-of-pocket portion has been more than \$4,000 so far.

Traditional Medicare plans "don't have some of the protections we think of as being more common in modern forms of insurance," says Caitlin Donovan, a senior director at the National Patient Advocacy Foundation.

Covered: Low-Income Medicaid Holders

In theory, patients who have insurance through Medicaid, the health insurance program for 72.5 million low-income Americans, shouldn't be required to pay anything for Covid-19 treatment, says Ms. Donovan.

Kaisha Buchanan, a 29-year-old preschool teacher in Flint, Mich., went to the ER in May after developing problems breathing. She tested positive for Covid-19, and other tests showed problems with her heart, blood pressure and kidneys.

Ms. Buchanan earns about \$18,000 a year and is the sole



Clockwise from top: Jonathan Perez had out-of-pocket costs of \$876 for follow-up care and a chest X-ray. Kaisha Buchanan, pictured with her son, received a letter saying she didn't owe anything for her treatment. Michelle Vernezze spent 30 days in intensive care; her total out-of-pocket costs are roughly \$600 so far. Dawn Christensen's out-of-pocket costs have been more than \$4,000.

provider for her 5-year-old son. She also suffers from type-2 diabetes and hypertension.

She was discharged and called back to work by her employer on June 15, before she had fully recovered from the infection and while still having respiratory problems. Within weeks, she received a letter saying she didn't owe anything for her treatment.

Mostly Covered: Private Insurance Holders

In May, Michelle Vernezze, a 43-year-old nurse from Bristol, Wis., woke up with a fever, sore throat, dry cough and body

aches. The next day, she noticed her urine was the color of Coca-Cola, which she recognized from her work at an internal-medicine clinic as a potential sign of kidney failure.

Her husband, Ron Vernezze, drove her to the Aurora Medical Center in nearby Kenosha. She has no memory of the 25 days that followed.

After testing positive, she developed a secondary bacterial infection that was attacking her lungs, kidneys, heart, pancreas and immune system. She was put into an induced coma and attached to a venti-

lator for 16 days, spent 30 days in intensive care and received three blood transfusions. She later spent weeks hooked up to a dialysis machine for 24 hours a day. She was hospitalized for 52 days in total. But when it comes to the bills, Ms. Vernezze considers herself one of the lucky ones.

Her encounter with coronavirus cost more than \$836,000.

Her total out-of-pocket costs so far: \$602.66 in copayments to see an infectious-disease specialist and for an echocardiogram. Her insurance provider is covering the rest.

Arizona Cases, Deaths Fall Sharply

By ALLISON PRANG

As recently as mid-July, Arizona was in the midst of a full-blown coronavirus outbreak. It repeatedly logged more than 3,000 cases a day, putting it in a category alongside more populous states such as Texas, Florida and California as the hottest of the nation's hot spots.

Two months later, Arizona is telling a different story.

The number of newly reported cases in the state fell 72% in August, compared with a month earlier, according to data from Johns Hopkins University. Over that same period, the number of deaths in the state fell by roughly one-third.

Arizona's apparent turnaround contrasts with what happened in those other hot-spot states, whose conditions have improved but not as much. Reported cases in Florida, California and Texas dropped 54%, 21% and 29%, respectively, last month.

Health experts and officials attribute Arizona's improvement to a host of issues, such as Gov. Doug Ducey's decision in mid-June to allow cities, towns and counties to enact more restrictive measures, such

as mask mandates. He later limited bars to takeout and delivery service and put capacity restrictions on restaurants.

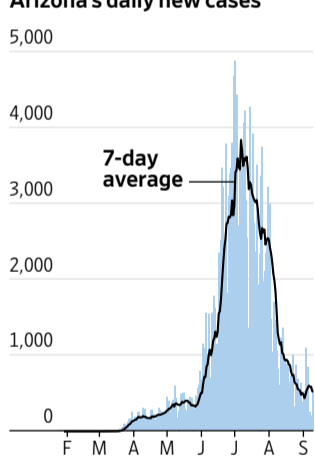
"It really has allowed us to be much more muscular," said Francisco Garcia, Pima County's chief medical officer, referring to the governor's June order giving local municipalities more power. Pima County includes the city of Tucson.

Mr. Ducey has encouraged people to wear masks, but hasn't implemented a statewide mandate. In July, mayors of some of the state's biggest cities, including Phoenix, sent a letter to the governor asking for a more coordinated approach to handling the pandemic.

"We wanted to make the best decisions that would save the maximum amount of lives while prioritizing lives but also livelihoods," Mr. Ducey said in an interview. "And there was too much game-playing around mayors that only wanted to lock everything down, and I wasn't going to allow that to happen when it wasn't in the best interest of saving lives."

In the spring, the state, like many others, avoided serious problems. But in the weeks after the state's stay-at-home-or-

Arizona's daily new cases



Sources: Johns Hopkins University

der expired, things worsened as people started venturing out.

Arizona hit a daily high of 4,877 new cases on July 1. Hospitalizations continued climbing thereafter, reaching a high of 3,517 on July 14, with 970 people in intensive care, according to data from the Covid Tracking Project.

Arizona's death toll topped 1,000 on June 5, roughly 2½ months after the first coronavirus death was recorded in the state. By July 9, the death toll had doubled to more than 2,000. It roughly doubled again

to more than 4,000 by Aug. 6.

As of Sept. 9, more than 5,200 Arizonans lost their lives to Covid-19, the illness caused by the new coronavirus.

Mr. Ducey attributed the rise in the state's numbers earlier this summer to people gathering inside and in large groups, and said the improvement came from breaking up big gatherings, encouraging people to wear masks, and temporarily shutting down bars and other places where people congregate.

School reopenings present a new challenge. Many K-12 schools started this year with distance learning. Among colleges, Arizona State University reopened for in-person classes on Aug. 20, and the University of Arizona in Tucson, which started its semester Aug. 24, is offering a mix of online and in-person classes.

As some restrictions are relaxed, and reopened universities experience case clusters, the state's success against the virus might not last long, said Kacey Ernst, professor and program director of epidemiology at the University of Arizona. "With those things all coinciding, our downturn may be short-lived," she said.

Testing Maker Probes False-Positive Results

By ANNA WILDE MATHEWS

Becton Dickinson & Co. is investigating reports from nursing homes that federally provided rapid coronavirus-testing equipment from the company is producing false-positive results in some cases.

So far, the number of reports is small, nursing-home industry officials said. The American Health Care Association, a trade group representing nursing homes, said it has heard from roughly a dozen facilities that had seen a significant number of false positives and a similar number with just one or two.

False-positive test results are a particularly significant risk in nursing homes, because a resident wrongly believed to have Covid-19 could be placed in an area dedicated to infected patients, potentially exposing an uninfected person. "It's enough to warrant taking it seriously," said David Gifford, chief medical officer of AHCA. It isn't clear if the false positives are more frequent than expected, he said. The group alerted its members about the concern with Becton Dickinson machines on Monday.

Katie Smith Sloan, chief executive of LeadingAge, which represents nonprofit providers of aging services, said, "Reports of false positives are troubling and add to the many challenges nursing homes have to navigate."

The Department of Health and Human Services said in July that it would ship Quidel Corp. and Becton Dickinson rapid-testing machines and a limited supply of test kits to around 14,000 nursing homes nationwide.

Quidel machines have gone to fewer facilities, and the company said it had not received any reports of false-positive results from nursing homes that got its testing equipment from HHS.

The concern about false positives is the latest chal-

lenge surrounding the federal effort to broaden testing in nursing homes, as they and other long-term-care centers are tied to more than 70,000 Covid-19-related deaths nationwide, according to a Wall Street Journal survey of state and federal data. The push relates to a new regulatory mandate from the Centers for Medicare and Medicaid Services requiring regular testing of nursing-home staffers.

Nursing homes have said they are struggling to get refill tests for the federally supplied rapid-testing machines that they received, and they are also worried about costs and, in some places, conflicting guidance from state regulators.

A spokesman for Becton Dickinson said "a small number of nursing homes in the U.S. are reporting multiple false-positive results" from its Veritor testing equipment. The company said it immediately contacted the sites and is investigating the situation to obtain additional details. The reports don't reflect findings in the company's studies, the spokesman said. The company has filled its initial federal order, and now can restock distributors with test kits.

HHS was recently made aware of the issue with false positives and is closely monitoring the situation, an agency spokeswoman said in a statement. The Food and Drug Administration is also looking into the issue, she said. HHS is working to ensure nursing homes have priority for test kits, and has taken several actions to provide "extreme clarity and no room for misunderstanding or misinterpretation" on the role of the tests, she said.

The Becton Dickinson equipment is used to perform point-of-care antigen tests that don't have to be sent to labs for processing. Antigen tests focus on virus proteins, while molecular tests look for the virus's genetic material.

Amazon Set to Hire 100,000

Continued from Page One paying at least \$15 an hour and including benefits and signing bonuses of as much as \$1,000 in some cities. Hiring for the jobs has already begun. The positions are all nonseasonal, Amazon said.

The company also said it would open 100 operational buildings this month alone, including fulfillment centers, delivery stations, sorting centers and other sites. That will add to more than 75 others already

opened this year in Canada and the U.S., it said. Amazon has more than 600 facilities in the U.S., according to logistics consultant MWPVL International.

Amazon has experienced a wave of orders this year as coronavirus restrictions pushed millions more people toward online shopping. Retailers like Walmart and Target Corp. as well as e-commerce companies such as Instacart Inc. have also seen immense growth online and hired hundreds of thousands of workers.

Amazon added 175,000 warehouse workers in March and April, 125,000 of whom it said it would keep. Last week, the company said it was in the process of filling 33,000 corporate positions.

That stands in contrast to other companies and industries that are cutting tens of thousands of jobs. Amid a slump in passenger demand, U.S. airlines shed about 50,000 jobs in the first half of the year alone. Traditional retailers like J.C. Penney, Neiman Marcus Group Inc., J.Crew Group Inc. and others have filed for bankruptcy.

Amazon, which accounts for more than a third of online U.S. sales, has recorded record profits during the pandemic. The company posted a record \$88.9 billion in sales during its second quarter, and profit doubled year-over-year to \$5.2 billion.

In the same quarter, it also spent more than \$9 billion in capital projects. The company's nonretail segments,

such as its cloud computing and advertising businesses, continue to see fast growth, creating further job opportunities.

Amazon said it is still completing plans on whether it will need to hire seasonal workers for the coming holiday season. The company typically adds staff in the run-up to the season, which is the peak shopping period for retailers.

An Amazon spokeswoman said the company was able to make the 100,000 positions nonseasonal because of sustained demand this year.

Amid the rising sales, the company's shares are up almost 70% this year. That has taken its market capitalization to around \$1.6 trillion, behind only Apple Inc.

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U.S. NEWS

Oracle-TikTok Deal Needs Security Check

By KATY STECH FERREK

WASHINGTON—Oracle Corp.'s bid to become the "trusted technology partner" for the popular Chinese-owned TikTok app may not be a standard-issue business deal, but it is increasingly the sort of arrangement that undergoes a national-security review, according to lawyers who advise companies in such cases.

Treasury Secretary Steven Mnuchin said Monday that the Oracle bid would be reviewed by the Committee on Foreign Investment in the U.S., a national security panel that is best known for reviewing outright foreign takeovers of U.S. companies.

The Oracle deal, by comparison, involves an arrangement with TikTok to move data on American users to Oracle's cloud-computing infrastructure in the U.S. to prevent it from being shared with the Chinese government.

Attorneys who advise companies and investors undergoing national-security reviews say the panel is increasingly dealing with matters that involve data privacy, as well as deals that involve minority investments, private-equity investments and limited partnership structures.

"There's a lot of experience and models to use in situations where there isn't an outright 100% purchase," said lawyer Christine Savage of the King & Spalding LLP law firm in Washington, D.C.

"This isn't the first data-in-



Treasury Secretary Steven Mnuchin on Monday said Cfius would review the Oracle bid for TikTok.

For Cfius, Concerns About Data Abound

The Committee on Foreign Investment in the U.S., or Cfius, is best known for reviewing proposed foreign takeovers of U.S. businesses that could weaken U.S. security, such as acquisitions of companies whose technology has military applications.

Led by the Treasury Department, Cfius also includes representatives from the State Department, the Pentagon, the Department of Homeland Security and other agencies. It deliberates in private, sometimes making its recommendations to the president—as

Treasury Secretary Steven Mnuchin said would occur in this case.

The president, however, has the power to override Cfius decisions.

In recent years, Cfius has increasingly looked at deals that involved access to personal data of U.S. citizens—not only for technology platforms but for insurers, health-care companies and hospitality firms.

Panelists on the committee sometimes will give a green light to deals that they consider troubling on a national-security front if the companies involved are able to convince them that those concerns can be mitigated.

—Katy Stech Ferrek

tensive application that Cfius has looked at closely and identified concerns with," said Damaris Chambers, a Washington, D.C.-based national-security lawyer with the Vinson & Elkins law firm who said sometimes the panel will require ongoing monitoring and auditing of a deal.

Cfius has been investigating risks related to TikTok's Chinese owner, Beijing-based ByteDance Ltd., for months. U.S. officials say they are concerned that TikTok could pass on data it collects from Americans streaming videos to China's authoritarian government. They also are increasingly concerned that the app might be spreading Chinese

propaganda and that the platform's moderators could be censoring content to appease Beijing.

TikTok has denied that it would compromise the data of its users, or use its site to spread propaganda.

The Cfius panel's focus on privacy concerns sharpened after 2015, when U.S. officials announced that hackers had penetrated databases of the U.S. Office of Personnel Management containing records of personnel files and security-clearance forms for current and former U.S. officials. The breach amounted to one of the largest-ever thefts of U.S. government records.

Members of the Cfius panel

agreed that they should monitor deals for privacy-related concerns almost immediately afterward, according to several former panelists. And soon after, panelists gave careful scrutiny to several deals that raised privacy concerns about the information that could flow back to China, they added.

Panelists often allow deals that they consider troubling on a national-security front to go through if the companies involved can convince them that those concerns can be mitigated. Last year, the panel adopted mitigation measures with respect to 33 deals they had investigated, roughly 12% of the year's total deals, ac-

ording to Treasury figures.

In some of those deals, they required businesses involved in the transactions to limit the transfer of intellectual property and trade secrets, ensure that only a few authorized have access to key technology or require that U.S. citizens handle certain products and services, the report said.

Ms. Savage said that when panelists are trying to figure out if safeguards for data are strong enough, they will assess what kind of data is on a tech platform, where it resides and where the potential acquirer is located.

But in some cases, panelists couldn't find safeguards strong enough to ease their

concerns. Last year, the panel ordered another Chinese investor to give up its interest in Grindr, a dating app originally geared toward gay men, over concerns the personal data it collects could be exploited by Beijing to blackmail individuals with security clearances.

Other deals that raised privacy concerns involved insurance and hospitality.

Earlier this month, a major U.S. hotel operator has agreed to purchase hotel property management software firm StayNTouch Inc., a \$46 million deal that came together after Mr. Trump said the company's existing Chinese ownership poses a threat to U.S. national security.

Unusual Talks Spur Alliance

Continued from Page One operations outright or surrender the prized algorithms that power the app and make it so compelling to users, the people said. Some of the people also said Oracle would have access to view the algorithm's source code and how it works.

Among other things, the ByteDance proposal will involve expanding TikTok's U.S. offices to become the global headquarters and having Oracle certify the security of the app's data, the people said.

Oracle was originally brought into the negotiations to provide an alternative to Microsoft Corp., a rival bidder with Walmart as a partner, said one person familiar with the talks. The U.S. investment firms Sequoia Capital and General Atlantic, which are existing investors in ByteDance, went in search of a tech company with close ties to the administration and settled on Oracle, the person said.

Oracle co-founder Larry Ellison hosted a fundraiser for Mr. Trump this year at his house, and Chief Executive Saffra Catz also worked on the executive committee for the Trump transition team in 2016.

Cloud jolt

For Oracle, the arrangement could give a jolt to its efforts to transform its database business into a major player in cloud computing, one of the most dynamic areas in tech.

President Trump's threat to ban TikTok triggered the corporate race to save it, and he will be the ultimate decider. He has the authority to overrule any recommendation made to him by the U.S. Committee on Foreign Investment in the U.S. that oversees cross-border deals, although it is unusual for a president to weigh in. After weeks of saying he would accept only an outright sale of TikTok's U.S. operations to an American company, Mr. Trump must weigh the political calculus of accepting a



Oracle co-founder Larry Ellison, whose company is vying for a deal with TikTok, hosted a fundraiser for Mr. Trump this year at his house.

deal that appears to be something less than that, or banning an app that is hugely popular.

A person familiar with the matter said that TikTok would commit to adding 25,000 jobs in the U.S. It isn't clear whether that would be one way of meeting Mr. Trump's other unusual demand for the sale—that it result in a sizable payment to the U.S. Treasury.

ByteDance is confident the steps it is taking will adequately meet the U.S. requests.

"Trump wanted a big secure American company," said one person familiar with ByteDance's thinking. "We got that."

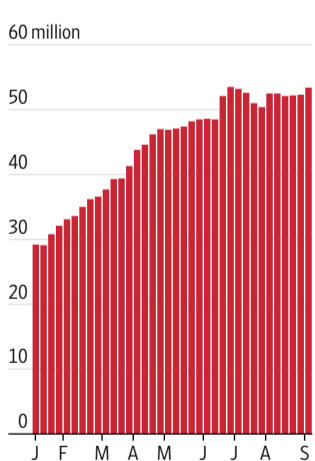
Microsoft, Oracle's chief rival in the bidding, believed any deal that didn't involve transfer of the algorithms would fall short of the U.S. government's demand, according to some people familiar with the company's thinking, as did some cybersecurity experts. The person familiar with ByteDance's thinking said Microsoft at various times appeared content with structures that wouldn't require transfer of the algorithms.

Oracle's Mr. Ellison and Ms. Catz have been vocal about their concerns about China, and have repeatedly raised the issue with members of the administration even before the TikTok drama ensued, said one person familiar with the matter.

Sequoia Capital used its own connections to push the administration to allow TikTok to continue operating in the U.S., say people familiar with the discussions. Doug Leone, the firm's global managing

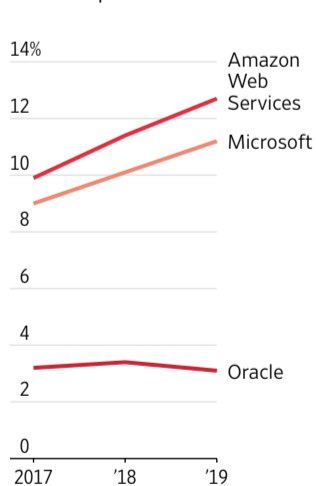
Popular Demand

Weekly active TikTok users in the U.S.



Sources: App Annie (users); IDC (market share)

Share of public cloud services



partner who took a lead role lobbying on TikTok's behalf, has donated tens of thousands of dollars to Republican candidates this election season along with his wife, including to the president's re-election campaign. Mr. Leone also held a reception at his Silicon Valley home for Secretary of State Mike Pompeo in January.

Ms. Catz's relationship to Mr. Trump could give Oracle a leg up in getting the deal approved, according to people in contact with the White House. Oracle has worked for decades with the U.S. government, including multiple contracts with the national-security establishment.

A divide remains in the White House between the China hawks who believe Mr. Trump should follow through on his threat to ban the app and those who favor a deal. Treasury Secretary Steven

Mnuchin is seen as the leader of the latter camp, according to the people in contact with the White House, and Sen. Lindsey Graham and others likewise have made the case that banning TikTok would

The talks took unexpected turns and drew in big names in business.

backfire politically among young conservatives.

Mr. Mnuchin and senior staffers at the Commerce Department worked to bring Commerce Secretary Wilbur Ross on board. Messrs. Mnuchin and Ross decided to pursue the Oracle option during a call on Friday, said a per-

said on Sept. 10. "So we'll either close up TikTok in this country for security reasons, or it'll be sold."

For weeks it appeared Microsoft was in the lead on negotiations, and it appeared to be close to a deal in late August. The dynamic changed when the Chinese government said it would require approval for any transfer of Chinese intellectual property, which was believed to cover TikTok's algorithms.

That was a blow to Microsoft, which wanted to use the algorithms to push further into social media, gaming and video. Once Beijing got involved, that strengthened Oracle's hand, because the company is interested primarily in winning TikTok as a customer for its cloud business, said the person familiar with the talks, where businesses rent space on someone else's servers.

Working with TikTok would burnish Oracle's cloud credentials, in part because the video-heavy nature of the app makes it an especially demanding user, said Ray Wang, founder of the Silicon Valley-based advisory firm Constellation Research Inc.

"Oracle is showing it can run the toughest workloads in the public cloud, and that's what it's going after," said Mr. Wang. "Video requires a stable and massively elastic cloud."

Oracle currently lags far behind cloud leaders including Amazon.com Inc. and Microsoft. It mainly provides business customers software to help run their business.

The cloud has become more important to Oracle because customers favor renting server time and software and cutting back on the kind of spending on in-house technology that, for decades, underpinned sales for the company.

Amazon popularized the cloud-computing model and is the leader in so-called public-cloud infrastructure, with 45% market share, ahead of Microsoft, with around 18%, according to research firm Gartner Inc., which doesn't count Oracle in its top-five vendors. Oracle was slow to embrace the cloud as it tried to protect its legacy business.

To Jefferies analyst Brent Hill, the deal with TikTok shows the pressure Oracle is under. "Oracle is begging for a cloud win," he said. "Microsoft, Amazon and Google are taking massive share away from them."

Snagging the TikTok business helps legitimize Oracle's cloud, said Ed Anderson, an analyst at Gartner. "It's encouraging to see Oracle aggressively pursuing the cloud." Still, he said, the company is unlikely to catch the lead Amazon and Microsoft have built.

—Gordon Lubold, Rolfe Winkler, Michael C. Bender, and Andrew Restuccia contributed to this article.

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WORLD NEWS

Xinjiang Companies Are Hit With Bans

By KATY STECH FERREK

WASHINGTON—The Trump administration banned cotton apparel, computer parts and other imports from companies and suppliers that allegedly relied on forced and imprisoned laborers in China's Xinjiang region.

U.S. Customs and Border Protection officials on Monday issued orders for agents to hold shipments from four commercial entities, one training center and an industrial park that they suspect have handled goods made with forced labor, citing the power of a 1930s law that declared the importation of those goods illegal.

"The scourge of forced labor practices used in China is an unconscionable assault on innocent people and a threat to American producers," said Mark Morgan, acting commissioner of U.S. Customs and Border Protection, during a press conference on Monday, adding that the orders came after two years of investigation.

U.S. officials have condemned Chinese leaders in Beijing over alleged human-rights abuses that have unfolded against the mostly Muslim Uighur minority population in northwest China in recent years. The region produces a sizable portion of the world's cotton, which some watchdog groups say relies on forced or prison labor to harvest it or turn it into yarn and fabric both in factories nearby and in neighboring countries.

A representative for the Chinese Embassy cited past statements from Chinese officials, who maintain that operators in the region abide by international labor laws, and that government activities in the region are aimed at preventing terrorism.

Japan Feels Tug From China, U.S.

Premier's successor will step into middle of tensions between its two biggest partners

By PETER LANDERS

TOKYO—Yoshiyuki Kasai, longtime boss of Japan's biggest bullet-train line, says he thinks Tokyo's alliance with the U.S. comes first and China needs to hear that message. If Beijing doesn't like it, he says, tough luck.

Hiroaki Nakanishi, head of Japan's most powerful business federation, says he thinks that attitude is self-defeating. After all its work to build ties with China, Tokyo should play nice where it can, he says.

The clashing views of two top executives, each a political heavyweight, suggest the challenge for Japan's next prime minister in navigating the tensions between the U.S. and China. Yoshihide Suga, the de facto No. 2 in Shinzo Abe's government since 2012, on Monday won the leadership race for the ruling Liberal Democratic Party, assuring him of succeeding Mr. Abe as prime minister on Wednesday.

Mr. Abe, leading the world's third-largest economy behind the U.S. and China, built a strong friendship with President Trump and improved ties with Beijing. But Mr. Suga likely will find it harder to maintain the balancing act.

Mr. Suga has little foreign-affairs experience beyond assisting Mr. Abe. Asked Saturday at a debate about his China stance, he avoided taking one.

His dilemma is shared by U.S. allies around the world such as Germany that rely on American military might for protection while leaning on China for economic growth.

Japan and other U.S. allies have agreed not to use equipment from China's Huawei Technologies Co. in their next-generation telecommunications networks. U.S. sanctions are hitting Japanese companies



Yoshihide Suga on Monday won the leadership race for the ruling Liberal Democratic Party, assuring him of becoming prime minister.

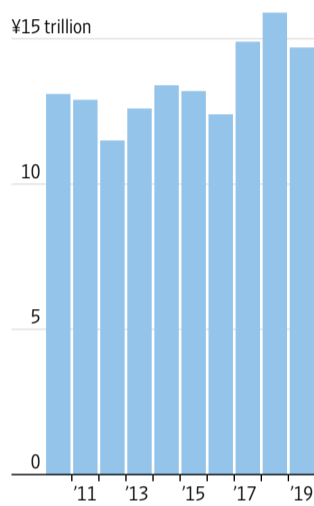
supplying Huawei and other Chinese companies with parts, if those parts use U.S. technology. And deal making with China is getting trickier, as Tokyo beverage maker Kirin Holdings Co. found in August when U.S. ally Australia nixed Kirin's sale of an Australian dairy business to a Chinese company.

"We are entering a quite difficult phase," said Toshiba Corp.'s head of corporate strategy, Masaharu Kamo, citing national security risks. "We have to look at every single item that is traded with China, not simply each deal on its own but whether it will have an effect on our company."

Japan is deeply entwined in Chinese business. Exports to China, which totaled nearly \$140 billion in 2019, have been helping Japan recover from the coronavirus downturn and are running above year-earlier levels, according to Japan's Ministry of Finance.

"There are lots and lots of private companies that cannot afford to go against China,"

Japan's exports to China



said Mieko Nakabayashi, a professor at Waseda University.

Beijing has sent signals it hopes to enlist Tokyo against Mr. Trump. When China on Sept. 3 marked the 75th anniversary of World War II's end, Chinese leader Xi Jinping

called for "efforts to promote everlasting friendship between the two peoples of China and Japan," official media reported, while delivering veiled warnings to the U.S. and Mr. Trump. Beijing must be set straight, said the 79-year-old Mr. Kasai, former president and now chairman emeritus of Central Japan Railway Co. He and Mr. Abe had dinner in July on one of the prime minister's final nights out before an intestinal ailment forced him to resign.

"We have to go in lockstep with the U.S.," Mr. Kasai said in an interview. "If China thinks it can divide Japan and the U.S., it will try every trick in the book to do it, and Japanese politics will fall into disarray from Chinese intervention."

Mr. Kasai said he advised Mr. Abe to disinvite Mr. Xi, who had been scheduled to visit Tokyo in April before the coronavirus intervened, and he suggested Japanese companies should trim their China exposure to avoid being manipulated. "It should be limited to

such a degree that in a pinch, you can throw it all out and still be OK," he said.

Asked to name people who he thinks underplay the China risk, Mr. Kasai singled out Mr. Nakanishi, 74, the business federation chief who is also a former chief executive of Hitachi Ltd. Hitachi built Japan's first bullet train cars for the Tokyo-Osaka line now operated by Mr. Kasai's company, but unlike the railway, it has developed a big China business, selling elevators, medical systems and much else. Mr. Nakanishi "doesn't understand geopolitics," Mr. Kasai said.

The former Hitachi CEO said he didn't claim to be an expert in geopolitics, but he said he understood the history of Japan's ties with the continental power next door. He advised against letting the politics of the moment override the successes of decades in building business partnerships. "My view on China is quite different from Mr. Kasai's," he said.

Branstad Plans to Step Down As American Envoy to Beijing

By CHUN HAN WONG AND LIZA LIN

HONG KONG—Terry Branstad is stepping down as U.S. ambassador to China, ending a more-than-three-year tenure at the forefront of Washington's increasingly strained relationship with Beijing.

Secretary of State Mike Pompeo thanked Mr. Branstad in a series of tweets on Monday, saying the envoy had "contributed to rebalancing U.S.-China relations so that it is results-oriented, reciprocal, and fair."

Mr. Branstad, a Republican whose six terms as governor of Iowa over two stints made him the longest-serving governor in U.S. history, is due to leave Beijing in early October and return to Iowa, the U.S. Embassy in Beijing said. He spoke to President Trump by phone last week to confirm his decision to retire, the embassy said.

Mr. Branstad's son, Eric, is an adviser to Mr. Trump's Iowa campaign, and the elder Mr. Branstad is expected to support Mr. Trump and Republican Sen. Joni Ernst in 2020 races in Iowa. Mr. Trump told Ms. Ernst in a phone call that Mr. Branstad is "coming home from China 'cause he wants to campaign," according to a recording of the call Ms. Ernst posted on Saturday on Twitter.

The process of appointing a new ambassador to China is expected to take months. Robert Ford, the U.S. deputy chief of mission in Beijing, will oversee the embassy as chargé d'affaires until a new envoy arrives, a person briefed on the matter said.

A spokesman for China's Foreign Ministry said Beijing hasn't received any notification on Mr. Branstad's departure.

Mr. Branstad had only recently returned to China after a visit to Washington, where he had meetings with U.S. government officials, a person familiar with the matter said. He thanked staff at U.S. diplomatic missions in China during an internal meeting at the embassy on Monday, the embassy said. "We are rebalancing the U.S.-China relationship



Terry Branstad, a former governor of Iowa, is departing after several months in which relations between the U.S. and China worsened.

so that it is fair and reciprocal and can fuel positive growth in both countries," Mr. Branstad said.

Mr. Branstad's tenure has been slightly longer than those of his recent predecessors. News of his departure comes as Sean Stein, the head of the U.S. Consulate in Shanghai, also leaves his post.

The exits follow several months during which U.S.-China relations quickly deteriorated, as the two governments imposed tit-for-tat diplomatic restrictions on each other

The ambassador had enjoyed long ties with Chinese leader Xi Jinping.

while arguing over differences related to trade, technological competition and geopolitical influence. The coronavirus pandemic also strained ties and, for several months this year, left the U.S. government with a bare-bones presence.

Relations hit their lowest point in decades this summer when the Trump administration abruptly ordered the closure of China's consulate in Houston, prompting Beijing to retaliate by shutting the U.S. consulate in the southwestern

city of Chengdu.

The 73-year-old American envoy found himself at the center of another diplomatic spat last week when Mr. Pompeo accused China's Communist Party of acting hypocritically in deciding not to publish an op-ed by Mr. Branstad in the party's flagship newspaper, People's Daily, which described the article as "full of loopholes and seriously inconsistent with facts."

Beijing also imposed what it called reciprocal restrictions on American diplomats in China after Washington announced fresh curbs on activities of Chinese diplomats in the U.S. this month.

Mr. Branstad was the governor of Iowa when Mr. Trump in December 2016 picked him as his envoy to Beijing. China's Foreign Ministry had welcomed Mr. Branstad as an "old friend of the Chinese people," before he arrived in Beijing in June 2017 to take up his post.

Mr. Branstad had previously traveled to China on trade missions and enjoyed longstanding ties with Chinese leader Xi Jinping. As Iowa governor in 1985, Mr. Branstad hosted Mr. Xi—then a rural county chief—on his first trip to the U.S., where he visited to learn about American agriculture.

Mr. Branstad has sought to use his connections with Mr. Xi to advance Mr. Trump's priorities in trade talks with Beijing.

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WORLD NEWS

Putin Vows Support for Belarus President

By ANN M. SIMMONS

MOSCOW—Russian President Vladimir Putin pledged financial and military support for Belarus President Alexander Lukashenko, signaling Moscow's intention to bolster its embattled junior partner—support that could ultimately bind Minsk more tightly to Russia.

Mr. Lukashenko met with Mr. Putin on Monday for the first time since the Aug. 9 Belarus presidential election, in Russia's Black Sea resort city of Sochi. Mr. Lukashenko claimed victory in that ballot, but the opposition says it was neither free nor fair, sparking mass demonstrations that have called for the longtime leader to step down.

The crisis has likely made it more difficult for the Belarus leader to resist the Kremlin's longstanding efforts to draw its smaller neighbor more tightly into its orbit, some analysts say.

Mr. Putin pledged Russia's continued commitment to economic and defense agreements already forged between the two countries, while promising support for Mr. Lukashenko's permanence in power.

"We see Belarus as our closest ally," Mr. Putin told Mr. Lukashenko.

But the protests and pressure from the West, which has condemned Mr. Lukashenko's heavy-handed response to the



Russian President Vladimir Putin, right, on Monday met with Belarus President Alexander Lukashenko.

demonstrations, have left the Belarus leader—in power for 26 years—politically exposed.

"Putin really has Lukashenko where he's always wanted him. He's weak, dependent," said Daniel Treisman, a professor of political science and Russia specialist at the University of California, Los Angeles.

For years, Mr. Putin has touted smaller neighbor Belarus as a brother nation, trying to coax it into joining Russia as part of a larger, unified state, as they were during the

Soviet era. Mr. Lukashenko has largely rejected that, wary of risking his country's sovereignty.

But Mr. Lukashenko may now be forced to accept Russia's greater influence in exchange for Moscow's political support to prevent him from being toppled. That could put the fate of Belarus in Mr. Putin's hands, several analysts said.

"He can't even think about looking to the West...to pressure Putin," Mr. Treisman said. "So, he relies on Putin's sup-

port and he knows that what happens in future is going to depend much more on Putin than on him."

The Kremlin has assembled a contingent of law-enforcement officials to help in Belarus if protests spiral out of control, although the extent to which Moscow is ready to intervene to save Mr. Lukashenko is uncertain.

"The key goal is to prevent a situation in which Moscow will look like a loser," said Mikhail Vinogradov, president of the St. Petersburg Politics

Foundation, a public-opinion and research think tank. "It's important to show that [Russia] has a stake in Belarusian politics, current or future, destroying the stereotype that the fragments of the Soviet empire are scattering from Russia."

Equally critical, Mr. Treisman said, is avoiding "the spectacle of an authoritarian government next to Russia adopting more democratic rule with a leader being overthrown under pressure from the streets," he said. "Putin doesn't want to support the fall of Lukashenko in a way that can be played as a victory to the protesters."

Mr. Putin could exact concessions such as faster economic integration, a common currency and more significant Russian military infrastructure installed in Belarus, some analysts said.

Moscow has already launched what some analysts described as a "hybrid annexation" of Belarus. This includes expanded influence over security forces, which could occur if Moscow deploys security forces to help Mr. Lukashenko, and keeping Belarus bound to Russia through financial obligations and other concessions, such as subsidized gas prices.

On Monday, during talks with Mr. Lukashenko, Mr. Putin agreed to provide Belarus

with a state loan of \$1.5 billion. He also said the two countries would conduct joint military events almost monthly for a year.

Mr. Lukashenko thanked Mr. Putin for his commitment in showing that "the Belarusian borders are the borders of the Union State, and no one is allowed to rattle their weapons there."

He also expressed the need for Minsk "to stay closer with our older brother and cooperate on all issues, including the economy."

"A gradual merging of the infrastructure and increasing dominance over personnel in the Belarusian state" is already under way, Mr. Treisman said, adding that it was a "kind of creeping annexation without military force, without troops on the ground, but with all the lines of power increasingly ending up in Moscow rather than in Minsk."

On Monday, Belarusian opposition leader Svetlana Tikhanovskaya condemned Moscow's decision to support the Belarusian president.

"I want to remind Vladimir Putin that whatever you agree on during the meeting in Sochi will not have a legal force," she said from exile in Lithuania. "The Belarusian people didn't support Lukashenko in the election."

Candidates Loyal To Kremlin Pace Local Elections

By THOMAS GROVE

MOSCOW—Candidates loyal to Russian President Vladimir Putin swept regional and local elections over the weekend, demonstrating the Kremlin's grip on the levers of power despite pockets of support for Alexei Navalny's opposition movement after an attempt on his life sidelined him in August.

Preliminary results published by state news agencies Monday showed broad support for the pro-Putin United Russia party. Political analysts said the Covid-19 pandemic and an economic shock prompted by accompanying lockdowns and a slump in oil prices produced a clamor for stability, playing to one of Mr. Putin's core strengths over his 20 years in power, and undermining support for change.

"After the shocks of the first half of 2020, voters want stability and calm, trusting tried and true candidates," said Valery Fyodorov, head of Moscow-based pollster

WCIOM, which names the Russian government among its top clients, on the organization's Telegram channel. "There was almost no hope for new (political) forces."

The contests serve as a bellwether for Russian politics ahead of next year's parliamentary elections. They indicate that the opposition may struggle to make significant inroads despite the government's own patchy record in handling the impact of the coronavirus pandemic and a slide in living standards.

Opposition candidates did, however, win important symbolic victories. In the Siberian city of Tomsk, where Mr. Navalny was poisoned with what German doctors say was a military-grade nerve agent, candidates aligned with his movement won control of the city council, said Leonid Volkov, another of Mr. Navalny's allies. State agencies didn't provide names of individual winners.

In Novosibirsk, Navalny supporter Sergei Boyko and



A woman cast a ballot in a municipal election at her Moscow home on Sunday, as the pro-Putin United Russia party drew broad support.

other opposition-aligned candidates were set to join their city council while in Tambov, they won 16 out of 18 seats, Mr. Navalny's spokeswoman Kira Yarmysh said on Twitter.

Mr. Navalny, who has long been the Kremlin's most vocal critic, was evacuated to Germany for treatment after fall-

ing ill during a flight from Tomsk to Moscow. His supporters say they believe Mr. Putin or his operatives were involved in poisoning him at the airport in Tomsk, a city where he had been working to build political networks for the opposition and show it had support beyond the big

cities such as Moscow and St. Petersburg. European officials have said the use of Novichok, a Soviet-era chemical nerve agent, strongly indicates that the poisoning was the work of Russian state actors.

The Kremlin denies it had any connection to harming Mr. Navalny and has cast doubt on

whether he was poisoned at all, threatening to turn the incident into another flashpoint between Russia and the West.

Mr. Navalny's supporters said the weekend's wins in Tomsk and elsewhere showed that his strategy posed a viable threat to the Kremlin across Russia.

Israeli Lockdown to Disrupt Holidays

By FELICIA SCHWARTZ AND DOV LIEBER

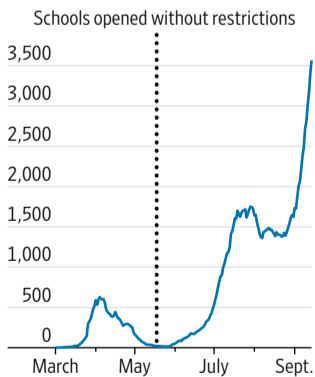
TEL AVIV—Religious leaders and business owners in Israel are rushing to prepare for a second nationwide lockdown that is set to upend the Jewish holidays, as health workers brace for a new wave of Covid-19 infections.

The lockdown—which is expected to last through Rosh Hashana, Yom Kippur and Sukkot—is in response to Israel dealing with one of the worst daily coronavirus-infection rates per capita in the world. New cases are hovering at more than 3,000 a day. Some health officials warn Israel's hospitals could be overwhelmed during the coming flu season.

"If something will not be done very quickly, we will have to use extreme scenarios," said Michael Halberthal, the general director and chief executive of Rambam Hospital in Haifa. "We will have to obviously stop some of the care that we are giving to the non-Covid-19 patients in the hospital."

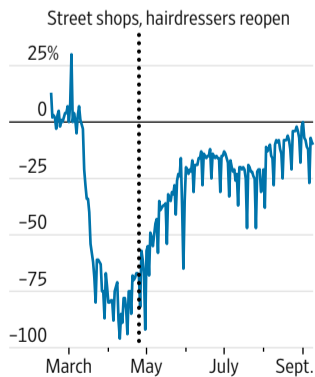
Israel's high-holiday season is usually one where large families congregate together and synagogues are often filled with hundreds to thousands of people. Concerns about the new coronavirus that causes Covid-19 are dramatically altering this year's prayers, where gatherings will be confined to smaller groups

Confirmed daily Covid-19 cases, seven-day average



Schools opened without restrictions

Change in visits to retail/recreation sites



Street shops, hairdressers reopen

*Compared with median value for corresponding day of the week, Jan. 3-Feb. 6 period.

Cases data as of Sept. 13
Sources: Johns Hopkins CSSE (cases); Google Community Mobility Reports (mobility)

in improvised settings.

Rabbi Shimon Rabinowitz, an official in the ultra-Orthodox town Kfar Chabad, said his town usually has 10 different congregations that gather in synagogues for the Rosh Hashana holiday for nearly day-long services. This year, he is preparing for 100 microcongregations, to conform to social-distancing regulations.

In the current climate, some services won't proceed. Jerusalem's Great Synagogue, renowned for its rare use of a choir, will close its doors for the first time since opening in 1958. "An important factor in this decision is the lack of knowledge, the confusion, and the debates between experts and the changes in regulations," the synagogue wrote in

a letter to its congregants.

In Bnei Brak, a major ultra-Orthodox center, synagogue employees used nylon drapes to section off synagogue areas to allow groups of 10 to isolate themselves from one another.

The expected three-week shutdown is likely to deal a significant blow to many business owners who haven't recovered from the first lockdown, which began in mid-March. All of the initial shutdown's restrictions were lifted by mid-May.

Natan Galkowycz, 68 years old, owner of the Brazilian cuisine restaurant Mides, located in a small farming village in Israel's south, said he will have to close his business for the whole three weeks because he doesn't have the necessary in-

frastructure to offer deliveries. The first closure in April cost him about \$35,000, and he received a little over \$4,000 in compensation from the government. He expects to lose \$29,000 during this closure.

"Every business is paying a price. I'm no different and I'm paying a high price," Mr. Galkowycz said. "I hope I can survive," he said.

Under the lockdown regulations, restaurants must be closed but can still deliver. Bars, hotels, gyms and entertainment and cultural sites will remain shut. Private companies can stay open if they don't receive the public. People must stay within about one-third of a mile of their homes unless shopping for essential goods or seeking essential services.

Some Israelis say they are hoping to apply lessons learned from the previous lockdown.

Shira Tober, 33, who works at an education-technology company, said she has started to map walking routes from her house that comply with the government's 500-meter directive, particularly after she struggled with her work-life balance the first time around.

"I'm going to need to find creative ways to make sure that I can get sunshine, so that I can feel a little bit active," she said. "I know if I am just confined to my home it can lead to a downward spiral."

U.S. Talks Offer Qatar Chance to Ease Spats

By WILLIAM MAULDIN

A high-level meeting between officials from the U.S. and Qatar this week offers a chance for the Middle Eastern country to heal a rift with its neighbors and could solidify one of Washington's relationships in the volatile region.

Secretary of State Mike Pompeo, Treasury Secretary Steven Mnuchin and Commerce Secretary Wilbur Ross met leading Qatari officials on Monday to kick off the U.S.-Qatar Strategic Dialogue.

Framework agreements on culture and economic cooperation will be signed by the U.S. and a Qatari delegation led by Deputy Prime Minister Mohammed bin Abdulrahman al-Thani and Finance Minister Ali Shareef al-Emadi, said Qatar's ambassador to the U.S., Meshal bin Hamad al-Thani.

Qatar, a tiny country on the Arabian Peninsula with tremendous gas reserves, has carved out an outside role, as an intermediary in regional rifts, through its Al Jazeera media outlet and as the host of the largest U.S. air base in the region. Mr. Pompeo visited the capital, Doha, over the weekend to back new talks there between the Taliban and the Afghan government. Qatar, while not formally recognizing Israel, has cooperated with Israelis and helped mediate disputes.

In the past three years, Qatar has seen much of its own trade and travel blocked by countries in the region—Saudi Arabia, the United Arab Emirates, Bahrain and Egypt—in a dispute that has soured relations and led to restrictions on Qatari pilgrims' visits to Mecca, Ambassador al-Thani said.

The countries accuse Qatar of facilitating financial support for Middle East terrorist groups, a charge Qatari officials deny, among other accusations.

"I look forward to progress on this issue," Mr. Pompeo said in opening remarks at the forum.

President Trump spoke with Saudi Arabia's King Salman on Sept. 6 and called for an end to the rift among Persian Gulf neighbors. Few expect an immediate resolution, but the Trump administration is eager to work on the dispute.

In one possible outcome, the U.S. could persuade Saudi Arabia to end its ban on Qatari flights over the kingdom, some analysts say.

Officials from the U.A.E. are also in Washington this week for the signing of a pact brokered by the Trump administration to normalize relations with Israel, offering U.S. officials an opportunity to raise the rift with Qatari and Emirati diplomats.

WORLD WATCH



GRIM MEMORY: An Afghan woman sat at her son's grave near Kabul on Monday, as friends and family of students killed in local conflicts called for a cease-fire from parties to peace talks taking place in Qatar.

CHINA

Retail Sales Rebound In Sign of Recovery

China's economic recovery accelerated in August, with major indicators rising at faster rates as Beijing's supporting measures kicked in to boost growth from the coronavirus shocks.

Retail sales, a major gauge of China's consumption, rebounded to growth for the first time in 2020 by rising 0.5% on year in August, according to data released Tuesday by the National Bureau of Statistics. The result was better than a 1.1% drop in July and a 0.1% increase expected by economists polled by The Wall Street Journal.

Industrial production rose 5.6% in August from a year earlier, up from the 4.8% increase in July, the statistics bureau said. Economists polled by the Journal expected a 5.2% growth.

—Grace Zhu

GERMANY

Labs Identify Poison Used on Navalny

Russian opposition leader Alexei Navalny's health has improved and he is now able to briefly leave his bed, the Berlin hospital treating him said, while Germany said French and Swedish labs have confirmed its findings that he was poisoned with the Soviet-era nerve agent Novichok.

Mr. Navalny, the most prominent opponent of Russian President Vladimir Putin, was flown to Germany two days after falling ill on Aug. 20 on a domestic

flight in Russia. Berlin has demanded Russia investigate the case.

The Kremlin has bristled at calls from German Chancellor Angela Merkel and other world leaders for Russia to answer questions about the poisoning, denying any official involvement and accusing the West of trying to smear Moscow.

—Associated Press

LEBANON

U.N. Peacekeepers Rescue 36 Migrants

The United Nations peacekeeping force in Lebanon said it rescued 36 people onboard a ship carrying migrants outside Lebanon's territorial waters.

The force, known as UNIFIL, said there were 37 migrants on the ship but that one had died by the time the peacekeepers rescued the migrants.

The force didn't say where the ship was heading. Some Lebanese have been trying to flee the tiny Mediterranean nation, which has been shaken by multiple shocks, including its worst economic and financial crisis in decades.

—Associated Press

ISRAEL

Jewish Extremist Gets 3 Life Terms

An Israeli court handed down three life sentences to a Jewish extremist convicted in a 2015 arson attack that killed a Palestinian toddler and his parents.

The Lod District Court found Amiram Ben-Uliel, a Jewish settler,

guilty of murder in May for the killing of 18-month-old Ali Dawabshah by firebombing his home in the West Bank village of Duma.

The toddler's mother, Riham, and father, Saad, later died of their wounds. Ali's 4-year-old brother Ahmad survived.

The court said Mr. Ben-Uliel's "actions were meticulously planned, and stemmed from the radical ideology he held."

—Associated Press

IRAN

German Ambassador Summoned for Tweet

Iran summoned Germany's ambassador following his embassy's criticism of the execution of a wrestler after President Trump asked for the 27-year-old man's life to be spared.

The official IRNA news agency reported that a foreign ministry official told Ambassador Hans-Udo Muzel that the tweet about the wrestler, Navid Afkari, amounted to an intervention in Iran's domestic affairs and strongly protested the move.

Iran on Saturday executed Mr. Afkari, who was convicted of murder, despite an international outcry to stop the execution. Authorities accused him of fatally stabbing a water-supply company employee in the southern city of Shiraz amid protests against Iran's Shiite theocracy in 2018.

The embassy had said on its Twitter account that it was deeply surprised about the execution and suggested the wrestler was executed as part of Iran's efforts to "silence opposing voices."

—Associated Press

FROM PAGE ONE

Pink Hair Leads to The Blues

Continued from Page One with two different hairstylists, and dying her hair jet black—the opposite of what she'd wanted. Now with her pale skin, she said, "I honestly look like a vampire."

Stuck inside during the early months of the coronavirus pandemic, people took the opportunity to dye their hair pink, blue and other bold colors. Now, as more of the world starts to reopen, many want their pre-pandemic hair color back. They are discovering that is not so easy.

Hairstylists say it falls on them to be the bearer of bad news, before spending hours fixing—not always successfully—the resulting blotches, spots and stripes.

"They're in this huge panic," says Chelsea Adair, owner of Salon Adair in Carlsbad, Calif. Ms. Adair wrote in an Instagram post with the hashtag #boxcolorcorrection, "I wish I could put an electric fence around the hair color at Target."

Nikki Lee, co-owner of Nine Zero One salon in Los Angeles, says she pleaded with her clients not to use box dye on their hair during quarantine. "All of a sudden, everyone thought they were a hair stylist and they could do their own hair, and they quickly realized 'wow, that's actually very hard.'"

Stylists say many people don't realize that boxed hair dyes contain chemicals that make the color difficult to remove. Blue and green are par-



Nora Thomson's hair has turned 'dark brown/blue/grayish.'

ticularly tough, according to New York salon owner Rita Hazan.

Nora Thomson, a 21-year-old in Norway, found that out the hard way. She bleached her dark-brown hair at home, then dyed it blue, posting a video of the process on YouTube.

"I thought, this would be the perfect time to do something different with my hair," says the university student. "I was like, 'No one is going to see me anyway.'"

The results weren't exactly what she expected. "It turned out really, really bad," Ms. Thomson says. "Like really, really bad."

After one shower, "the blue kind of faded and I had this grayish color." She tried dying it again—this time without filming it—with dark brown to cover the gray, but that didn't work. Four months later, her hair color is still "dark brown/blue/grayish," she says.

Ms. Thomson says she's afraid to go to a hairstylist to get it fixed. Instead, "I keep my hair up in a bun," she says. "I've been wearing a lot of hats, also."

Worst of all, the YouTube video has proven quite popular, with more than 435,000 views. "I didn't think that through," she says.

Fixing a botched dye job also sometimes leaves the client with little choice as to what hair color they end up with; it is difficult to go from red to platinum blond. While clients sometimes complain, stylist Ms. Adair has little sympathy: "I don't think it's up to them anymore after they have already destroyed my canvas."

When Ms. Namohala visited a salon to fix her orange hair, it took five hours for a stylist to color her hair brown. "People would walk by the chair and be like, 'Oooh, what happened?'" she says. "And I was like, 'quarantine.'"

She was happy with the results at first, but the orange came back after about two weeks. Ms. Namohala returned to the same stylist to have it done again, but still the orange returned. "It kept haunting me and reminding me that I was an idiot for dying my own hair."

Finally, a different stylist dyed her hair black, which succeeded in covering the orange.

Ms. Namohala misses her blond hair. "My hair is so deep black, it looks like I'm wearing a bowl on my head," she says. She knows it will take time to get back to blond. "I'm going to have bad hair for at least another year."

Still, she takes some comfort in the fact that Covid-19 hair color experiments have left many other people in the same boat.

"I go to the store and I see a girl that had blue hair," she says. "It's really grown out, like a foot off her head, and her blue is like green now. And I don't feel bad about myself."

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GREATER NEW YORK

Private Guards Are in Big Demand

With crime surging, business associations in city beef up security as workers come back

By Ben Chapman

New York City business associations have hired additional security guards this summer in the midst of a surge in violent crime and a decrease in arrests by police.

Three business-improvement districts in Manhattan and a neighborhood group in Queens said they have added private guards to patrol streets and public spaces.

Officials from the business groups said the additional guards, who are usually unarmed and report issues to police, are crucial as businesses reopen and more workers return to offices in Manhattan. The guards help visitors and workers feel more confident in their safety, the officials said.

“Companies are trying to come back to work, and they’re faced with a situation that is not really inviting,” said Gerald Scupp, vice president of the Garment District Alliance, which hired 12 additional security workers to guard streets in the Manhattan neighborhood.

Mr. Scupp, whose group represents 575 property owners and more than 6,500 businesses, said an increase in quality-of-life issues, such as public urination and the use of intravenous drugs, had a negative impact on foot traffic and outdoor dining.

Officials at the Bryant Park Corp., which operates the park in Midtown, said they added two patrol guards this summer. The Hudson Yards Hell’s Kitchen Alliance, a group representing businesses, hired two additional guards to police areas. And in Long Island City, Queens, a neighborhood group held an online fundraiser to pay for security guards to patrol a waterfront park after complaints of parties, noise and littering.

Shootings and homicides



Security personnel outside Saks Fifth Avenue in Manhattan in June. Shootings and homicides in New York City have risen this summer.

have increased over the summer as the city began a phased reopening of its economy and loosened restrictions meant to stem the spread of the new coronavirus. Commercial burglaries rose during the pandemic, and some violence and looting followed protests in Manhattan over the death of George Floyd, a Black man who was killed in the custody of Minneapolis police on May 25.

Since the spring, the city has moved 10,000 homeless people out of shelters in part to prevent the spread of the virus, with some of the residents moving to hotels and others into permanent housing. The moves have prompted complaints from some residents in Manhattan neighborhoods.

The rise in crime and complaints about quality-of-life issues prompted 163 business

leaders in the city to sign a letter to Mayor Bill de Blasio last week. The letter warned about the deteriorating condition of the city in the wake of the pandemic and a growing anxiety over quality of life, cleanliness and public safety.

The letter urged the Democratic mayor to restore services that had been cut in the city budget that Mr. de Blasio and the New York City Council passed earlier this summer. The budget reduced or eliminated services such as garbage pickups and graffiti removal, as well as shifting nearly \$1 billion in funding away from the New York Police Department.

The city still faces a \$9 billion deficit over the next two years and might have to lay off 22,000 government workers in coming weeks.

The business group Partnership for New York City said

it organized the letter after members expressed concern from employees this summer as they planned a return to workplaces.

Mr. de Blasio said in a statement responding to the letter that state lawmakers must approve borrowing authority for the city so it can close a budget gap and restore services. A spokesman for Mr. de Blasio said the city is working with business associations and that the city has made progress fighting crime.

Executives from security firms reported an increased demand for their services in New York City and other cities this summer after those services were reduced in some cases as business activity fell during the height of the pandemic.

David Yorio, co-owner of Manhattan-based Citadel Security Agency, said his firm

has received more than a dozen calls for security services from residential buildings in Manhattan this summer, an increase from only a handful of such calls last year.

Likewise, executives from the security firms Allied Universal and G4S said they had seen an uptick in requests for services in New York in recent months.

Allied Universal Chief Executive Steve Jones said many businesses reduced their security operations by 25% during the height of shutdowns in the pandemic. Those companies have since increased their security operations by half, even though most workers haven’t yet returned to their offices.

“What we’ve seen is staffing going back to those normal levels because of the increased protests, criminal activity and homelessness,” Mr. Jones said.

State Tax On Opioid Industry Is Upheld

By Sara Randazzo

New York state won court permission to collect \$200 million from the makers and distributors of opioid painkillers to help combat the costs of opioid addiction.

The ruling Monday by a federal appellate court came in litigation brought by pharmaceutical industry groups to block a state law taxing all companies that sold or distributed opioids in the state. The challengers argued such a tax was unconstitutional and an end-run around lawsuits filed by New York against many of the same companies seeking to hold them accountable for the opioid epidemic.

A federal judge in 2018 struck down the law, known as the Opioid Stewardship Act, citing the unconstitutionality of a provision that would have prevented companies from passing on the surcharge to customers in New York.

In its ruling Monday, the Second U.S. Circuit Court of Appeals reversed the decision, finding the payments are a legal tax that New York can collect. The court didn’t reach a conclusion on whether the tax could be passed on to customers, because New York didn’t appeal that issue and has since created a new tax without that provision that captures sales from 2019 onward.

The original New York law planned to collect \$100 million

The appeals court ruling clears the way for New York to collect \$200 million.

a year for six years starting in 2017, with the amounts owed by each company decided by market share. Monday’s decision clears the way for the 2017 and 2018 payments to be imposed.

New York had already sent notices to at least 75 companies billing them for their share of the 2017 tax at the time of the earlier court ruling blocking the tax. Some companies had said they were re-engineering their supply chains to try to lessen their share of the surcharge.

Rich Azzopardi, a senior adviser to Democratic New York Gov. Andrew Cuomo, commended the court Monday and said: “Since the beginning we’ve been seeking to hold these huge corporations accountable for the opioid crisis that they helped create and fuel.”

The opioid crisis cost New York more than \$200 million in 2017, according to court filings, more than twice the cost in 2011. The coronavirus pandemic has led to increases in drug-overdose deaths across the country, as increased isolation and stress has made it harder to seek treatment and led to relapses.

The Healthcare Distribution Alliance, which filed one of the suits to block the tax, said it was disappointed with the decision. The Association for Accessible Medicines, a trade group for generic drugmakers that also sued, said it was still reviewing the decision but was glad the court didn’t reinstate the pass-through provision, which it said had broader implications for the national drug market. Generic drug manufacturer Mallinckrodt PLC, which filed the third legal challenge, had no comment.

New York was the first state to pass a tax intended to help abate the opioid epidemic. Since then, other states have considered such legislation, and Delaware and Minnesota have passed laws that collect fees from opioid sales.

States and local governments are also trying to secure money from the pharmaceutical industry through litigation, with thousands of lawsuits pending blaming drugmakers and distributors for fueling opioid addiction. State attorneys general are in talks with some of the companies to reach a settlement of more than \$26 billion.

New Office Tower Cast as Reason For Optimism

By Katie Honan

Mayor Bill de Blasio stood Monday at the base of Manhattan’s newest office building, touting New York City’s return as an economic hub just days after more than 100 business leaders called on him to fix deteriorating conditions in the city.

“This is cause for celebration. This is an amazing moment,” he said before the ribbon cutting for One Vanderbilt, a \$3 billion, 1,401-foot tower owned by SL Green Realty Corp. and located across from Grand Central Terminal.

“It’s a reminder of the strength of New York City,” the mayor said. “It’s a reminder of our resilience and where we are going in the future.”

Nearly seven months since New York City shut down to slow the spread of the coronavirus, it faces steep fiscal challenges. There is a \$9 billion budget gap, and the city is still seeking financial help from the

federal government as well as the authority from the state to borrow billions of dollars to fund essential services.

Without a lifeline, up to 22,000 city workers could be laid off, on top of budget cuts across crucial agencies like the sanitation and parks departments.

Those cuts, and what some say are signs of decline in the city, prompted a group of business leaders to send Mr. de Blasio a letter last week urging the city to restore some essential services.

“There is widespread anxiety over public safety, cleanliness and other quality of life issues that are contributing to deteriorating conditions in commercial districts and neighborhoods across the five boroughs,” said the letter, signed by 163 business leaders.

The core of the city’s business district in Manhattan remains quiet, even as the state eased restrictions on office buildings over the summer, allowing 50% capacity with so-



The owner of One Vanderbilt expects 72% of the space to be leased by the end of this year.

cial-distancing requirements and rigorous cleaning.

As of July, less than one-tenth of Manhattan office workers had returned to their offices, according to the city’s leading landlords, brokerage firms and employers, although some companies are planning a return later this month.

One Vanderbilt owner SL

Green said it expects 72% of the space to be leased by the end of the year, with tenants including TD Bank and law firms. Those tenants are still building out their spaces and will start occupying it by November. Mark Holliday, the chairman and CEO of SL Green, said the building is the “physical reminder of New

York’s resiliency.”

To Mr. de Blasio, the office tower’s opening signals confidence in the future of the nation’s largest city, which was previously the center of the pandemic.

“This is one of the first and most tangible signs of the rebirth of New York City, right here today,” he said Monday.

Union Says Schools Aren’t Ready to Start Classes

By Lee Hawkins

The head of New York City’s teachers union said he has grave concerns about whether the city’s schools will be ready to reopen on Sept. 21 as planned, citing a teacher shortage, concerns about safety, and a lack of clarity on how many students will be showing up on opening day.

In a Monday briefing, United Federation of Teachers President Michael Mulgrew said the union will make a decision in the coming days on whether teachers should plan to show up to begin in-person instruction on Sept. 21, so that “everyone will have

enough time to adjust.”

School staffers discovered more concerns about “basic procedures and supplies” and ventilation in school buildings when they returned to classrooms on Sept. 8 to prepare for the reopening, he said.

“While we made some progress, we did not meet the goal of getting all of the schools ready by any means,” Mr. Mulgrew said. “We still have a lot of work to do.”

A spokeswoman for the city Department of Education said the agency is “continuing to work with schools to understand and help fill their staffing needs,” adding that the 2,000 extra educators is “one

important step.”

“We’re completely reinventing the wheel on what public education looks like while we continue to navigate this pandemic, and we’re the safest major city to reopen schools,” spokeswoman Miranda Barbot said. “These unprecedented circumstances are exactly why we pushed back the first day for students—to give staff more time to work together and plan for the year ahead.”

While students are allowed to learn remotely full-time, city officials have said most children are expected to spend one, two or three days a week in school buildings and the rest of

the time learning from home. Mr. Mulgrew said the city’s move to add about 2,000 teachers isn’t enough to address the staffing needs, and stressed that the potential spread of the virus makes it difficult to merge classes.

“This is a really big deal. We can’t put five classes in a room with a teacher,” he said, “because you’re really driving the likelihood of having any sort of a problem with the Covid virus.”

He said some teachers are also reporting that they haven’t received adequate supplies and take issue with the DOE’s assessments of the air quality in their respective

schools and classrooms.

Earlier this month, Mayor Bill de Blasio said that 90% of schools “are ready right now” and that any buildings or classrooms that aren’t ready wouldn’t be used.

The UFT, which represents about 120,000 employees, deployed its own teams to inspect ventilation, fans and windows, mainly to double-check the department’s inspections. The DOE earlier this month shut down some classrooms and 10 of the city’s 1,400 school buildings that it found unsafe, and the union said its involvement as a watchdog promises ventilation will be a key issue in reopening schools.

GREATER NEW YORK

City Halts Plan to Move Homeless

By STEPHANIE YANG
AND KATIE HONAN

New York City has halted a controversial decision to move people experiencing homelessness out of a luxury-hotel-turned-shelter on Manhattan's Upper West Side, as opposition has mounted on both sides of a fiery debate over where to house the city's homeless during the pandemic.

The widening dispute is the latest example of the challenges facing city officials, who must create shelters to mitigate a homeless crisis while dealing with resistance from neighborhoods where they are placed. As the number of people living in shelters has grown since 2014, when Mayor Bill de Blasio took office, so have the protests over new facilities built to house them.

The issue has been further complicated by the spread of Covid-19, which led the city to relocate about 10,000 people into hotels around the city from crowded shelters. The arrival of hundreds of men at the Lucerne Hotel on the Upper West Side this summer prompted a group of neighborhood residents to threaten to sue the city in protest.

Last week, when Mr. de Blasio decided to transfer Lucerne's residents to another location, he was met with equal resistance from elected officials and advocates, who said it set a bad precedent of kowtowing to communities over the often controversial, but legally mandated, task of housing thousands of shelter residents in the city.

"We continue to have no game plan for putting shelters in communities, and to do that appropriately," said City Councilman Keith Powers, a Democrat who previously supported the creation of a shelter in a Manhattan neighborhood he represents. "We have to find a long-term plan for avoiding, as much as possible, these huge fights that come into every neighborhood."

The city had always



Thousands of people in New York City were relocated this summer from shelters to hotels, including the Lucerne on the Upper West Side.

planned to transition thousands of residents who were moved into hotels during the coronavirus back into shelters, the mayor said. Residents from the Lucerne, along with another hotel in Long Island City, Queens, were to be transferred to family shelters, which typically provide more separation and are deemed safer than congregate shelters that house several single adults in one room.

"As the city is getting healthier, as in fact our shelter census has gone down surprisingly, we now have an opportunity to get people back to the shelters where they can get more support," Mr. de Blasio said Monday.

The number of people in New York City's shelter system has fallen to a six-year low, driven by a decline in families looking for shelter and an eviction moratorium through Oct. 1 that has helped keep New Yorkers housed. However,

critics of the decision said a move in the middle of the pandemic would be dangerous and disruptive to both the hotel transplants and those in family shelters that the move would displace.

"This has a ripple effect," Jacquelyn Simone, a policy analyst at advocacy group Coalition for the Homeless.

On Friday, residents at a Manhattan shelter for adult families called Harmonia, which mainly serves people with disabilities, said they were confused by an order to relocate and make room for the new inhabitants.

The city's Department of Homeless Services said Monday that it was delaying the transfer of residents while the city's lawyers reviewed the situation.

Some Upper West Side residents have said the Lucerne's use as a shelter has led to an increase in drug use, violence and harassment around the

neighborhood.

"We understand and expect that the city will honor its commitment to move folks out of the Lucerne and into state-accredited shelters with proper services on-site by the end of this month," Randy Mastro, the lawyer representing the residents, said Monday.

The Legal Aid Society, a public-interest law firm, has also threatened to sue the city if it continues to move residents from other shelters to make room for men being transferred from the Lucerne.

A spokeswoman for the mayor said the city will do whatever it can to support shelter residents. "We've done more to help New Yorkers experiencing homelessness than any previous administration, transforming a broken shelter system that had been left to languish for decades," said the spokeswoman, Avery Cohen.

Since taking office in 2014, Mr. de Blasio has faced strong

opposition to opening new homeless shelters, as the city's shelter population increased by thousands of people.

In 2017 he announced a new initiative to build 90 new homeless shelters across the city by 2021, and move away from cluster sites and commercial hotel use. So far the city has opened 39 shelters, and has found locations for 71 other sites, with different levels of progress at each, according to a city Department of Homeless Services spokesman. The city is behind Mr. de Blasio's original goal of opening 20 shelters a year.

Larry Thomas, 59, who is currently living in the Lucerne, said he has moved four times within the city's shelter system since May. He is worried that another relocation will delay his job and apartment search.

"At the end of the day what's going to happen? Who's going to help us?" he said.

GREATER
NEW YORK
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NEW JERSEY

App Shows How Full
Trains and Buses Are

NJ Transit unveiled a pilot program for its mobile app that allows passengers preparing to board to see how many other passengers are riding their bus or train.

Green, yellow and red color-coded icons will indicate light, medium or heavy ridership, the agency said.

"This innovative feature on our mobile app is yet another tool for customers to make informed travel decisions as they return to our system," said NJ Transit Chief Executive and President Kevin Corbett.

The ridership information is collected on buses by automated onboard passenger-counting technology.

Handheld devices used to scan tickets will provide ridership data on Raritan Valley, Atlantic City and Morris & Essex Lines trains.

Customers on the other rail lines can input the data until those train crews receive the hand-held scanners, NJ Transit said.

—Associated Press

MANHATTAN

Thanksgiving Parade
Scaled Back This Year

This year's Macy's Thanksgiving Day Parade has been reimagined for the coronavirus pandemic.

Macy's officials said Monday that the parade would feature floats, performers and giant balloons along a one-block stretch of 34th Street in front of the retailer's flagship Manhattan store.

The spectacle will be broadcast as usual from 9 a.m. to noon and will include both live and recorded elements.

The giant balloons will be flown without the traditional 80 to 100 handlers and will instead be tethered to vehicles. Most of the parade's performers will be locally based to cut down on travel.

—Associated Press

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Topics of Covid-19 dreams



surveyed 5,000 people three weeks after the May 25 death of George Floyd at the hands of police in Minneapolis. He saw a rise in dreams about the protests and racial injustice, calling them “heart-wrenching. They are snapshots from the unconscious of fear and sadness and confusion.”

In the long run, these dream-analysis techniques may one day help to analyze the collective unconscious of social media, where true intentions, meanings and emotions so often lie below the surface of the public words and images we post, Dr. Aiello says. They may lead to algorithms that can automatically identify and help promote positive behavior online, he adds.

At best, the Dreamcatcher project “is a baby step,” says dream scientist William Domhoff at the University of California, Santa Cruz, who created the pioneering DreamBank database but was not directly involved in the AI project.

Creating large collections of dreams is crucial for scientific studies because dreaming is so subjective and intangible, Dr. Domhoff says. “That is too much uncertainty for a hard-nosed scientist.”

Up until the late 1990s or so, “it was considered a huge dream study if you had data from 500 people,” says Dr. Barrett at Harvard. “All of a sudden there were these databases of tens of thousands of dreams.”

She began examining the impact of current events on dreams by studying the post-traumatic stress nightmares of people in Kuwait after the first Gulf War. For that research, she was able to collect 83 dream reports. She also analyzed how the 9/11 terrorist attack in New York affected dreamers. She obtained about 120 dream transcripts for study. For her new study of Covid-19 dreams, she assembled more than 9,000 dream reports from about 4,000 people in more than 13 countries.

Dr. Bulkeley’s online dream archive contains 26,000 dream reports contributed by 11,000 people. Individuals can check their own dreams against those of others, and Mr. Bulkeley uses the collection, among other things, to establish baselines of normal dreaming.

While still highly experimental, the new dream studies underscore the power of data mining to assemble unexpected insights by sifting through large data sets of seemingly unrelated information.

New Research on What Dreams Reveal

Some scientists enthuse about possible uses in therapy; Covid-fueled dreams of bug attacks



SCIENCE JOURNAL
ROBERT LEE HOTZ

Psychologists and computer scientists are probing the Big Data of our dreams, to analyze how our collective psyche responds to the waking world. They’re advancing artificial intelligence and digital databases into the realm of the unconscious, experimenting with new ways to identify those in mental distress and at the same time provoking worries about privacy.

For decades, scientists have debated whether the visions that inhabit our sleep are anything more than the neural noise of a brain at rest, even as personal dream journals and dream-sharing smartphone apps became popular bedside accessories. For many, dream interpretation is an intensely private way to unravel relationships and explore emotional undercurrents, in a moment of introspection or in the course of psychotherapy.

In a series of new experiments, however, scientists now are collecting dream reports from thousands of people to analyze how our dreams may reflect current events. That includes the Covid-19 pandemic, which seemed to inspire many dreams of invading swarms of insects, including a grasshopper with vampire fangs. At the same time, scientists are developing new automated analytical techniques to tease out the unconscious responses we may all share across so many different dreams.

In the largest digital dream study so far, researchers at Cambridge University’s Nokia Bell Labs

in the U.K. recently created an artificial intelligence system to probe for broad patterns in the evocative stories our unconscious tells. To test the system, they used it to analyze transcripts in the largest known public collection of dream reports, called the DreamBank. Its 38,000 documented dreams range from the yearnings of a young girl coming of age to the nightmares of a Vietnam War combat veteran and stretch back well over a century.

“By using automated techniques to study these reports, we can understand a lot of who we are,” says Luca Aiello, a computational social scientist at the Nokia Bell Labs social dynamics group, which conducted the project.

This AI “dreamcatcher” can automatically identify and quantify the characters, interactions and emotions of dreams by processing the natural language dreamers use to narrate their visions, which one day could help psychologists diagnose potential mental health issues among their patients, Dr. Aiello said. The dream-processing system automatically parses dream transcripts into their most important terms according to a widely accepted dream-analysis scale.

Broadly, they found that women had more friendly upbeat dreams, while men’s dreams were more aggressive and negative. Teenagers often dreamed of sex. Dreams reported by war veterans were often violent and dominated by men. Blind people tended to dream more frequently of imaginary characters, the scientists said.

The team’s initial findings, made public last month in the journal Royal Society Open Science, also support the well-established theory

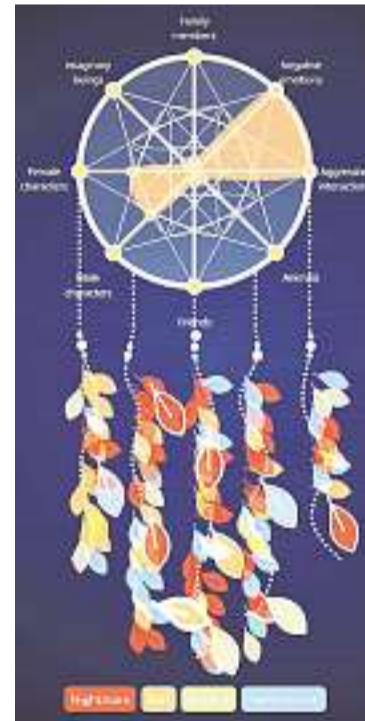
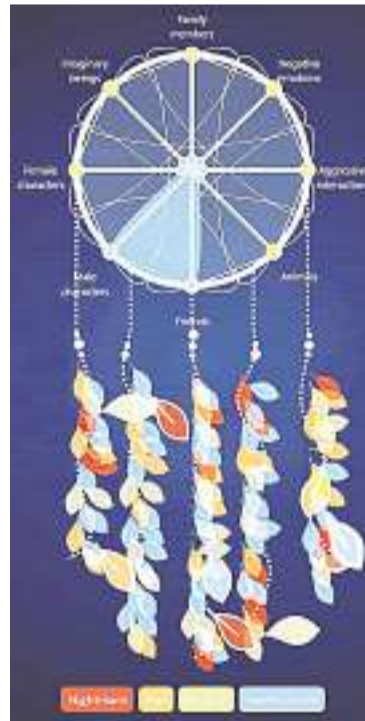
that our dreams reflect the situations we encounter while awake, with no deeper prophetic, mythological or religious meanings.

Our dreams reverberate from the shock of current events, such as the Black Lives Matter movement and Covid-19 pandemic, other scientists discovered from dream surveys this summer.

In a study of 9,000 pandemic-related dreams collected between

March and July, psychologist Deirdre Barrett at Harvard Medical School encountered visions of “armies of cockroaches, masses of wriggling worms and swarms of bees....There was a woman who dreamed she saw a huge tarantula crawling into her apartment through the mail slot.”

Psychologist Kelly Bulkeley, director of the online Sleep and Dream Database in Portland, Ore.,



To help people explore the Big Data of dreams, researchers created an interactive online ‘Dreamcatcher,’ inspired by Native American designs. At their website, users can click on the ‘feathers’ below the hoops to highlight aspects of dreams the researchers analyzed, while inside the hoop, webs light up to show how various themes intersect. Above left, a dream chart for an adolescent girl; above right, a chart for a Vietnam War veteran.

Do You Have Flu or Covid? Symptoms To Monitor

By ALINA DIZIK

As the autumn flu season approaches while the Covid-19 pandemic continues, cold-weather sniffles are likely to provoke even more anxiety than usual. Some symptoms of flu—as well as colds and other autumn ailments—are similar to Covid’s, making it harder to know what’s wrong. Fever, dry cough, fatigue and body aches are common with both the flu and Covid.

If you’re concerned, call your doctor. And there are some ways to try to recognize the differences. Here’s what doctors say.

Can you differentiate between illnesses by tracking your fever?

Fever is common in Covid-19, and also likely to appear with the flu and other viruses. But fevers that result from the novel coronavirus tend to come on stronger and cause chills and major discomfort even if they don’t climb far past 100.4 degrees, says Panagis Galiatsatos, a physician in pulmonary and critical care medicine at the Johns Hopkins School of Medicine in Baltimore. “Covid-19 fevers are not subtle,” he says. “Look beyond the number to see how the fever is making you feel.”

Does the speed of onset vary between Covid-19 and flu? How quickly you come down with symptoms may be telling for some people, especially for those who can pinpoint their day of exposure. Coronavirus symptoms often come on suddenly around day five to seven, but can appear as long as 14 days after exposure. Those who have the

flu tend to experience symptoms one to four days after exposure, says Molly Fleece, an infectious disease specialist at the University of Alabama at Birmingham.

If you’re staying home to monitor your symptoms, what are the signs that might point to Covid-19?

As the virus progresses, it can be easier to tell whether it’s Covid-19 or another illness, says Ben Singer, pulmonary and critical care specialist at Northwestern Medicine in Chicago. Among the most telltale indications of Covid-19 are shortness of breath, pneumonia and continued fever. “If people are at home

monitoring their symptoms, the things to look out for is that things are generally getting worse,” Dr. Singer says.

Sneezing and a stuffy nose are often associated with a cold. Can nasal congestion be a sign of Covid-19?

Yes, but it’s less likely. The good news is that most colds start with nasal congestion, but it’s not one of the primary symptoms of Covid-19, says Dr. Fleece.

A stuffy nose is also less worrisome if that’s the only symptom you have, she adds. Having Covid-19 with “just a runny nose is probably unlikely,” she adds.

Another symptom that’s more prevalent with a cold: a wet cough where phlegm is involved. On the other hand, a dry cough or especially a loss of smell or taste can be symptomatic of Covid-19, she adds.

How important is it that I get a flu shot this year?

It is very important. Even if you do get sick with the flu, the vaccine can lessen the duration and severity of the illness.

That helps keep you out of the ER, decreasing the strain on the health care system when doctors are trying to fight Covid. And your getting vaccinated helps prevent the spread to others.

Will this year’s flu shot help boost immunity for Covid-19?

There’s no evidence that the flu vaccine can help protect you from Covid-19. But generally, “vaccines strengthen, not weaken, the immune system,” says David Beuther, chief medical information officer at National Jewish Health in Denver. “The more you’ve been vaccinated in recent years, the better trained your immune system is.”

Will getting the flu shot make it easier to tell the difference between flu and Covid-19?

Whether you’ve had your flu shot will be one of the questions physicians ask in screening for Covid-19 symptoms, helping doctors make a correct diagnosis. “The flu shot is really important this year,” says Dr. Beuther. “It can significantly reduce your chance of influenza, and reduce the chance that you’ll be in this conundrum.”

Does having the flu make you more vulnerable to Covid-19? Can you get them at the same time?

Having a severe case of flu could make you more vulnerable to another illness, including Covid, says Dr. Galiatsatos. But since Covid is so new, not much is known about how one might affect the other.

If you do get flu and Covid at the same time, your illness may be more severe.



PERSONAL JOURNAL. | HEALTH & WELLNESS

WHAT'S YOUR WORKOUT? | JEN MURPHY

She Took Her Workout to New Heights

Favia Dubyk boulders near her home in Albuquerque.

ADRIA MALCOLM FOR THE WALL STREET JOURNAL (2)

Essentials

The Gear: A tension board: A wood board with adjustable holds. "It allows me to improve my technique while staying close to the ground," she says.

Pump Song: "Be a Man" by rapper and former professional wrestler, "Macho Man" Randy Savage, and anything on the "Rocky" soundtrack.

Favia Dubyk's favorite climbing gym in Albuquerque has reopened, but the 33-year-old physician doesn't plan to go back. "The pandemic forced me to change my whole training perspective," she says. "I've gotten a lot stronger by climbing outside."

Dr. Dubyk had chemotherapy for lymphoma in 2013, and has a compromised immune system that makes her more susceptible to Covid-19. When New Mexico issued stay-at-home orders in March, Dr. Dubyk started climbing the 6-foot tall white picket fence in her yard.

"I was really desperate," she says. "I would try to create challenges, like skipping over all the bird poop. It was a good endurance workout."

After competing as a track-and-field athlete at Harvard University for four years, Dr. Dubyk joined a climbing gym during grad school

to give herself a break from competition. When her competitive itch came back, she scratched it by appearing on back-

to-back seasons of "American Ninja Warrior" in 2018 and 2019.

Dr. Dubyk had been training five days a week for her first professional climbing competition in April, which was canceled. She loved the social aspect of the climbing gym, adding that indoor climbing is easier and more convenient.

"I could drive 10 minutes from my house, park, walk 20 feet and be climbing," she says. When stay-at-home orders eased, Dr. Dubyk was still concerned about Covid risks indoors. But she was ready to climb something other than her fence.

In late April, she began to hike 45 minutes to remote wilderness

areas, carrying 50 pounds of gear on her back. "I didn't want to pass other hikers, and I was being extra cautious, looking for rocks that would not have been touched," she says. She embraced bouldering, a minimalist form of climbing that, unlike lead climbing, doesn't require support from ropes, harnesses or a partner.

To keep up her strength, she has transformed her home garage into a gym and uses her husband, Brian Dubyk, as a training partner. "We actually spend more time together now," she says. "We pump iron together as date night."

The Workout

Dr. Dubyk is cautious about how much time she spends outside, too. "I set a rule that I can't go out to climb more than four days a week," she says. Daytime temperatures often reach 100 degrees in the summer, so she tries to climb at night. Her husband is a mountain biker, and sometimes he'll ride while she climbs.



She installed two hangboards—mountable pieces of wood or plastic that feature varying climbing holds—in the ceiling of her garage so she can canvas back and forth without her feet touching the ground.

She works out three days a

week, anywhere from one to four hours. Her husband often joins her. They spot each other for exercises like the bench press and shoulder press, and make sure they are not cheating on form. Dr. Dubyk focuses on core strength. Her routine includes knee tucks, oblique tucks and straight-leg raises done while hanging from gymnastics rings. To perform a front lever, she lowers her body from an inverted hang on the rings into a horizontal position, facing upward.

She hasn't sustained any injuries bouldering, but has suffered a broken nose and sprained ankle from doing muscle ups on her pull-up bar. A combination of a pull-up and a triceps dip, it requires her to do a pull up and then press her arms up and straight to bring her hips to the bar and then lower down. "It's easy to generate too much power," she says. She swung her foot into a chair when she injured her ankle and, in a second incident, crashed face-first into another bar when she broke her nose.



YOUR HEALTH
SUMATHI REDDY

When Nancy Storino was at Northwestern Memorial Hospital for a week following a stroke, she didn't expect the best medicine to be the strains of a viola.

But over the course of several days the 72-year-old found herself listening to a violist play songs from her favorite artists. Sometimes she sang along. Other times she fell asleep.

"It was very soothing," says Ms. Storino, who is now back home in Lansing, Ill. "It helped with the pain, it relaxed me and put me to sleep. I really, really enjoyed it. It's very comforting for people when they're sick." Ms. Storino is among 88 patients in a three-month pilot study in the inpatient neurology department at Northwestern. Participants were offered 30- to 40-minute live music sessions over FaceTime by a viola player.

The goal of the preliminary study, which ends in late September, was to alleviate the stress and anxiety of a hospital stay, as well as pangs of isolation during the Covid-19 pandemic when there are more restrictions on visitors.

Research shows listening to music activates the regions of the brain used for social engagement. It also reduces anxiety, pain and



Neurology Patients Get A Dose of Live Music

feelings of loneliness, and elevates mood and energy levels. Pairing words with music can help stroke patients with speech. For Parkinson's patients, music can help with walking and balance. It has been shown to help reduce headaches and increase the threshold for seizures and it decreases agitation in dementia patients.

Researchers say live music in hospitals is particularly effective because the musicians can adjust the tempo and volume—or change the type of music played—based on patients' reactions.

Karen Peterson is on the National Standards Board for Therapeutic Musicians, the accreditation organization for training programs which certify therapeutic musi-

cians who play music in hospitals, nursing homes and other medical settings around the world. Hundreds of health care facilities use live therapeutic music, she says, including Children's National Hospital in Washington, Kaiser Permanente facilities in California and Baylor University Medical Center in Dallas.

There is a distinction between music therapy and live therapeutic musicians, she says. Music therapists actively engage patients with a specific purpose or goal whereas therapeutic musicians play music that the patients receive passively. "We are choosing music that's going to create a healing environment to alleviate whatever kind of physical, emotional, and mental

Patient Stephen Fears music in the study.

concerns that might be happening," she says. "Since that patient doesn't have to interact with us we can provide therapeutic music for patients who are not responsive, who are in labor, or who are actively dying."

Improvisation works well in situations where the patient isn't responsive and the musician wants to avoid playing music that may trigger a bad memory, Ms. Peterson says. High notes can stimulate the brain so are avoided for patients with brain injuries. Dementia patients have strong positive reactions to songs from their youth.

The main benefit, she says, is that music can stabilize vital signs and reduce stress and anxiety. "From a physical standpoint if you are not in pain, not in stress, not anxious, and your vital signs are stabilized, then all of the other therapies can work better in your body," she says.

The Northwestern study was developed by Borna Bonakdarpour, an assistant professor of neurology at Northwestern University Feinberg School of Medicine, and Clara Takarabe, who has been a substitute violist in the Chicago Symphony Orchestra for more than 20 years. Dr. Bonakdarpour, a classically trained pianist, knew Ms. Takarabe from musical performances and collaborations.

Every day, about three pa-

tients—being treated for brain tumors, strokes, seizures or other conditions—hear the live music through an iPad. Beforehand, participants answer a music questionnaire to give Ms. Takarabe an idea of their preferences.

Ms. Takarabe selects seven or eight pieces to play, depending on a patient's tastes as well as medical information on the patient. Often it is a mix of songs familiar to the patient and improvised music.

Improvisatory, calming music is played for patients who feel anxious. "It's not necessarily all melodic, it could sound like ambient sound," says Dr. Bonakdarpour. Research shows improvisatory music can lower blood pressure and heart rates and slow down breathing. Patients who are cognitively impaired often will be played music from their past as that engages long-term memory.

Patients complete a survey after the music sessions, Dr. Bonakdarpour says, to see how they liked it. The researchers aren't yet collecting objective data but if patients like the music they hope to do a larger clinical study involving brain imaging and other data.

Ms. Takarabe says she has had poignant experiences playing for patients. She remembers Ms. Storino in on songs performed by Andrea Bocelli or Celine Dion. "I remember playing 'Don't Cry for Me Argentina' from 'Evita' for her," Ms. Takarabe says, "and she was just singing along and so happy."

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ARTS IN REVIEW

MUSIC REVIEW | MARK RICHARDSON

Ripe Ideas From a Digital Orchard

Producer A.G. Cook has stepped out as a solo artist with music that highlights his tech-heavy approach to pop

English producer A.G. Cook has built a career with ultra-catchy music that makes you wonder if he's for real. In 2013, he founded the label and collective PC Music in London, and the work appearing under that banner was immediately controversial. Mr. Cook's project was Warholian from the start—crass and formulaic pop culture was embraced and amplified, and associated artists like singer Hannah Diamond behaved as if they were already superstars, even before anyone knew their names. Mr. Cook's production, inspired by 1980s dance-pop, 1990s rave, K-Pop and more, was big, loud and proudly artificial, with every individual element processed until it acquired a blinding sheen.

Mr. Cook still runs the PC Music label, but he's since become an established producer for artists on the edges of the mainstream. He's a close collaborator of Charli XCX and he's worked with former Chairlift singer Caroline Polachek as well as Jónsi, frontman of Icelandic rock band Sigur Rós. While Mr. Cook's work reaches a wider audience now than it did in the early PC Music days, his essential aesthetic concerns, where every sound and idea is pushed to its limit, are unchanged.

This year, after a few singles, he's finally stepping out as a solo artist. "Apple" (PC Music), the new album by Mr. Cook out Friday, is his second album under his own name, though the first came out only last month. In August he dropped "7G," a sprawling 49-track set comprising pop numbers, instrumental fragments and covers—odds and ends culled from several years of recording. Brilliant and tedious in equal measure, "7G" ultimately came off as a data dump for committed fans only. "Apple" is a much better and more concise—10 tracks, just under 40 minutes—introduction to Mr. Cook's hyper-digital approach to pop.

The record's most striking twist, clear from the opening "Oh Yeah," is Mr. Cook's love of the heart-on-sleeve songwriting found in teen-focused rock genres like pop-punk and emo. "Oh Yeah" is as conventional a song as Mr. Cook has issued, with lightly strummed acoustic guitar chords underneath his sweet voice. Its apparent earnestness, which is at first hard to trust, immediately brings to mind ballads from the 1970s, a divisive British band similarly uninterested in drawing lines between indie rock and radio-



ALASKA REID & JULIAN BUCHAN

A.G. Cook's new album, 'Apple,' is out Friday from his PC Music label

whose voice cracks with emotion at just the right moments. In Mr. Cook's version, his vocals are subjected to copious amounts of Auto-Tune and sound like a crooning android stuck in a loop. It makes for a weirdly glossy and synthetic take on a genre that is supposed to be about authenticity, but the emotional tug of the song is real.

Later in the album, Mr. Cook builds "Haunted" and "The Darkness" from a similar template, though each has its own surprises. The former finds his words slurred during the opening section, when it's just him and guitar, and though the melody is pretty, the lyrics are impossible to make out. Halfway through, Mr. Cook's voice seems to fuse with a synth, giving it an unearthly warble not far from Bon Iver's more experimental moments. "The Darkness" is more keyboard-driven but has the build

of a rock song, as Mr. Cook playfully bats at clichés ("I know money grows on trees," "Emperor's new clothes / Tell me if you see them") while expressing romantic longing.

Outside of the singer-songwriter material, Mr. Cook indulges his love of blocky, colorful synthesizer chords and maximal vocal processing, always offering his trademark twists and turns. The instrumental "Xxoplex" opens with a massive keyboard riff that carries images of punishing strobe lights inside a packed warehouse rave. Later, it includes finely chopped vocals pitched up to Chipmunk level and an affecting swell of digitally created strings that brings to mind a Hans Zimmer score. "Airhead" begins with a head-clearing blast of electronic noise, segues to an instrumental section that sounds like a digital approximation of African thumb piano, and then grows to a massed choir of robotic voices in a sublime overlapping pattern straight

out of classical minimalism.

On a couple of tracks here (the weaker guitar-led "Jumper," the instrumental "Stargon"), the composition is not as impressive and one gets the feeling that Mr. Cook thinks cool noises will be enough to carry the day. But these less inspired moments are not as noticeable when listening to the album in one go, where the producer's hand is the obvious thread through it all and you forget where one track ends and another begins. If the name A.G. Cook means nothing to you, you might start with Charli XCX's 2019 album "Charli," which channels the producer's most out-there ideas into a more conventional pop context. But for those who have been following along with PC Music and its various offshoots, "Apple" offers an approachable and equally satisfying look at Mr. Cook's sonic obsessions.

Mr. Richardson is the Journal's rock and pop music critic. Follow him on Twitter @MarkRichardson.

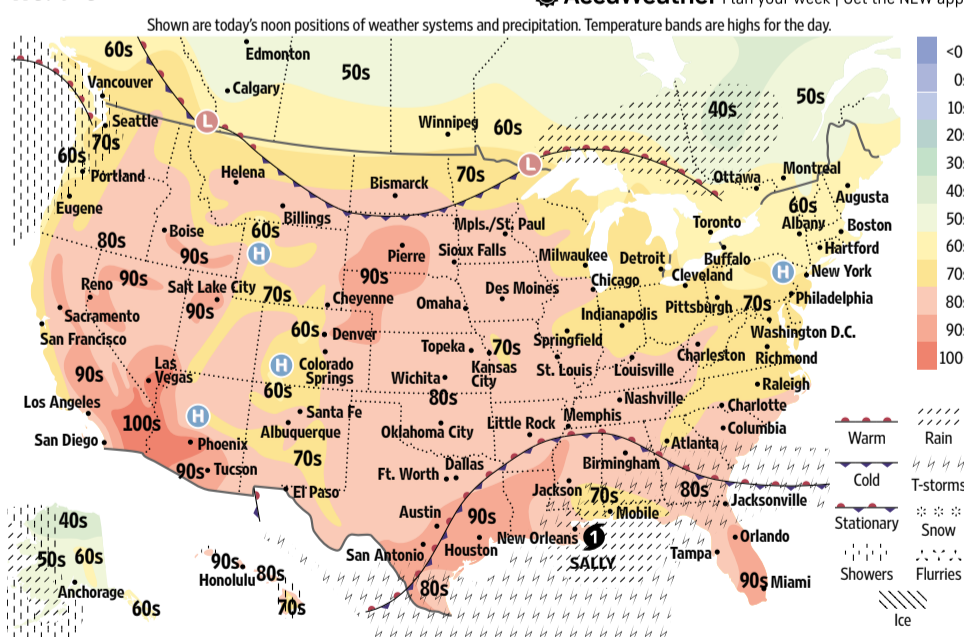


ready pop. And if Mr. Cook can't come close to matching that band in terms of lyrics, he has an intuitive feel for this style of balladry while his production choices are all his own.

A tune like "Oh Yeah," if recorded by a young indie rock band from the American Midwest, would probably feature a singer

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U.S. Forecasts

s., sunny; pc., partly cloudy; c., cloudy; sh., showers; t., t-storms; r., rain; sf., snow flurries; sn., snow; l., like

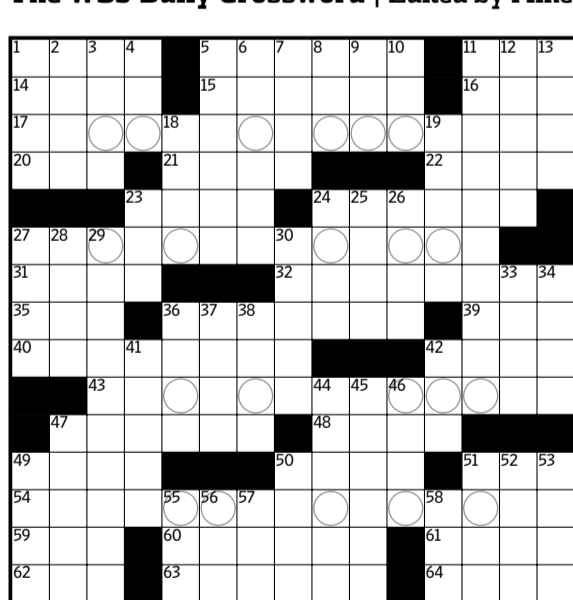
City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Anchorage	57	50	pc	58	50	c
Atlanta	79	66	t	72	67	sh
Austin	91	73	c	89	71	t
Baltimore	72	53	s	77	60	s
Boise	89	58	pc	91	60	pc
Boston	64	54	s	76	62	s
Burlington	65	53	s	77	60	s
Charlotte	80	61	c	78	66	pc
Chicago	80	60	s	83	62	s
Cleveland	71	53	s	79	60	s
Dallas	86	71	pc	85	70	t
Denver	89	55	s	86	56	s
Detroit	73	52	s	78	58	s
Honolulu	89	75	s	90	76	s
Houston	95	74	pc	95	75	pc
Indianapolis	78	55	s	82	63	s
Kansas City	81	59	s	82	58	pc
Las Vegas	102	76	s	102	76	pc
Little Rock	86	70	c	86	70	t
Los Angeles	88	65	pc	89	65	pc
Miami	90	78	pc	89	78	pc
Milwaukee	78	63	s	80	56	s
Minneapolis	83	61	pc	73	44	pc
Nashville	84	68	pc	80	68	pc
New Orleans	82	75	r	85	75	r
New York City	70	57	s	77	63	s
Oklahoma City	81	62	pc	84	62	pc

International

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Amsterdam	86	61	pc	76	54	pc
Athens	87	73	s	86	69	pc
Baghdad	114	78	pc	111	75	pc
Bangkok	90	78	t	92	79	t
Beijing	70	56	r	77	54	s
Berlin	87	60	pc	83	56	pc
Brussels	91	63	pc	81	57	pc
Buenos Aires	61	51	s	63	52	pc
Dubai	108	87	pc	107	86	pc
Dublin	72	56	c	67	55	c
Edinburgh	69	53	c	57	46	c

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Frankfurt	87	59	pc	87	58	pc
Geneva	83	60	t	82	58	t
Havana	90	73	t	90	72	t
Hong Kong	90	79	c	90	82	pc
Istanbul	83	72	s	82	70	s
Jakarta	91	76	t	90	75	pc
Jerusalem	89	69	s	90	69	s
Johannesburg	79	54	pc	74	50	t
London	84	63	pc	78	57	pc
Madrid	85	60	pc	88	64	pc
Manila	88	78	t	89	79	t
Melbourne	66	49	s	70	53	c
Mexico City	72	58	t	73	58	t
Milan	85	65	s	85	62	pc
Moscow	62	42	pc	61	52	c
Mumbai	87	80	t	88	79	sh
Paris	93	65	pc	87	65	t
Rio de Janeiro	76	71	pc	80	72	s
Riyadh	108	80	pc	107	78	pc
Rome	87	67	pc	86	65	pc
San Juan	90	80	t	90	80	t
Seoul	79	65	pc	76	64	r
Shanghai	76	73	sh	83	72	r
Singapore	84	78	sh	88	79	sh
Sydney	72	57	pc	81	62	s
Taipei City	94	79	t	96	80	t
Tokyo	81	72	sh	82	74	c
Toronto	69	56	pc	78	57	pc
Vancouver	70	58	pc	71	58	s
Warsaw	82	55	s	83	60	pc
Zurich	84	58	pc	82	56	t

The WSJ Daily Crossword | Edited by Mike Shenk



NINGCOMPOPERY | By Chris A. McEltholthlin

- Across**
- Where racers retire?
 - Sacred beetle of ancient Egypt
 - Popularity gossip website
 - Assurance after a stumble
 - "Oh, yeah, very funny!"
 - Color
 - 1963 Marvin Gaye hit
 - Hacking tool
 - Camera part
 - Fail to include
 - Summertime Sadness" singer
 - Del Rey
 - Staple in Italian cooking
 - Wrinkly snacks
 - Cub Scout groups
 - Famed finger-pointer
 - Like
 - [More details below]
 - Hard water?
 - "We're done here"
 - Bail payment
 - Drama that won 59 Emmys
 - Bull market bunch
 - Caddie's suggestion
 - Dr. Zhivago's love
 - Pinball infraction
 - Eminem collaborator
 - 1934 Shirley Temple movie
 - Take measures
 - For the time being
 - Smoothie berry
 - With 63- and 64-Across, privileged info, and a hint to the circled letters
 - See 62-Across
 - See 62-Across
 - Sixth of an inch, in publishing
 - Provider of the big picture?
 - Instrument quality
- Down**
- Take to the slopes
 - "9 to 5 (Morning Train)" singer
 - Forty winks
 - "Eureka!" moments
 - Rarer than rare
 - Yellowfin tuna
 - Face an ace
 - 1986 Robert De Niro/Jeremy Irons film
 - Result of scoring
 - Pizzazz
 - Ziploc rival
 - Nick of movies
 - Article in a French magazine
 - Football Hall of Famer
 - ATM receipt no.
 - Part
 - WWII turning point
 - Move, in real estate lingo
 - Launch
 - ___-the-mill
 - Derf for a dermatologist
 - Docs dispense them
 - Matching
 - Good-looking person?
 - Some are easily bruised
 - Like the Uxmal pyramids
 - Hunk's pride
 - Wound around
 - 1988 K.T. Oslin song
 - Drilling grp.
 - Trayful of cookies
 - Future atty's exam
 - "Mon Oncle" director/star
 - Chrysler Building style
 - Gather in
 - County name in Ohio, Pennsylvania and New York
 - Printer resolution meas.
 - Container for ashes
 - Not neg.
 - Suffered from

Previous Puzzle's Solution

ADAM	SCIFI	FI	AGES
MUSE	LAMAR	BRAT	
MEATE	ATERS	SAGA	
ATM	MVINA	SEVEN	
NOISE	TINER	RIERD	
	TRAP	AMITTY	
EASEIN	AMP	ALA	
SIMPLE	PLEASURES		
PRO	MITT	TARDIS	
	ORBIT	THOMS	
LOGICAL	CALL	BASED	
TIMHIT	IDEA	APER	
MAIN	WASHASHORE		
ANNO	ALTAR	ARIA	
STIGN	GLISTS	DEEM	

► Solve this puzzle online and discuss it at WSJ.com/Puzzles.

SPORTS

JASON GAY

There Is a Historic Overload of Games

For months, we complained: Where are the sports? We miss sports. Now: There are too many sports.



My friends, I can't believe I am saying this, in a sports column, after all we've been through these past six months, after crawling out of the no-sports desert of the spring and early summer, but here goes:

There are too many sports right now.

Yeah, I said it. I'm grateful for the work, but I'm overwhelmed. I'm guessing everyone who loves sports is overwhelmed. It's the middle of September, and we are amid the wildest smorgasbord of sporting events in the history of sports. I know that sounds like the sort of nonsense hyperbole sportswriters say, but it's actually true. There are now days when there are games and events from the NFL, college football, the NBA, NHL, Major League Baseball, WNBA, Premier League, F1, Major League Soccer, National Women's Soccer League, NASCAR, cricket, boxing, bass fishing, and on and on and on.

Don't yell at me if I missed your favorite sport. I am *sure* I missed your favorite sport. I'm probably forgetting like 600 sports, because it seems like every league on earth is playing—except for, you know, the Big Ten.

And now there are rumblings the Big Ten is considering coming back. Folks! Settle down. Get in line.

I love it, but it's too much. The calendar is cuckoo. A reader emailed to tell me that on Sunday, bizarrely, the Jets and the Mets played games in Buffalo (baseball's Blue Jays are spending the season in upstate New York; the Jets were thumped by the Bills). Here in New York City, we just finished the U.S. Open in tennis—now comes the U.S. Open in golf, up the road at Winged Foot in Westchester. They just ran the Kentucky Derby. There's a Tour de France, and in a couple of weeks, the French Open. The Masters is in November.

I need to lie down. It's impossible to keep track of. My television just pulled a hamstring.

Last week I got a couple of an-



After a long stretch without action, there is now an overload of games, and it's both beautiful and exhausting.

gry notes from folks mad the Journal neglected covering Dustin Johnson's victory in golf's big-check FedEx Cup. *Neglected?* I had no idea the FedEx Cup was happening! Mea culpa. Sorry Dustin! I'll catch you in 2021!

You know how, back in the old days, when we could go to crowded restaurants, you'd occasionally sit down at a table, wait a half-hour for a menu, see the orders stacked

up like a blizzard on the chef's station, watch the chef quit in a huff, the dishwasher step in at the grill, and realize that the place was completely swamped?

SPORTS IS THAT RESTAURANT!

Even the people who say they are boycotting sports are complaining—it's a lot of boycotting to keep track of. You never know when you might turn on the TV and accidentally watch a game.

Remember the tumbleweeds of April? Don't get me wrong—April was a terrible crisis, let's not repeat that again. But sports was MIA. People were watching grainy old George Gervin and Roger Staubach games. They were racing their pets in their hallway, just for action. Gamblers were gambling on the *weather*. When Korean baseball showed up, we threw a parade. We were starving and desperate.

We begged sports to resume. We got excited when Dana White teased "Fight Island." Now the schedule is packed, completely out of control. I watched "SportsCenter" the other night. The host, Scott Van Pelt, looked like one of those guys in the Coney Island hot-dog eating contest. I wanted to fetch him a glass of water and a bucket.

The return of the NFL really sent it over the edge. You know how presumptuous the NFL is. Sports were already busy enough, but then the NFL puffed out its chest, marched into the living room, put up a tent and lit a flare. *I'm baaaaaacck!!* the NFL said. Now you can't go anywhere without hearing someone yapping underneath their face mask about their crummy fantasy team.

I thought it would be weird that there are no fans, that it might take a little enthusiasm away from the experience. And you know what? It is weird. The TV ratings are funky. But sports are still playing. Non-stop. All the time.

Now the Big Ten is reportedly mulling a return. The Big Ten and Pac-12 have taken a lot of guilt-tripping over the past month since canceling their fall seasons for coronavirus concerns. Now they're experiencing one of the saddest cases of FOMO in sports history. Watching the ACC and Big 12 this weekend must have sent them over the edge.

Fine. Take a number. Knock yourself out. Come back.

I don't want to sound like a whiner. This sports surge has put me back in business. I don't know what I would have done if I had to write about social distancing and virtual school for another six months. Please know: I'm still social distancing. I have two kids at home, virtual schooling, possibly until the year 3000. It's completely the pits.

But now there's sports on TV, morning to midnight. Is it too much of a good thing? I don't have any time to answer that question. There's another game on.

ASSOCIATED PRESS (4); GETTY (4); REUTERS (1)



Tom Brady and the Buccaneers lost 34-23 to the Saints on Sunday.

A Tough Start for Tom Brady in Tampa

By ANDREW BEATON

THE LAST TIME TOM BRADY played with millions of people watching, he was competing against another all-time great quarterback in his 40s. It was a surprising window into the next chapter of his NFL career. Brady made mistakes, looked unfamiliar with his surroundings and walked off with a loss despite fleeting moments of brilliance.

Nevermind that back in May, Brady was playing in a TV golf stunt with Phil Mickelson against Peyton Manning and Tiger Woods. The same problems were evident when he returned to his day job playing football for a new team. Brady began his first season with the Tampa Bay Buccaneers against Drew Brees and the New Orleans Saints and lost 34-23.

Brady left the New England Patriots this offseason, ending two decades together that produced six Super Bowl wins, one scandal involving the proper inflation of footballs and countless hours of misery for the New York Jets. He bailed for Tampa Bay, a home with other soon-to-be retirees, warmer

weather and elite wide receivers. It was such a lovely jaunt even Brady's longtime pal Rob Gronkowski, who had already quit playing himself, came along for the ride.

The Patriots, meanwhile, moved on with Cam Newton, a former star with the Carolina Panthers. To start the season, New England got the better end of the quarterback shuffle, topping the Miami Dolphins 21-11.

Both Brady and Newton were signed this season as bets on the past. The Buccaneers believed in a 43-year-old quarterback because of his Super Bowl rings and the idea that he would be the right person to lead a team with one of the NFL's best defenses and most talented offenses. The Patriots gave Newton a chance to start—after he languished as a free agent for weeks into early summer—because of his play years ago in Carolina, before injuries diminished his production.

But after one week it's not difficult to look around the rest of the NFL and see how the Patriots also made a bet on the future. Modern offenses—and the dazzling young

quarterbacks who marshal more and more of them—don't rely on a quarterback who takes three steps backward and looks at the pocket as if from a cocoon they should never leave. They force opposing defenses to account for one more player who could break away and score at any given moment: the quarterback himself.

"Cam's still Cam: a former MVP," said Dolphins linebacker Jerome Baker.

Brady's first drive as a Buc began with shades of his prime. He connected with receivers on expertly placed throws, forced the defense into penalties and before long spiked the ball in the end zone after an old-school sneak took him in for the score.

Yet it quickly unraveled from there. The Brady-led offense struggled to move the ball. He threw a pick. Later he threw a second, and that one was returned for a touchdown. Before too long, the game was out of reach and his play didn't look all too different from the kind that hampered the Patriots much of last year.

"It doesn't matter how much talent you have if you throw inter-

ceptions returned for touchdowns," Brady said afterward.

The mood was slightly different up in New England. Newton completed 15-of-19 passes for 155 yards in the Patriots' win, but it was more telling what he did with his legs. He also ran 15 times for 75 yards and two touchdowns.

Newton, 31 years old, was once the game's pre-eminent up-and-coming talent because of games just like that. He plays quarterback at the size of a linebacker with a running back's agility. It was a devastating combination that once took Carolina to a 15-1 season and Super Bowl appearance in 2015 while Newton picked up the game's highest honors.

That slowly fell apart. The Panthers returned to the playoffs just once over the next four years while Newton struggled to stay on the field, missing almost all of last season. After the year, Carolina said goodbye to its longtime franchise quarterback.

But if Newton could stay healthy, it didn't take much imagination to see how he could thrive in an offense that maximizes his uncanny abilities. It simply required a look around the league these days. The talented young quarterbacks who play in the vanguard of the NFL's schemes all take advantage of their legs—or the threat of them.

The Baltimore Ravens' Lamar Jackson set the NFL quarterback rushing record a year ago en route to the best record in the NFL. The Kansas City Chiefs' Patrick Mahomes won the Super Bowl and constantly extended plays by running. On Sunday, Kyler Murray, the Arizona Cardinals' No. 1 pick from a year ago, ran for 91 yards and a touchdown in an upset over the NFC champion San Francisco 49ers. The first NFL touchdown for Cincinnati Bengals quarterback Joe Burrow, this year's No. 1 pick, was a 23-yard run.

It was just one week. Newton could return to the middling form he showed in recent years. The Patriots will play better teams than the Dolphins.

Brady, as he meshes with his surrounding talent after not getting a chance to play any pre-season games with them, could still turn into the guiding force Tampa Bay envisioned. He won't play another all-time great like Brees every week. But Brady's own review of his debut summed up the reactions everywhere.

"I made too many mistakes," Brady said.

Big Leads Aren't Safe Inside Bubble

By BEN COHEN

THE SITUATION WAS BLEAK.

The Denver Nuggets were down 15 points in the second half with their season on the line against the Utah Jazz. They won the game and the series. They found themselves in the same miserable situation against the Los Angeles Clippers on Friday. They won that game, too. They had their backs against the wall *again* on Sunday before mounting another epic comeback to force another unlikely Game 7 on Tuesday.

The Nuggets have now erased two 3-1 series deficits inside the NBA bubble—and that's not even the most impressive thing about their exuberant romp through the playoffs. The craziest part of this run is that they have won not one or two but *three* elimination games in which they were down by 15, 15 and 19 points in the second half. The Nuggets are basketball zombies: They come alive when they're supposed to be dead.

There have now been six 15-point comebacks in the second half of games inside the NBA bubble, according to Stats LLC. There were nearly 450 playoff games over the last decade in which one team had a 15-point lead, and the team that was down big took a lead in 10% of them. But inside the bubble, that number is 15%.

The inescapable weirdness of basketball inside a bubble is worth keeping in mind if Nikola Jokic, Jamal Murray and the Nuggets find themselves down in the second half of another elimination game. They won't have to be reminded that it's just about the best time in basketball history to have terrible odds.



Denver Nuggets guard Jamal Murray

FROM TOP: BRETT DUNE/ASSOCIATED PRESS; MICHAEL REAVES/GETTY IMAGES

OPINION

Confessions of a New Gun Owner



MAIN STREET
By William McGurn

On Monday it became official: The police issued me a gun permit. Never did I imagine I'd be here. Not because I was anti-gun. My dad was a career FBI agent,

so my siblings and I grew up with guns. At the same time, my father was never particularly interested in guns. To no avail, we would beg him to go to shoots to show off his skills. More frequently he would remind us that many who keep guns in the house are more likely to shoot a friend or family member than a would-be robber or rapist. His proudest boast about his own career was that not once did he have to shoot anybody.

This may help explain why we all grew up supporting the Second Amendment in principle while not much interested in the practice. What changed? Certainly the rioters played a key part. But far more shocking than the rioters themselves has been the associated spectacle of police and political authorities across America standing down in the face of night after night of criminal behavior directed at the lives and livelihoods of innocent, law-abiding citizens.

Even in suburbia, many are no longer confident our authorities would or could keep

us safe. In a small suburb such as mine, what would happen if even 100 or 200 people bent on violence were to arrive at once? Could our small police force really handle it? Or would we be left to fend for ourselves like Mark and Pat McCloskey in St. Louis, who defended their home and were then treated as if they were criminals?

A few years back, I asked a former colleague whom I knew to be pro-Second Amendment philosophically if he owned a gun. He answered no, and then asked if I had one. I said I wouldn't know what to write down as my reason for wanting one.

He told me, "Write down, 'Because I don't trust the government.'"

That might have worked for the Founding Fathers. But in today's New Jersey—a state ranked by the Giffords Law Center's annual Gun Law Scorecard as the nation's most restrictive after California—the response might be 40 squad cars on the front lawn by morning. I say this only half in jest: Do other Americans buying guns for the first time find it as grating as I do to learn that we need government permission to exercise a constitutional right?

Equally illuminating has been learning about guns and those who own them. Over four decades in the news business, I have often written about the National Rifle Association, usually about some

proposed new gun law. Most recently the NRA has been in the headlines over a lawsuit filed by New York's attorney general in which she accuses top leaders of decades-long corruption and misspending.

But our family's decision to buy a gun has introduced us to the side of the NRA more Americans see: the education side. The NRA has courses, online and in person, for almost everything. The NRA in-

Even in suburbia, people are losing confidence the police will keep them safe.

structor my wife and I engaged, Billy De Almedia, was firm, professional and patient.

It's not just the instruction that impresses. It's the sheer Americanness of a private organization established to support a constitutional right in all its manifestations, from defending the Second Amendment legally and philosophically to instilling in newbies such as myself the respect for guns necessary to keep and use them safely. Not to mention a taste of the satisfaction that comes from mastering a new discipline.

Surely if the government were to assume the functions the NRA provides, the experience would be akin to going to your local Department of Mo-

tor Vehicles. In America, by contrast, the ethos emphasizes private initiative and responsibility. In our new interactions with gun owners, gun instructors and owners of gun ranges, my wife and I have found them unfailingly eager to help and to answer even the dumbest questions.

This year a record five million law-abiding Americans, like us, have become new gun owners. Many don't fit the stereotype: African-Americans account for the largest percentage jump in gun ownership, while women are 40% of first-time buyers. These new buyers join an even larger demographic: the 43% of American households that already have a gun.

The record gun sales for 2020 may have implications for swing states in November as well. In Pennsylvania alone, the National Shooting Sports Foundation reckons there are 276,648 first-time gun owners this year. To put this in perspective, in 2016 Donald Trump won Pennsylvania by 44,292 votes.

Now, I appreciate how unlikely it is that I will ever reach for a gun to defend my home or myself. But after watching the mayhem that's taken over so many city streets I wonder, probably with plenty of my fellow first-time gun buyers, what alternative I'd have if ever I had to make that terrible 911 call—and it went unanswered?

Write to mcgurn@wsj.com.

BOOKSHELF | By Barton Swaim

On the Record, Such as It Is

Rage

By Bob Woodward

(Simon & Schuster, 452 pages, \$30)

Most readers of this review will already know the big news item issuing from "Rage," Bob Woodward's second account of the Trump White House. On Feb. 7 of this year the president told Mr. Woodward in an interview that the novel coronavirus is "deadly stuff"—"more deadly than even your strenuous flus"—but continued to de-emphasize the virus's lethality, comparing it to "the regular flu that we have flu shots for" and so on. The president even tells Mr. Woodward—or "admits" to him, to use headline language—that he deliberately downplayed the virus. "I wanted to always play it down," he told the author on March 19. "I still like playing it down, because I don't want to create a panic."

These presidential reflections are helpfully related in the prologue, on pages xviii and xix, presumably in order to allow reporters at the nation's largest news organizations to announce the book's big reveal without having to read its 400 pages. A few hours after I received my copy, news



websites were ablaze with headlines announcing newfound evidence of Mr. Trump's perfidy. That he knew the virus was "deadly" but continued to "play it down" makes him, according to a certain kind of media personality, uniquely responsible for the deaths of tens of thousands of Americans.

Mr. Trump's logorrhea is a problem as always, but the idea that he "knew" the truth about the virus and misled Americans is stupid. It assumes that any early acknowledgment of the virus's

"deadliness" must have entailed a clear and agreed-upon set of policies. If Mr. Trump believed on Feb. 7 that the virus was "deadly," in this reading, he should have come out gung-ho for an array of mitigating measures, perhaps including a nationwide lockdown. But not even the now-lauded public-health experts were calling for major behavioral changes in February. On Feb. 29, three weeks after Mr. Trump's "deadly" remark to Mr. Woodward, Anthony Fauci himself stated on the Today show that "at this moment, there's no need to change anything that you're doing on a day-by-day basis . . . the risk is still low"; and on that same day CDC director Robert Redfield told reporters that "the risk is low. We need to go on with our normal lives." Both statements are included in Mr. Woodward's book, but you don't get to them until pages 254 and 255.

I mention all this simply to point out that the book's one headline-making revelation is noteworthy only if you already believe that any terrible thing in the world is probably in some way the fault of Mr. Trump. But if that is your outlook, you don't need a hefty book to tell you that Mr. Trump is a terrible guy. What is the point of "Rage," then? The typical Woodward account, based on the author's interviews with top decision makers, tells the story of a tense year or two in the White House. This one, building on "Fear" (2018), the author's account of Mr. Trump's chaotic first year in office, purports to show that this capricious and unprincipled real-estate mogul is incapable of handling a crisis of the sort that now confronts America.

I confess I have always liked Mr. Woodward's White House chronicles. High-ranking officials of both parties are apt to blab to him, mostly I suspect because he allows them to speak without attribution. I find it easy to ignore the author's consensus-liberal interpretations of events and enjoy the books for what they are: aggrieved cabinet officials and senior White House staffers anonymously grousing about each other and portraying themselves as martyrs.

What's the point of an insider account of the White House if the president himself does most of the talking?

There is some of this in "Rage," but not enough. And the sources rarely reveal anything worth knowing. Former secretary of defense Jim Mattis is evidently a source; from him we learn that Mr. Trump treats senior staff abominably and doesn't understand the importance of international allies. Who knew? We learn from former director of national intelligence Dan Coats, also clearly a source, that Mr. Trump's constant changes of mind very nearly drove Mr. Coats insane. Mildly interesting, but hardly news. Mr. Coats, we're also told, thought for a time that Mr. Trump might indeed be in cahoots with the Russians; the intel chief and his staff "examined the intelligence as carefully as possible" and found nothing. I can think of some people who would call that a revelation, but I am not one of them.

What ruins the book—what makes it one long retelling of what everybody already knows—is the presence, on the record, of the president of the United States. Mr. Woodward interviewed Mr. Trump 17 times for the book. This contrasts with the author's previous White House books. Those other works, whatever their flaws, have an attractive off-the-record, I-shouldn't-be-telling-you-this feel about them. Mr. Woodward interviewed President Obama for "Obama's Wars" (2010), but only once, and the chief's presence in that book is fleeting. In long passages of "Rage," by contrast, you feel you're getting more of what you already had too much of. Mr. Woodward puts questions to Mr. Trump and Mr. Trump responds with answers that are by turns hyperbolic or factually wrong or irrelevant. As usual, he refuses to play by the rules set for him by his questioner.

The effect is unbearably boring, like reading transcripts of White House press briefings. At one point Mr. Woodward tries—rather too obviously, if you ask me—to bait Mr. Trump into saying something racially insensitive. The president remarks, "I've done more for the Black community than any president in history with the possible exception of Lincoln." Mr. Woodward: "He had said so publicly at least five times by that point in 2020 alone." OK—but if he had said this publicly so often, why are we hearing about it in a Bob Woodward book?

A number of commentators, particularly those sympathetic to Mr. Trump, have wondered why he agreed to speak to Mr. Woodward, whose account was certain to damage the president in an election year. I don't know, but it looks like a savvy move to me: By the simple expedient of making himself lavishly available, Mr. Trump has turned what might have been an engaging book into a dud.

Mr. Swaim is an editorial-page writer for the Journal.

The Long Road to Israel's Very Good Month



GLOBAL VIEW
By Walter Russell Mead

Not since May 1948, when both the U.S. and the Soviet Union recognized the state of Israel in the critical weeks of its war for independence, has Israel had a diplomatic month like this. On Aug. 13, the United Arab Emirates and Israel signed an agreement to normalize relations, with the formal ceremony to be held Tuesday in Washington with President Trump. On Sept. 11, Bahrain followed suit. The Palestinian Authority, holding the rotating chair of the Arab League, introduced a resolution condemning the U.A.E. move at a Zoom session of Arab foreign ministers, but in a shocking departure from past practice, the motion failed to pass. On Sept. 13 another Arab nation, Oman, issued a statement of support for Bahrain's decision to normalize relations.

Meanwhile, defying pressure from the European Union and in exchange for Israeli recognition of Kosovo's independence, Kosovo became the first Muslim-majority country in the world to agree to place an embassy in Jerusalem in another Trump-brokered deal. (The status of a similar pledge from Serbia isn't clear.)

With Saudi Arabia allowing flights from Israel to the U.A.E. to pass over its territory and Morocco reported

to be close to allowing direct flights to the Jewish state, something of a tipping point seems to have been reached in the Middle East. Resentment of Zionism and sympathy for the Palestinians will no longer be allowed to interfere with what embattled Arab rulers see as a vital relationship.

These changes are evolutionary rather than revolutionary. Arab opposition to Israel's existence has never been as unanimous or implacable as casual observers sometimes assume. Geopolitically, conservative Arab states have long understood that their interests and Israel's are connected.

The strongest force in international politics is driving the change: fear. The Arab world as a whole is confronting its greatest crisis since the collapse of the Ottoman Empire. Iraq and Syria, once pillars of Arab nationalism and strength, can barely hold themselves together. Yemen and Libya are sunk in bitter civil wars. Egypt, whose economy is staggering as the pandemic slashes its income from tourism and trade, can barely manage its own security, much less export stability to the rest of the Arab world. Lebanon, for so long a financial and cultural capital of the Arab world, suffers from a failing state and Hezbollah's heavy hand.

Even the wealthy Gulf oil states fear for their economic future. American fracking is likely to keep oil prices low even when the global economy recovers from Covid-19,

and with pro-Green New Deal Democrats leading in U.S. polls, the pressure from the West on fossil fuels seems likely to grow. What limits a President Biden would place on fracking likely wouldn't cut domestic production enough to raise oil prices significantly. The Gulf states must diversify from hydrocarbons or wither away, and they know it.

On top of all this, the American withdrawal from the Middle East keeps gaining

The Jewish state has become too valuable to the Arab world to be treated as a pariah.

momentum. The Trump administration continues to push to reduce U.S. forces in Iraq and Afghanistan, while a Biden administration would seek to revive the nuclear deal with Tehran while distancing itself from Saudi Arabia on human-rights grounds.

Behind all these worries lie the real terrors of the Arab world: Turkey and Iran. Muslim Brotherhood leaders fleeing Egypt have found a haven in Turkey, and many Arabs believe that Ankara's ambitions pose a greater long-term threat to Arab independence than Tehran's.

In the short term, Iran, which hopes that a Biden election would lead to open trade with the West, poses what Gulf Arab leaders see as

an existential threat—especially with America looking to reduce its regional commitments.

The more the U.S. withdraws, the greater the value of Israel to the Sunni Arab world. Israel, growing numbers of Arab leaders believe, is the only country with both the will and the means to help the Arab world defend itself from regional threats—and the only country with enough political support in America to ensure that Arab pleas for help will not be utterly disregarded.

Beyond that, more Arabs are beginning to see the advantages in working with Israel. Israel is not, as many Arabs once believed, a fragile artificial society held together by U.S. support. It is by any measure the most successful state in the Middle East with the most technologically advanced economy in the region. Chinese, Russian, Japanese, Indian and American military leaders all want the benefits of Israeli tech.

Timing aside, the Arab rapprochement with Israel is no pre-election stunt staged to help Donald Trump. It reflects a sober and serious response to realities that no Arab state can ignore. As a military and intelligence partner, as a diplomatic force multiplier, as a trading partner, as a source of investment and of development expertise, Israel is too valuable to the Arab world to be relegated to the status of a regional pariah. It has earned its place in the Middle East.

From the Classroom to the Courtroom

By Brett Joshpe And Edward Paltzik

Austin Tong, a Chinese-born senior at Fordham University in New York City, was disciplined for two social-media posts he made this summer. One featured a photo of David Dorn, a former St. Louis police captain who was killed in a June riot, with a comment from Mr. Tong: "Y'all a bunch of hypocrites." The second depicted Mr. Tong himself—an outspoken critic of the Chinese Communist Party—holding an unloaded, lawfully owned rifle with a reference to the Tiananmen Square massacre.

The university decided Mr. Tong's posts were a threat, banned him from campus, threatened him with expulsion, and demanded an apology. Rather than capitulate, Mr. Tong sued, and Fordham now faces two federal investigations, one for accepting undisclosed foreign gifts from China, and the other for violating its

own published free-speech guidelines in contravention of federal law.

Campus assaults on free speech are an old story. A new one is the way school officials are using Covid-19 to justify logic-defying rules that require rigid adherence and fail to account for the mental and emotional toll they will impose.

Outrageous Covid policies join speech restraints as causes of collegiate litigation.

Northeastern University, which is using the Westin Hotel in downtown Boston to house incoming freshman, announced publicly to the media that it had dismissed 11 students for the entire semester for gathering inside a hotel room—with masks on after testing negative for Covid-19—to watch a basket-

ball game. These students, many of whom were away from their families for the first time, some from foreign countries, had been effectively confined to a private prison for days during orientation with few avenues for socializing or engaging in normal human behavior. Northeastern is telling these students they may not take classes remotely and won't get a refund of their \$36,500 tuition, even though classes had not begun. Many other schools are conducting all classes remotely but charging the usual absurdly high tuition prices.

The Trump administration has started to crack down on abuses like these. A March 2019 executive order subjects schools that violate their own published free-speech guidelines to potential loss of federal funding. The president also has encouraged schools to reopen and return to some semblance of normalcy, and the Education Department has been aggressive

in launching investigations into colleges for free-speech violations and undisclosed foreign gifts.

Ultimately, however, consumers must be the ones to hold these universities accountable. Parents should remind schools that they don't empty their savings accounts for radical teachers to indoctrinate their children or for educational tyrants to smear the reputations of these young adults.

Colleges have become bloated, bureaucratic and hubristic. Covid-19 has caused society to rethink many of its previous assumptions, including whether certain staples of life are necessary. If colleges don't shape up soon, belief in their indispensability could be next to go.

Messrs. Joshpe and Paltzik are partners at the New York law firm Joshpe Mooney Paltzik LLP, which represents Austin Tong and several families whose children were dismissed from Northeastern.

OPINION

REVIEW & OUTLOOK

Biden of the Climate Apocalypse

Sometimes we wonder if Joe Biden writes anything in his public remarks other than the words “here’s the deal.” An example is the Democratic nominee’s big speech Monday on the West Coast wildfires in which he never mentioned the need for better forest management.

The younger Joe Biden would never have allowed that kind of political malpractice. But his handlers let him deliver a lengthy speech that blamed the fires, Hurricanes Laura and Sally, flooding on the coasts, a windstorm in the Midwest, and the hot summer, among other events, on “the fury of climate change everywhere—all this year and right now.” It’s as if he saw the apocalyptic climate-change melodrama of some years back, “The Day After Tomorrow,” and decided to become Dennis Quaid.

If that seems glib, how else to describe a speech that claims to revere science but is utterly detached from it? On the wildfires, Mr. Biden’s failure to mention the need to clear dry and diseased fallen trees defies what has gradually been recognized as a necessity even on the environmental left.

Decades ago the forestry consensus changed from active management to letting nature take its course. Controlled burns that once cleared rotting underbrush stopped. Logging that thinned forests declined amid green political opposition. One unintended result, especially in dry summers or extended drought, were millions of acres of brush that become fuel for raging fires. Add the spread of housing into more distant suburbs, and the risks to people and property have grown.

As even the climate-change true believers at the New York Times put it the other day: “Millions of Americans are moving into wildfire-prone areas outside of cities, and communities often resist restrictions on development. A century of federal policy to aggressively extinguish all wildfires rather than letting some burn at low levels, an approach now seen as misguided, has left forests with plenty of fuel for especially destructive blazes.” Does Mr. Biden’s campaign read the liberal papers?

Even Democratic California Gov. Gavin Newsom agrees on the need for better forestry. After the wildfires last year, his state agreed with the federal government to reduce the fire risks on a million acres a year of dry forest tinder for five years. Meeting with President Trump on Monday in California, Mr. Newsom disagreed on climate policy but said, “There’s no question” that “we have not done justice on our forest management. . . . I want to thank you

for supporting that effort.”

As for climate and hurricanes, sigh, let’s repeat that there is little evidence that storm frequency and the modest global warming of the last century are linked. As scientist Roger Pielke Jr. has noted, hurricanes hitting the U.S. have not increased in frequency or intensity since 1900.

The National Oceanic and Atmospheric Administration has said “it is premature to conclude that human activities—and particularly greenhouse gas emissions that cause global warming—have already had a detectable impact on Atlantic hurricane or global tropical cyclone activity.” The United Nations Intergovernmental Panel on Climate Change says it too lacks evidence to show that warming is making storms and flooding worse.

Yet here’s how Mr. Biden described Apocalypse Now on Monday: “The past 10 years were the hottest decade ever recorded. The Arctic is literally melting. Parts are actually on fire. What we’re seeing in America—in our communities—is connected to that. With every bout with nature’s fury, caused by our own inaction on climate change, more Americans see and feel the devastation, whether in big cities, small towns, on coastlines or in farmlands. It is happening everywhere. It is happening now.”

And they say Donald Trump exaggerates.

* * *

Mr. Biden’s speech shows that on climate, as on so much else, Mr. Biden is no moderate. He’s adopted a climate policy that is far more extreme than prevailed in the Obama years. As he repeated Monday, he is proposing a vast spending and regulatory agenda to remake the U.S. energy economy.

His goals include carbon-free electricity by 2035 and “a 100% clean energy economy and net-zero emissions no later than 2050.” He’d ask Congress to pass “an enforcement mechanism” with “clear, legally-binding emissions reductions.” This means either a carbon tax or tight mandated limits on fossil-fuel energy, or both.

He’d start by spending \$2 trillion in four years—building 500,000 electric-vehicle charging stations, hiring 250,000 workers to plug abandoned oil-and-gas wells, and even building “an end-to-end high speed rail system that will connect the coasts.” California can’t even build this train from Bakersfield to the Bay Area.

All of this is more evidence that Mr. Biden lacks either the desire, or the will, to say no to the political left. If we can borrow a popular phrase these days, it’s a matter not only of policy but of character.

Bloomberg’s Florida Purchase

If Joe Biden carries Florida in November, he ought to make Mike Bloomberg Secretary of the Treasury. The billionaire certainly will have earned it, with an 11th-hour cash infusion of \$100 million to help Mr. Biden in the state.

Florida is a must-win for President Trump, and Mr. Bloomberg’s infusion comes amid the Cook Political Report moving the race from “leans Democratic” to “toss up” and polls showing Mr. Biden underperforming among Hispanic voters. Florida is a big state with multiple and expensive media markets. Mr. Bloomberg’s money will go via his Super PAC Independence USA and other Democratic groups toward television and digital advertising in English and Spanish.

It’s all perfectly legal so long as Mr.

Bloomberg doesn’t coordinate with the Biden campaign. By announcing the \$100 million campaign publicly, Mr. Bloomberg is letting the Biden campaign know it can take millions it might have otherwise spent in Florida and redirect them to other battleground states.

Campaign-finance laws magnify his influence in the 2020 election.

Mr. Bloomberg could emerge as 2020’s single biggest donor. His billions give him outsized influence, but so do campaign finance laws that limit the size of donations to the candidates’ campaigns.

We don’t begrudge Mr. Bloomberg’s spending on causes and candidates he believes in. But Democrats and the political left say big money corrupts politics. Now that the big money will be used against President Trump, we’re not hearing complaints about spending,

YouTube’s Political Censorship

Li Wenliang, the Chinese doctor who tried to raise the alarm about the coronavirus in 2019 and was muzzled by the government before himself succumbing to the disease, has become a symbol of the way controls on speech can endanger the public. America’s civil liberties ensure that couldn’t happen here. But YouTube’s latest effort at politicized censorship of a reputable physician reminds us that such impulses aren’t unique to China.

On Friday Google’s YouTube platform notified Stanford University’s Hoover Institution that it had removed a 50-minute video interview with Scott Atlas, a neuroradiologist and Hoover fellow, that was published in June. Dr. Atlas has argued publicly—including in an interview in our pages—that the social harm from strict coronavirus lockdowns is severe.

YouTube’s notice to Hoover says “YouTube does not allow content that spreads medical misinformation that contradicts the World Health Organization (WHO) or local health authorities’ medical information about COVID-19.” Note that YouTube has appointed the WHO as an arbiter for what Americans can see on the platform. The WHO has sometimes been swayed by China’s Communist Party, and as recently as January it relayed Chinese assertions that there is “no clear evidence of human-to-human transmission” of the virus.

YouTube tells us in a statement that it removed the Atlas interview for “falsely stating that a certain age group cannot transmit the virus.” The company is apparently referring to Dr. Atlas’s remark, amid a discussion about

school reopening, that children “do not even transmit the disease.”

That seems to have been an exaggeration for emphasis. Dr. Atlas corrected himself in his next answer, saying that transmission by children is “not impossible, but it’s less likely.” A body of research shows precisely that. An August review from the American Academy of Pediatrics cites data suggesting that “children are not significant drivers of the COVID-19 pandemic.” While children can transmit the virus, on current evidence they don’t seem to do so as readily as adults.

The Atlas interview was posted in June, yet YouTube only removed it in September. The public can be forgiven for wondering if Dr. Atlas’s appointment as a White House coronavirus adviser last month has made him a political target. A group of Stanford faculty published an open letter sliming their former colleague last week, and the video came down two days later. Does anyone think past videos of Joe Biden’s virus advisers will be taken down if a remark turns out to be incorrect?

If the virus nightmare has taught the world anything, it’s that no one has a monopoly over the right policy advice. That’s why a free society fosters debate—so that better policies can be arrived at incrementally through argument and evidence. Understanding a presidential adviser’s views are crucial to free debate and political competition. Google may take its cues from the WHO, but it is still an American company, and it shouldn’t be surprised if there is a democratic backlash to its censorship.

LETTERS TO THE EDITOR

Does the Fed’s Expansion Help the Economy?

Kevin Warsh is correct in saying, “the institution matters more than the person,” but fails to note that a person or persons can destroy an institution (“The Fed Puts Its Independence on the Line,” op-ed, Sept. 8). The ultimate destruction of the Federal Reserve began when Alan Greenspan decided the Fed should implement monetary policy by targeting the federal-funds rate. It was exacerbated by Ben Bernanke’s decision to engage in a massive bond-buying program in an attempt to reduce long-term rates when the federal-funds rate reached its zero lower bound. Jerome Powell extended it by, as Mr. Warsh puts it, buying “assets others don’t and pay[ing] prices others won’t.”

We needn’t fear that this will lead to the Fed’s demise. Congress is unlikely to change it now that the Fed has abandoned any pretext of conducting monetary policy and has engaged in fiscal policy to an extent Congress and the Treasury alone cannot. The Fed is already the “general-purpose government agency” that Mr. Warsh fears it will morph into.

The aggressive actions of Messrs. Benanke and Powell since September 2008 have produced a massive five-fold increase in the public’s holdings of checkable deposits to over \$10,000 per capita. Additional asset purchases will increase it further. It’s impossible to predict when the Fed’s day of reckoning will come, but the public’s massive holding of these highly liquid assets suggests it will happen and that it won’t be pretty.

DAN THORNTON
Des Peres, Mo.

Mr. Thornton is a retired vice president of the Federal Reserve Bank of St. Louis.

The Fed is now the most important un-elected policy maker in the world since monetary policy has now become the only game in town given the dysfunction among the legislative and executive branches. Mr. Warsh also seems all too ready to applaud the Fed’s abandonment of one of its two principal mandates of currency stability. Gov. Powell’s adoption of a new regime calling for an averaging of inflation at 2% over an indeterminate period means that the Fed stands ready to welcome a higher bout of inflation, which is the ultimate hidden tax on Americans by keeping rates artificially low, hovering near zero.

To the statutory dual mandate of price stability and full employment, it has become clear since the Greenspan era that the Fed has ad-

opted a third mandate: keeping stock prices high and intervening whenever they fall. For shareholders, the Fed put is a blessing. But for those on fixed income such as retirees and the risk averse, this policy has been a disaster.

In all the lamentations about income inequality, let us not forget the Fed’s contribution to that inequality by squeezing out any income that poorer people might get on their savings accounts while rewarding the well-to-do, who typically have a great portion of their wealth in stocks.

EDMUND TIRYAKAIN
Hillsborough, N.C.

Kevin Warsh is entirely justified in his concerns about the Fed’s malignant expansion into virtually every corner of the nation’s financial markets. He argues this growth may be irreversible. So what happens if inflation does become a problem and the Fed needs to reverse course?

This issue of accelerating inflation has received little attention, perhaps because it appears to be the least of our worries right now—a far and distant threat of little concern.

But appearances can be deceiving, particularly with the lagged effects of a 38% annual increase in the M2 money supply. Some of those effects are apparent already, but in assets that aren’t included in the standard price indexes such as stocks, real estate and precious metals.

Right now, the unprecedented monetary and fiscal stimulus are causing a V-shaped recovery with low inflation (maybe an annual GDP growth rate of 25%-30% in Q3). But what happens next year, assuming Covid-19 hysteria is removed by a vaccine and better therapeutics?

There could be a perfect storm of accelerating inflation: rapidly falling unemployment, pent-up demand and rising inflationary expectations. And don’t forget about less price competition from imports due to a weak dollar and the possibility of more tariffs and various other trade restrictions (it is worth noting that foreign competition is the main reason goods prices—as opposed to service prices—have declined by about 6% since 2012 when the Fed adopted its 2% inflation target).

The Federal Reserve has indicated it would like to see higher rates of inflation in the future, even above its 2% target to make up for past shortfalls. The Fed should be careful what it wishes for.

EM. PROF. ROBERT F. STAUFFER
Roanoke College
Salem, Va.

Voters, Not Courts, Should Pick the President

Your Sept. 8 editorial asks: “Will Courts Pick the Next President?” Not if we voters flatten the curve. I heartily agree the best way to prevent an election debacle is to act before things get out of control. One way is for states to revisit their impractical and unreasonable provisions for mail-in ballots.

A far more important way is to urge voters to request their mail-in absentee ballots now. Remember when the entire country tried to buy toilet paper in one week back in March? More than half went home empty handed. Remember the concept of “flatten the curve?” It was critically important to Covid, encouraging behavior to prevent overwhelming our hospitals. It’s equally important to prevent overwhelming our state and local election boards which cannot humanly accommodate a last-minute deluge of votes on an unprecedented scale.

This is an avoidable problem if we choose to make it so. Most of us already know whether or not we need to vote by mail this year. If civic-minded rather than cynically minded Americans request their ballot today, there’ll be much less chance for a contested election because the majority of votes will have been cast well in advance. Let’s get going!

POLLY JUDSON
New York

Democratic politicians who advocate for the extension of the boundaries for mail-in voting reek of condescension. They echo Jonathan Gruber’s arrogant judgment about “the stupidity of the American voter,” positing that we are not capable of respecting deadlines and thus those deadlines must be tampered with. They move the target around as if we don’t know where to aim our ballots now, but miraculously will know it then. If the last date to request a ballot in our state is two weeks before the election, but we don’t know exactly what day that is, we will, they assure us, be able to divine what the new date is two

weeks later. If stupid American voters cannot find a mailbox by Oct. 30, of course we will be able to locate one on Nov. 3.

Blue-state politicians apparently believe that the average, stupid American voter doesn’t understand what a deadline is, and they happily embrace our tardiness as long as it favors their candidate.

MARYANNE SPINNER
Chicago

Here are Georgia’s onerous absentee voting rules. Keep in mind that one may vote early to avoid crowds or if Election Day is inconvenient: “To vote by absentee ballot, you must first fill out, sign, and submit an absentee ballot application. You can do this online, by mail, by fax, or in person. Submit your absentee ballot application by the specified deadline. Absentee ballots may be requested any time between 180 days prior to the election and the end of the business day on the Friday before Election Day.”

Where is the “risk of disenfranchisement”? Doesn’t it seem the height of condescension for the people of Georgia—black and white—to be portrayed as helpless children or witless? If you’re incapable of performing as an absentee voter according to established law and timelines, how, may I humbly ask, will three additional days make a difference?

JOHN R. NEWCOMB
Franklin, Tenn.

Pepper ... And Salt

THE WALL STREET JOURNAL



“Fred, check and see if an elbow bump is legally binding.”

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OPINION

The Misguided Antitrust Attack on Big Tech

By Phil Gramm
And Jerry Ellig

Despite the many troubles of 2020, Congress has made more time than ever this year to target a different purported threat: America's tech giants. This month the Senate Antitrust Subcommittee will hold the latest of several recent hearings on the issue, with one on Google's online advertising influence on Tuesday and another on general antitrust enforcement Sept. 30. Yet after all this sound and fury, will Congress actually dismember the goose that laid the golden egg? Antitrust action against leading U.S. tech companies would shrink American dominance of the world's fastest-growing industry and imperil the

Antitrust action would sap the benefits top companies have brought to consumers and ordinary investors.

enormous buildup of stock equity that secures the retirements of some 78 million American workers.

Progressives want to use the antitrust laws to break up big tech companies because they believe that bigness is bad and leads to a host of other evils, including malign political influence. Conservatives want to use antitrust as a club to get social-media companies to curb their alleged political bias.

While there is a long and rich history of using antitrust laws to try to implement policies that proponents can't enact into law, both parties would be wise to focus on consumer

welfare, which has defined recent antitrust jurisprudence. No one can seriously challenge the hard evidence that big tech companies have delivered enormous consumer benefits. You don't have to look any further than online shopping, smartphones and social networking.

Amazon got its start in 1994 selling books, then music and DVDs. Apple started selling music through iTunes in 2003. The Bureau of Labor Statistics started calculating consumer price indexes for recreational books, recorded movies and music in 1997. From December 1997 through December 2019, the price of recreational books fell by 4%, movies fell by 19%, and recorded music fell by 64%. Over the same period general prices increased by 59%.

BLS data show the price of smartphones fell by even more. RIM introduced the BlackBerry in 1999, and Apple introduced the iPhone eight years later. The BLS doesn't report a separate CPI category for smartphones, but the cost of cellphones accounts for half of the CPI component for telephone hardware, calculators, and other consumer information items. Prices for this category of consumer spending have fallen by 85% since 1997 and by 59% since 2007.

Even these stunning price reductions understate the actual price decline and consumer benefits of new tech products. Since the cellphone didn't enter the CPI until 14 years after it was introduced, the index never counted the initial 75% drop in cellphone prices that occurred before the inclusion of the cellphone in the CPI. Nor did the BLS start adjusting the CPI for changes in the quality of smartphones until 2018—missing the extraordinary improvements that occurred in early smartphones. A 2019



CHAD CROWE

National Bureau of Economic Research study conducted in the Netherlands estimated the value of one quality improvement, the cellphone camera, at more than €818—more than 10 times the cost of adding the camera to the phone.

The NBER study also estimated that consumers place significant value on social media and apps. If the value to consumers of Facebook use was included in gross domestic product, the study concludes that annual real GDP growth would have been about 0.1 percentage point greater each year from 2003-17. The study's authors also found that the value consumers attach to WhatsApp, Instagram and map apps, which aren't counted in measures of consumer prices or income, would give a measurable boost to GDP.

Many of these web-platform companies, including Google, make their money through advertising. The BLS started to include online advertising prices in its producer-price index in

December 2009. Between December 2009 and December 2019, the price of search and text advertising fell by 52%, and the price of online display advertising fell by 24%. With the price of ads plummeting, it is hard to argue advertisers are getting squeezed to subsidize freebies for consumers.

There are striking similarities between today's tech giants and the businesses that were accused of being monopolies during the Progressive Era. In the decade before the Sherman Antitrust Act was passed in 1890, the real price of pig iron fell by 21%, the wholesale price of sugar fell by 22%, and the price of copper fell by 10%. Inflation-adjusted prices of iron and copper actually rose in the 10 years after producers in those industries were threatened with antitrust enforcement, while the price of sugar fell at a much slower rate than before.

Before they dismember the goose, lawmakers should look not only at

the benefits big tech has provided to consumers but also at the fact that U.S. tech companies' world-wide lead depends on policies that encourage innovation and don't punish companies simply for growing large. Fourteen of the largest 20 tech companies are based in the U.S. Apple, Microsoft, Amazon, Alphabet (parent of Google) and Facebook are the five largest tech companies in the world, with a market capitalization of \$6.9 trillion. Public and private pension funds, 401(k)s, individual retirement accounts and insurance reserves guaranteeing death benefits and annuities own more than 70% of the stocks of these companies. Mandatory breakups or other draconian antitrust policies, especially when foreign competition is growing, would put at risk some \$4.8 trillion of Americans' retirement savings.

If progressives want to destroy America's premier companies, at least they should do it through an open legislative process with public debates and votes. Conservatives, who believe companies are biased in their restrictions on user posts, can reconsider the liability protections Congress has granted tech companies with regard to content, and whether those protections remain beneficial in a time when tech companies shape political debate. Any action Congress wishes to take on these issues should come in the form of legislation rather than antitrust enforcement.

Mr. Gramm is a former chairman of the Senate Banking Committee. Mr. Ellig, a former chief economist at the Federal Communications Commission, is a research professor at the George Washington University Regulatory Studies Center. Mike Solon contributed to this op-ed.

It Takes a Superspreader to Know a Superspreader

FREE
EXPRESSION
By Gerard Baker

Voting by mail is now common enough and problematic enough that election experts say there have been multiple elections in which no one can say with confidence which candidate was the deserved winner.

Another presidential tweet? Some right-wing pundit promoting a debunked theory about mail-in ballots in an effort to delegitimize the election?

Try the New York Times. In a front-page news story published just before the 2012 presidential election, the Times cast grave doubt on the reliability of widespread mail-in voting, noting it was much more vulnerable to fraud than conventional voting.

"While fraud in voting by mail is far less common than innocent errors, it is vastly more prevalent than . . . in-person voting fraud"

Times change. Last month the paper ran a headline that said, "Trump

Is Pushing a False Argument on Vote-by-Mail Fraud."

It's possible, I suppose, that all that fraud the paper worried about has just disappeared in eight years. But the real clue as to why the Times—along with virtually the entire media—now says claims about mail-in fraud are false comes further down in that October 2012 news item.

"Republicans are in fact more likely than Democrats to vote absentee. In the 2008 general election in Florida, 47 percent of absentee voters were Republicans and 36 percent were Democrats."

There you have it. When voting by mail seemed to be a Republican thing it was: Fraud! Manipulation! Now that Democrats are expected to vote this way in much greater numbers, it's all: Nothing to see here.

Liberals in the media and the political establishment used to poke fun at conservatives who supposedly ignored evidence, data and facts on things like climate change. But we all knew the media simply chose the facts that suited its own narrative and picked another set when they were no longer convenient. Now it's transparent.

To the Mail-In Mirage in the past month we can add the Sturgis Motorpsycho Nightmare and the 93% Peaceful Riot in the category of selective, tendentious and downright fraudulent data selection by the people who control much of our national discourse.

Whether Sturgis, BLM, or voting by mail, the media chooses narrative over facts every time.

You'll recall that researchers at something called the IZA Institute of Labor Economics recently "discovered" that the rally in South Dakota last month, which attracted the usual massive crowd of bikers from across the country, was responsible for more than 260,000 cases of Covid-19 across the country. Various news organizations seized on the report as yet more evidence of the irredeemable stupidity, arrogance and disdain for science of your typical (presum-

ably white, Trump-supporting) biker.

Those same news organizations had looked on in awed reverence as millions of Americans rallied all summer in support of Black Lives Matter with nary a mention of any risk of coronavirus transmission.

Conservatives are sometimes mocked for a faith-based approach to science in matters such as intelligent design. But from a scientific perspective, much of the media's performance over the Sturgis-BLM contrast was straight out of Exodus. It was as if God's chosen people, the protesters, had been spared death through the modern-day equivalent of daubing sheep's blood on their doors, sporting a BLM bandanna perhaps, while their evil motorbike-riding oppressors had been struck down by God's wrath.

The Sturgis research in fact didn't withstand a moment's scrutiny but the larger lesson was delivered: Only adherence to the faith will save you.

Then there was another report last month that found 93% of the BLM protests over the summer were "peaceful." The report by an organization called US in Crisis (there's a

clue somewhere in the name, if you look hard enough), was taken by most of the media as proof that their claims of "mostly peaceful" protests were correct. Only a small minority had been marred by violence.

Now, 93% sounds like a big number. If your child got that on a math test, you'd be glowing with pride. But there are other contexts. If we avoided getting hit by a car only 93% of the times we crossed the road, most of us wouldn't make it to our fifth birthday.

And of course 93% is a much smaller percentage than 99.9%. Or, shall we say 7% is a much larger percentage than 0.1%—which is the proportion of black homicide victims last year who were unarmed and killed by police. And yet we are told by the media that the latter number represents a culture of systemic police brutality, or, in the words of Naomi Osaka, the newly crowned U.S. Open women's tennis champion, the "continued genocide of black people."

But who needs things like evidence and data when there's a story to promote?

Will Congress Ever Break the Covid Relief Standoff?

By Alan S. Blinder

It is distressing that good economic policies often make bad politics and therefore aren't adopted. Examples abound, including carbon taxes to combat climate change and broadening the tax base by closing loopholes. This is sad but familiar turf.

But the seemingly interminable delay in getting another coronavirus relief package through Congress is different—and weird. America is in the middle of a pandemic-induced emergency, with money from March's Cares Act drying up. Providing more relief to a struggling populace is sound economic policy, not to mention essential on humanitarian grounds. It should also be good politics. Politicians normally delight in providing benefits to the electorate before an election.

Yet progress has been blocked by Senate Majority Leader Mitch McConnell, with the acquiescence of his Republican colleagues. Why? One naive hypothesis is that the GOP is taking a principled stand against budget profligacy. Really? These are largely the same senators who voted enthusiastically to cut taxes in December 2017, when the economy did not need stimulus. Now it does.

A second hypothesis, which I believed for a while, is that the need for fiscal relief was acute mainly in blue states, many of which were ravaged by the virus in the spring. Red-state senators were thus not sympathetic. But many red states—including Kentucky—were hit hard during the summer surge in Covid-19 cases and need help now.

A third hypothesis is that the Heroes Act, passed by the Democratic

House in May, with a price tag of more than \$3 trillion, includes items that Republicans abhor. Yes. But Heroes was just an opening bid, which House Democrats never expected Senate Republicans to embrace. It wasn't until the end of July that McConnell countered with his own opening bid, the proposed Heals Act—don't you love the names?—with a price tag around \$1 trillion.

As the old joke goes, they were only haggling over the price. Or so we thought. Speaker Nancy Pelosi and other Democrats have expressed willingness to trim their relief package, perhaps to less than \$2 trillion. It looked like a compromise was possible in the \$1.5 trillion range—a number that Treasury Secretary Steven Mnuchin had all but endorsed.

No such luck. About a week ago, Mr. McConnell released a revised stimulus package, allegedly priced at

around \$650 billion. But it included only about \$300 billion in new spending after subtracting about \$350 billion in funds left over from earlier coronavirus packages. Democrats derided this so-called skinny

Senate Republicans resist passing a new bill, even though it's needed and politically expedient.

package as "emaciated," and it didn't muster the 60 votes needed to defeat a filibuster.

The two sides now stand miles apart, with the end of the fiscal year (Sept. 30) and the election (Nov. 3) looming. What seemed impossible now seems possible: Despite the clear

and present economic danger, and despite the political allure of parceling out benefits before an election, we may not get any agreement.

Such a failure would be catastrophic, especially for Americans who can least afford another catastrophe. The increased unemployment benefits in the Cares Act ran out at the end of July, leaving millions of people struggling to make ends meet. Jobless people who are ineligible for unemployment insurance are in even worse shape. The truly poor, including millions of undocumented workers whose jobs disappeared, are barely hanging on.

State and local government budgets have been devastated by the double whammy of rising spending on the virus and collapsing tax revenue. The conservative American Enterprise Institute recently estimated a revenue shortfall in the \$240 billion range for this fiscal year alone.

But states must balance their budgets. Without federal assistance, they will have to lay off workers; many have started down that road. Public schools that would like to open, whether in person or online, also need help. Yet the Republican "skinny" package includes no money for the social safety net, no aid to state and local governments, and no stimulus checks. There is money for schools, but it is directed mainly to districts that reopen for in-person instruction.

Do Senate Republicans care about any of this? Will they let their longstanding antigovernment ideology blind them to the nation's plight—even when the politics point in the opposite direction? We'll find out.

Mr. Blinder is a professor of economics and public affairs at Princeton University and a former vice chairman of the Federal Reserve.

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Notable & Quotable: Unrest

Shadi Hamid writing for the Atlantic, Sept. 13:

As someone who has argued against catastrophism—I don't believe Donald Trump is a fascist or a dictator in the making, and I don't believe America is a failed state—I find myself truly worried about only one scenario: that Trump will win re-election and Democrats and others on the left will be unwilling, even unable, to accept the result.

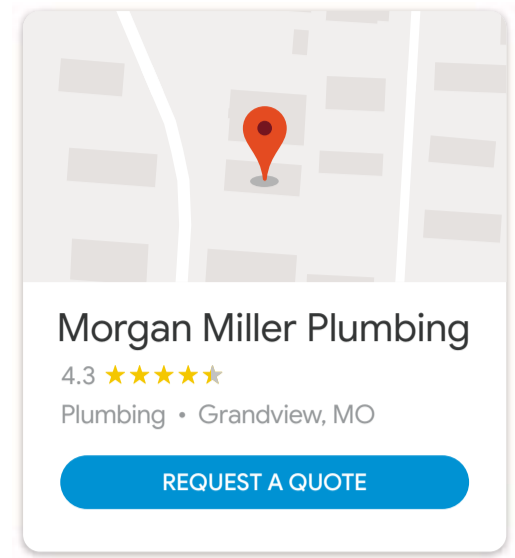
A loss by Joe Biden under these circumstances is the worst case not because Trump will destroy America (he can't), but because it is the outcome most likely to undermine faith in democracy, resulting in more of the social unrest and street battles that cities . . . have seen in recent

months. For this reason, strictly law-and-order Republicans who have responded in dismay to scenes of rioting and looting have an interest in Biden winning. . . .

In presidential elections, once is a fluke; twice is a pattern. I struggle to imagine how, beyond utter shock, millions of Democrats will process a Trump victory. A loss for Biden, after having been the clear favorite all summer, would provoke mass disillusion with electoral politics as a means of change—at a time when disillusion is already dangerously high. If Democrats can't beat a candidate as unpopular as Trump during a devastating pandemic and a massive economic contraction, then are they even capable of winning presidential elections anymore?



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The employees of Morgan Miller Plumbing pride themselves on being a small, tight-knit family, and they treat their customers the same way.

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BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

Tuesday, September 15, 2020 | B1

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Verizon Launches \$7 Billion Prepaid Push

Acquisition of TracFone to vault company ahead of rivals T-Mobile, AT&T

By DREW FITZGERALD

Verizon Communications Inc. said it has agreed to buy TracFone, a provider of wireless prepaid services, in a deal worth nearly \$7 billion in cash and stock, further consolidating the U.S. cellular market.

TracFone, a unit of Mexico's América Móvil SAB, has about 21 million prepaid customers under its name as well as budget brands StraightTalk, Net10, SafeLink and Simple Mobile. The company doesn't run its own physical network in the U.S. and instead rides on other cellphone carriers' systems for a fee and then resells the service under its own brands.

The move plunges Verizon deep into the prepaid market, a sector it has largely avoided

by catering to more lucrative customers who pay for wireless service after it is rendered. Customers on prepaid plans tend to switch providers more often, which operators consider a risk.

Verizon is the biggest U.S. cellphone carrier, with about 120 million connections, including tablets and other devices, but it has been competing in a mature market that is dominated by three providers. T-Mobile US Inc. became the No. 2 provider by subscribers

after swallowing Sprint this year.

Verizon served about four million prepaid wireless customers at the end of June. Adding TracFone would vault it to the top spot in the prepaid market.

T-Mobile, owner of the Metro service, has more than 20 million prepaid customers. AT&T Inc. serves about 18 million U.S. prepaid customers mostly through its Cricket brand.

Verizon consumer chief Ro-

nan Dunne said TracFone will remain a distinct business that will benefit from access to a wider range of cellphones, smart devices and connected home products through the carrier's ownership.

"It's a business we know well but it's not one where we've been driving our own destiny," Mr. Dunne said in an interview. "They're a winner in this segment already. We see this as a growth platform."

TracFone, backed by Mexi-

can billionaire Carlos Slim, grew into the biggest U.S. cellphone reseller by catering to frugal customers through Walmart Inc. stores and other independent dealers. Its StraightTalk service offers data plans for as little as \$34 a month. TracFone offers service for as little as \$15 a month with limits on internet data as well as the number of texts and phone calls.

About 13 million of TracFone's subscribers already use *Please turn to page B2*

Bond Yields Encourage Risk Taking

By SAM GOLDFARB AND PAT MINCZESKI

No single factor can completely explain this summer's surprising market moves. But one can help: so-called real yields.

Real yields are what you get on U.S. government bonds after compensating for inflation, and are typically associated with the yields on Treasury inflation-protected securities, or TIPS. Right now those aren't just low, they are negative.

At the current rate, if you buy ordinary 10-year Treasury notes, you can expect to lose, on an annualized basis, roughly a dollar after inflation for every \$100 you own. It also means you might not want to own Treasuries at all. Stocks, gold, corporate bonds—any alternative that offers the potential for a positive return might seem more attractive than a likely loss.

Real yields are likely to feature heavily in the calculations of investors in coming months, as they attempt to gauge what is ahead after stocks' long poststimulus run.

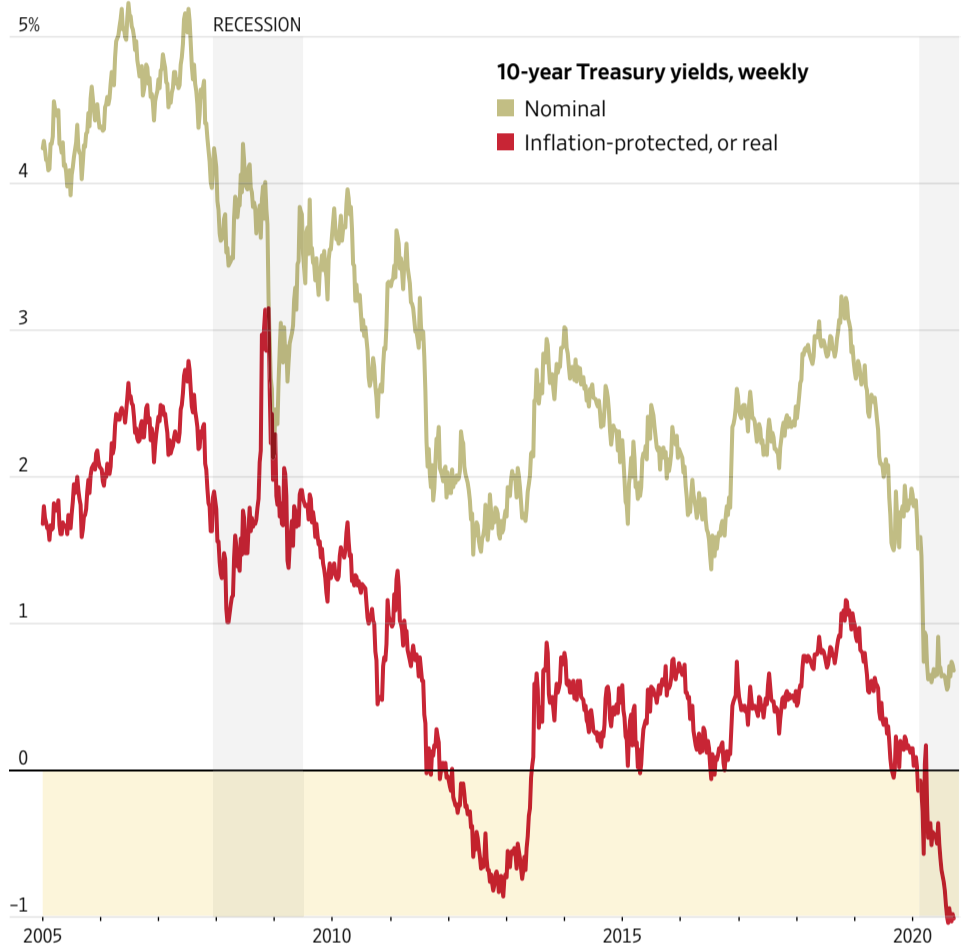
To many, negative real yields are a key factor encouraging investors to keep taking risks, even after a recent tech-led selloff exposed concerns about stretched stock-market valuations.

Here is the story of how real yields fell so far, and why they matter:

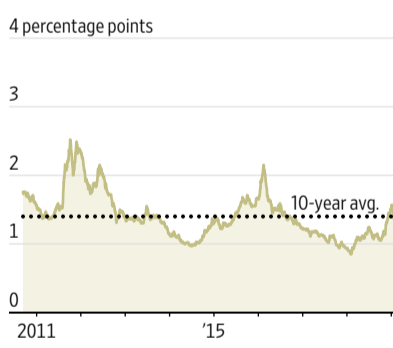
Many see negative real yields as the intentional result of decisions by the Federal Reserve.

It cut interest rates to zero when the coronavirus pandemic hit. But the central bank has also been buying Treasuries and has signaled that it wants inflation to rise modestly above its 2% target.

The Fed's stance has helped cap Treasury yields, since long-term yields tend to rise and fall in line with what investors think is going to happen to short-term interest rates. But it has also pushed down real yields by giving investors more confidence that the central bank will allow inflation to run hotter than usual once the

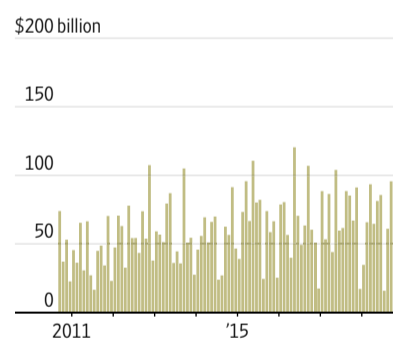


U.S. investment-grade corporate-bond yield spread over Treasuries



Sources: Federal Reserve Bank of St. Louis (yields); Bloomberg Barclays (spread); Dealogic (issuance)

U.S. investment-grade corporate-bond issuance, monthly



pandemic has subsided.

For the Fed, low real yields aren't an end in themselves. Their power is what they can do for other assets and the economy.

Right now, the extra yield, or spread, investors demand to hold investment-grade corporate bonds over Treasuries is below its 10-year average,

despite the pandemic.

That has enabled companies to issue an unprecedented amount of bonds over a short period, making it easier for them to keep paying workers and making investments.

Stocks, too, are boosted by negative real yields.

One reason is that, in formulas used to estimate what

stock prices should be, lower yields help pull down the so-called discount rate. That makes future corporate earnings more valuable, though greater uncertainty about the future can offset the positive impact.

All else being equal, the decline in the nominal 10-year *Please turn to page B9*

Fresh From Deals, SoftBank Has Pile Of Cash to Spend

By PHRED DVORAK AND CARA LOMBARDO

Over the past six months, technology investor **SoftBank Group Corp.** has signed more than \$90 billion in deals to sell some of its most valuable holdings—most recently, U.K. chip designer Arm Holdings.

Now the big question is: What will the Japanese conglomerate do with all that money?

SoftBank has committed to spend about half the sum to buy back its own shares and pay down debt, and it has said it needs lots of extra cash to bolster its balance sheet in uncertain times.

But given the propensity of SoftBank and its ebullient founder Masayoshi Son for making bold bets, analysts and investors suspect some type of deal could be in the offing. Among the rumblings: more in-

vestments in tech startups, or a bid by management to take SoftBank private in what would be by far the biggest buyout in history.

"Money burns a hole in their pocket," said David Gibson, an analyst at Astris Advisory Japan. Mr. Son is "not going to sit there with cash. He's an acquisitive guy."

Once the coronavirus pandemic has subsided, SoftBank might think of using its surplus money for further investments as well as more share buybacks, but until then the company is keeping ample cash on hand in case subsequent waves of infections occur, a person familiar with the company's strategy said.

SoftBank leaders regularly weigh taking the company private and did so again recently, but there aren't any plans for a leveraged buyout right now, company executives told analysts. *Please turn to page B4*

In Turkey, Weak Lira Powers New Gold Rush

By DAVID GAUTHIER-VILLARS AND CAITLIN OSTROFF

ISTANBUL—Turks are piling into gold, long their favorite investment, as the country's financial system unravels.

When the Grand Bazaar in Istanbul, one of the world's oldest marketplaces and a major gold-trading hub, reopened its doors in early June following coronavirus-related shutdowns, long queues formed in front of gold outlets and jewelers as telephone orders poured in from all over the country, according to traders and salesmen.

"I've been at the Bazaar for 20 years and I had never experienced that," said Ozgur Anik, general manager of Ozak Precious Metals AS. "When gold

prices are at record high, people normally sell their gold. This time, they kept buying more."

The average daily volume of gold sold at the Bazaar shot up to 4,500 pounds from about 450 pounds, Mr. Anik and other traders said. Domestic gold production didn't suffice. From January to August, Turkey imported \$15 billion of gold, up 153% from a year earlier, according to the Turkish Trade Ministry.

The thirst for gold has been a hallmark of the pandemic, driving gold prices to historic highs as entire swaths of the global economy ground to a halt, and many investors searched for havens. In Turkey, the buying spree was also *Please turn to page B9*

INSIDE



BUSINESS

Hershey promotes a safe Halloween as the pandemic challenges candy sales. **B3**



MARKETS

Tech deal activity helps major indexes advance after last week's losses. **B9**

Delta Parlays Frequent-Flier Program to Raise Money

By ALISON SIDER

Delta Air Lines Inc. is the latest carrier to use its frequent-flier program to secure cash to weather the coronavirus pandemic, announcing plans to raise \$6.5 billion backed by its SkyMiles program.

Delta said on Monday that it will issue a private-notes offering and enter a term loan facility backed by the program, its biggest fundraising yet as it looks to build its war chest. While Delta has raised \$16.5 billion since the start of the pandemic, the carrier is still bleeding about \$27 million in cash a day, Chief Financial Officer Paul Jacobson said last week.

U.S. carriers received \$25 billion in government funds under the Cares Act, a broad stimulus package passed in March, to help them keep their workers employed through the summer. But that money is due to run out at the end of this month, and negoti-



The carrier, which is bleeding about \$27 million a day, aims to raise \$6.5 billion backed by its loyalty program.

ations for a new pandemic relief package that could include more assistance for airlines have stalled. Airlines have outlined plans to furlough tens of thousands of employees at the start of Oc-

tober, including over 1,900 Delta pilots.

With travel demand hovering at around 30% of last year's levels and showing few signs of rebounding, airlines' survival depends on their abil-

ity to raise as much cash as possible. After mortgaging planes, slots at congested airports and lucrative routes, airlines have been turning to frequent-flier programs to secure loans.

DAVID ZALUBOVSKI/ASSOCIATED PRESS

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Merck Makes \$1 Billion Deal

By Dave Sebastian

Merck & Co. said it is investing \$1 billion in Seattle Genetics Inc., as the companies collaborate on developing and selling Seattle Genetics' breast-cancer treatments.

Merck said it is buying five million shares, or 2.9% of shares outstanding, at about \$200 a share. Seattle Genetics shares soared nearly 15% to \$171.79 in trading Monday.

Seattle Genetics is also taking a \$600 million upfront payment from Merck and is eligible for milestone-related payments of up to \$2.6 billion,

the companies said Monday. The companies said they would work on Seattle Genetics' ladiratuzumab vedotin, a drug currently in Phase 2 clinical trials for breast cancer and other tumors. They said they would collaborate on evaluating the drug as a monotherapy in combination with Merck's Keytruda. Seattle Genetics has also granted Merck an exclusive license to sell the Tukysa drug for treatment of breast cancers that test positive for a certain protein, the companies said, in regions outside the U.S., Canada and Europe.

Delta Taps Its Loyalty Program

Continued from page B1
burning through hundreds of millions of dollars in cash each month and closing in on a restructuring plan as passenger demand remains a fraction of its pre-pandemic level.

The airline said passenger volumes scarcely improved in August and that it will continue to burn through as much as 2 billion Hong Kong dollars, equivalent to \$258.1 million, a month, until the market recovers.

Airlines introduced frequent-flyer programs in the 1980s as a way to encourage repeat business among their

best customers with the lure of free trips. They exploded in popularity, and in recent years have become major sources of airline earnings.

Carriers mainly earn money from frequent-flyer programs by selling miles to banks and retailers that then award them to customers who sign up for credit cards and make purchases. That means airlines stand to benefit from every swipe of a co-branded card, whether customers are buying plane tickets or clothing. Airlines have said those revenues have proved stable even at times when flying has dropped off.

Delta said holders of its co-branded American Express Co. cards kept spending this year, even as they have largely eschewed travel. Delta's passenger revenue fell 60% in the first half of the year, but the airline said Monday that it still received \$1.9 billion in cash from sales to American

Express—less than a 5% drop from the first half of 2019.

Delta's shares rose 3.5% to \$32.82.

Airline loyalty programs can also be alluring to banks because of their typically high-value membership. When it renewed its co-brand partnership with American Ex-

In past downturns, airlines have sold chunks of miles to their credit partners.

press last year, Delta said it expected its benefit from the relationship to double to nearly \$7 billion annually by 2023, up from \$4 billion in 2019. Delta accounts for about 20% of AmEx balances worldwide, making it AmEx's largest co-brand account.

Airlines have said for years that their frequent-flyer programs had untapped potential but that they hadn't hit on the best way to monetize them. Mr. Jacobson said in July that United's financing could pave the way for similar deals by other airlines.

In past downturns, airlines have sold big chunks of miles to their credit partners, but the approach has drawbacks. Airlines that do it sacrifice future cash flows, and the amount an airline can raise from a single bank through such a sale is limited, executives have said.

Some airlines around the world have sold stakes in their frequent-flyer programs, or spun them off altogether, but U.S. carriers have been hesitant to go that route, arguing that giving up control of the programs can result in them becoming less beneficial.

—P.R. Venkat contributed to this article.

BUSINESS & FINANCE

Cohen to Buy Mets for \$2.5 Billion

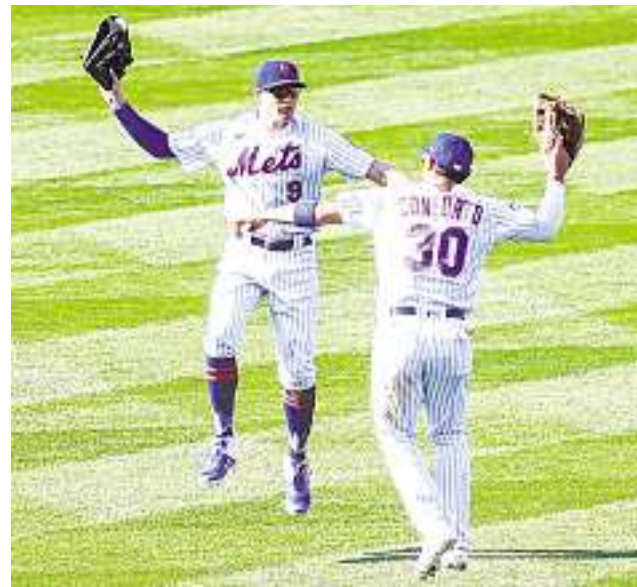
By Jared Diamond and Miriam Gottfried

Billionaire hedge-fund manager Steven A. Cohen has reached an agreement to purchase the New York Mets from the controlling Wilpon and Katz families, the team said, in a deal that would set a new benchmark for North American sports franchise valuations.

The deal, which will become official after a vote of Major League Baseball's owners this autumn, values the team at between \$2.4 billion and \$2.5 billion, according to a person familiar with the matter.

That would be the most ever for a North American professional sports franchise, topping the \$2.2 billion the National Football League's Carolina Panthers sold for in 2018 and the \$2.35 billion valuation the National Basketball Association's Brooklyn Nets achieved last year when Alibaba Group Holding Ltd. co-founder Joseph Tsai bought the portion of the team he didn't already own.

The most expensive baseball transaction had been the \$2.15



Steven A. Cohen is expected to spend aggressively on talent.

billion that Guggenheim Partners LLC Chief Executive Mark Walter and a group of co-investors, including basketball legend Earvin "Magic" Johnson, paid for the Los Angeles Dodgers in 2012. The transaction was partly financed by a group of insurance companies associated with Guggenheim.

Should the sale for the Mets be approved, Mr. Cohen will own 95% of the team, while the Wilpon and Katz families will retain a 5% stake, the person said.

Mr. Cohen's impending purchase ends an extended courtship that included the collapse of a previous agreement last

winter and a push by a competing, star-studded group led by Alex Rodriguez and Jennifer Lopez.

In December, Mr. Cohen reached a tentative agreement to acquire the Mets in a deal that would have had current Chairman Fred Wilpon remain in that position for the next five years. Jeff Wilpon, Mr. Wilpon's son, would have continued as the team's chief operating officer for the same period. The proposed deal unraveled in February over these control issues.

Mr. Cohen, who has net worth of \$14 billion, comes with baggage. His former firm, SAC Capital Advisors LP, pleaded guilty to insider trading in 2013 and agreed to pay a record fine of \$1.8 billion. He later reached a civil settlement with the Securities and Exchange Commission that restricted him from serving as the supervisor of a registered fund until 2018.

He didn't admit or deny wrongdoing as part of the civil settlement. Mr. Cohen's firm is now known as Point72 Asset Management LP.

Facebook Purchases REI's Unused Hub

By Peter Grant

Facebook Inc. is buying Recreational Equipment Inc.'s custom-made new headquarters near Seattle, the latest sign that big technology companies are driving commercial real-estate markets during the pandemic.

The outdoor clothing and gear retailer, known as REI, had been planning to occupy the 400,000-square-foot campus in Bellevue, Wash., this summer. REI designed the elaborate complex to reflect its outdoorsy image, and the company once hoped it would serve as a way to recruit new employees. The property features outdoor staircases and bridges, a courtyard of native plants, and skylights to let in sunshine and air. But REI never occupied it

because of the pandemic, opting instead to cash out while employees work remotely from home or a number of smaller offices in the region.

Both companies announced the deal Monday. Facebook is paying \$367.6 million. REI also sold undeveloped land on the property to Wright Runstad & Co. and Shorenstein Properties for a total sale price of \$390 million.

Technology companies like Facebook, Google and Amazon.com Inc. have been among the most reticent businesses to reopen their offices due to fear of Covid-19 contagion, and some have publicly embraced work from home. Facebook Chief Executive Mark Zuckerberg previously told The Wall Street Journal that he expects as much as half of his firm's

employees to work from home within a decade. But, at the same time, the appetite of Facebook and other big tech companies for real estate shows little sign of abating from what it was before the pandemic.

The Seattle area has become Facebook's largest engineering hub outside of its Menlo Park, Calif., headquarters. With the REI deal, Facebook now has more than 3 million square feet of space in the region, according to Vijaye Raji, head of Facebook's Seattle office.

The REI property is located next to three other Facebook buildings all under development in Bellevue's Spring District. Mr. Raji said Facebook particularly likes that area because of its large pool of engineering talent and "future as a

transit hub." In New York, Facebook recently agreed to lease the entire 730,000 square feet of office space in the historic James A. Farley Building, formerly the city's main post office. And this summer, Amazon said it expects to create 2,000 jobs in Manhattan and open a 630,000-square-foot office in the Lord & Taylor building, which it purchased in the spring.

REI's business has been hurt as the company closed its stores during the height of the pandemic. By selling the headquarters, the company has more cash for other parts of the business.

The company said that the sale price was above what it invested in the property and that the proceeds will help it meet its carbon reduction goals.

Verizon Expands In Prepaid

Continued from page B1
Verizon's network through an existing wholesale agreement. Like Consumer Cellular and Republic Wireless, these brands have wholesale deals to rent space on existing cellular networks and then resell services under their own brands.

The coronavirus pandemic helped boost TracFone's subscriber numbers this summer, though the company's growth has flagged in recent years under pressure from AT&T and T-Mobile prepaid plans.

New wireless plans from cable operators Comcast Corp. and Charter Communications Inc., which also resell network bandwidth provided by Verizon, have added more competition for TracFone.

After moving in lockstep for years, Verizon and AT&T have pursued different strategies.

With TracFone, Verizon is investing in its core business of cellular connections. AT&T



Adding TracFone would vault Verizon to the top spot in the prepaid market ahead of T-Mobile.

branched out into the television and media business by acquiring DirecTV in 2015 and Time Warner in 2018. AT&T is exploring a sale of the satellite-TV business it acquired from DirecTV.

Verizon said the TracFone deal will include about \$3.125 billion of cash and \$3.125 billion in Verizon shares.

TracFone could get an additional \$650 million cash payment tied to performance measures and other commer-

cial arrangements, bringing its total potential price to \$6.9 billion.


Mr. Dunne said some of the added payments are tied to the prepaid service's ability to hit revenue targets and to successfully move more accounts to Verizon's network. TracFone relies on T-Mobile and AT&T network infrastructure for some of its connections.

American depository shares of América Móvil gained 7.9% in New York trading Monday.

Verizon shares rose 0.9%, lagging behind the broader market.

Analysts said Verizon could boost TracFone's profitability by shifting more of its customers running on AT&T and T-Mobile networks to Verizon's system. New Street Research LLC estimated Verizon could save about \$800 million a year this way.

The deal is subject to approval from antitrust and telecom regulators.



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BUSINESS NEWS

Hershey Feels Halloween Pressure

By ANNIE GASPARRO

Hershey Co. is trying to save Halloween from the coronavirus pandemic.

The candy maker said Monday that it has worked with public-health experts and retailers to create a website to offer advice on how to trick-or-treat safely in different parts of the U.S., depending on the intensity of local Covid-19 transmission.

Hershey is also changing the variety of candies it makes for Halloween this year and introduced them a few weeks earlier than normal, aiming to prop up business during the season that typically drives one-tenth of its \$8 billion in annual sales.

The pressure on Hershey to protect Halloween sales is indicative of a new stage of disruption for some businesses as the pandemic advances into the fall. Airlines, hotel operators and retailers are also bracing for the pandemic to alter normal travel and shopping patterns around the end-of-year holidays.

"We're taking a proactive approach," Phil Stanley, Hershey's global chief sales officer, said in an interview. "We're really focused on helping consumers find creative ways to celebrate with treats, even though trick-or-treating is going to look different this year."

Since the pandemic hit the U.S. in March, Hershey's sales have been tempered by social distancing restrictions that lead to fewer parties, vacations and shopping trips—especially to convenience stores, where a lot of candy is purchased.

Because Hershey's products are mainly indulgences rather than staples, it didn't experience the surge in sales that accrued to competitors that make cereal and canned soup. That pressure makes this year's Halloween and winter holidays all the more critical for Hershey. U.S. candy sales during last year's Halloween season totaled \$4.6 billion, making it the biggest holiday for candy, according to the National Confectioners Association.



The candy maker, with public-health experts, is promoting safe trick-or-treating amid the pandemic. A 2019 holiday event in Yonkers, N.Y.

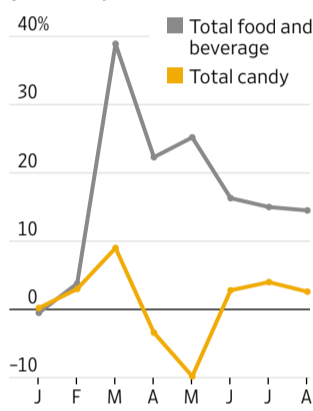
Other candy makers, such as Mars Inc., Mondelez International Inc., and Ferrero USA, are gearing up for more online candy sales this year and investing more in digital marketing. "We are adapting," said Ferrero USA's Chief Executive Paul Chibe.

Mondelez said it expects sales of its candy, such as Sour Patch Kids, to be higher this year than last year. Iryna Shandariyvska, who heads up Mondelez's U.S. candy business, said people will likely be looking for family-size packs of candy for sharing, rather than individually-wrapped smaller packages for trick-or-treating. "We expect to see families looking to organize Halloween celebrations for their kids this year, but also keeping safety top of mind," she said.

Health officials in Los Angeles County last week banned Halloween carnivals and haunted houses and advised against trick-or-treating because of concerns over the

Candy sales have struggled while other food categories have benefited during the pandemic

Change in sales from previous year



Source: IRI

spread of the coronavirus. In New York, organizers last week canceled a Greenwich Village Halloween parade that typically draws more than 50,000 marchers and a larger crowd.

Chicago Mayor Lori Lightfoot said last week that she hasn't yet decided whether to ban certain Halloween events, but that she doesn't expect to see large groups of trick-or-treaters this year. "It's not safe for the children; it's not safe for the adults," she said.

Hershey said the website that it helped develop uses a color-coded map, created by the Harvard Global Health Institute, that details Covid-19 risk level by county to help people assess how they can safely celebrate Halloween. The suggestions range from trick-or-treating with masks in areas that are low-risk to Halloween candy hunts at home in areas that are high-risk. The tips are in line with the Centers for Disease Control and Prevention's social-distancing guidelines, Hershey said.

Hershey said trick-or-treating makes up about half of its Halloween candy sales. The company said it is shifting marketing this year to focus on the

other half—candy dishes at home.

Retailers placed orders for Halloween in the spring, and they were strong, Hershey said. But retailers can reduce their orders before the candy ships if they sense a slower sales trend.

Getting top sellers like Hershey's Reese's pumpkin-shaped chocolates on shelves two or three weeks early means consumers are likely to shop for Halloween candy on more than one occasion during the season, Hershey said.

Hershey also has been preparing for changed Halloween behavior in part by making less holiday-themed candy, to avoid having loads of leftovers that it would have to sell at a discount. It is also cutting back on large assorted bags of candy mostly used for trick-or-treaters in favor of smaller ones. The candy maker is looking for guidance from its experience during the Easter holiday last spring, Mr. Stanley said.



Kathryn Farmer of BNSF Railway

Berkshire Unit Makes Landmark CEO Pick

By GEOFFREY ROGOW

BNSF Railway, one of the largest operating units of Berkshire Hathaway Inc., named Kathryn Farmer as chief executive on Monday.

With the appointment, Mrs. Farmer will become the first female CEO of a major railway operator in North America. She is also now one of the highest-ranking women at Berkshire, Warren Buffett's Omaha conglomerate that owns a large insurance operation, utilities, manufacturers, retailers and auto dealerships. Berkshire's Ben Bridge Jeweler, Fruit of the Loom and General Re also have women as chief executives.

Mrs. Farmer, 50 years old, will succeed Carl Ice as chief executive. Mr. Ice had been at the firm for 42 years. Mrs. Farmer has been with BNSF for 28 years, most recently serving as executive vice president of operations. The handover is effective at the end of the year.

In an interview, Mrs. Farmer said she would continue Mr. Ice's management strategy by focusing on efficiency and cost controls. "That has always been our business model and will continue to be our business model," she said.

The appointment of Mrs. Farmer is the latest in a series of recent high-level transitions at Berkshire. Among them, last year, Berkshire named Todd Combs as CEO of car insurer Geico. The larger issue of Berkshire succession remains one of the most talked about in the financial world. Mr. Buffett, 90 years old, who has led Berkshire for more than 50 years, has yet to name a successor.

Ex-Nissan Executive Pleads Not Guilty

By PETER LANDERS

TOKYO—Greg Kelly, the former Nissan Motor Co. executive charged with helping hide Carlos Ghosn's compensation as Nissan chief, pleaded not guilty Tuesday at the opening of his trial in Tokyo.

"I deny the allegations. I was not involved in a criminal conspiracy," Mr. Kelly said after prosecutors said part of Mr. Ghosn's income was concealed from 2011 to 2018 in company documents.

The trial is getting under way nearly two years after Messrs. Ghosn and Kelly were arrested over allegations that they caused Nissan to underreport Mr. Ghosn's compensation by ¥9.2 billion, equivalent to \$87 million, over eight years.

A Nissan representative appearing at the trial in central Tokyo said the company wouldn't contest charges it faces of violating financial-disclosure laws.

Despite Mr. Ghosn's absence, the trial will be the main legal forum addressing evidence about the guilt or innocence of the longtime Nissan leader, who was hailed as a hero in Japan for turning around the car maker only to wind up in a Tokyo jail over allegations he betrayed the company.

The trial is set to last 10 months, with a verdict not likely before the fall of 2021.

Mr. Kelly, who turns 64 on Tuesday, is an American lawyer who long served by Mr. Ghosn's side at Nissan. At the time of his arrest in 2018, in Tokyo, he was semiretired.



Deal with PSA Group is expected to be completed by end of March.

Fiat Cuts Dividend Ahead of Merger

By ERIC SYLVERS AND BEN DUMMETT

Fiat Chrysler Automobiles NV and PSA Group changed the terms of their merger to preserve cash as the two car makers shore up their financial positions following the negative effects of the coronavirus pandemic.

Fiat Chrysler will now pay a cash dividend of €2.9 billion (\$3.44 billion) to its shareholders ahead of the closing of the merger, down from the previously agreed €5.5 billion, the companies said in a joint statement Monday.

PSA, which owns the Peugeot and Citroën brands, agreed to scrap an agreement to spin off its 46% stake in Faurecia SE ahead of the closing. Instead, the stake in the publicly traded auto-parts maker, which is worth about €2.7 billion, will be spun off following the closing.

Announced in October, the all-share transaction valued the combined company at close to \$50 billion. Both sides agreed to a share swap to live up to the deal's merger-of-equals billing. To help balance the values of the two companies, they agreed on the cash dividend for Fiat Chrysler's shareholders, and PSA's shareholders were to be given the Faurecia stake.

However, the FCA's cash dividend grew increasingly controversial among some PSA

investors because of the pandemic fallout and the need to preserve cash. Reducing the payout alleviates those worries. At the same time, by getting half of PSA's stake in Faurecia after the deal closes, FCA shareholders will receive a total payout approaching the same level as previously agreed, but part of that will be in Faurecia stock instead of all cash.

The two companies said they are still on track to complete the deal by the end of March.

The cut to the cash portion of the dividend comes after Fiat Chrysler, like most of its peers, reported a second-quarter loss as coronavirus lockdowns halted production and led to a drop in sales. While Fiat Chrysler has abundant liquidity, in the second quarter it burned much more cash than it had coming in.

Fiat Chrysler Chief Executive Mike Manley has said he is expecting a strong second-half performance from the company and that improvement was already apparent at the end of the first half.

The two companies said their boards will consider paying their respective shareholders a €500 million dividend before closing or a €1 billion dividend to all shareholders following the conclusion of the merger.

—Nora Naughton contributed to this article.

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TECHNOLOGY

Apple Event Won't Have Crowds, but Likely a New Watch

By TIM HIGGINS

Apple Inc. is preparing for an unusual Covid-19 era September event on Tuesday, one that isn't expected to feature an iPhone or a packed crowd.

Chief Executive Tim Cook will continue with the cadence of a keynote event, but via web stream, and instead of featuring a new flagship iPhone, the company is expected to reveal its latest watch and an updated iPad.

Apple has used its big September event to showcase new iPhones every year since 2012. But this year, the company is holding its biggest publicity blast for next month when it unveils a highly anticipated smartphone with 5G connectivity that is expected to usher in big sales and fat profits, investors and analysts say. The next-generation iPhone is among the most anticipated since 2014, when Apple introduced a larger-screened option of the device, which makes up about 50% of its annual sales.

The unusual turn of events reflects the uncertainty Apple is facing after coronavirus-related shutdowns in China affected its supply chain and pushed back production of the new phone. Mr. Cook this fall faces the challenges of meeting sky-high investor expectations, navigating a pandemic

that triggered a global economic shock, and managing the scrutiny of the company's grip on the app market.

Apple has sharply defended how it manages its app store, which the company has said is fair for customers and developers and has helped create millions of new jobs and businesses. But Mr. Cook is facing concern from some investors who wonder if anything Apple has in store can live up to the meteoric rise in its shares.

This year, Apple has led a rally for technology companies as people shifted to working from home. The stock has more than tripled in value since a low in January 2019 linked to U.S.-China trade tensions and the reduction of its quarterly revenue forecast for the first time in 15 years.

Apple's smartwatch has gained popularity in recent years, and Tuesday's event is likely to show off new health features that could appeal to consumers when many gyms have shut down.

Still, Mr. Cook has acknowledged some difficulty with watch selling because of the pandemic. He said in July that the closure of its stores during the April-through-June quarter hindered sales of the watch. "Some people want to try on the watch and see what it looks like," he said.

Klarna Lures Silver Lake

By MIRIAM GOTTFRIED

A group led by private-equity firm Silver Lake is investing \$650 million in Klarna Holding AB, according to people familiar with the matter, betting on a company that benefited from the shift to e-commerce brought on by the coronavirus pandemic.

The investment values the Swedish payments company—which provides consumers with the ability to pay in installments across a variety of retailers—at \$10.65 billion, the people said.

Klarna, last valued at \$5.5 billion in August 2019, will become the most highly valued private financial-technology

company in Europe, according to data from business-analytics platform CB Insights. The company, which has a presence in markets throughout Europe, the U.K., the U.S., Canada and Australia, plans to use the money to continue its global expansion and to develop new products and services, the people said.

Silver Lake is putting in \$500 million of the total, some of the people said.

Among those investing alongside Silver Lake are Singapore sovereign-wealth fund GIC Pte. Ltd., as well as funds and accounts managed by BlackRock Inc. and HMI Capital, people familiar with the matter said.



San Francisco-based email-security startup Abnormal Security will move its software onto Microsoft's Azure cloud.

Microsoft, Amazon Battle For Cloud Business Heats Up

By AARON TILLEY

Microsoft Corp. and Amazon.com Inc. are embracing a new tactic to win the supercharged battle for cloud-computing business, luring fast-growing startups by promising to help sell their services.

Microsoft on Monday announced a partnership with Abnormal Security Corp., under which the San Francisco-based email-security startup will move its software onto the tech giant's Azure cloud. Microsoft, in return, promises to sell Abnormal's services to its large enterprise clients, which Microsoft says is its first such arrangement. The companies didn't disclose financial terms.

Amazon also has used the partnership model to bolster its cloud business. In January, it signed an agreement with Apptio Inc., a Bellevue, Wash.-based software company that helps users manage their cloud spending. Apptio agreed to expand its use of Amazon Web Services, the online retail giant's cloud, and Amazon now sells the startup's services to its cloud customers.

"All these cloud platforms would love startups to build

on top of them," said Matt McIlwain, managing director at Seattle-based venture-capital firm Madrona Venture Group. "What's new is this intentionality and saying, 'We're going to partner.'"

For the two cloud-computing giants those partnership deals could help sustain growth in a business segment that has become crucial to their financial fortunes—and increasingly competitive. The partners can tap the vast sales reach Microsoft and Amazon offer, providing access to a range of customers many startups and small enterprises could struggle to reach independently.

Amazon has a 45% market share in providing the so-called public cloud infrastructure, ahead of Microsoft with almost 18%, according to research firm Gartner Inc., which puts other rivals at below 10%. Amazon said the cloud generated about 12.5% of the company's total sales last year. Microsoft, which calculates cloud revenue differently, said those sales represented more than 30% of its total turnover.

In the two years since its founding, Abnormal used AWS, spending several million dol-

lars annually on the service. Moving to another provider can be cumbersome and costly. However, Abnormal's chief executive, Evan Reiser, said that selling its security service to the huge enterprise customers with ties to Microsoft was so attractive it outweighed the downside of making the switch in cloud providers.

Microsoft and Amazon both have seen accelerated adoption of their cloud services during the pandemic, as companies embrace tools for remote work. Usage has driven investor expectations sky high, leaving little room for missteps. Microsoft's stock has risen more than 30% this year. Amazon's stock is up more than 70%, driven by the strength of its cloud and online retail sales during the health crisis.

Amazon popularized the cloud model, but Microsoft has stepped up its challenge to win more of the lucrative and fast growing business. The two have been battling fiercely, including over multibillion-dollar government contracts. The Pentagon this month said it was moving ahead with a potentially \$10 billion cloud-computing contract with Microsoft

after losing bidder Amazon challenged the deal.

Amazon's early focus on the cloud gave it a jump on winning business from startups. Many of them were early adopters of Amazon's computing services that allowed them to avoid sinking money into buying their own servers and software. But Amazon also has spooked some tech companies that use its cloud, sometimes launching competing products. Three years ago, Amazon quietly launched AWS Connections, a program designed to link startups with some of its biggest customers. Since 2019, Amazon said it has arranged around 2,000 meetings between startups and potential customers.

One challenge for Microsoft has been wooing startups that could be leery of the tech giant whose business software can include competing products. Amazon, which doesn't have those successful software tools, makes it an easier partner, said Mr. McIlwain.

For Microsoft, the deal with Abnormal is a sign the partnership model works, said Jeff Ma, who was appointed by Microsoft in April to court startups. "We'll learn from this."

With Games On, Sports-Betting Competition Revs Up

By KATHERINE SAYRE

Sports betting in the U.S. is surging with the return of the National Football League and other major professional sports, and gambling operators are vying for fans' attention.

Sports betting has been on the rise as more states legalize the industry, and the recent return of the biggest sports leagues has helped satisfy demand that built up during Covid-19 shutdowns.

In New Jersey, the biggest market for sports betting outside Nevada, total sports-wagering revenue in August rose nearly 57% compared with last year, to \$39.5 million, according to numbers released Monday. From January through August, revenue totaled about \$178 million, up 16.5% versus 2019, despite the several-month sports hiatus earlier in the year. In April, when virtually all major sports were canceled and casinos

shut down, sports-betting revenue plummeted to \$2.6 million, an 88% drop from the previous year.

This autumn marks the third NFL season since a 2018 U.S. Supreme Court ruling paved the way for states outside Nevada to allow sports betting. Twenty-two states and the District of Columbia now have legalized sports wagering. Sports books got a boost this past weekend as leagues staging games or matches included the NFL, Major League Baseball, the National Basketball Association, the National Hockey League and the U.S. Tennis Association.

"In a word, it was monstrous," said Johnny Aitken, chief executive of mobile sports-betting app PointsBet USA, referring to last weekend's betting activity. "Since Covid and the pausing of headline U.S. sports, there was this momentous pent-up demand." About 13% of American

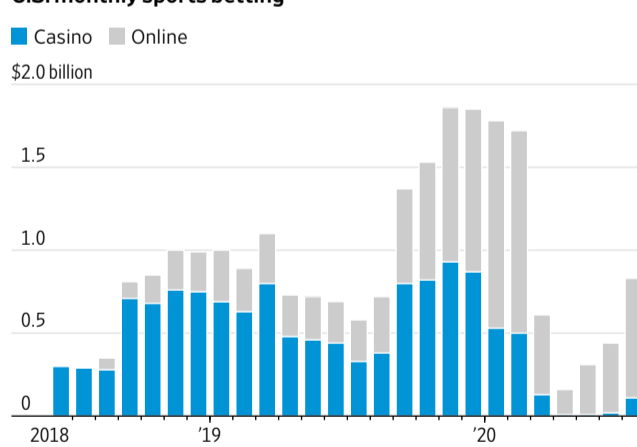
adults, or 33 million people, plan to gamble on the NFL this year, down from about 38 million people the previous year, according to surveys by the American Gaming Association, a gambling-industry trade group. About half of those bettors said they would wager casually among family, friends and coworkers. About one-third said they planned to bet online, either legally or illegally, and 20% said they would place bets at a retail sports book.

With U.S. sports closed down in the spring, dedicated bettors threw down money on the few options available, such as Russian table tennis and Belarusian soccer.

The sports-betting industry's performance for the remainder of the year depends on how well the biggest sports can stave off and manage Covid-19 infections among players and staff, which could derail seasons. Before the pandemic, the

The total amount wagered on sports in the U.S. is shifting toward online and mobile-app betting.

U.S. monthly sports betting



Source: Sharp Alpha Advisors

U.S. sports betting market was expected to bring in \$1.6 billion in gross revenue this year. That figure will likely shrink to \$650 million to \$950 million, depending on whether college football

and Major League Baseball proceeded, according to a report by Eilers & Krejčík Gaming.

Competition for bettors is fierce. Casino operators and big online brands such as FanDuel

Group, owned by Flutter Entertainment PLC, and DraftKings Inc. are spending huge sums to acquire customers and expand beyond hard-core bettors.

On Monday, Walt Disney Co.'s ESPN said it struck a deal with DraftKings and Caesars Entertainment Inc. to connect viewers to the gambling operators' sports books across the network's digital platforms. The sports book of Caesars is operated by William Hill U.S. ESPN declined to say how much the deal is worth.

Companies are offering free-to-play games and other promotions to reach new customers. DraftKings said this month that Michael Jordan, the NBA legend and avid gambler, joined the company as a special adviser to the board. Mr. Jordan is taking an equity interest in DraftKings in exchange for strategic advice, the company said.

—Benjamin Mullin contributed to this article.

SoftBank Has Cash To Spend

Continued from page B1

lysts and investors on Monday, people familiar with the matter said. SoftBank Group shares are listed on the Tokyo Stock Exchange and rose 9% in Monday trading after it announced the Arm sale to Nvidia Corp.

A deal would set records for size and amount of debt, making one unlikely at least until the company completes its asset sales and buys back more shares to make the size manageable. That could take well over a year, said a person familiar with the company, and would still depend on lenders

willing to finance a chief executive who embraces big risks.

The cash pile is a significant achievement for SoftBank, which half a year ago was struggling with a stock price in free fall and billions of dollars in write-downs on investments that turned sour, such as in U.S. office-share company WeWork. The company's \$100 billion venture-capital pool, called the Vision Fund, at one point earlier this year fell into the red.

Mr. Son vowed to turn things around by selling some of SoftBank's holdings in tech companies such as Alibaba Group Holding Ltd. and using the money to buy back SoftBank shares and pay down debt.

Initially, Arm, the chip-design company that SoftBank bought for \$32 billion in 2016, wasn't necessarily seen as a sale target. SoftBank had said it was thinking of relisting Arm by 2023.

Including the Arm deal, SoftBank has announced around \$93.6 billion in asset sales, although not all of the money is available now and not all the proceeds will be in cash.

SoftBank and the Vision Fund would get as much as \$15 billion in cash and a further \$21.5 billion in Nvidia stock assuming the Arm deal goes through, although it faces regulatory hurdles and isn't expected to close until 2022. SoftBank owns three-quarters of Arm, and the Vision Fund, in which SoftBank has a big stake along with the sovereign-wealth funds of Saudi Arabia and Abu Dhabi, owns a quarter.

In addition, SoftBank is offering a \$11.6 billion chunk of its Japanese mobile-phone unit to investors this week. SoftBank has said that the sale is to strengthen its cash reserves so it can respond to the pandemic.

Another pool of cash, \$42 billion from the sale of stakes in

companies such as Alibaba and T-Mobile US Inc., is already earmarked for share and debt buybacks. But SoftBank has pushed back its timetable for execution past its original deadline of March 2021, and is already using some of the money for trading in tech stocks. Some of those trades, involving the purchase of options that confer the right to buy stocks at a later date, have been so big that they contributed to a surge in U.S. markets.

SoftBank could use its billions to continue investing in tech startups, as it has done with the Vision Fund. The company at the end of last year launched a successor fund that has spent around \$2 billion so far on seven investments.

Some investors and analysts also say that a management buyout for the company is possible, although hefty given SoftBank's current market value of \$126 billion.

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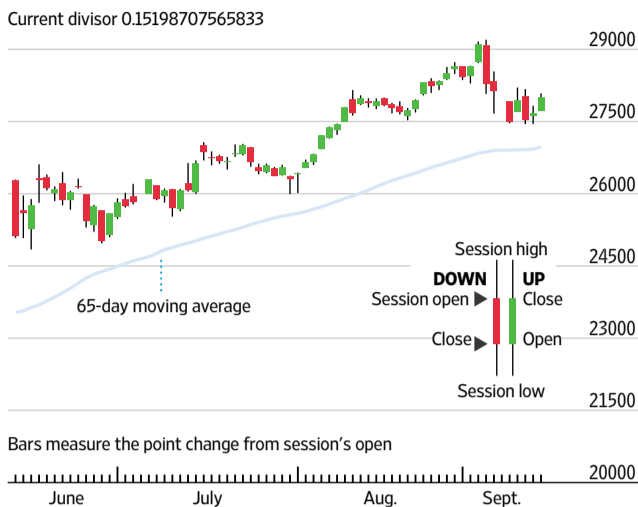
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Last Year ago
 Trailing P/E ratio ** 36.35 24.55
 P/E estimate ** 31.79 22.01
 Dividend yield ** 0.77 1.01
 All-time high: 12056.44, 09/02/20



Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD	3-yr. ann.
Dow Jones										
Major U.S. Stock-Market Indexes	28086.06	27718.74	27993.33	327.69	1.18	29551.42	18591.93	3.4	-1.9	8.0
Transportation Avg	11421.20	11300.24	11380.84	98.20	0.87	11451.51	6703.63	6.1	4.4	6.2
Utility Average	815.14	802.85	810.94	11.01	1.38	960.89	610.89	-4.2	-7.8	2.9
Total Stock Market	34596.45	34249.61	34472.92	523.68	1.54	36434.12	22462.76	12.0	4.4	10.1
Barron's 400	720.92	713.70	719.18	11.74	1.66	752.15	455.11	2.9	-1.8	3.3

	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD	3-yr. ann.
Nasdaq Stock Market										
Nasdaq Composite	11118.29	10982.26	11056.65	203.11	1.87	12056.44	6860.67	35.6	23.2	19.8
Nasdaq 100	11363.25	11192.82	11277.76	190.36	1.72	12420.54	6994.29	43.6	29.1	23.6

	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD	3-yr. ann.
S&P										
500 Index	3402.93	3363.56	3383.54	42.57	1.27	3580.84	2237.40	12.9	4.7	10.7
MidCap 400	1894.31	1867.84	1891.25	36.38	1.96	2106.12	1218.55	-3.8	-8.3	2.7
SmallCap 600	878.44	867.11	877.10	15.17	1.76	1041.03	595.67	-10.4	-14.1	0.8

	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD	3-yr. ann.
Other Indexes										
Russell 2000	1538.50	1499.38	1536.97	39.70	2.65	1705.22	991.16	-3.0	-7.9	2.6
NYSE Composite	12970.57	12858.18	12932.69	159.65	1.25	14183.20	8777.38	-1.3	-7.0	2.3
Value Line	471.16	462.02	470.28	8.26	1.79	562.05	305.71	-12.2	-14.8	-3.5
NYSE Arca Biotech	5374.51	5239.20	5355.85	204.19	3.96	6142.96	3855.67	19.3	5.7	8.7
NYSE Arca Pharma	667.35	659.78	663.11	4.26	0.65	675.64	494.36	14.9	1.4	6.5
KBW Bank	78.70	76.72	77.73	1.40	1.83	114.12	56.19	-23.6	-31.4	-5.9
PHLX ^S Gold/Silver	156.57	152.11	156.40	6.06	4.03	161.14	70.12	72.6	46.3	20.7
PHLX ^S Oil Service	33.25	32.37	33.10	0.34	1.02	80.99	21.47	-57.7	-57.7	-37.2
PHLX ^S Semiconductor	2194.54	2164.57	2181.75	45.38	2.12	2370.18	1286.84	36.8	18.0	24.6
Cboe Volatility	26.79	25.38	25.85	-1.02	-3.80	82.69	11.54	76.2	87.6	35.3

†Nasdaq PHLX Sources: FactSet; Dow Jones Market Data

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6:30 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 50,000 shares.

Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	After Hours % chg	High	Low
SPDR S&P 500	SPY	7,701.8	338.22	-0.24	-0.07	339.03	337.88
iShares iBoxx \$ HY Cp Bd	HYG	7,067.9	84.36	...	unch.	84.47	84.30
Nikola	NKLA	5,263.8	33.09	-2.70	-7.54	36.75	31.50
Marinus Pharmaceuticals	MRNS	5,089.0	3.47	1.36	64.45	4.20	2.11
Apple	AAPL	4,834.6	115.94	0.59	0.51	127.67	111.85
Noble Energy	NBL	3,927.9	9.15	0.02	0.22	9.15	9.13
AT&T	T	3,493.3	29.18	0.04	0.14	29.21	29.10
Uber Technologies	UBER	2,698.0	37.90	-0.05	-0.13	38.00	37.89

Percentage gainers...

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
Marinus Pharmaceuticals	MRNS	5,089.0	3.47	1.36	64.45	4.20	2.11
NextEra Energy	NEE	78.7	299.00	17.08	6.06	304.00	281.00
Camping World Cl A	CWH	429.0	37.80	1.70	4.71	38.10	36.10
New York Mortgage Tr	NYMT	121.7	2.70	0.11	4.25	2.70	2.57
Vertiv Holdings	VRT	344.3	18.19	0.65	3.71	18.48	17.30

...And losers

Company	Symbol	Volume (000)	Last	Net chg	% chg	High	Low
Nikola	NKLA	5,263.8	33.09	-2.70	-7.54	36.75	31.50
iShares Core MSCI EM	IEMG	1,416.7	50.45	-3.02	-5.65	53.74	50.45
Lennar Cl A	LEN	473.1	75.58	-3.42	-4.33	80.50	75.22
Nano-X Imaging	NNOX	145.5	47.37	-1.84	-3.74	49.48	45.50
Cree	CREE	145.7	60.39	-2.25	-3.59	62.64	60.38

Trading Diary

Volume, Advancers, Decliners

	NYSE	NYSE Amer.
Total volume*	859,948,714	14,603,164
Adv. volume*	720,579,817	12,017,549
Decl. volume*	128,969,189	2,421,749
Issues traded	3,099	269
Advancers	2,448	187
Declines	591	74
Unchanged	60	8
New highs	12	3
New lows	60	2
Closing Arms*	0.80	0.47
Block trades*	4,952	143

*Primary market NYSE/NYSE American/NYSE Arca only. †(TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

International Stock Indexes

Region/Country	Index	Close	Net chg	Latest % chg	YTD % chg
World	The Global Dow	3073.10	31.93	1.05	-5.5
	DJ Global Index	436.69	5.18	1.20	0.6
	DJ Global ex U.S.	252.57	2.14	0.85	-4.2
Americas	DJ Americas	786.99	11.35	1.46	3.4
Brazil	Sao Paulo Bovespa	100274.52	1911.30	1.94	-13.3
Canada	S&P/TSX Comp	16360.14	137.68	0.85	-4.1
Mexico	S&P/BMV IPC	36881.99	547.10	1.51	-15.3
Chile	Santiago IPSA	2556.38	-1.95	-0.08	-23.4
EMEA	Stoxx Europe 600	368.51	0.55	0.15	-11.4
Eurozone	Euro Stoxx	364.62	0.48	0.13	-9.7
Belgium	Bel-20	3353.62	2.37	0.07	-15.2
Denmark	OMX Copenhagen 20	1314.50	-0.66	-0.05	15.7
France	CAC 40	5051.88	17.74	0.35	-15.5
Germany	DAX	13193.66	-9.18	-0.07	-0.4
Israel	Tel Aviv	1334.43	21.15	1.61	-20.7
Italy	FTSE MIB	19793.80	-26.94	-0.14	-15.8
Netherlands	AEX	552.44	0.42	0.08	-8.6
Russia	RTS Index	1228.48	5.43	0.44	-20.7
South Africa	FTSE/JSE All-Share	56327.05	239.21	0.43	-1.3
Spain	IBEX 35	6951.09	7.89	0.11	-27.2
Sweden	OMX Stockholm	712.95	0.88	0.12	4.7
Switzerland	Swiss Market	10457.43	17.91	0.17	-1.5
Turkey	BIST 100	1107.29	4.59	0.42	-3.2
U.K.	FTSE 100	6026.25	-5.84	-0.10	-20.1
U.K.	FTSE 250	17677.26	121.40	0.69	-19.2
Asia-Pacific					
Australia	S&P/ASX 200	5899.50	40.08	0.68	-11.7
China	Shanghai Composite	3278.81	18.47	0.57	7.5
Hong Kong	Hang Seng	24640.28	136.97	0.56	-12.6
India	S&P BSE Sensex	38756.63	-97.92	-0.25	-6.1
Japan	Nikkei Stock Avg	23559.30	152.81	0.65	-0.4
Singapore	Straits Times	2482.55	-7.54	-0.30	-23.0
South Korea	Kospi	2427.91	31.22	1.30	10.5
Taiwan	TAIEX	12787.82	111.87	0.88	6.6
Thailand	SET	1272.34	-7.62	-0.60	-19.5

Sources: FactSet; Dow Jones Market Data

Percentage Gainers...

Company	Symbol	Latest Session Close	Net chg	% chg	52-Week High	52-Week Low	% chg
Cassava Sciences	SAVA	7.75	4.43	133.43	10.95	1.05	510.2
Immunomedics	IMMU	83.65	41.40	97.99	86.91	8.80	383.0
Vaxart	VXRT	7.78	2.48	46.79	17.49	0.25	1070.5
NextDecade	NEXT	2.97	0.94	46.31	6.78	1.12	-52.5
Scientific Games	SGMS	26.43	7.46	39.33	31.63	3.76	10.4
Mersana Therapeutics	MRSN	24.17	5.52	29.60	24.97	1.32	1172.1
Select Energy Svcs Cl A	WTRT	5.06	1.03	25.56	9.68	2.22	-46.1
EvoGen	EVGN	2.66	0.53	24.88	2.95	0.75	63.2
NantKwest	NK	8.09	1.49	22.58	15.70	1.04	522.3
Bicycle Therapeutics ADR	BCYC	19.08	3.43	21.92	20.10	7.50	87.8
Direxion S&P Biotech Bull	LABU	54.51	9.43	20.92	73.94	12.64	31.7
Lifeway Foods	LWAY	6.74	1.14	20.36	7.14	1.43	145.1
Genocea Biosciences	GNCA	2.59	0.42	19.35	5.75	1.10	-28.1
Adaptimmune Therap ADR	ADAP	9.42	1.48	18.64	13.40	0.71	423.3
Triumph Group	TGI	7.71	1.21	18.62	29.38	3.02	-69.8

Most Active Stocks

Company	Symbol	Volume (000)
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COMMODITIES

wsj.com/market-data/commodities

Futures Contracts

Metal & Petroleum Futures

Table with columns: Open, High, Low, Settle, Chg, Open interest. Rows include Copper-High (CMX), Gold (CMX), Palladium (NYM), Platinum (NYM), Silver (CMX), and Crude Oil, Light Sweet (NYM).

Cattle-Feeder (CME)

Table with columns: Open, High, Low, Settle, Chg, Open interest. Rows include Cattle-Live (CME), Hogs-Lean (CME), Lumber (CME), Milk (CME), Cocoa (ICE-US), and Coffee (ICE-US).

Swiss Franc (CME)

Table with columns: Open, High, Low, Settle, Chg, Open interest. Rows include Australian Dollar (CME), Mexican Peso (CME), Euro (CME), and Index Futures.

Mini S&P 500 (CME)

Table with columns: Open, High, Low, Settle, Chg, Open interest. Rows include Mini S&P Midcap 400 (CME), Mini Nasdaq 100 (CME), Mini Russell 2000 (CME), and U.S. Dollar Index (ICE-US).

Interest Rate Futures

Table with columns: Open, High, Low, Settle, Chg, Open interest. Rows include Ultra Treasury Bonds (CBT), Treasury Bonds (CBT), Treasury Notes (CBT), 5 Yr. Treasury Notes (CBT), and 2 Yr. Treasury Notes (CBT).

Currency Futures

Table with columns: Open, High, Low, Settle, Chg, Open interest. Rows include Japanese Yen (CME), Canadian Dollar (CME), and British Pound (CME).

Agriculture Futures

Table with columns: Open, High, Low, Settle, Chg, Open interest. Rows include Corn (CBT), Oats (CBT), Soybeans (CBT), Soybean Meal (CBT), and Soybean Oil (CBT).

30 Day Federal Funds (CBT)

Table with columns: Open, High, Low, Settle, Chg, Open interest. Rows include 10 Yr. Del. Int. Rate Swaps (CBT) and Eurodollar (CME).

Cash Prices

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

Table with columns: Monday, Friday. Rows include Energy, Metals, and Other metals.

Food

Table with columns: Monday, Friday. Rows include Beef, choice carcass equiv. index, Butter, AA Chicago, and Coffee, Brazilian, Comp.

Fats and Oils

Table with columns: Monday, Friday. Rows include Corn oil, crude wet/dry mill wtd. avg.-u.w. and Grease, choice white, Chicago-h.

Grains and Feeds

Table with columns: Monday, Friday. Rows include Barley, top-quality MnpIs-u, Bran, wheat middlings, KC-u, and Corn gluten meal, Midwest-u.w.

Japanese Yen (CME)

Table with columns: Open, High, Low, Settle, Chg, Open interest. Rows include Canadian Dollar (CME) and British Pound (CME).

Other metals

Table with columns: Monday, Friday. Rows include LBMA Platinum Price PM, Palladium, Engelhards industrial.

Borrowing Benchmarks

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Table with columns: Latest, Week ago, -52-Week-High, Low. Rows include U.S. consumer price index, International rates, Prime rates, Policy Rates, Federal funds, Commercial paper, Nonfinancial, Financial, Discount window primary credit, Treasury yields at constant maturities.

Treasury bill auction

Table with columns: 4 weeks, 13 weeks, 26 weeks. Rows include 0.090, 0.090, 1.950, 0.000.

Secondary market

Table with columns: 30 days, 60 days. Rows include 1.939, 1.895, 3.388, 1.751.

Other short-term rates

Table with columns: Latest, Week ago, -52-Week-High, Low. Rows include Call money, Commercial paper (AA financial), Libor, Euro Libor, Secured Overnight Financing Rate.

Key Interest Rates

Data are annualized on a 360-day basis. Treasury yields are per annum, on actively traded noninflation and inflation-indexed issues that are adjusted to constant maturities. Data are from weekly Federal Reserve release H.15.

Table with columns: Week Ended, -52-Week-High, Low. Rows include Federal funds (effective), Commercial paper, Nonfinancial, Financial, Discount window primary credit, Treasury yields at constant maturities.

DTCC GCF Repo Index

Table with columns: Treasury, MBS. Rows include 0.112, 30.780, 6.007, 0.002.

Notes on data

U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective March 16, 2020.

DTCC GCF Repo Index

Table with columns: Treasury, MBS. Rows include 0.112, 30.780, 6.007, 0.002.

Notes on data

Federal-funds rate is an average for the seven days ended Wednesday, weighted according to rates on broker trades; Commercial paper rates are discounted offer rates interpolated from sales by discounted averages of dealer bid rates on nationally traded certificates of deposit; Discount window primary credit rate is charged by discounts made and advanced extended under the Federal Reserve's primary credit discount window program; rate is average for seven days ended Wednesday; Inflation-indexed long-term TIPS average is indexed and is based on the unweighted average bid yields for all TIPS with remaining terms to maturity of 10 years or more;

Source: Federal Reserve; for additional information on these rate data and their derivation, please see, www.federalreserve.gov/releases/h15/data.htm

Bonds

Tracking Bond Benchmarks

Return on investment and spreads over Treasuries and/or yields paid to investors compared with 52-week highs and lows for different types of bonds

Table with columns: Total return, YTD total return, Index, Yield (%), Latest, Low, High. Rows include Broad Return Bloomberg Barclays, U.S. Corporate Indexes Bloomberg Barclays, High Yield Bonds ICE BofA, Global Government J.P. Morgan.

Mortgage-Backed Bloomberg Barclays

Table with columns: Total return, YTD total return, Index, Yield (%), Latest, Low, High. Rows include Mortgage-Backed, Ginnie Mae (GNMA), Fannie mae (FNMA), Freddie Mac (FHLMC), Muni Master, 7-12 year, 12-22 year, 22-plus year.

Global Government Bonds: Mapping Yields

Yields and spreads over or under U.S. Treasuries on benchmark two-year and 10-year government bonds in selected other countries; arrows indicate whether the yield rose (▲) or fell (▼) in the latest session

Table with columns: Country, Maturity, Yield (%), Spread Under/Over U.S. Treasuries, in basis points. Rows include U.S. 2, Australia 2, France 2, Germany 2, Italy 2, Japan 2, Spain 2, U.K. 2, Yankee.

Global Government J.P. Morgan

Table with columns: Yield (%), Spread Under/Over U.S. Treasuries, in basis points. Rows include Global Government, Canada, EMU\$, France, Germany, Japan, Netherlands, U.K., Emerging Markets.

Corporate Debt

Price moves by a company's debt in the credit markets sometimes mirror and sometimes anticipate, moves in that same company's share price.

Investment-grade spreads that tightened the most...

Table with columns: Issuer, Symbol, Coupon (%), Maturity, Current, Spread*, in basis points, Last week, Stock Performance. Rows include National Australia Bank, HSBC Holdings, Altria, Anheuser-Busch Inbev Finance, Bank of Montreal, PNC Bank, United Parcel Service, Biogen.

High-yield issues with the biggest price increases...

Table with columns: Issuer, Symbol, Coupon (%), Maturity, Current, Spread*, in basis points, Last week, Stock Performance. Rows include DuPont de Nemours, Oracle, Wells Fargo, Georgia Power, Verizon Communications, Mitsubishi UFJ Financial, Coca-Cola, Toronto-Dominion Bank.

And with the biggest price decreases

Table with columns: Issuer, Symbol, Coupon (%), Maturity, Current, Spread*, in basis points, Last week, Stock Performance. Rows include Transocean, Crown Cork & Seal, Telecom Italia Capital, Navient, L Brands, Sprint, Elanco Animal Health, Dish DBS.

Dividend Changes

Dividend announcements from September 14.

Table with columns: Company, Symbol, Amount, Yld% New/Old, Frq, Payable/Record. Rows include American Tower REIT, National Fuel Gas, Redwood Trust, VICI Properties, Utz Brands.

KEY: A: annual; M: monthly; Q: quarterly; r: revised; SA: semiannual; S21: stock split and ratio; SO: spin-off.

MARKETS

Blank Check IPOs Rare In Europe

BY BEN DUMMETT

Europe has missed out on the wave of initial public offerings of blank-check companies, one of the drivers of equity-markets activity in the U.S. this year. To help address this dearth, the London Stock Exchange is reviewing ways to ignite its market for such offerings, according to a person familiar with the matter, amid early signs of renewed interest.

The LSE declined to comment.

Blank-check firms are publicly traded shell companies that use money raised from an IPO to make an acquisition. In the U.S., the vehicles, also known as special-purpose acquisition companies, typically allow investors to vote on the SPAC acquisition and redeem their money if they don't like the deal. In some European jurisdictions, such as the U.K., this isn't a requirement.

In London, investors are also prevented from trading a SPAC's shares from the time a deal is announced to approval of the prospectus. That means investors can be tied into a deal that they don't support

The number of U.S. blank-check IPOs has more than doubled this year.

for an indefinite period.

Those differences are key reasons SPACs have historically proved more popular in the U.S., some bankers and investors say, in part because they give their investors greater influence over any deal. However, the different rules governing blank-check offerings are discouraging these types of IPOs in Europe more than they have in years. Europe this year has failed to attract any SPAC IPOs through Sept. 10, compared with a previous low of two in 2015 and a high of 13 in 2017 for the comparable period, according to data provider Dealogic. By contrast, the number of U.S. blank-check IPOs has more than doubled to 94 for this year through Thursday from the year-earlier period, the highest level in six years.

That divergence is also reflected in overall IPO activity. The total value of European IPOs, comprising those involving blank-check offerings and others, is down about 53% to \$6.5 billion. Meanwhile, total U.S. IPO activity has jumped about 62% to \$78.1 billion, with SPAC IPOs representing about 47% of that total, according to Dealogic.

The \$300 million IPO of Broadstone Acquisition Corp. underscores both the drivers behind the proliferation of SPACs and the advantages that U.S. markets offer as listing venues. Broadstone's management team is based in London, and the company is targeting "fundamentally sound but stressed businesses in the U.K. and Europe" for an acquisition, according to its IPO filing. However, it is a U.S. IPO that was priced Thursday and the company is listed on the New York Stock Exchange.

"The investment base is deeper and wider in the States and that, together with investor confidence in the model, makes the fundraising on SPAC IPOs more achievable," said Paul Amiss, a London-based corporate lawyer at Winston & Strawn LLP, who is working on the Broadstone deal.

Still, in an indication that the market for European SPAC IPOs is showing renewed signs of life, Martin Franklin, a well-known blank-check sponsor, currently leads a group planning to raise about \$750 million in an IPO of such a vehicle known as Harvester Holdings Ltd. and list it in London. Mr. Franklin's previous blank-check companies include the LSE listing of J2 Acquisition Ltd., which raised \$1.25 billion in an IPO in 2017. About two years later, it acquired API Group for \$2.9 billion and adopted the name of the specialty-services contractor.

Tech Stocks Lead Index Rebound

BY ALEXANDER OSIPOVICH AND JOE WALLACE

A rebound in technology shares helped major stock indexes recover after last week's pullback.

Deal activity at software giant Oracle and chip maker Nvidia contributed to the bounce in tech stocks. Both companies' shares rallied more than 4% after Oracle won the bidding for the U.S. operations of video-sharing app TikTok and Nvidia agreed to buy British chip designer Arm Holdings in a potentially transformative deal.

The tech-heavy Nasdaq Composite jumped 203.11 points, or 1.9%, to 11056.65 after last week suffering its biggest one-week decline since the March market crisis.

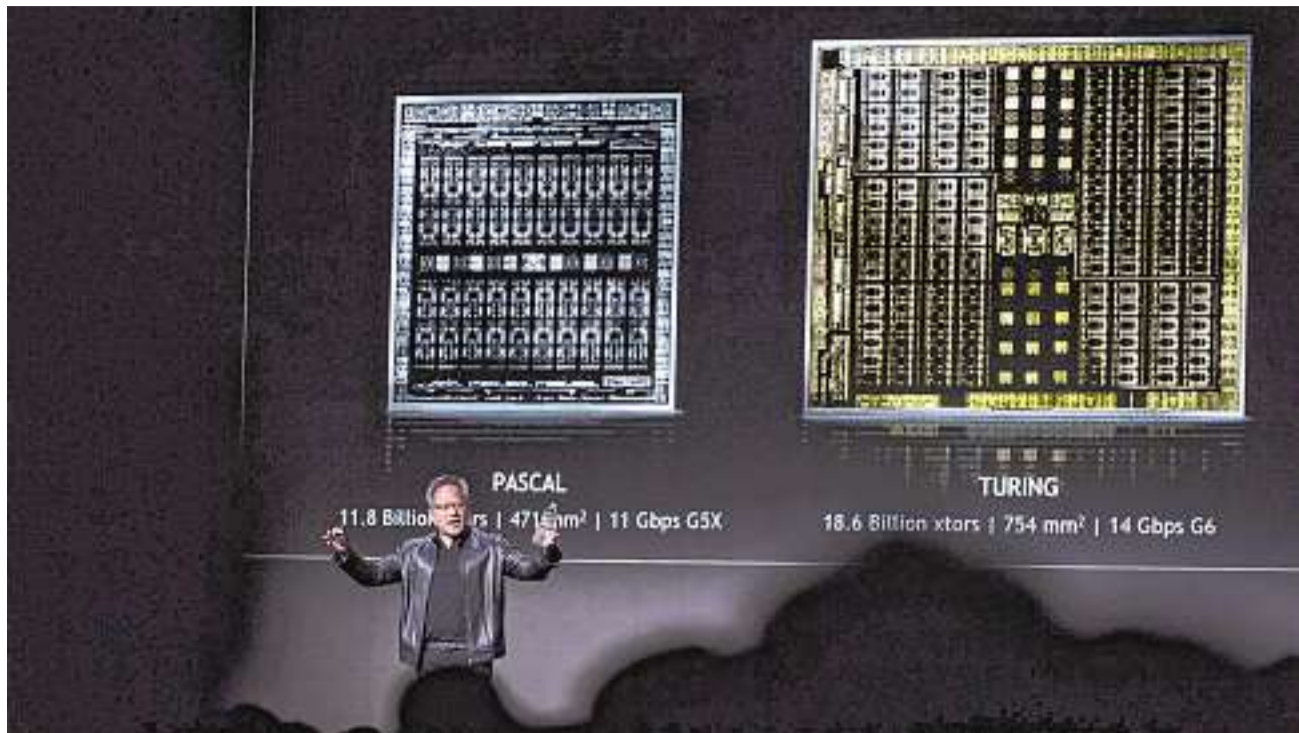
The Dow Jones Industrial Average climbed 327.69 points, or 1.2%, to 27993.33, while the S&P 500 advanced 42.57 points, or 1.3%, to 3383.54.

The advance extends a spell of outside moves in both directions for U.S. stock indexes, much of it driven by shares of large technology companies that have powered the market's recovery since the spring.

Stocks like Apple and Microsoft had soared in recent months, with investors betting tech companies were better positioned to handle the Covid-19 pandemic than more traditional industries. Rock-bottom interest rates also pushed investors into riskier assets. But the tech rally abruptly lost steam this month. Even with Monday's gains, the Nasdaq remains more than 8% below the records it reached in early September.

Mike Dowdall, a portfolio manager at BMO Global Asset Management, said he was being cautious on tech stocks because of their lofty valuations. "Even though the economic story is really strong, it's hard to step into that trade at the moment," he said.

Stocks have been also buff-



Nvidia shares gained 5.8% after the chip company agreed to acquire Arm Holdings from SoftBank. Nvidia's CEO, Jensen Huang.

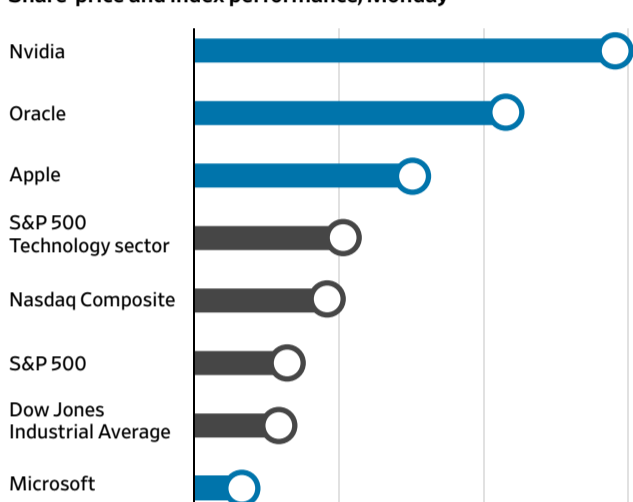
feted this month by uncertainty about the presidential election and worries that the economic recovery, which appeared vigorous earlier this summer, could be slowing.

"We're shifting into an environment of lower returns and higher volatility and this is not inconsistent with that," said James McCormick, global head of desk strategy at NatWest Markets. "I think the upside is going to be a bit capped here until we get through some of these events and risks."

Investor sentiment was boosted by the resumption of clinical trials of AstraZeneca's experimental coronavirus vaccine in the U.K. Studies were put on pause globally after a person who received the vaccine had an unexplained illness. Trials in other countries, including the U.S., remain on hold.

"There's a bit more positivity as regards vaccines," said Robert Carnell, head of research for Asia-Pacific at ING Groep. "The resumption of AstraZeneca trials will be seen in that light."

Share-price and index performance, Monday



Source: FactSet

69 cents, or 2.4%, to \$29.73.

Gilead Sciences shares rose \$1.44, or 2.2%, to \$66.34 after the pharmaceutical company said it would pay \$21 billion to buy biotech Immunomedics and its prized breast-cancer drug.

Citigroup shares dropped \$2.85, or 5.6%, to \$48.15 after The Wall Street Journal reported that federal regulators were preparing to reprimand the bank for failing to improve its risk-management systems.

Elsewhere, the Stoxx Europe 600 rose 0.1%. At midday Tuesday in Tokyo, the Nikkei 225 Stock Average was up 0.6%.

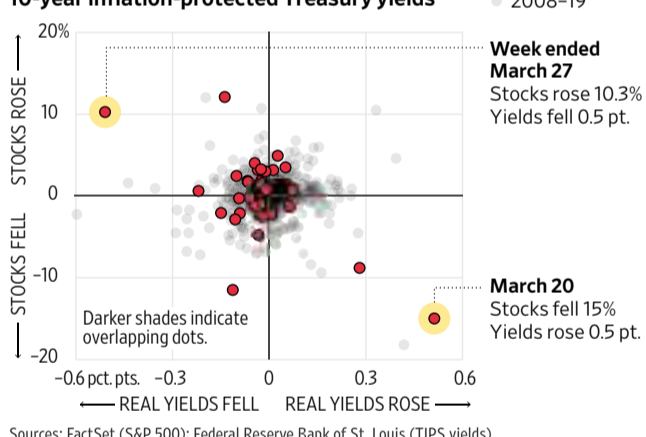
AUCTION RESULTS

Here are the results of Monday's Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

	13-Week	26-Week
Applications	\$172,732,893,460	\$170,189,719,800
Accepted bids	\$58,313,812,700	\$55,074,068,800
* noncomp	\$794,657,600	\$485,338,200
* foreign noncomp	\$400,000,000	\$188,000,000
Auction price (rate)	99.972194	99.939333
	(0.110%)	(0.120%)
	0.112%	0.122%
Bids at clearing yield accepted	41.66%	33.90%
	912796363	912796466

Both issues are dated Sept. 17, 2020. The 13-week bills mature on Dec. 17, 2020; the 26-week bills mature on March 18, 2021.

Weekly changes in the S&P 500 and 10-year inflation-protected Treasury yields



Bond Yields Spur Risk Takers

Continued from page B1

Treasury yield from 1.9% at the start of the year to 0.7% at the end of June could be seen as providing a 25% boost to the S&P 500, according to a report by Michael Sneyd and Kaushik Banerjee of BNP Paribas.

The effect of falling real yields on stock prices should be similar, the authors said in an interview.

One of the most obvious consequences of the drop in real yields has been the weakening dollar. More often than not, when real yields have declined recently, the dollar has dropped with them.

With currencies, it's not just U.S. yields that matter but how they compare with the government bond yields of other countries, as investors tend to favor currencies that offer a better risk-free return. Thus, the decline in U.S. real

yields relative to German real yields has helped strengthen the euro against the dollar.

Like bonds, gold is an asset that investors turn to for safety. So it benefits when government bonds offer lower returns.

It also tends to climb when inflation accelerates, because it then takes more dollars to purchase the same amount of the precious metal.

According to BNP, 72% of gold's price changes have historically been explained by moves in real yields while another 21% has been attributable to shifting global inflation expectations.

Weak Lira Powers New Gold Rush

Continued from page B1

a measure of growing popular defiance toward the Turkish lira as well as of the country's mounting financial problems. Over the past year, Turkish authorities implemented a two-pronged economic policy deemed unsustainable by most economists.

On the one hand, President Recep Tayyip Erdogan urged the central bank to keep interest rates low—which made holding lira unattractive because of high inflation—while his administration instructed banks to pump up cheap loans to households and businesses. On the other hand, the central bank spent billions in foreign exchange to buy lira and keep its price from plunging further.

When the coronavirus crippled global trade, Turkey's exports sank. Meanwhile, flush with borrowed cash, Turkish households splurged on imported products, especially gold, opening gaping holes in the country's current account.

Demand for gold was so strong this summer that the national mint, which makes gold coins favored by older generations—younger Turks like mini-ingots—asked employees to work overtime, on weekends and even during the

Ramadan holiday to fill orders, according to a Turkish official.

Turkish exports have picked up as European economies reopened while the central bank took steps to cool off the credit boom in August, but the damage was already done. The lira has fallen more than 20% this year and hit a record low Monday, with \$1 buying 7.50 lira.

On Friday, Moody's Investors Service downgraded Turkey's sovereign debt, pointing to dwindling central-bank reserves and authorities' inadequate responses. "External vulnerabilities are increasingly likely to crystallize in a balance-of-payments crisis," Moody's said.

The central bank has said a low level of reserves was normal amid the turbulent global environment.

Gold plays an outside role in Turkey, both in the financial system and as households' preferred "under-the-mattress" way to protect their savings against a weakening currency and historically high inflation.

The pile of gold Turks keep at home is estimated at between 3,000 and 5,000 metric tons. That is between \$190 billion and \$310 billion at current market prices, or between 25% and 40% of Turkey's yearly output.

In an effort to lure some of that dormant resource into the economy, the central bank allows lenders to keep up to 15% of their mandatory reserves in the form of scrap gold collected from depositors, as well as 20% in standard gold. The Turkish treasury

regularly issues gold bonds while banks have opened gold accounts and experimented with gold credit cards and gold ATMs.

Gold holdings have increased at the central bank, with gold among the largest portion of reserves among any monetary institution. But Turkish households have kept the bulk of their gold savings at home. As of the end of August, residents had around \$33 billion in gold deposits at Turkish banks, according to data from Turkey's central bank.

In the long run, Turkish people's bet on gold has been a wise investment. According to Turkey's statistical institute, the metal yielded the best returns in the past 10 years, outperforming the dollar, real estate, bonds and equities.

"Over the past decade or two, the fact that gold outperformed domestic equities and fixed-income assets ought to be a sign that there are structural problems with the Turkish economy," Erik Meyersson, senior economist at Swedish bank Handelsbanken.

A government tax on gold purchases, which was increased to 1% from 0.2% in May, pushed much of the buying to the Grand Bazaar and other gray markets this summer, depriving banks of gold deposits, which they rely on to meet regulatory requirements.

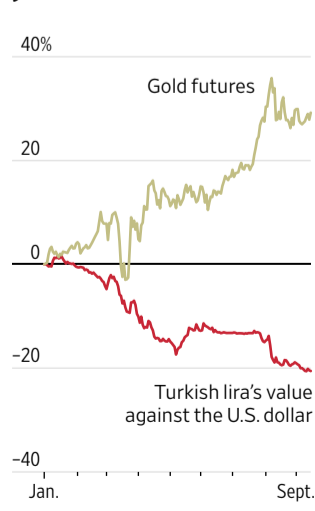
In Istanbul, Mustafa Tuzcuoglu has an idea of where that gold went.

The maker and distributor of safe boxes said he recorded a 50% jump in demand at his Istanbul shop this summer



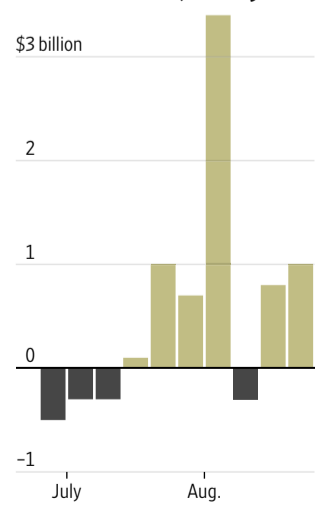
Istanbul safe-box seller Mustafa Tuzcuoglu saw business surge 50%.

Percentage change, year to date



Sources: FactSet (futures); Tullett Prebon (currencies); Institute of International Finance (flows)

Flows in gold deposits at Turkish banks, weekly



from the spring, especially from families looking for a solution to store their gold.

"Clients go for small but high-end models that cost

from \$400 to \$650 and weigh 700 pounds," he said. "They keep half of their savings at the bank and half at home. That's what I'm doing too."

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Nvidia Arms Up For Chip Action, But Trouble Is Near

Acquisition of SoftBank unit will bring scrutiny from governments and competitors

Forty billion dollars will buy Nvidia a world-class semiconductor research and licensing business. It might also buy the rapidly ascending chip maker a whole new kind of trouble.

Nvidia confirmed Sunday that it would pay \$40 billion to acquire Arm Holdings from SoftBank. The deal, which has been churning through the rumor mill for several weeks, is Nvidia's largest by miles, nearly six times as large as last year's acquisition of Mellanox. Fortunately, Nvidia's gravity-defying stock makes for valuable currency. The company is kicking in only \$12 billion in cash, just a little above what was on its balance sheet as of two months ago.

But the risk to this deal was never financial. U.K.-based Arm provides the basic designs for the low-power central processor chips that form the brains of devices such as smartphones and tablets. Companies including Apple, Samsung and Qualcomm license those designs for their own chips. The upshot is nearly every company that makes processors for mobile devices and other types of chips has a licensing relationship with Arm. And a lot of those are chip

makers that either compete with Nvidia, or are likely to in the future.

As such, Nvidia will need to strike a delicate balance between running its own chip business and allowing Arm's a certain degree of independence—all while trying to fully realize the value of its \$40 billion outlay. Both companies realize this. Nvidia Chief Executive Jensen Huang said Sunday that he plans to fully maintain Arm's "open licensing and neutrality," while Arm CEO Simon Segars added it would be "value destructive to do anything else."

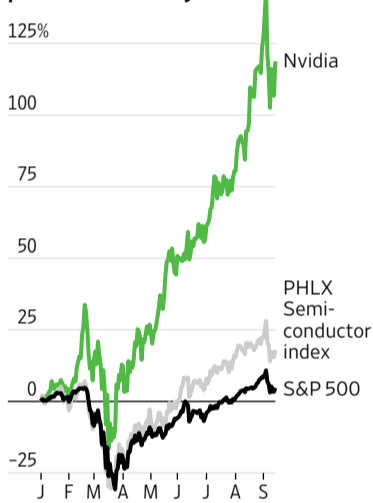
But that is easier said than done. Qualcomm's efforts to run both a chipset and licensing business have enmeshed it for years in lawsuits and battles with regulators. And Nvidia's strength in artificial-intelligence computing that has made the company a Wall Street darling makes it the name to beat for others targeting this lucrative field. In a note to clients Sunday night, Stacy Rasgon of Bernstein said Nvidia's "dominance will be extended into virtually every important compute domain" if it can complete this deal.

Therefore, even completing the deal is a big "if." The acquisition will need the approval of regulators across the globe. That includes the U.S. and China, where semiconductor makers have become a battleground in an escalating trade and technology war. It took Nvidia more than a year to push through its relatively uncontroversial acquisition of Mellanox. Mr. Huang wouldn't even put a rough guess on how long it would take to get the necessary signoffs for buying Arm. The chance of a long, drawn-out battle for approvals is high.

And the real risk for Nvidia is that getting the world's biggest governments on board may turn out to be the easy part. If the company can't find the right balance between reassuring Arm's licensees and making the most of its investment, the real winners from this deal could be the lawyers.

—Dan Gallagher

Share-price and index performance this year



Source: FactSet



The details of the proposal haven't been made public. A restaurant in Beijing with a TikTok logo on Monday.

GREG BAKER/AGENCE FRANCE-PRESSE/GETTY IMAGES

No TikTok Spoils for Oracle

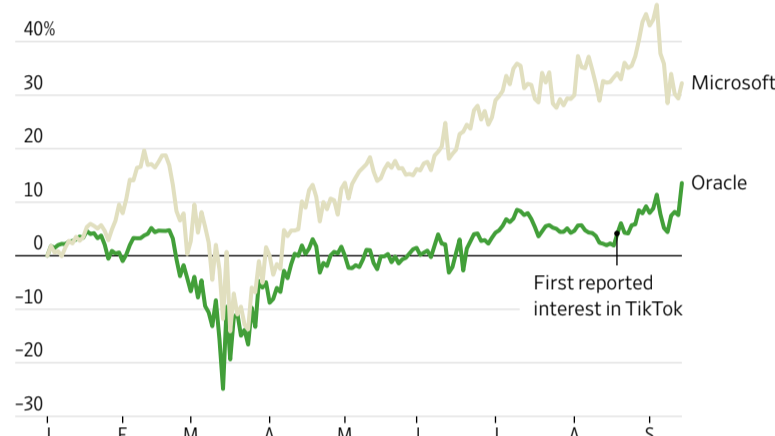
Winning 'bid' looks more like a cloud-hosting deal with political baggage

Much remains unknown about exactly what Oracle is getting for its winning "bid" for TikTok's U.S. operations, but it appears to fall well short of what was originally envisioned.

Oracle confirmed Monday morning that it is part of a proposal submitted by TikTok's Chinese owner ByteDance to the Treasury Department. That follows Microsoft's announcement Sunday night that ByteDance turned down its offer to acquire the U.S. operations of the popular social-networking service. The details of Oracle's proposal haven't been made public, though it doesn't appear to be an outright sale. The company's two-sentence statement Monday—unusually terse by its standards—said only that Oracle would serve as "the trusted technology provider." The Treasury-led Committee on Foreign Investment in the U.S., or Cfius, will review the proposal this week.

Unlike many of its fellow tech behemoths, highly acquisitive Oracle has never shown much interest in consumer technology. But its yearning for TikTok probably isn't the exception that it seems. Oracle was reportedly eager to score another marquee name for the cloud-computing business that the company is aggressively building up in an attempt to challenge Amazon.com and Microsoft, the two most dominant names in that in-

Share-price performance this year



Source: FactSet

dustry. On the other hand, Citigroup analyst Walter Pritchard wrote Monday morning that even an exclusive arrangement with TikTok "isn't likely to change the competitiveness of Oracle in cloud."

Winning TikTok does give Oracle the satisfaction of besting one of those cloud rivals, one with which it has had a long and bitter rivalry. But winning is unlikely to derail Microsoft's considerable momentum in the cloud business. And victory in this case still puts Oracle into the middle of a geopolitical war over technology that already has taken some odd turns—including the appearance of a sale brokered by the president of the U.S.,

who controversially demanded a cut for the U.S. Treasury in return. The prize might ultimately turn out to be little more than a glorified web-hosting arrangement.

For this, investors bid up Oracle's stock price more than 4% Monday, adding to gains of 6% since the company's name first surfaced as a TikTok bidder in mid-August. Granted, the stock has underperformed most of its software peers this year and carries a relatively cheap multiple of 14 times forward earnings. But it is still a risky play. Estimating the benefit of owning TikTok is as confusing as the bidding process.

—Dan Gallagher

A Private SoftBank Seems Unlikely

Taking SoftBank private may sound nice to its flamboyant founder Masayoshi Son. But carrying it out won't be easy.

Mr. Son's erratic investment style has never fit well with the scrutiny he has received as the chairman of a publicly listed company. The latest case in point: SoftBank's shares fell 10% in three days last week after reports revealing the company's massive option bets on tech stocks. Making SoftBank a private company would remove such visible volatility, especially since Mr. Son has long complained that the market has undervalued the company. The rumors of a management buyout have come up from time to time over the past few years though an actual buyout has never materialized.

Such rumors have resurfaced again: SMBC Nikko Securities, for example, said delisting SoftBank via a management buyout is a possibility in a research note last week. The company's recent asset

sales lend some credence to the theory. SoftBank just announced a \$40 billion deal to sell its chip unit Arm Holdings to Nvidia and priced its \$10 billion sale of a 22% stake in its domestic telecom unit. SoftBank's shares jumped 7.9% Monday.

Rumors of a management buyout have come up from time to time over the past few years.

A private SoftBank would let Mr. Son carry out his sometimes baffling investment ideas more freely, but making it happen would require an enormous sum. SoftBank has a market value of \$113 billion—not including its Treasury shares—after Monday's surge. Excluding Mr. Son's nearly 30% stake, the buyer would

still need to put up around \$100 billion, assuming a 25% takeover premium. Part of that could be reduced with SoftBank's cash, but Mr. Son will likely need help from banks or private-equity investors.

Low interest rates may make financing cheaper—though making SoftBank less disciplined in its investments could give lenders pause. Similarly, private-equity funds may salivate at SoftBank's discount to its net assets, but that would require them to have bigger say over asset sales, which contradicts the reason for the company to go private.

There is an easier way to boost SoftBank's share price. The market loved its decision in March to sell or monetize 4.5 trillion yen, equivalent to \$42.39 billion, of assets to buy back shares and redeem debt, before its option bets unnerved investors.

More generous payouts would be a simpler—and perhaps more realistic—way to buy goodwill from shareholders. —Jacky Wong

Siemens Halfheartedly Becomes a Tech Company

Many industrial companies aspire to reinvent themselves as technology businesses. Siemens has done more than most, but the job is far from complete.

Once viewed as General Electric's clumsy European rival, the German conglomerate's departing Chief Executive Officer Joe Kaeser has spent the past seven years overhauling the company's structure. He will deliver another milestone at the end of this month: Siemens Energy will be spun out of the wider group.

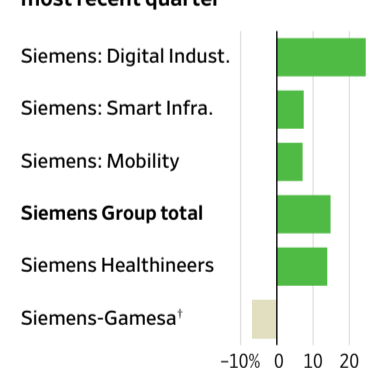
It is the third major business unit to be parceled off. This sounds like the kind of shareholder-friendly strategy an activist investor might push, but in some ways it has increased complexity. Siemens has a number of separately listed subsidiaries that it supports and influences through board appointments.

The medical-equipment division, Siemens Healthineers, was spun out in 2018. The parent still owns more than 70% and has five of nine members on the supervisory board. The group's wind-turbine division went into creating Siemens Gamesa, the leader in offshore wind, as part of a 2017 merger with a Spanish rival. Siemens initially retained 59% of the shares before raising its stake to 67% this year.

The latest creation, Siemens Energy, is also complicated. It pairs gas and power operations with the parent's stake in Gamesa, thus combining a fossil-fuel market with green energy. Overall, it plans to deliver revenue growth of between 0% and 3% and cut costs. The combination is reminiscent of the European oil majors' unexciting transition plans.

Siemens now describes itself as a technology company focused on electrification, automation and digitization. It will consist of three wholly owned units in addition to the semi-independent stakes. Its

Ebita margin for most recent quarter*



*Earnings before interest, tax and amortization
¹Excludes purchase price amortization and integration and restructuring costs
Source: the companies

flagship "Digital Industries" division, which dominates the business of selling automation equipment and software to industrial customers, fits the bill best. "Smart Infrastructure," which connects power systems, can also pass for tech.

"Mobility" is more of a stretch. The unit makes trains, railway-signals and commercial vehicles. Mr. Kaeser tried unsuccessfully to merge it with France's Alstom. Its long-term future is now uncertain.

Mr. Kaeser hands over a much leaner company than the one he inherited to current Deputy CEO Roland Busch, who will start to take the reins next month. Investors have more granular information about Siemens's listed subsidiaries and a better idea how they can be valued.

Ultimately, though, Siemens is still a conglomerate. This brings some diversification benefits, but it also means the company's shares continue to sell at a discount to European industrial and technology indexes. Mr. Busch will have to do plenty of work before that changes.

—Rochelle Toplensky

OVERHEARD

Monday morning quarterbacks had as much to say about the National Football League's ratings as the passing and rushing yards of their favorite teams.

The season opener Thursday pitting the Kansas City Chiefs against the Houston Texans should have been hugely popular for a sports-starved nation. But viewership was down by 12% from last year's opener.

Many blamed social activism. And while the Black Lives Matter movement may not be popular with certain segments of the NFL's fan base, past threats to tune out games have proven hollow. A 2016 Rasmussen poll found

32% of respondents said they were less likely to watch the NFL on TV because of political demonstrations. Ratings fell 8% that year, but mainly during the presidential campaign, which drew viewers to cable news.

A likely culprit for Thursday's light audience was the fact that the NBA and NHL playoffs were on that night, in addition to baseball, college football and the U.S. Open semifinals. Another Covid-19 effect, the lack of an NFL preseason, sapped hype. Finally, unlike last year's opener, the game quickly became lopsided, with the Chiefs up 31-7. It still was the most watched sporting event since the Super Bowl, and digital viewership broke records.



Chiefs players on Thursday.

CHARLIE RIEDEL/ASSOCIATED PRESS