

THE WALL STREET JOURNAL.

What's News

Business & Finance

Airbnb unveiled paperwork for its IPO, showing the home-sharing giant turned a profit in the third quarter after the pandemic forced it to overhaul its business and shed costs. **A1**

◆ **SEC chief Clayton** will step down at the end of the year, opening the door for Democrats to push for a more aggressive approach to regulating Wall Street. **A1**

◆ **A third GOP senator** said he would oppose the confirmation of Shelton to the Fed's board of governors, setting up a close vote as soon as this week. **A2**

◆ **The Dow and S&P 500** rose 1.6% and 1.2%, respectively, both closing the session at records. The Nasdaq gained 0.8%. **B10**

◆ **Tesla will be added** to the S&P 500 index on Dec. 21, marking a milestone for the Silicon Valley electric-vehicle maker. **B1**

◆ **Gregg Lemkau**, one of Goldman's top deal makers, is leaving to run the investment firm started by tech tycoon Michael Dell. **B1**

◆ **Walmart sold** most of its stake in Japanese supermarket chain Seiyu to KKR, continuing its retreat from slow-growing global markets in favor of e-commerce bets. **B1**

◆ **Buffett's Berkshire** recently made new investments in some of the big pharmaceutical firms chasing a Covid-19 vaccine. **B1**

◆ **Home Depot agreed** to acquire wholesale distributor HD Supply for about \$8.7 billion, reuniting with a unit it sold in 2007. **B3**

World-Wide

◆ **Moderna said** its experimental coronavirus vaccine was 94.5% effective at protecting people from Covid-19 in an early look at pivotal study results, the second vaccine to hit a key milestone in U.S. testing. **A1**

◆ **The U.S. reported** more than a million coronavirus infections in the past week, including more than 133,000 on Sunday, as the national total surpassed 11 million. **A7**

◆ **Biden said** delays to his presidential transition could hinder the government response to the pandemic, as he sought to coordinate with business and labor leaders ahead of his new administration. **A4**

◆ **Trump is expected** to order the Pentagon to pull more forces from Iraq and Afghanistan, defying many Republicans who believe a precipitous withdrawal would amount to a strategic stumble. **A9**

◆ **The president on Thursday** asked advisers about potential military options for striking an Iranian nuclear site after a U.N. agency said Tehran had expanded its supply of low-enriched uranium. **A9**

◆ **The Trump administration** is taking the final steps to secure oil development in the Arctic wildlife refuge, starting a leasing process to strike deals with drillers. **A3**

◆ **Hurricane Iota slammed** into northeastern Nicaragua on Monday night as a dangerous Category 4 storm. **A9**

◆ **Peru's congress chose** lawmaker Francisco Sagasti as caretaker president in hopes of ending a deepening political crisis. **A9**

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Hurricane Iota Makes Landfall in Battered Nicaragua



TO SHELTER: Villagers in Puerto Cabezas, Nicaragua, helped a woman evacuate in preparation for Hurricane Iota. The storm, with winds near 155 mph, made landfall Monday night, the second Category 4 hurricane to hit the area in two weeks. **A9**

Airbnb Turns Deep Cutbacks Into a Profit Ahead of IPO

BY PREETIKA RANA AND MAUREEN FARRELL

Airbnb Inc. unveiled paperwork for its initial public offering on Monday, showing the home-sharing giant turned a profit in the third quarter after the coronavirus pandemic forced it to overhaul its business and shed costs.

The company's revenue for the three months ended Sept. 30 fell 18% to \$1.34 billion from

the same period a year earlier, as the pandemic continued to hurt bookings. But deep cost cuts, combined with an uptick in revenue from previous quarters, still led it to post a profit of \$219 million. The Wall Street Journal reported last month that Airbnb would be profitable during the period.

Airbnb lost \$697 million through the first nine months of the year, more than twice as much as it lost in the year-ear-

lier period, underscoring the toll of the health crisis. Revenue dropped 32% over the nine-month period.

The home-sharing platform's ability to resuscitate to profitability and proceed with a public offering shows how unpredictable—and yet ultimately navigable—this year has proved for some companies. When the pandemic first gripped China and then the world, travel firms such as Airbnb faced a drastic

drop in demand. But then customers, some newly able to work remotely, started turning to Airbnb over hotels to escape from cities or take a manageable vacation.

Airbnb cautioned, however, that a recent surge in Covid-19 infections in Europe could damp its prospects for the fourth quarter.

Airbnb's filing comes a few days after DoorDash Inc.'s IPO. *Please turn to page A2*

SEC Boss's Exit Makes Way for Rules Push

BY PAUL KIERNAN AND DAVE MICHAELS

WASHINGTON—Securities and Exchange Commission Chairman Jay Clayton will step down at the end of the year, opening the door for Democrats to push for a more aggressive approach to regulation of Wall Street.

His departure, made public on Monday, is the latest in a wave of expected exits at federal regulators as power changes hands in Washington. Mr. Clayton, 54 years old, said he intends to remain active on the commission until the end of the year.

Mr. Clayton, a longtime corporate deals lawyer at Sullivan & Cromwell LLC and a political independent, was nominated by President Trump in 2017. He pursued an active enforcement agenda that included cases against Silicon Valley biotech startup Theranos Inc. and auto maker Tesla Inc. As a regulator, he focused on making it easier for companies to raise capital—even if that meant bypassing the public markets that the commission polices.

"The guy is a moderate by nature, and that's the way I think he has conducted himself at the SEC," said Hal Scott, a professor at Harvard Law School. "The overall system of securities regulation has to do with disclosures, and enforcement, and making sure we don't have insider trading, and those issues. I don't think he's really relaxed much around that."

Progressives largely supported Mr. Clayton's approach to enforcement while criticizing some of his policy moves as overly friendly to Wall Street. *Please turn to page A2*

◆ **Third GOP senator opposes** Fed nominee..... **A2**

Record Climb Nears 30000

The Dow industrials rose to a new high Monday on upbeat data from a vaccine study. **B10**



'Predatory and Opportunistic': Southwest Seizes the Moment

No-frills airline is expanding into new cities as rivals struggle

BY ALISON SIDER

The pandemic is forcing many airlines to defend their turf. Southwest is using it to invade.

Even as air travel languished in this fall, Southwest Airlines Co. executives fanned out to cities from Palm Springs, Calif., to Sarasota, Fla., to scope out potential new markets. The airline is adding four more cities to its network this year and announced plans for six more in 2021. And it's looking for more. It hasn't added airports this quickly since integrating with AirTran Holdings, which it bought in 2011.

"It sounds risky to go open a bunch of new cities, but the alternative is worse," says Andrew Watterson, Southwest's chief

commercial officer. "You could wait till Covid is over. But that's far too long."

Through its history, Southwest has leapt at opportunities to encroach on rivals' territory when they were struggling. If successful this time, it would be a prime example how some U.S. companies, taking advantage of the carnage around them, can come out of crises stronger.

Southwest's bet this time is particularly striking, as the Covid-19 pandemic is leaving no airline unscathed. United Airlines Holdings Inc., American Airlines Group Inc. and Delta Air Lines Inc. have together lost \$23.5 billion this year through September. Southwest has lost \$2.2 billion in the period, on track to break a 47-year profitability streak. *Please turn to page A10*

Silent Meditation Retreats Move Home—and Real Life Intrudes

Emails, children and demanding dogs shatter serenity of pandemic versions

BY LESLIE BRODY

Frazzled by a daily diet of coronavirus stress and divisive politics, Truett Davis signed up for a weeklong silent retreat.

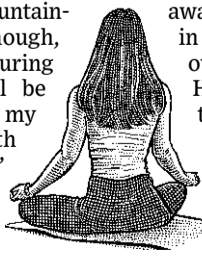
Unplugging from life in a serene forest or mountain-side refuge, though, wasn't an option during the pandemic. "I'll be sitting in front of my Zoom camera with my eyes closed," said Mr. Davis, a 26-year-old New Orleans yoga instructor, shortly before he stopped talking last month.

Avoiding distractions is essential to silent meditation retreats. In pre-pandemic days, participants typically had to give up all talking and technology, eat simply and focus on

their inward journeys. Now, zenning out at home can present a far bigger challenge. No idle chitchat with family members. No alcohol. No sex. No Netflix.

Mr. Davis made it easier for himself by driving 500 miles away and hunkering down in an unoccupied house owned by his parents. He predicted one of the tough parts would be to avoid belting out tunes in the shower. "I didn't cheat," he said after he resumed speaking.

Others have rented hotel rooms, Airbnbs or recreational vehicles to get away from temptations. Yet some say there are advantages to staying in a bedroom with the door shut. If they can hone their concentration skills. *Please turn to page A10*



U.S. NEWS

A Third GOP Senator Opposes Fed Nominee

By NICK TIMIRAS

A third Republican senator said Monday he would oppose the confirmation of a nominee of President Trump to a seat on the Federal Reserve's board of governors, setting up a close vote as soon as this week.

Sen. Lamar Alexander (R., Tenn.) said he wouldn't support the nomination of Judy Shelton, an outspoken critic of the central bank and close ally of Mr. Trump's economic adviser Larry Kudlow, leaving her with support from no more than 50 senators.

"I oppose the nomination of

Judy Shelton because I am not convinced that she supports the independence of the Federal Reserve Board as much as I believe the board of governors should," Mr. Alexander said.

Senate Majority Leader Mitch McConnell filed a motion Monday evening setting up a key procedural vote as soon as Tuesday that could determine whether Ms. Shelton has enough support to win confirmation.

Republicans will have little margin for additional defections. In July, Sens. Mitt Romney of Utah and Susan Collins of Maine said they wouldn't sup-

port her confirmation. No Democrats have publicly backed her.

Republicans have a 53-47 majority in the Senate, and in the event of a tie, Vice President Mike Pence would cast the deciding vote, securing Ms. Shelton's confirmation. Ms. Shelton's term would run through January 2024.

The outcome of a vote faces other potential complications. Sen. Rick Scott (R., Fla.) said Saturday he would be quarantining after being in contact with someone who tested positive for the coronavirus. It isn't known when he will be able to return to Washington. A

spokesman for Mr. Alexander said he wouldn't be in Washington this week due to a family matter.

Sen. John Thune (D., S.D.), the No. 2 GOP leader in the Senate, said Republicans hoped they had enough support to secure confirmation but told reporters, "As you know, we have some attendance issues."

Meanwhile, Sen.-elect Mark Kelly (D., Ariz.) could replace Sen. Martha McSally (R., Ariz.) at the end of the month after winning a special election. That would leave Republicans with fewer than 50 votes needed to confirm Ms. Shelton. The Sen-

ate isn't scheduled to meet next week because of the Thanksgiving holiday.

Party-line votes for Fed board positions haven't occurred before, reflecting the institution's apolitical DNA. If she is confirmed, Ms. Shelton is on track to clear the hurdle with the fewest votes of any governor since at least 1980.

"Shelton's impact on Fed policy making almost surely won't match the attention her nomination has received," said Ian Katz, a financial policy analyst at Capital Alpha Partners.

Ms. Shelton's path to confirmation first appeared to be in

doubt after a rocky Senate hearing in February that revealed doubts among Republicans and unified opposition from Democrats about her fitness for the job. Supporters of Ms. Shelton said she would likely bring a much more critical view toward the Fed's bond purchases, a measure it began taking since cutting its short-term rate to near zero in March.

A second Fed board vacancy could be filled in the coming weeks by another Trump nominee, Christopher Waller, the St. Louis Fed's research director, whose term would run into early 2030.

Cost Cuts Gave Boost To Airbnb

Continued from Page One
paperwork and amid a flood of startups that have made their debuts on the public markets in a year that has already broken records in terms of IPO dollars raised. Airbnb and DoorDash both plan to debut in mid-December, which in most years is a fairly quiet window for the IPO market.

Airbnb Chief Executive Brian Chesky toyed with the idea of going public for several years but stopped short of pulling the trigger. The pandemic hit just as Airbnb was formalizing its listing plans, shuttering global travel and crushing its core home-rentals business.

Mr. Chesky quickly pivoted to raising capital to keep the business afloat, laid off a quarter of staff and shed noncore businesses.

He ordered a redesign of Airbnb's app and website so the company could focus on local stays during the pandemic—a strategy that paid off as people ventured into neighboring communities so they didn't have to fly—marking a turnaround for a company whose peers in the hotel industry are still reeling from the crisis.

Airbnb's filing shows business has picked up from June lows. Revenue in the three months ended June 30 plunged 72% from a year earlier to \$335 million amid world-wide shel-



An owner of an Airbnb apartment folded towels ahead of the arrival of guests in Budapest in July.

reckon with crime and safety on the platform.

Airbnb this year said it was banning house parties as bookings picked up locally, but is still struggling to police them. The company's safety measures are expected to come under more scrutiny as it sells its shares to the public.

Airbnb warned that it must also contend with cities weighing zoning restrictions on short-term rentals. It separately faces pushback from residents who blame it for fraying the social fabric of quiet neighborhoods.

The pandemic has reinvented travel, possibly in lasting ways, and after early questions about its fate, Airbnb has been a beneficiary. Many travelers turned to Airbnbs as quarantine lodging, preferring to stay in stand-alone properties over using shared facilities at hotels. Airbnb's footprint in smaller towns and cities—and Mr. Chesky's decision to double down on it after an unforeseen pickup in local stays—lifted the company's fortunes at a time the hotel industry was drowning.

Unlike hotels, Airbnb doesn't own any properties. Its overhead costs are low and it doesn't need a minimum occupancy to keep doors open.

Some investors felt Mr. Chesky was overextending spending before the pandemic. He forayed into television shows and transportation, areas some said had little to do with its core home-sharing business.

Mr. Chesky paused those endeavors during the pandemic and returned his focus to the home-sharing business.

ter-in-place orders. The loss in the second quarter widened to \$576 million from \$297 million a year earlier.

Airbnb is expected to garner a valuation of roughly \$30 billion in its offering, according to people familiar with the deal, though valuations can change until a company prices an offering. Airbnb's valuation fell to \$18 billion when it raced to secure a loan as bookings plummeted earlier this year. It was valued at \$31 billion in a 2017 investment round.

It plans to list on Nasdaq un-

der the symbol ABNB.

Most Silicon Valley startups are losing money when they go public. Airbnb reported quarterly profit in 2018 and 2019 though it hasn't turned a full-year profit. Investors are likely to see those profitable quarters, and the recent uptick in bookings, as an encouraging sign.

Airbnb has been under pressure to list this year because some employees lose their stock options next year. The company said it would allow employees to sell up to 15% of

their shares when it lists in December.

Mr. Chesky, Joe Gebbia, and Nathan Blecharczyk founded AirBed & Breakfast in 2008 by renting an air mattress in their downtown San Francisco apartment. The former design students would travel to cities hosting large conferences and encourage people to make an extra buck by listing couches and air mattresses on their website.

Airbnb, as the company is known today, evolved into a global behemoth backed by

venture-capital funds including Sequoia Capital and Andreessen Horowitz. As of Sept. 30, Airbnb said it had more than 4 million hosts and over 74 million listings of homes and experiences, of which 5.6 million were active listings.

As the company grew, it suffered through a string of embarrassing safety problems, including prostitution, theft and voyeuristic hosts using cameras to watch guests. A shooting that left five people dead at an Airbnb house party late last year pushed Mr. Chesky to

Clayton to Depart as SEC Head

Continued from Page One
and corporations. Democratic regulators and analysts said the agency will likely take a different tack after President-elect Joe Biden, a Democrat, names a successor.

The head of Mr. Biden's transition, Ted Kaufman, pushed to rein in big banks when he served briefly in the Senate following the 2007-09 financial crisis. Gary Gensler, an aggressive regulator who ran the Commodity Futures Trading Commission under President Obama, is managing Mr. Biden's process for drafting an agenda for the Wall Street regulatory agencies.

Mr. Clayton's successor will likely prod public companies to include more disclosures of risks related to climate issues, Democratic regulators and consultants said. The commission is likely to set clearer rules for mutual funds that emphasize companies' environmental, social and governance-related goals.

Names that have surfaced as possible successors include

Mr. Gensler, former Democratic SEC commissioners Kara Stein or Robert Jackson Jr., and former U.S. Attorney Preet Bharara of the Southern District of New York, people familiar with the transition say.

Before Mr. Clayton's departure, the commission is moving fast on a plan that would require Chinese companies with shares traded in the U.S. to use auditors overseen by U.S. regulators or face being kicked off exchanges, according to people familiar with the matter.

During Mr. Clayton's tenure, the commission's moves to increase restrictions on brokers and money managers, such as in a rule governing the use of derivatives by mutual funds, were largely supported by the industries. The agency completed rules making it easier to raise capital in both public and private markets. These included expanding exemptions to federal securities laws and allowing more investors to participate in opaque private markets.

More than 350 companies have listed on U.S. public markets this year, on track for the most since 2000, according to Dealogic. The total includes many deals involving special-purpose acquisition companies, which are publicly traded shell companies that raise cash to pursue merger deals.

"I do believe that our ef-



Jay Clayton, shown in September 2019, focused on making it easier for companies to raise capital.

orts to eliminate unnecessary frictions have made the public markets relatively more attractive than they were before we started," Mr. Clayton said in an interview on Monday.

Progressives said he failed to strike the right balance between two of the SEC's core mandates: protecting investors and promoting capital formation. By making it easier for companies to raise money directly from buyout firms and venture capitalists, they said, Mr. Clayton

risked limiting the growth of public markets, which have more stringent regulatory and disclosure requirements.

The migration of capital-raising toward private markets was under way before Mr. Clayton took office. Companies and private funds raised \$1.8 trillion in 2017 through private sales of equity and debt, compared with \$1 trillion in 2010, according to an SEC staff paper issued two years ago. Public deals raised about \$1.5 trillion in 2017.

The SEC under Mr. Clayton will likely be remembered for imposing stricter standards on brokers who sell products to individual investors. Known as Regulation Best Interest, the measure curbed conflicts of interest that can affect investment advice, such as brokerage firms holding contests to promote the sale of certain securities.

Wall Street largely embraced Mr. Clayton's approach, while liberal groups and consumer advocates said the SEC

should have imposed a so-called fiduciary standard, which investment advisers say is more stringent and applies to their profession. Advisers are paid an annual fee on assets instead of earning commissions as brokers do.

Mr. Clayton said on Monday Regulation Best Interest prompted major changes in brokers' behavior, adding that he hopes his successor will consult with the SEC's staff before drafting different requirements. Under Mr. Clayton, the SEC's enforcement division emphasized rooting out wrongdoing that harms individual investors.

It settled two of its highest-profile cases—actions against Theranos and Tesla. Both deals included unusual, continuing restrictions on executives that surpassed the typical fines. Theranos founder Elizabeth Holmes agreed to give up her voting control of the company, and Tesla's Elon Musk agreed to legal controls around his use of social media.

"I don't think he made any sizable enemies," said Howard Fischer, a partner with Moses & Singer who served as a senior trial counsel with the SEC in the Obama and Trump administrations. "Even cases brought against larger institutions were all settled on lenient terms."

—Justin Bae
contributed to this article.

CORRECTIONS & AMPLIFICATIONS

The U.S. jobless rate was 6.9% in October, and it was 7.9% in September. A Nov. 10 Page One article about the economy incorrectly said September's jobless rate was 6.9%. Also, Mitch McConnell was the Republican leader in the Senate during tax and budget negotiations in 2010 and beyond with then-Vice President Joe Biden. The article incorrectly gave his title as majority leader, a title he has held since 2015.

Joe Biden spoke at a training school in New Alexandria, Pa., in September. A photo caption with a U.S. News article about the president-elect's labor agenda incorrectly gave the city as Alexandria, Pa.

The planned merger of Broadway Federal Bank and City First Bank would create the nation's largest Black-led bank. A Nov. 7 Exchange article about Black-owned banks incorrectly said the merger

would create the nation's largest Black-owned bank.

In 2013, Robert Benmosche, then chief executive of American International Group Inc., defended bonuses given to the insurer's employees in 2009, before he joined the company. The Captain Class column in Saturday's Exchange section incorrectly said Mr. Benmosche awarded the bonuses.

The largest set of Brain

Flakes in May 2019 contained 580 pieces. A Life & Arts article about children's toys that was published May 14, 2019, incorrectly said 1,400 pieces.

Notice to readers
Wall Street Journal staff members are working remotely during the pandemic. For the foreseeable future, please send reader comments only by email or phone, using the contacts below, not via U.S. Mail.

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U.S. NEWS

U.S. Sees Decline In Global Students

BY MELISSA KORN

The number of new international students at U.S. campuses plummeted by 43% this fall, according to an early snapshot that illustrates just how hard colleges and universities were hit by the pandemic and a flurry of shifting directives from the Trump administration.

Overall, enrollment of foreign students fell by 16%, according to a survey of more than 700 schools conducted this fall by 10 higher-education associations. More-comprehensive figures for fall 2020, representing results from nearly 3,000 schools, will be released at this time next year.

The figure includes foreign students on U.S. campuses and those studying online, either from the U.S. or overseas.

The drop comes after a chaotic spring and summer for foreign students and the colleges and universities they planned to attend.

In early July, Immigration and Customs Enforcement said international students whose schools went online couldn't remain in the U.S. on their visas, while international students stuck abroad who had even one class in person couldn't complete their courses remotely.

U.S. consulates around the world had paused nearly all

The drop comes after a chaotic spring and summer for foreign students.

routine visa processing in the spring, meaning aspiring students weren't able to schedule the required in-person interviews to be issued their visas and couldn't abide by the in-person requirement.

Harvard University and the Massachusetts Institute of Technology swiftly sued in federal court, and the Trump administration rescinded the rules.

In late July, the administration updated its guidelines, saying that while new international students couldn't come to the U.S. if their courses were being taught entirely online, those with at least one in-person class could be in the U.S., and those already here could remain.

According to the snapshot survey, 20% of international students are studying online from abroad this fall. That comes with its own complications, like time differences making for late-night or early-morning classes, or even restricted internet access in some countries.

Many students opted to just delay their enrollments, hoping to soon be able to come to campus. Nine in 10 school respondents said they had international students defer their enrollments from this fall to a future date, with nearly 40,000 students at those schools deferring enrollment.

Ted Mitchell, president of the American Council on Education, said the decline this fall was "staggering but, unfortunately, not surprising."

State Department officials have said they value international educational exchange, though the Departments of Justice and Homeland Security say they are focused on making sure people aren't exploiting loopholes or taking unfair advantage of the country's resources.

Arctic Oil Rights Closer to Auction

Trump administration takes final steps to secure drilling in refuge before Biden can halt it

BY TIMOTHY PUKE

WASHINGTON—The Trump administration is taking the final steps to secure oil development in the Arctic National Wildlife Refuge, starting a leasing process to strike deals with drillers to operate in the pristine, 19-million-acre wilderness before Democratic President-elect Joe Biden can stop it.

Mr. Biden has vowed to block plans for oil drilling in this northwest corner of Alaska. Congress passed a mandate to lease oil rights in part of the refuge in its tax overhaul in 2017—when Republican majorities controlled both the House and Senate. President Trump's Interior Department has said it expects a lease sale by January. Mr. Biden is slated to be inaugurated on Jan. 20.

The department's Bureau of Land Management is now issuing a "call for nominations" allowing oil companies to say where in the refuge they want to operate. The notice is scheduled to be published Tuesday in the Federal Register, and potential bidders will have 30 days to make their nominations. Then the bureau can move on to the sale.

The law limits oil companies to tapping reserves under 1.5 million acres in the refuge's coastal plain. Further restrictions are to limit surface disturbance there to 350,000 acres in the current drilling program. The Interior Department's assessment said last year that the drilling plans would have a negligible environmental impact, a finding environmental groups disputed.

"This call for nominations brings us one step closer to holding an historic first Coastal Plain lease sale, satisfying the directive of Congress...and advancing this administration's policy of energy independence," Chad Padgett, the bureau's Alaska state director, said Monday.

Environmentalists have said that massive pipelines that hover over the ground largely aren't counted toward the law's limits, and that Interior officials have dismissed options that would have protected much more land. The



An undated photo of caribou migrating onto the coastal plain of the Arctic National Wildlife Refuge in northeast Alaska.

coastal plain is a calving ground for roaming caribou and home to many polar bears, all exposed to new risks, environmentalists have said.

In campaign material, Mr. Biden has said he intends to give the refuge permanent protections, along with other public lands where Mr. Trump has sought to expand drilling. But the president-elect's team on Monday declined to detail how he might counter the Trump administration's actions.

"This move will not deter him from fulfilling his commitment to preserving America's national treasures and the local economies and communities they support," said Biden spokesman Matt Hill.

Mr. Trump has tried to ease dozens of regulations in a widespread effort to boost both production and consumption of U.S. energy. His administration is pushing to finish other initiatives including loosening appliance efficiency standards from the Energy Department, removing criminal penalties through the Interior Department for accidentally killing birds and limiting the Environmental Protection Agency's ability to set greenhouse-gas limits.

Alaska has often been central to that effort, especially for oil production. Mr. Trump's Interior officials have



Source: USGS

pushed to expand drilling on other federal lands there and offshore as well as for new logging in the state's federal forests.

Investors question the value of such energy-focused moves in an era of lower crude prices and tepid demand. The oil industry is glutted with supply world-wide, pushing companies of all sizes to plan deep spending cuts.

Drilling in the arctic refuge would be the culmination of 30 years of efforts by oil companies, Alaskan leaders and Republicans to license operations there. Mr. Trump boasted that he has moved the initiative further along than any other president, including Ronald Reagan.

Completing that effort would be a lot easier with a successful lease sale that locks the government into

contracts before opponents come into power, lawyers have said.

Since the law's passage, Interior officials have tried to work quickly to complete a lease sale while Mr. Trump was still in office, though Congress had given it until December 2021.

"This is the Trump administration's midnight effort to sell off irreplaceable lands in the refuge before a new day dawns," Erik Grafe, an Anchorage, Alaska-based attorney with the environmental group Earthjustice, said in a statement. "The Arctic Refuge is no place to drill."

Earthjustice is engaged in one of four outstanding lawsuits challenging the government's push to drill in the refuge, it said. Several plaintiffs released a joint statement Monday saying the oil devel-

opment threatened to exacerbate climate change and harm wildlife as well as the region's indigenous populations that depend on the protected wilderness.

The incoming Biden administration could use several of the lawsuits to slow the development by telling government lawyers to stand down in their defense, said analysts at ClearView Energy Partners LLC. While the initiative could be difficult to block altogether, throwing up repeated legal obstructions could have virtually the same effect. As it is, the Trump administration has little margin for error—being, at best, on pace to finish an auction with less than a week before Inauguration Day, ClearView analysts said.

The oil industry will be working with wildlife organizations and locals to ensure environmental protections, said the American Petroleum Institute, one of the industry's largest trade groups. The leasing effort comes with support in the law, it added.

"Congress has already acted to open ANWR for safe development, and we welcome any progress in moving forward," Frank Macchiarola, the group's senior vice president for policy, economics and regulatory affairs said in a statement. "Development in ANWR is long overdue."

Harvard Ex-Coach Charged in Bribery Case

BY MELISSA KORN

A former Harvard University fencing coach was arrested Monday along with a parent who federal prosecutors say conspired to pay the coach more than \$1.5 million to secure spots at the school for his two sons as fencing recruits beginning in 2013.

Peter Brand, a longtime Harvard coach who was dismissed last year, and the parent, Maryland-based businessman Jie "Jack" Zhao, both denied wrongdoing through their lawyers and vowed to fight the charges in court.

"Jack Zhao's children were academic stars in high school and internationally competitive fencers who obtained admission to Harvard on their own merit. Both of them fenced for Harvard at the Division One level throughout their college careers," said William D. Weinreb, a partner at Quinn Emanuel Urquhart & Sullivan LLP.

"The students were academic and fencing stars. Coach Brand did nothing wrong in connection with their admis-



Peter Brand coaching in 2019. Harvard dismissed him that year.

sion to Harvard. He looks forward to the truth coming out in court," said Douglas Brooks, a partner at Libby Hoopes Brooks PC.

The Harvard case adds to the scandals surrounding highly selective college admissions, though it is unrelated to the charges prosecutors brought against more than 50 individuals under Operation Varsity Blues beginning in March 2019. Some of the coaches caught up in that in-

vestigation were also alleged to have taken bribes independent of the scheme masterminded by college counselor William "Rick" Singer.

"This case is part of our longstanding effort to expose and deter corruption in college admissions," Andrew E. Lelling, U.S. attorney for the District of Massachusetts, said Monday.

According to the criminal complaint, which charges the two men with conspiracy to commit federal programs brib-

ery, Mr. Brand recruited Mr. Zhao's sons to the fencing team in exchange for money, thereby facilitating their admission to the university. Mr. Brand allegedly told an unidentified co-conspirator in May 2012 that the boys "don't have to be great fencers."

In February 2013, prosecutors say, Mr. Zhao donated \$1 million to a fencing charity run by a co-conspirator. Mr. Zhao's older son was admitted to Harvard as a fencing recruit in December of that year and enrolled the following fall.

Soon after, the charity sent \$100,000 to the Peter Brand Foundation, a charity. Mr. Zhao then made payments "to, or for the benefit of," Mr. Brand, according to prosecutors, and arranged for his younger son to be recruited.

Mr. Zhao allegedly paid for Mr. Brand's car, covered college tuition payments for the coach's son, paid the mortgage on his house in Needham, Mass., and later bought the house for more than its market value. He then paid for the renovation of a house Mr. Brand

bought in Cambridge, Mass., prosecutors said.

In total, the payments to Mr. Brand or for his benefit allegedly ran to at least \$1.5 million.

The younger son enrolled at Harvard in fall 2017 and is on the fencing team roster.

According to the complaint, Mr. Brand didn't disclose details of the payments to Harvard while recruiting Mr. Zhao's sons.

Harvard initiated an investigation in May 2019 after a Boston Globe article detailed Mr. Zhao's purchase of the coach's house for hundreds of thousands of dollars above its market value. The school dismissed Mr. Brand in July 2019.

"Harvard Athletics is committed to upholding the integrity of our athletics program, and it is our expectation that every coach and staff member adhere unambiguously to our policies," Robert Scalise, the athletic director at the time, said regarding Mr. Brand's dismissal.

—Jennifer Levitz contributed to this article.

Hate-Crime Homicides Reached a Record in 2019, Study Finds

BY RACHAEL LEVY

The Federal Bureau of Investigation reported a record number of homicides classified as hate crimes in 2019, more than doubling the previous record set in 2018, according to fresh data analyzed by a research center that focuses on extremism.

The number of hate crimes also was at its highest level in more than a decade. The FBI's data shows hate crimes had been trending downward since

the most recent peak in 2008, but steadily increased almost every year since 2014.

The 2019 El Paso, Texas, mass shooting, which killed more than 20 people, represented a large share of the 51 hate-crime homicides, said Brian Levin, a former New York City police officer who now directs the Center for the Study of Hate & Extremism at the University of California, Santa Barbara, which analyzed the 2019 data. The victims of the shooter, who said his kill-

ing spree was a "response to the Hispanic invasion of Texas," were mostly Hispanic; at least seven of the victims were Mexican citizens.

The previous record for hate-crime homicides was set in 2018 with 24 killings, the center said in a report.

The FBI said it recorded 7,314 hate crimes last year, a slight increase from 2018, when 7,120 crimes were recorded.

In addition, 2019 marks the third year in a row of an elevated number of increasingly

violent acts, Mr. Levin said.

The FBI defines a hate crime as a "criminal offense which is motivated, in whole or in part, by the offender's bias(es) against a race, religion, disability, sexual orientation, ethnicity, gender, or gender identity."

The uptick comes as President-elect Joe Biden's team is considering new options to tackle ideologically motivated violent extremism, including increased funding, a new White House position and a

domestic terrorism law, The Wall Street Journal reported last week.

The 51 so-called hate homicides the FBI recorded last year were more than double the 2018 level, due to "mass domestic terror attacks by white supremacists [that] became increasingly more lethal," according to Mr. Levin's report.

"White supremacist/far-right extremist motivated homicides rose for the third consecutive year in 2019," the report said.

Similar findings have come from the Department of Homeland Security, which recently said more Americans were killed by domestic extremists—primarily white supremacists and others on the far right—than foreign-inspired ones, such as al Qaeda, in 2018 and 2019. White supremacists, among all domestic violent extremists, will remain the country's most persistent and deadly threat, the department also recently warned.

U.S. NEWS

Big Year for Women Suggests a New Era



CAPITAL JOURNAL
By Gerald F. Seib

Nearly lost in the controversy over President Trump's refusal to concede defeat is something momentous that unfolded in the background of 2020: remarkable advances by women.

As voters, as candidates and as campaign leaders, women were—and now are—in the driver's seat as never before.



People in politics have been talking for three decades

about an elusive "year of the woman," but we just saw something with consequences that will last far more than a single year.

"It's not the year of the woman, but I would say it's the era of women in the Democratic Party," says Anita Dunn, a top adviser to President-elect Joe Biden's campaign. "And if you look at the Republican congress-



Vice President-elect Kamala Harris in Delaware on Monday.

sional pickup, it's that for the Republican Party as well."

Consider a rundown of the displays of female power:

- ◆ Women voters were responsible for Mr. Biden's victory. Women made up 53% of the electorate, according to the AP VoteCast survey of more than 110,000 voters, and they went for Mr. Biden by a substantial 55% to 44%. Mr. Trump, meanwhile, won among men, 52% to 46%. In sum, the entire Biden winning margin came from women.
- ◆ Sen. Kamala Harris will

become the first woman to serve as vice president. Hillary Clinton was the Democratic nominee in 2016, of course, and twice before—with Democrat Geraldine Ferraro in 1984 and Republican Sarah Palin in 2008—women held the running-mate spot. The third time was the charm.

- ◆ A record-shattering number of Republican women were elected to the House. At least 17 new Republican House members are women, with two races involving GOP women still undecided. That means Republicans nearly doubled their previous record of nine new

Republican women elected in 2010; as a result, the number of GOP women in the House also will more than double.

- ◆ For the second straight election, a woman was the manager of the winning presidential campaign. In 2016, it was Kellyanne Conway for Mr. Trump. This year it was Jen O'Malley Dillon for Mr. Biden. In addition, women held many of the other top posts in the Biden campaign, including Ms. Dunn, Kate Bedingfield as the communications director and Symone Sanders as a top strategist. "You had, without a doubt, the next generation of women political operatives," Ms. Dunn says.

- ◆ Women provided essential firepower for Mr. Biden in swing states. Michigan Gov. Gretchen Whitmer was a critical ally. Cindy McCain, wife of the late Republican Sen. John McCain, offered a key endorsement in her home state of Arizona, which went Democratic for the first time since 1996. The voter-turnout operation of former gubernatorial candidate Stacey Abrams was essential to the Biden team in Georgia.

Moreover, the parade of women moving into positions of prominence is cer-

tain to continue as Mr. Biden assembles his administration. Federal Reserve governor Lael Brainard is a possible Treasury secretary, former national security adviser Susan Rice a potential secretary of state, and former Pentagon official Michele Flournoy a top candidate for defense secretary.

It's likely Mr. Biden will want to pick a Republican or two for his cabinet, to show he's serious about his promises to work across the aisle. If so, Meg Whitman, former chief executive of Hewlett-Packard and Quibi and a onetime Republican gubernatorial candidate in California, is on the shortlist.

In addition, Mr. Biden's wife, Jill Biden, once seen as a reluctant political spouse, played a significant behind-the-scenes role in the campaign. She seems likely to do the same in the White House. Among other things, she is a longtime teacher, and Mr. Biden often says she advises him on education policy.

Meantime, Democratic Rep. Nancy Pelosi doesn't face any challengers yet seeking to oust her as speaker of the House when the new Congress convenes next year.

The third-ranking House Republican—and a fast-rising power on the GOP side there—likely will remain Rep. Liz Cheney.

So what are the practical consequences of this surge of female political power? It's tempting to say that, considering how men have turned the political system into such an angry, polarized, gridlocked mess, women are bound to do better when given the chance.

Beyond that, it's easy to over-generalize and hard to know for sure. There is no single women's viewpoint or agenda. Some of the most liberal members of the new House will be women, as will some of its most conservative members. Women will be among the most vociferous defenders of abortion rights, but also among the loudest of antiabortion voices.

Yet, perhaps that complex reality is the most important revelation of all, and the surest sign the country's political-power structure has just moved beyond stereotypes and tokenism. Much rhetoric is devoted to a political system that reflects the face of America. The women of 2020 may actually be turning that thought into a reality.

Biden Warns Delays Hamper Virus Response

President-elect Joe Biden warned Monday that delays to his presidential transition could hinder the federal government response to the coronavirus pandemic as he sought to coordinate with business and labor leaders ahead of his new administration.

By Ken Thomas in Washington and Sabrina Siddiqui in Wilmington, Del.

Mr. Biden said he was encouraged by a meeting he had with business leaders, including the heads of General Motors Co. and Microsoft Corp., along with labor leaders such as AFL-CIO President Richard Trumka. But he told reporters that if his incoming team is forced to wait until Jan. 20 to begin planning the distribution of vaccines for the virus, "it puts us behind over a month and a half."

"More people may die if we don't coordinate," Mr. Biden said in response to a question about the biggest threat to his transition.

Mr. Biden's team has been

pressing the General Services Administration to issue a designation that would let his advisers move forward with preparations to form a new administration in January. The GSA hasn't yet officially acknowledged Mr. Biden's electoral victory over President Trump, hurting the former vice president's ability to prepare for the distribution of a coronavirus vaccine and meet with Health and Human Services officials over plans to address Covid-19, the disease caused by the coronavirus.

The GSA designation is at the heart of a postelection debate over whether Mr. Trump should concede the presidential election. Mr. Biden secured the electoral votes he needed to become the next president, according to the Associated Press and other major news organizations.

The lack of certification has also prevented Mr. Biden's coronavirus advisory board from being able to contact the White House coronavirus task force or Anthony Fauci, the nation's top infectious-disease expert.



President-elect Joe Biden and Vice President-elect Kamala Harris got a virtual briefing from their economic advisers Monday in Wilmington, Del.

Mr. Biden said he "wouldn't hesitate to get the vaccine" if Dr. Fauci and the manufacturers of two potential Covid-19 vaccines, Moderna Inc. and Pfizer Inc., said it was safe.

Mr. Biden's team has suggested it could pursue legal action to force the GSA to issue a certification but it expressed hopes of avoiding litigation. Instead, his team signaled a stronger public pressure campaign this week to force greater cooperation from the

Trump administration.

Many Republicans in Congress have largely supported Mr. Trump's pursuit of legal challenges to the election's outcome. But Mr. Biden noted that a growing number of Senate Republicans have called for him to receive intelligence briefings as part of a transition.

Much of Mr. Biden's discussions centered around his incoming administration's ability to get the pandemic under control. When asked if more gov-

ernors should close nonessential businesses and reinstate stay-at-home orders, Mr. Biden said it "depends on the state."

Mr. Biden said he had "enormous respect" for Republican governors who had issued mandates for wearing masks and added that it was "totally irresponsible" for leaders to politicize mask wearing.

"This is not hyperbole. It's about being patriotic," Mr. Biden said of the need to wear a mask. "And I think you're see-

ing more and more, as this God-awful virus continues to spread almost unabated, that governors are stepping up."

Mr. Biden is expected to name senior members of his staff this week. Rep. Cedric Richmond (D., La.), who was a national co-chairman of Mr. Biden's campaign, is expected to leave his congressional seat to serve as a senior White House adviser overseeing public engagement, according to people familiar with the plans.

Michigan Suits Center on the Battle Over Absentee Ballots

By Rebecca Davis O'Brien and Maya Goldman

DETROIT—President Trump's bid to contest Michigan's election results has fueled a fierce partisan dispute over allegations of misconduct at Detroit's absentee-ballot counting center that officials from both parties say will undermine faith in the ultimate outcome.

In court filings and interviews, Republican poll challengers and lawyers said they witnessed election workers engage in wrongdoing at the TCF Center, a convention center in downtown Detroit, and were excluded from the ballot-checking process. The allegations—which a Michigan state judge last week rejected as unfounded—have underpinned lawsuits by the Trump campaign and the Great Lakes Justice Center, a conservative legal group, seeking to stop the certification of Detroit's vote.

President-elect Joe Biden won 94% of Detroit's vote, according to unofficial results, and won Michigan, a crucial battleground with 16 Electoral College votes, by 146,000 votes. Mr. Trump hasn't conceded the race and has initiated a series of lawsuits challenging results in several states. No evidence of widespread fraud has emerged.

Detroit election workers, Democratic challengers and city officials said Republicans accosted workers at the TCF Cen-



Trump supporters on Nov. 4 protested outside a room where absentee ballots were counted in Detroit.

ter, raising baseless challenges to ballots and violating social-distancing rules. They described a hostile environment where predominantly white ballot challengers from the suburbs questioned the work of Black poll workers. The dispute has led to calls by Republicans for the bipartisan Wayne County Board of Canvassers to reject certification of Detroit's vote at its meeting Tuesday. Wayne County includes Detroit.

The four-person board—two Democrats and two Republicans—is likely to approve the

certification, said William Hartmann, a Republican member, "unless something comes up." Legal experts and Michigan officials have said they don't see a path forward for Mr. Trump's legal claims, and said they expect Michigan's vote to be certified by the state's Nov. 23 deadline.

Even if their most serious misconduct claims aren't supported, Republicans said the alleged lapses and mismanagement of ballot counting at the TCF Center should be enough to stop certification.

"To say there were no problems and that all these Republicans are lying is not, in my opinion, credible," said Charles Spies, an attorney for Republican U.S. Senate candidate John James, who hasn't conceded and is challenging unofficial results showing he lost to Democratic incumbent Gary Peters.

The Trump campaign sued last week in Michigan federal court, seeking to halt the Wayne County certification. Great Lakes Justice Center filed an emergency appeal in state appellate court Monday morn-

ing seeking to overturn a lower-court judge's ruling against its lawsuit. On Monday night, the court of appeals declined to overturn the ruling.

"Every American should agree that all legal votes should be counted and all illegal votes should not be," said Jenna Ellis, legal adviser to Mr. Trump's campaign.

City and state officials have defended the election's integrity. Detroit "doesn't have a history of voter fraud," said David Fink, a lawyer representing Detroit in post-election litigation. "What it has is a history of people who don't vote for Donald Trump."

After an uneventful Election Day, tensions at the TCF Center followed the arrival of boxes of additional absentee ballots in the pre-dawn hours of Nov. 4. In affidavits, Republican poll challengers suggested the ballots were suspicious—arriving through a back door, in unsealed bins, they said.

In an affidavit filed in the state court case, GOP challenger Andrew Sitto said he was at the TCF Center at around 4:30 a.m. when "several vehicles with out-of-state license plates" arrived with the boxes of ballots. "Every ballot I observed was cast for Joe Biden."

In response, lawyers for the city denied Mr. Sitto's allegations, saying one city vehicle brought the ballots and that the claim that all were for Mr. Bi-

den "cannot be true."

Timothy Kenny, the state judge who denied the request to halt the certification, described Mr. Sitto's affidavit as "rife with speculation and guess-work about sinister motives." Election officials said they gathered the 16,000 ballots overnight from around the city in accordance with the law.

On Nov. 4, Republican and Democratic organizers summoned teams to the TCF Center to watch the new ballots get counted. Under Michigan law, so-called poll challengers are allowed to watch the absentee ballot-counting process and can flag ballots for review if they spot inconsistencies.

Democrats and Republicans were each allowed 134 poll challengers on the floor at any time, as were non-partisan groups—one for each table where poll workers counted ballots. Under social-distancing rules, challengers had to remain at least 6 feet from the tables, but could approach briefly to observe a ballot.

Some Republican observers said Democrats brought in liberal activists to fill spots for nonpartisan observers. They said the 6-foot, social-distancing rule was mostly employed for Republicans. Election officials said they applied the rules fairly. A spokesperson for the Michigan Republican Party didn't respond to a request for comment.

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André Calantzopoulos
CEO, Philip Morris International

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U.S. NEWS

Agendas of Biden, Ex-Aides Clash

Many of those close to the president-elect represent industries at odds with party's goals

By JULIE BYKOWICZ
AND BRODY MULLINS

WASHINGTON—President-elect Joe Biden's ambitious Democratic agenda—including raising corporate taxes—faces formidable opposition from a power center he knows well: former aides who are now lobbyists or advisers to companies and industries at odds with his goals.

Scores of Mr. Biden's former aides now on K Street represent hundreds of companies, trade groups and foreign companies. One person in the mix for a top White House role is Mr. Biden's campaign chairman Steve Ricchetti, who co-owned a lobbying firm for more than a decade with his brother Jeffrey Ricchetti.

Mr. Biden, unlike the four most recent presidents, has deep ties to the Washington establishment from his 44 years in the Senate and as vice president. He named at least 40 current and former registered lobbyists to his transition team.

For much of his career, Mr. Biden has advocated policies that he said would reduce the influence of lobbyists and special interests, including pushing for expanded government financing of political campaigns.

His campaign platform included seeking legislation that would require lawmakers to publicly disclose meetings and communications with any lobbyist or special interest trying to influence the passage or defeat of a specific bill.

"He will always place the public interest at the center of his decisions, because he is accountable to every American he serves as president," said T.J. Ducklo, a spokesman for Mr. Biden.

It is common practice for aides to both Democratic and Republican elected officials to leave positions in government for higher-paying jobs as corporate lobbyists. But the "revolving door" can pose a tricky balance for Democrats.

Democratic aides who become corporate lobbyists sometimes face a conflict between the business interests they are paid to represent and the officials who once employed them.

"The problem Biden has is, he views people he got to know



One former top aide to President-elect Biden, Jay Carney, below, now leads Amazon.com's global lobbying and media-relations team.

before they were lobbyists as still not lobbyists," said Jeff Hauser, who analyzes corporate influence on government for the liberal Center for Economic and Policy Research. "Being close friends does not make you better adept at figuring out people's motives. Past work tends to be more predictive of that."

The incoming Biden administration must quickly hire thousands of people and hasn't said that it will exclude registered lobbyists. Both the Trump and Obama administrations had policies against hiring lobbyists, but both presidents made exceptions.

"Public servants serve all Americans, not themselves or narrow special interests," Mr. Biden's transition team said in a statement.

Mr. Biden won the presidency by building support among a broad coalition of progressive and more business-minded Democrats focused on defeating President Trump. His agenda includes expanding regulations on U.S. industry and forcing drugmakers to lower their prices, priorities that will be challenging to enact if Republicans keep control of the Senate.

Mr. Biden's early staffing reflects his longevity in Wash-



ington. His transition team includes Jessica Hertz, a former Biden aide who now serves as its general counsel, where she oversees the group's compliance with ethics rules. Ms. Hertz came from Facebook Inc., which is now in the crosshairs of many Democrats who believe the tech giant needs to be more closely regulated.

In a statement, the Biden campaign said Ms. Hertz is "a thoughtful and principled decision maker."

Another former Biden lieu-

tenant, Jay Carney, now leads Amazon.com Inc.'s global lobbying and media-relations team.

Mr. Carney began his government career in 2009 as the vice president's communications director.

Mr. Biden said in October that Amazon should be paying more taxes. Some Democrats believe Amazon has too much market power and should face increased regulation, or even be broken up.

Some who have worked for Mr. Biden said he doesn't pro-

vide favors for lobbyists who once worked for him.

Jeff Connaughton, one of his leading fundraisers during his Senate years and 2008 presidential run, complained in his 2012 book, "The Payoff" that "Biden had never helped me once as a lobbyist."

Another former Biden aide is Mark Gitenstein, a senior counsel at Mayer Brown LLC, and now a member of his transition team.

Mr. Gitenstein, senior counsel at Mayer Brown's international trade practice in Washington, declined to comment.

The firm has lobbied for the Chamber of Commerce for at least two decades, and Mr. Gitenstein was on the account until 2008, lobbying reports show.

The chamber opposes some core elements of Mr. Biden's energy plan, including higher carbon taxes. And the business group supported Mr. Trump's 2017 tax cuts, while Mr. Biden has said he would seek legislation to raise the tax rates for top earners and corporations.

Another former Biden aide on the Senate Judiciary Committee, Eric Rosen, represents the Business Roundtable, a powerful group of corporate chief executives that supported the 2017 tax cuts.

Obama Tells Why He Chose His No. 2

By SABRINA SIDDIQUI

Barack Obama viewed Joe Biden in 2008 as lacking a filter and "happy to share whatever popped into his head," but he chose the then-senator as his running mate because he was "decent, honest, and loyal," the former president writes in his new memoir.

In "A Promised Land," which will be publicly available on Tuesday, Mr. Obama offers candid reflections on the historic nature of his presidency, race and the political climate. The first of two planned volumes, the 768-page tome also offers fresh insights into Mr. Obama's decision to select Mr. Biden as his running mate and their occasional disagreements over foreign policy.

Mr. Obama characterizes Mr. Biden as in some ways his political opposite, a factor he ultimately determined would help to offset reservations among his opponents about his presidency.

"One of the reasons I'd chosen Joe to act as an intermediary—in addition to his Senate experience and legislative acumen—was my awareness that in [Mitch] McConnell's mind, negotiations with the vice president didn't inflame the Republican base in quite the same way that any appearance of cooperation with (Black, Muslim socialist) Obama was bound to do," Mr. Obama writes.

Mr. Obama recalls some of his reservations about asking Mr. Biden to join his ticket in 2008. Mr. Biden was 19 years his senior and a stalwart in the Senate, Mr. Obama recalls, while he was running as a Washington outsider.

Describing his own persona as "temperamentally cool and collected," Mr. Obama writes that Mr. Biden was "a man without inhibitions, happy to share whatever popped into his head." Mr. Obama says he concluded Mr. Biden's occasional gaffes were "trivial compared to his strengths" and that Mr. Biden's decades in public office would complement his own relative inexperience in national politics.

Mr. Obama also writes that Mr. Biden expressed skepticism over plans for the raid that killed al Qaeda leader Osama bin Laden in May 2011, suggesting the president weigh "the enormous consequences of failure" and consider holding off until more definitive intelligence was available.

Georgia GOP Fears Feud Could Hurt Senate Hopefuls

By CAMERON McWHIRTER
AND LINDSAY WISE

ATLANTA—The Georgia Republican Party is beset by infighting, as leading Republicans in the state come under public attack from President Trump and his supporters following his apparent defeat by President-elect Joe Biden there—the first loss by a GOP presidential candidate since 1992.

The internal strains come as state party leaders are trying to rally support for two sitting senators facing Jan. 5 runoff that will determine control of the U.S. Senate.

The Senate's partisan breakdown after the Nov. 3 election stands at 50 Republicans and 48 Democrats. If Democrats win both Georgia runoffs, they will control the chamber, since Vice President-elect Kamala Harris, in her role as president of the Senate, could cast tiebreaking votes.

"These two seats...are the last line of defense against this liberal, socialist agenda the Democrats will perpetrate,"



President Trump with, from left, Sen. Kelly Loeffler, Sen. David Perdue and Gov. Brian Kemp in September.

Sen. David Perdue (R., Ga.) said on Fox News Channel's "Sunday Morning Futures." Mr. Perdue is trying to fend off Democrat Jon Ossoff, a documentary filmmaker, while Georgia's other Republican

senator, Kelly Loeffler, is being challenged by the Rev. Raphael Warnock, pastor of Atlanta's Ebenezer Baptist Church.

Energizing Mr. Trump's loyal base is essential to the GOP's runoff strategy, and Republicans in Georgia and in Washington, D.C., would like to see the president train his fire on Messrs. Ossoff and Warnock. But Mr. Trump, apparently preoccupied with a continuing recount of the state's presidential results, instead spent the past few days on Twitter attacking top Georgia Republicans: Secretary of State Brad Raffensperger and Gov. Brian Kemp, both once considered allies of Mr. Trump.

"This could really go off the rails and really cause long-

term damage," former GOP state Rep. Buzz Brockway said Saturday. "The long-term health of the GOP is on the line here in Georgia."

More than a dozen Republican officials and strategists said they worried the intraparty feud was distracting from the runoff effort and could hurt the party's chances in 2022, when the governor and one of the Senate seats will be on the ballot.

The Trump campaign declined a request to comment. One GOP official said the situation is more problematic for Mr. Kemp than for Sens. Perdue and Loeffler and pointed to financial resources and manpower flooding the state for the runoffs from the National Re-

publican Senatorial Committee, the Republican National Committee and other GOP groups.

"That said," the official added, "I think it's important for everyone to be on the same page, working to the same goal, which is to make sure Republicans hold on to the Senate majority by way of two victories for Kelly Loeffler and David Perdue."

David Shafer, the current state party chairman, texted in response to queries, "I believe the party will pull back together. There is too much at stake for us not to reunify."

On Sunday, Mr. Biden's lead in the contest for Georgia's 16 electoral votes was roughly 14,000 out of about 5 million cast. The Associated Press hasn't called the race because it said the tight margin means it could be subject to a post-certification recount under Georgia rules; however, major media organizations have called the race for Mr. Biden. A special by-hand recount of the presidential contest, before certification, is under way already.

Trump campaign officials called for the early recount, but in tweets over the weekend Mr. Trump assailed the process. On Saturday, Mr. Trump said on Twitter that the by-hand recount is flawed because "they are not showing the matching signatures."

The recount is meant to review ballots, not signatures. Absentee voters had to sign on the outside of the envelope, not the ballot. Election officials compared that signature to the voter's registration file. If the signatures were consistent, the

envelopes were then separated from the ballots to safeguard voters' ballot choices. Election officials also verified signatures on paper applications for an absentee ballot.

Mr. Raffensperger last week defended the system and said he didn't believe the recount would change the vote tally because he had confidence in the state's voting machines.

Sens. Perdue and Loeffler last week took the extraordinary step of calling for fellow Republican Mr. Raffensperger to resign, alleging election mismanagement. They didn't offer evidence for that assertion. Mr. Raffensperger wasn't notified of the call until he saw a mass email sent to media outlets. He refused to resign.

Rusty Paul, a former chairman of the Georgia GOP, said the senators had no choice but to publicly disavow Mr. Raffensperger because if Mr. Trump turned on them in frustration, it would be disastrous for their election prospects.

"If the president is tweeting bad things, the base is not coming out," Mr. Paul said.

An adviser to Mr. Raffensperger said that the secretary of state, a strong supporter of the president since 2016, was baffled by the attacks. Those who claim the election was corrupt are in "complete looneyville," the adviser said.

On Monday night, Mr. Raffensperger said that he started receiving threats and nasty emails and texts, including threatening messages sent to his wife's cellphone, right after Sens. Perdue and Loeffler called for his resignation.

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U.S. NEWS

Weekly Cases Top One Million

By ADAM MARTIN

The U.S. reported more than a million coronavirus infections in the past week, including more than 133,000 on Sunday, as the national total surpassed 11 million.

The country also set a record for hospitalizations, with 69,987 as of Sunday, according to the Covid Tracking Project.

Covid-19, the disease caused by the coronavirus, is now widespread in the U.S., and states have begun to impose new restrictions on people's movements to combat it. On Sunday, Washington and Michigan announced new restrictions, including a halt to indoor dining and limits on indoor social gatherings.

Philadelphia on Monday set new measures that begin Friday and remain in effect until Jan. 1. They include moving high-school and college classes online, restricting indoor dining and limiting indoor gatherings and events to single households only.

Chicago, where new limits on social-gatherings are now in place, began a 30-day stay-

at-home advisory Monday. In Kansas City, Mo., Mayor Quinton Lucas announced a 10 p.m. curfew for restaurants, bars and event spaces and limited gatherings to 10 people, among other restrictions.

"We are in the toughest moment since this virus came into our communities," Mr. Lucas said, "and overcoming this crisis requires an aggressive and immediate response."

The 133,045 cases newly reported in the U.S. on Sunday, according to data compiled by Johns Hopkins University, bring the U.S. total to nearly 11.04 million, including 1.04 million reported in the past week. It took more than three months for the U.S. to reach one million cases after the first infections were reported in the country in late January.

Sunday's figure was lower than in recent days but higher than the 109,780 reported a week earlier. Daily tallies tend to be lower at the beginning of the week, as fewer people are tested on weekends.

The national seven-day rolling average was 145,401 as of Saturday, according to a Wall



People lined up in their vehicles to get a Covid-19 test Monday in Miami. More than 133,000 new U.S. cases were logged on Sunday.

Street Journal analysis of Johns Hopkins data. The 14-day average was 127,230. When the seven-day average is higher than the 14-day average, as it has been since Oct. 5, it suggests cases are on the rise.

More than 246,000 people in the U.S. have died of Covid-19, including 616 reported Sunday, according to Johns Hopkins data. The nation's seven-day average of daily reported deaths was 1,083 on Saturday, and the 14-

day average was 1,034.

In Europe, infections continued to spread at a high level, but in many instances were below their recent peaks, as hopes grow that the outbreak's latest wave is slowing as lockdowns begin to have an effect.

In France, the seven-day average of new cases has fallen over the past week, from some 54,000 to under 28,000.

World-wide, more than 54 million people have been infected and more than 1.3 million have died.

U.S. WATCH



CLOSE CALL: Utility crews cleaned up debris from toppled telephone poles Monday in Ridgefield, N.J., after a storm moved through the area.

ECONOMY

Fed's Clarida Expects More Support Needed

A top Federal Reserve official said Monday that the central bank would use all available tools to ensure a strong recovery from the pandemic-induced shock and that he expected more support would be needed from fiscal and monetary authorities.

Richard Clarida, the Fed's vice chairman, said officials discussed at their rate-setting committee meeting this month changes they could make to the asset-purchase program, in which the central bank has been buying \$120 billion a month in Treasury and mortgage bonds.

To provide more support to the economy, officials could give more detail around how long those purchases might last or they could increase the share of long-term securities they are buying. Mr. Clarida didn't indicate Monday whether he favored any changes or whether any were imminent.

Mr. Clarida said that even after the Fed raises interest rates, it will keep rates lower than officials might have otherwise done to provide more support to the economy. The average rate of inflation since the Fed adopted its new framework in August could also dictate the desired pace at which the Fed raises rates, he said.

—Nick Timiraos

VIRGINIA

Governor Presses for Legalizing Marijuana

Gov. Ralph Northam is pushing to legalize marijuana for recreational use in Virginia, which could be the first Southern state to do so.

Mr. Northam, a Democrat, announced his support for legalization Monday, saying he wants a responsible approach that promotes racial equity and preserves youth safety. The governor said he would propose legislation during next year's legislative session, a process he said could take up to two years.

He added that he is certain the drug will eventually be legal

for personal use. "Legalizing marijuana will happen in Virginia," Mr. Northam said.

The governor previously supported decriminalizing marijuana but not full legalization. He said there are many reasons for his shift, including unequal punishments for marijuana-related crimes among people of color. A legislative report issued Monday showed that the average arrest rate of Black Virginians in recent years for marijuana possession was 3.5 times as high as the arrest rate for whites.

Mr. Northam said it is also clear that the public's views have largely shifted in favor of legalization. "As governor, I listen to people," he said.

—Associated Press

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U.S. NEWS

Moderna Shot Hits Milestone

Continued from Page One cases and hospitalizations are surging.

"We may be in a place with a vaccine that has a big impact on the prevention of severe disease," Moderna Chief Executive Stéphane Bancel said in an interview. "That will be an incredible win against this awful virus."

Anthony Fauci, director of the National Institute of Allergy and Infectious Diseases, said the high efficacy rate for Moderna's vaccine means it could be an effective tool to help end the pandemic.

"These are very impressive and very encouraging and exciting results," Dr. Fauci said.

Earlier this month Pfizer Inc. and BioNTech SE said their experimental Covid-19 vaccine was more than 90% effective at protecting people from symptomatic Covid-19 in a large clinical trial. Pfizer plans to ask the U.S. Food and Drug Administration this month to authorize use of the shot, setting up potential distribution to begin by the end of the year.

Though preliminary, the early results for the two vaccines suggest researchers can develop effective Covid-19 shots, which would be a big help in taming the pandemic.

"I think the high efficacy and data on severe cases mean that these RNA vaccines should markedly reduce the burden of hospitalization from Covid-19," said Larry Corey, a vaccine specialist at the Fred Hutchinson Cancer Research Center in Seattle and head of a network of clinical trial researchers who helped test the Moderna vaccine.

Moderna's initial data were reviewed by a committee of independent researchers monitoring the study. The findings provide only a rough snapshot of whether the vaccine works. The company plans to release additional results later, includ-



A Florida retiree, one of 30,000 participants in Moderna's Covid-19 experimental-vaccine trial, receiving his first injection in August.

ing effectiveness in specific groups such as the elderly and against infections that don't produce symptoms.

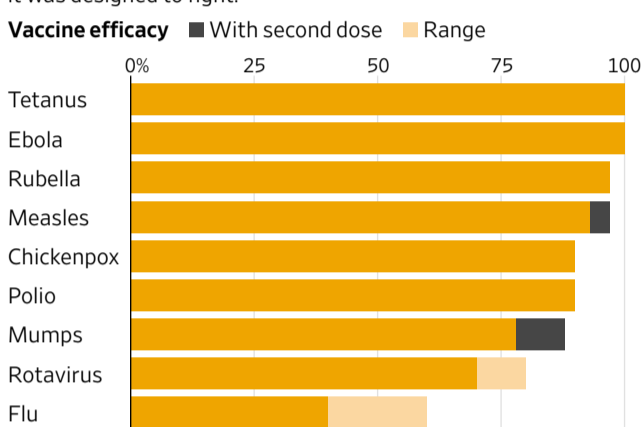
Researchers won't have a full set of effectiveness data until a total of 151 people in the trial develop Covid-19 symptoms. Moderna expects that by the time it applies for government authorization, Mr. Bancel said. The company said the efficacy rate could change when more cases are analyzed, but the early numbers surpassed the high bar it had set for preliminary results.

Both the Moderna and Pfizer Covid-19 vaccines are among the most advanced in development in the West, along with candidates from AstraZeneca PLC, Johnson & Johnson and Novavax Inc.

Covid-19 vaccines developed in China and Russia have already been administered, though they haven't finished the final stage of testing. Russia said its vaccine had 92% efficacy in a large trial.

Moderna's vaccine, like Pfizer's, uses a new technology known as messenger RNA. It works by delivering genetic instructions that teach human

A look at how effective each vaccine is against the illness it was designed to fight.



Source: Centers for Disease Control and Prevention

cells to make a protein resembling one found on the surface of the coronavirus. That triggers an immune response designed to protect vaccinated people if they are later exposed to the actual virus. Moderna, a Cambridge, Mass., biotech that has been an mRNA pioneer, has never brought a drug or vaccine to market and no mRNA vaccine has ever been cleared by regulators.

The National Institute of Allergy and Infectious Dis-

eases worked with the company to develop its vaccine.

The federal government, under the Operation Warp Speed initiative, has committed about \$2.5 billion to Moderna to support its vaccine research and testing and to buy at least 100 million doses of the vaccine.

The logistics of getting both vaccines into the arms of people could be challenging because it will require the shots to be kept at a range of

cold temperatures. Moderna's vaccine must be shipped and kept in long-term storage at a below-freezing temperature equal to most home or medical freezer temperatures. Moderna said Monday it now expects its vaccine, after thawing, can remain stable in regular refrigerator storage for up to 30 days—longer than its previous estimate of seven days. Pfizer's vaccine must be stored at even colder temperatures and then can be kept at standard refrigeration temperatures for about five days.

In the Phase 3—that is, late-stage—study of its vaccine, people at about 100 U.S. locations were given two doses of the vaccine or a placebo, four weeks apart. Researchers tracked cases of symptomatic Covid-19 starting at least two weeks after the second dose.

The study's design called for the independent committee to conduct the first interim analysis of efficacy when 53 people came down with symptomatic Covid-19. Moderna said the first analysis involved substantially more people because of the recent

increase in Covid-19 cases nationally.

Among the 95 cases reviewed, 11 were severe, all in people receiving the placebo, Moderna said.

Moderna said the 95 Covid-19 cases included 15 people ages 65 years and older, and 20 people from diverse communities such as Hispanic or Latino and Black people.

Because of the urgent need, the FDA plans to clear Covid-19 vaccines more quickly than is standard. Technically, the authorization would be for emergency use, rather than a standard approval. The FDA wants to see two months of safety monitoring for at least half of the 30,000 people in the trial, a milestone Moderna expects by the end of November.

In the early look, the company said no significant safety concerns were reported, and the vaccine was generally well tolerated, with injection-site pain for some people after the first dose, and fatigue, headache and joint pain after the second.

If regulators do authorize the vaccine, the initial supply of doses will be limited—20 million, or enough for 10 million people, by the end of the year, Moderna forecasts. If the Pfizer vaccine is also authorized, federal officials said Monday they expect to be able to immunize about 20 million people during December.

Plans haven't been finalized, but a National Academy of Medicine committee has recommended that the first phase of vaccination cover about 5% of the population and include front-line health workers and first responders.

The next phase would cover 10% of the population and include people at higher risk of severe Covid-19 disease or death.

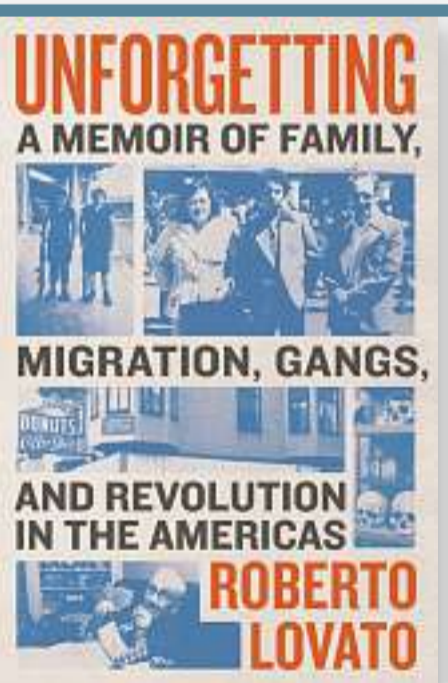
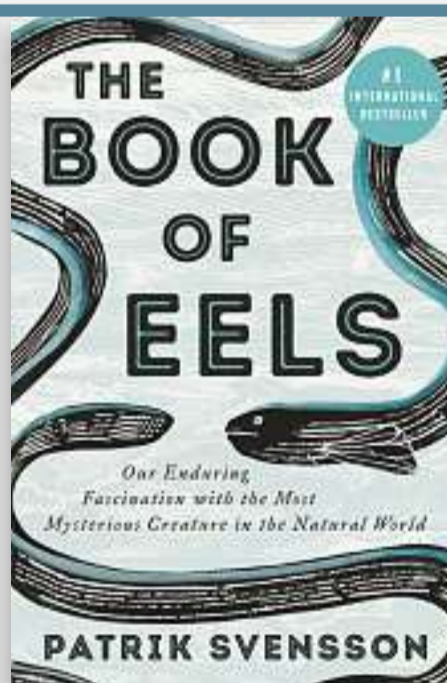
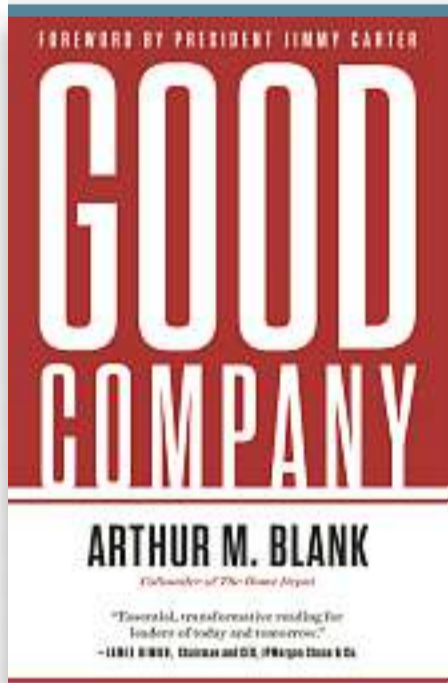
Moderna is working with contract manufacturers to boost production so it can make 500 million to one billion doses next year. Its U.S. contract has an option for 400 million doses in addition to the initial 100 million.

Moderna shares jumped 9.6% to \$97.95 Monday. The company's stock price is up more than 400% year-to-date.

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WORLD NEWS

U.S. Seen Speeding Up Mideast Troop Pullout

By GORDON LUBOLD
AND NANCY A. YOUSSEF

WASHINGTON—President Trump is expected to order the Pentagon to withdraw more forces from Iraq and Afghanistan, furthering his promise to end U.S. involvement in world conflicts and defying many Republicans who believe a precipitous withdrawal would amount to a strategic stumble.

The orders, which could come by Tuesday, would call for the U.S. military to draw down the number of troops in both countries to roughly 2,500 each by Jan. 15, five days before President-elect Joe Biden's inauguration. The Pentagon's Joint Staff is expected to deliver the order in the coming days to U.S. Central Command, which is responsible for U.S. military operations in the Middle East

and Afghanistan. Military planners there will draft the specifics of those plans.

Currently about 5,000 troops are in Afghanistan and more than 3,000 are in Iraq. There are no current plans to draw down the force of about 1,000 troops in Syria, officials said.

The cuts to the deployment in both countries advance Mr. Trump's desire to end the so-called endless wars, even if he won't have met that goal completely before he leaves office Jan. 20. They amount to a compromise within the administration between those who believe pulling forces out quickly could imperil the remaining troops and equipment and undercut U.S. interests in the region, and those who want to end the wars by drawing all forces out as quickly as possible.

The expected action would leave residual forces on the ground in both countries.

There was no immediate reaction from the Biden campaign to the decision to draw down forces.

On Capitol Hill, reports of the planned withdrawal were met with criticism from members of Mr. Trump's Republican Party. Senate Majority Leader Mitch McConnell (R., Ky.) compared the move to "the humiliating American departure from Saigon in 1975," warning it would embolden the Taliban, hand al Qaeda a propaganda victory, and risk the rights of Afghan women and girls.

"We'd be abandoning our partners in Afghanistan, the brave Afghans who are fighting the terrorists and destroying the government's leverage in their talks with the Taliban, designed to end the fighting," he said on the Senate floor.

The order follows Mr. Trump's Nov. 9 dismissal of Defense Secretary Mark Esper



NEVIN C. CEPEDA/SAN DIEGO UNION-TRIBUNE/ZUMA PRESS

Some Republicans criticized the plan to pull forces from Afghanistan, shown in 2017, and Iraq by Jan. 15.

and other changes at the Pentagon. Mr. Trump installed loyalists seen as more amenable to advancing the president's objectives.

Over the weekend, Acting Secretary of Defense Christopher Miller issued a memo to the department portending a U.S. military drawdown. Mr.

Miller wrote that the U.S. must "avoid our past strategic error of failing to see the fight through to the finish" but also said that "all wars must end."

Mr. Trump had agreed in June to draw down troops in Afghanistan to 4,500 by November and pull all troops out by next spring, but the incom-

ing team at the Pentagon pushed for an acceleration of the drawdown of forces.

CNN earlier reported on Monday that the Pentagon was preparing to receive a formal order for the drawdown of troops.

The White House and the Pentagon declined to comment.

Trump Sought Options for Strike on Iran Nuclear Site

WASHINGTON—President Trump asked his advisers during an Oval Office meeting Thursday about potential military options for striking an Iranian nuclear site after a United Nations agency disclosed that Tehran had expanded its supply of low-enriched uranium, officials familiar with the meeting said.

Mr. Trump was dissuaded

By Nancy A. Youssef,
Gordon Lubold
and Michael R. Gordon

from pursuing those options by several senior advisers, who argued that military action could lead to a broader conflict in the region just as the president is trying to end

wars in Afghanistan and Iraq, the officials said.

"A conflict with Iran ends badly for everyone involved," one U.S. official familiar with the meeting said.

The discussion followed a report by the International Atomic Energy Agency that showed that the country's stockpile of low-enriched uranium had grown to 12 times

what was permitted by the 2015 nuclear agreement.

The episode, earlier reported by the New York Times, raised concerns among some U.S. officials that Mr. Trump, who hasn't conceded the election to President-elect Joe Biden, may try to make an imprint on his way out of office, particularly on foreign policy issues over which he sharply

disagrees with Mr. Biden.

Attendees at the White House meeting included Chairman of the Joint Chiefs of Staff Army Gen. Mark Milley, acting Defense Secretary Christopher Miller and Vice President Mike Pence, according to officials familiar with the matter. They argued that a military operation against Iran would come with serious mili-

tary consequences, including political ones that could follow Mr. Trump out of office, the officials said.

Mr. Trump's questions to aides about Iran came days after an overhaul at the top at the Pentagon. Mr. Trump last week fired Defense Secretary Mark Esper and installed several allies at the Pentagon to serve under his successor, Mr. Miller.

Biden Set for Shift on North Korea

By ANDREW JEONG

SEOUL—President-elect Joe Biden is expected to revert to a more conventional approach to negotiating with North Korea—one that mixes pressure with what he calls "principled diplomacy."

The core problem for Mr. Biden will be moving the needle on a thorny foreign-policy challenge that has stumped multiple American administrations—including President Obama for eight years and President Trump, who met North Korean leader Kim Jong Un three times.

Pyongyang is now in possession of an arsenal that is more advanced than ever before. Mr. Biden will be the first American president to enter office since North Korea demonstrated it has a missile capable of hitting the U.S. mainland.

"Denuclearization is the appropriate long-term strategic goal and should be maintained," said Markus Garlauskas, a former U.S. intelligence



President-elect Biden has said he is willing to meet Kim Jong Un.

official and current senior fellow at the Atlantic Council. "But you also need realistic short-term goals."

Mr. Biden, who has said a denuclearized North Korea is

the goal, has rejected Mr. Trump's approach, declaring an end to the unconditional summits that he said amounted to embracing a thug. He would sit down with the North Korean

leader, Mr. Biden said on the campaign trail, though only if Pyongyang was sincere and pledged to reduce its nuclear arsenal.

As part of this emphasis on lower-level talks, Mr. Biden's advisers have said they would like to invite other countries to the talks, including South Korea and China. President George W. Bush pursued a similar multilateral approach in the 2000s.

But North Korea, via reports in its state media, has often admonished other countries from trying to involve themselves with the Kim regime's bilateral relationship with the U.S.

Mr. Biden may not be afforded a lengthy period of time to formulate a strategy. Since 2005, North Korea has welcomed new American administrations—or second-term presidents—with a weapons test within a few weeks or months after inaugurations in January. For Mr. Trump, the North test-fired a ballistic missile just three weeks after Inauguration Day.

Powerful Hurricane Slams Nicaragua

By JUAN MONTES

MEXICO CITY—The year's most powerful Atlantic hurricane slammed into northeastern Nicaragua on Monday night, just miles from where another deadly Category 4 storm lashed the region less than two weeks ago.

Hurricane Iota made landfall about 30 miles south of Puerto Cabezas, on Nicaragua's Caribbean coast, with sustained winds near 155 miles an hour, bringing a life-threatening storm surge, catastrophic winds, flash floods and mudslides to an area still reeling from the previous storm.

Iota landed just 15 miles south of where Hurricane Eta made landfall on Nov. 3, the U.S. National Hurricane Center said. Eta killed at least 200 people, and displaced tens of thousands, some of whom are still awaiting aid and are vulnerable to the new storm.

"Flooding and mudslides in Honduras and Nicaragua could be exacerbated by Hurricane Eta's recent effects there, resulting in significant to potentially catastrophic impacts," the hurricane center said.

Earlier in the day, Iota became the hurricane season's first Category 5 storm, with sustained winds near 160 mph. The 2020 Atlantic hurricane season has been the most active on record. Iota is the 13th hurricane of the season and the 30th named storm. The previous record of 28 named storms was set in 2005.

Iota is the strongest hurricane formed in November since records began in 1851, said Dennis Feltgen, a meteorologist with the hurricane center. This also marked the first time that two such powerful storms formed in November, which is normally the very end of the hurricane season, he added.

Peru's Congress Names Interim Leader

By RYAN DUBE

LIMA, Peru—The congress in Peru chose lawmaker Francisco Sagasti as caretaker president in hopes of ending a deepening political crisis that had resulted in deadly protests and a power vacuum in the midst of the pandemic and the country's worst economic crisis in a century.

In a 97-to-26 vote Monday, a congress that Peruvians pilloried for impeaching then-President Martin Vizcarra a week ago responded by voting in Mr. Sagasti. He is a 76-year-old centrist technocrat who had worked at the World Bank and founded the Lima-based Grade think tank, which focuses on economic and social development.

He will become the third president in a tumultuous week.

Chosen as the new head of congress, Mr. Sagasti automatically takes on the role of president because Manuel Merino, who resigned Sunday in the wake of intensifying protests that left two dead, had no vice president.

Mr. Sagasti is expected to take the oath of office Tuesday. He said he was taking on the role "for our country, our youth and for a better future for all Peruvians."

Going with Mr. Sagasti was seen by political analysts as a way to defuse protests that had shaken the country of 32 million after 105 of the 130 members of

congress Nov. 9 removed Mr. Vizcarra over corruption allegations that he had denied. As head of congress at the time, Mr. Merino automatically became president the next day because Mr. Vizcarra, who had been in office since 2018, didn't have a vice president.

Mr. Sagasti's Purple Party was one of the few that had opposed the impeachment that triggered a chaotic week. He had described the impeachment, which took place just five months before presidential

Francisco Sagasti becomes the country's third president in a week.

elections, as irresponsible when Peru was being whipsawed by the Covid-19 pandemic and the ensuing economic crisis.

"A few months from elections, a change in government won't resolve anything and will create more uncertainty," Mr. Sagasti wrote on Twitter after the impeachment.

Indeed, many Peruvians saw the move against Mr. Vizcarra as akin to a coup d'état, one that would benefit those who did the ousting because his administration had been battling corruption in the congress.

Mr. Sagasti, known as being

a consensus builder, will be expected to try to restore political stability as he leads a transitional government ahead of the presidential election in April. His term will end in July.

The selection of Mr. Sagasti was welcomed by many Peruvians who had taken to the streets during the past week in the biggest political crisis in two decades. They wanted congress to select a lawmaker who had voted against the impeachment and wasn't tainted by corruption scandals.

"His main objective will be to bring calm to the streets," said Carlos Melendez, a Peruvian political scientist at Diego Portales University in Chile. "He's not someone associated with businesses or corruption cases. He projects an image of consensus."

Mr. Sagasti studied engineering at Penn State University and has a doctorate from the University of Pennsylvania, where he taught at the Wharton School. He was a hostage along with dozens of foreign dignitaries and government officials during a siege by leftist rebels on the Japanese embassy in Lima in 1996.

He has held several high-ranking government positions, including some that focused on the development of science and technology.

As president, he faces enormous challenges: a pandemic that has infected nearly a million Peruvians and remains out

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FROM PAGE ONE

Silent Retreats Move Home

Continued from Page One

while people clang pots in the kitchen and leaf blowers blare outside, they might be able to keep that inner peace longer.

Gaia Fuenzalida has joined three online retreats since the pandemic hit. She said it was hard to give up her addiction to medical dramas on TV, but even harder to skip checking emails, answering the phone or doing unnecessary chores.

"I don't have a child, but I have a very fast dog," she said. Her young Husky mix, Sita, wants to run for several hours a day. "I can't walk slowly with her, she needs to run, so I run mindfully," she said.

Virtual silent retreats generally have a daily schedule with guided meditations, yoga and occasional short webinars in which participants can ask mentors questions—a rare chance to speak. They all appear in a grid on the computer screen, which itself can pose a distraction.



Corina Urdaneta joined a five-day silent retreat last spring from her home in Bethesda, Md.

Ms. Fuenzalida said she struggled to let go of the "comparing mind" when she saw peers log in from warm places after she had just shoveled snow in British Columbia. "There were people in tank tops, and they looked like they were in some kind of hut in Thailand," she said. "I was like, wow, I'm living in the wrong place."

She said she tried to focus on the teachings, but her at-

tention often drifted to "people's artwork behind them.... Sometimes people fall asleep with their mouths wide open."

Tara Brach, founder of the Insight Meditation Community of Washington, said the goals of many participants include finding "how to calm and settle ourselves," and that "when we don't talk, we deepen our attention to the present moment."

Sometimes, though, children barge in to ask a parent to heat up a pizza or tie a shoe. "One person was describing how her kids had full understanding that the retreat was going to happen, gave her full permission, but then pulled it back and said no, we want you to make us this for dinner," Ms. Brach said. "She had to decide how much she was going to be mom that night."

Southwest Seizes the Moment

Continued from Page One

and has told unions that furloughs—the first in its history—are inevitable early next year without pay cuts or government stimulus.

Airlines are offering 42% less flights this month than last November. Southwest flights are down about 36%. Southwest's third-quarter revenue of \$1.8 billion was down 68% from a year earlier and the carrier burned through \$12 million in cash a day—a figure it says it trimmed to \$10 million a day in October.

Southwest accounted for about 20% of domestic air traffic in the quarter, behind only American, according to Transportation Department figures. While it has borrowed billions this year as it contends with the pandemic, it still has more cash than debt.

Many airlines are rewriting their route maps. But while most are experimenting with new routes among cities they already fly to, Southwest is adding airports.

Southwest had less debt coming into the crisis than some rivals, has lower costs and is more focused on domestic destinations where travel is expected to rebound before travel abroad. That has allowed it to move into openings at airports such as Chicago's O'Hare airport that previously had no space for new entrants and to re-evaluate cities such as Colorado Springs, Colo., that once didn't seem worth the investment. It started flying from Miami and Palm Springs on Sunday and announced plans last month to begin flying from Houston's George Bush Intercontinental Airport.

Holes in networks

"Southwest is going to look at what the holes are in the majors' networks," says Matt Lee, vice president of operational planning at aviation consulting firm Landrum & Brown, "and fill them in the interim."

Capt. Jon Weaks, head of the union representing Southwest's pilots, which is fighting pay cuts, described the expansion strategy as "predatory and opportunistic—which we like."

Whether that opportunism is enough will depend partly on the pandemic's effect on travel. Southwest will face pressure from discounters including Spirit Airlines Inc. and Allegiant Travel Co., which often charge lower fares and are finding opportunities to enter emptier airports. Several major carriers are cutting into one of Southwest's big selling points by doing away with most domestic change fees.

And Southwest in the past stumbled with expansion, in 2011 when it moved into Newark Liberty airport, a United hub. It struggled to compete in transcontinental flights and never gained more than about 5% share of passengers there, pulling out last year. "If they

couldn't make Newark work," says Mark Kopczak, an aviation consultant who previously led Spirit's network-strategy team, "how are they going to pull the same thing off at O'Hare?"

Southwest's Mr. Watterson says the airline's business model—selling tickets directly to customers rather than through online travel agencies—works best where it has a big customer base. "That's the case in Chicago, Houston and South Florida," he says, but not in Newark.

'Stump the chump'

Mr. Watterson and Adam Decaire, two executives responsible for Southwest's commercial and network strategy, say they had expansion in mind in early August during their quarterly day in the hot seat with CEO Gary Kelly. Known internally as "stump the chump," the daylong meeting is a chance for executives to quiz their network gurus, and no question is off limits.

Mr. Watterson and other Southwest executives had watched what looked like a summer rebound slow in late June, then stall in July as Covid-19 infections rose. Southwest and carriers such as American that had bet on summer travel pulled down thousands of flights scheduled for August and September.

But, Mr. Watterson says, he began realizing that cutting flying and costs could do only so much to get back to breaking even and that waiting for demand to return would take too long. "We needed to force a pace."

Physically distanced amid big screens and piles of binders in the boardroom, Mr. Watterson and Mr. Decaire ran through two decades of Southwest's network history. After 9/11, it was one of few airlines to remain profitable: While it didn't add new cities right away, it picked up market share when rivals pulled back and expanded into long-haul routes that had been dominated by bigger airlines.

In 2009, when some others had retrenched with the financial crisis, it had gone into Boston's Logan and New York's LaGuardia—airports its legendary CEO Herb Kelleher had earlier spurned as too crowded and expensive. It added service to Minneapolis and Milwaukee that year, too. Those moves paid off: 20% of its 2010 revenue growth came from new cities.

"We can do that same thing again. But we have to do it on a bigger scale, because the hole we're in is bigger," Mr. Watterson recalls saying during the meeting.

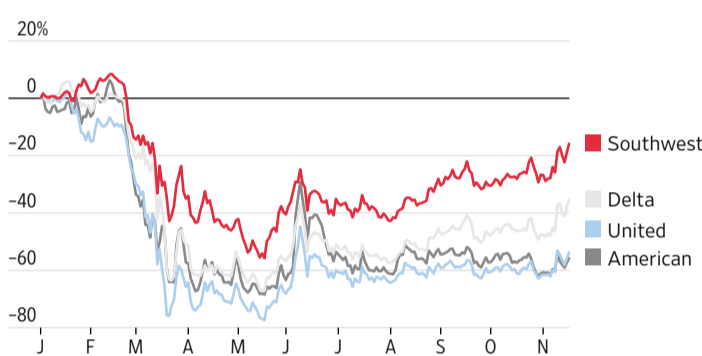
The play, Mr. Watterson and Mr. Decaire say, is to spread Southwest's planes into new places rather than continuing to offer so many multiple daily flights in cities where it knows customers aren't flying as much. Southwest keeps a list of airports where its Boeing 737s can reach from its existing cities. From among those, its planners had been combing for places with untapped demand that it could quickly hook into its network.

"Even if that market is still depressed," Mr. Watterson says, "it's still brand new revenue."

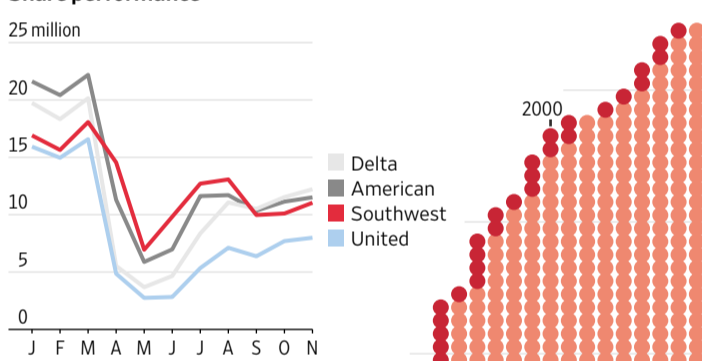
Altitude Gain

Southwest Airlines has moved steadily into new airports since its founding and is adding cities at a quicker pace during the pandemic.

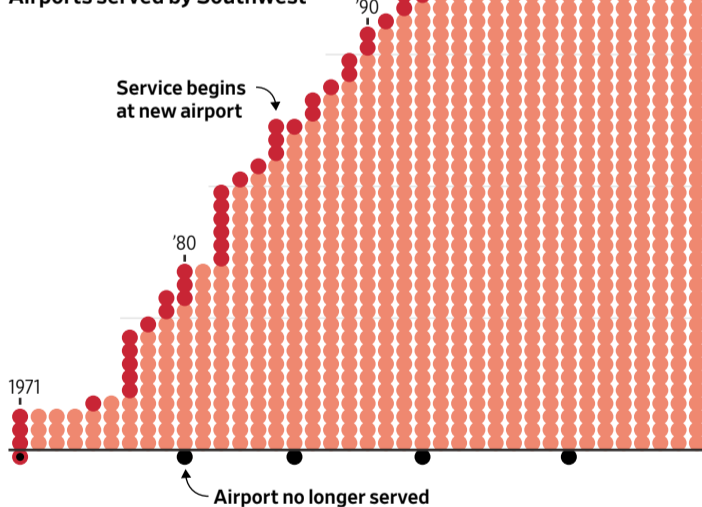
Airline seats scheduled



Share performance



Airports served by Southwest



Sources: Cirium (seats); FactSet (stock price); the company (airports served)

The idea clicked for Mr. Kelly, Southwest's CEO, Mr. Watterson and Mr. Decaire say. "I'm happy to play offense," Mr. Kelly later said on the quarterly earnings call about two months later.

For decades, Southwest was among the fastest-growing U.S. airlines, known for splashy entrances into new cities and starting fare wars. It had a more measured growth pace in recent years. Last year, its growth was constrained by the grounding of the 737 MAX following two fatal crashes.

Planes to spare

Southwest lost some of its low-cost advantage, having evolved from a disruptive upstart. With competition from ultradiscounters and basic-economy fares that airlines like United, American and Delta launched, Southwest doesn't always have the lowest prices, though it doesn't charge for bags and other extras.

It shrank capacity by 1.6% in 2019, its first contraction in a decade. Earlier this year, Mr. Decaire says, he fretted he didn't have enough airplanes to keep up with booming demand in cities Southwest already flew to.

The pandemic offered a

new chance. Most cities it has picked are ones it had hoped to fly to eventually, and it now has planes to spare and airports with space, Mr. Decaire says: "We probably put in a decade's worth of new city growth into Southwest."

Other airlines, too, are re-drawing their maps somewhat during the pandemic, including United, which said this month it will return to New York's John F. Kennedy airport after departing five years ago.

'It sounds risky to go open a bunch of new cities, but the alternative is worse.'

It is launching nonstop flights from places like Cleveland to cities in Florida. United has also added flights to several small cities, some under a subsidy program from the Transportation Department.

Spirit gained slots at Orange County's John Wayne Airport, a long-held goal for the ultralow-cost carrier. JetBlue Airways Corp. has been expanding at Newark and has launched 60 new routes—

Corina Urdaneta joined a five-day silent retreat last spring when her house in Bethesda, Md., was packed with her grown children and two nephews escaping the virus surge in New York City. "I felt I needed a break from everyone," she said.

She stayed in her room, ignoring phone and email. But she couldn't keep out her 30-pound beagle, Huckleberry, who likes to lean on her legs while she sits meditating on a cushion. "He's nice but sometimes kind of uncomfortable," she said.

James Baraz, a founding teacher of Spirit Rock Meditation Center in West Marin County, Calif., said home participants have to tell families to be patient and respect their purpose. "It's not like they're just hanging around eating some Cheez Doodles," he said.

Karen Mitchell, who joined a six-day silent retreat from her one-bedroom apartment in Washington, D.C., told her partner, Sean Carver, she would put her hands together in a prayer sign when she passed by to show she wasn't snubbing him in anger. They also used hand signals to try to stop the mischief of their pet rabbit, Knoll.

"Knoll would try to come in

and be scratching on the door," Ms. Mitchell said. "I'd see Sean out of the corner of my eye chasing Knoll."

Jessi Rosinski, a teacher in Boston, worried she would offend acquaintances if she bumped into them on a silent walk and said nothing. "I let neighbors know in advance I'll wave and smile and catch up with you in a few days," she said. She did utter "good morning" and "thank you" a few times in the belief that doing so met meditation's goal of compassion.

Mira Barakat, a 35-year-old tango dance teacher in Oakland, said her silent retreat offered a much-needed chance to focus amid the coronavirus, elections, protests and wildfires on the West Coast.

This year has had "so much anxiety and so many unknowns, and the practice helps people sit with the changes," she said. "It's slightly ironic doing a meditation retreat online since it's so often about getting away from screens."

Ms. Barakat abstained from wine, saying that indulgences like alcohol don't support the practice. "I may have had chocolate," she said. "But I would definitely have been trying to eat the chocolate with an awareness."

favoring cheaper and less crowded secondary airports—like Chicago's Midway Airport—tapping demand other airlines ignored, says Pete McGlade, an architect of Southwest's network strategy and now a consultant. Over the years, Southwest made inroads at other carriers' hubs: becoming one of the largest in places such as Phoenix and Denver, and dominating cities like St. Louis that were once strongholds for others.

Second airports

Expanding from secondary airports to larger ones is a longstanding Southwest strategy—a pattern it has followed in New York, Boston and, through its AirTran acquisition, Washington, D.C. It is now picking places that can help bring in revenue fastest, Mr. Watterson says: "We need to get back to break-even, we need to stop burning cash."

One lesson Southwest learned from previous ventures into rival territory: Go big. With enough flights to any given city, Mr. Watterson says, "The other airlines can't really touch you." Southwest will start 20 flights a day from O'Hare in February.

Southwest says it closely followed discussions a few years ago about O'Hare's expansion, including a new lease agreement that gives Chicago greater ability to award gates to new entrants. But it never saw a way in, Mr. Watterson says: "It wasn't until Covid times when we saw a dramatic reduction in O'Hare activity that we could go in and get access to gates."

With fewer flights arriving from abroad, "common use" gates at O'Hare's international terminal had extra capacity. Southwest pounced. "If we don't move now," Mr. Kelly, the CEO, said during the October earnings call, "we risk never getting in there."

Houston's William P. Hobby Airport, which Southwest dominates, is a trek for people in northern Houston and surrounding suburbs. Before the pandemic, Southwest had spoken to airport officials about expanding at Hobby, says Mario Diaz, executive director of Houston's airports. About 2½ months ago, the airline instead asked to add service at the city's bigger airport, George Bush Intercontinental, after a more than 15-year absence. Southwest last month said it would begin flights from that airport in the first half of 2021.

Before the pandemic, the airline had considered airports serving Steamboat Springs and Telluride—Colorado ski towns—and picked Steamboat. In a year when skiing looks to be one of few activities people may travel for, Mr. Watterson says, the airline's planners thought, why not both? Southwest announced service to the additional airport on Oct. 8.

Even as the pandemic now worsens, says Mr. Watterson, Southwest still needs to tap new markets and believes the strategy will hold up. Mr. Decaire says Southwest is seeking markets it can stay in after the pandemic. "We don't want to do anything now just for a few months," he says. "We're definitely out scouting more cities."

In its early days, Southwest

GREATER NEW YORK

State Closes Troubled Funeral Home

Bodies were found decomposing in trucks outside Brooklyn facility amid pandemic

By MICHAEL M. PHILLIPS

The state of New York has permanently shut down the Brooklyn funeral home where police discovered bodies decomposing in unrefrigerated U-Haul trucks during the height of the pandemic in the spring.

The state also has barred the mortuary's owner, Andrew T. Cleckley, from working as a funeral director in New York and fined him \$68,000, a Department of Health spokeswoman said Monday.

In July, The Wall Street Journal published a Page One article about Nathaniel Hallman, a church deacon from the Bronx whose remains were among those discovered in one of the rental trucks at Andrew T. Cleckley Funeral Services.

In addition to the bodies in the cargo trucks, authorities responding to a 911 call on April 29 found corpses in

varying states of undress and decay strewn about the funeral-home floor.

One mortician who helped in the cleanup described bodies at the funeral home in "advanced stages of decomposition and putrefaction."

"These actions created environmental and health hazards and caused indescribable misery for the decedents' friends and families," a state Department of Health lawyer, Alvaro Salinero, said in May.

The medical examiner removed 61 bodies from the Cleckley funeral home. By then, New York City was past the very worst days of the pandemic, but hospitals and mortuaries were still swamped. On April 7, 599 New Yorkers died; on April 29 the death toll was 240.

The state immediately suspended Mr. Cleckley's funeral-director license. Mayor Bill de Blasio said he had "no idea in the world how any funeral home could let this happen."

In the weeks after the discovery, several families sued Mr. Cleckley and some of the other half-dozen funeral directors working from his facility.



Authorities removed bodies that were found decomposing in unrefrigerated U-Haul trucks in April.

Mr. Cleckley's career and business, however, remained in limbo pending the outcome of a hearing in the spring before a Department of Health administrative law judge.

She ruled against him in August but didn't release her decision publicly. Mr. Cleckley appealed to state Health Com-

missioner Howard Zucker.

Mr. Zucker upheld the judge's decision, revoked Mr. Cleckley's funeral-director license and canceled his mortuary's registration for what the state attorney called Mr. Cleckley's "egregious violations" and "gross misconduct."

Mr. Cleckley's lawyer de-

cried the decision, saying his client was doing his best for the deceased and their families during a mass-casualty event that nobody had seen coming. "It's an extremely harsh ruling that doesn't take into account the severity of the pandemic for everyone," the lawyer, Robert Osuna, said

in an interview Monday.

"Ruining his career for the worst week of the worst outbreak that we've seen in our lifetimes is an outrage," Mr. Osuna said.

Mr. Cleckley said other funeral directors operating from his mortuary were responsible for the mishandled bodies. "I never stored any human remains on a U-Haul truck," he testified at the Department of Health hearing.

He told the judge that in the mornings he moved bodies from a rented refrigerated truck parked down the block into an unrefrigerated U-Haul truck in front of his business. At night, after foot traffic died down, he shuttled the corpses a few more yards into the funeral home to be boxed for cremation. "I handled all my remains with the proper respect and dignity they deserve," Mr. Cleckley testified.

The state's lawyer asked Mr. Cleckley why he didn't move the remains from the refrigerated truck into the building, without leaving them in the U-Haul all day. "That's just not the way we chose to do it," he said.

Spitzer Scores Win In 7-Year Legal Fight

By CORINNE RAMEY

A New York judge threw out a defamation lawsuit filed by former American International Group Inc. chief Maurice "Hank" Greenberg against former Gov. Eliot Spitzer, ending a seven-year court battle.

The two men have been rivals for years, dating to when Mr. Spitzer pursued fraud claims against the financial-services industry during his tenure as New York attorney general from 1999 to 2006.

Mr. Greenberg, now 95 years old, sued Mr. Spitzer in state Supreme Court in Putnam County in 2013. Some of the allegedly defamatory statements in question occurred during Mr. Spitzer's 2012 television appearance on the CNBC program "The Closing Bell."

"You know, let's deal with reality here," Mr. Spitzer said to host Maria Bartiromo, according to court documents. "Hank Greenberg's accounting was fraudulent. His company threw him out."

In 2017, Mr. Greenberg settled civil-fraud allegations brought in 2005 by Mr. Spitzer's office during his tenure as attorney general. In a news release at the time, the attorney general's office said Mr. Greenberg had admitted to participating in fraudulent transactions; a lawyer for Mr. Greenberg said the former AIG chief "is not acknowledging anything improper." Mr. Greenberg left AIG in 2005 as a probe by Mr. Spitzer was under way.

In a 69-page opinion last week, Judge Victor Grossman said Mr. Greenberg hadn't provided sufficient evidence to prove actual malice. Judge Grossman also said that in a defamation case, the word "fraud" had a colloquial meaning that a viewer or listener would understand, not a legal one.

Legal proceedings had been moving slowly for years, with a trial scheduled for January. Judge Grossman said that pre-trial discovery expenses had exceeded \$250,000 and that at least 16 lawyers had been involved "as the parties slog toward their judicial Armageddon."

A lawyer for Mr. Spitzer didn't respond to a request for comment.

A spokeswoman for Mr. Greenberg's lawyer, David Boies, didn't comment on the ruling. Mr. Greenberg could appeal the decision.

In his ruling, Judge Grossman compared the two rivals, noting they had been engaged in media and court battles for years.

"Each is outspoken and direct," the judge wrote. "Each has sought to rebuild his public stature after setbacks. In these respects, they may be more alike than different."

NYC Schools Will Remain Open Tuesday

By KATIE HONAN AND JOSEPH DE AVILA

New York City's public schools will stay open Tuesday as the city's rate of positive test results for Covid-19 has stayed below the threshold that would trigger fully remote learning for all students, Mayor Bill de Blasio said Monday.

The share of people tested in the city who were positive for coronavirus during the past seven days, through Saturday, was 2.77% on average, the mayor said on MSNBC's "Morning Joe." The daily positivity rate was 1.68% Saturday.

The city set a threshold to end in-person learning if the seven-day average positivity rate reaches 3%. Schools would shut the next day.

"If we reach it, we're going to have to do some kind of reset," the mayor said Monday.

He added that testing would be crucial to such a reset.

Nearly 300,000 people were tested this weekend, Mr. de Blasio said. But as more test data is reported, the positivity percentages have fluctuated.

For instance, the seven-day average positivity rate through Friday previously was reported as 2.57%. On Monday, city officials readjusted that rate to 2.94%, the highest it has been in months.

Earlier Monday, Gov. Andrew Cuomo, who would need to approve any decision by the city to close schools, said New York City should change its 3% threshold because schools haven't been places where the virus has spread. "The infection rate in the schools is much lower than the rest of the city and the rest of the community," he said on MSNBC. "Why not leave the children in the

schools rather than have them around, run around the streets where the infection rate is five times as high?"

Mr. de Blasio said the city would keep its commitment to close schools at the 3% rate.

The governor also said the state could limit indoor dining

The city is near the 3% Covid-19 threshold that would close buildings.

at restaurants even more if Covid-19 cases continue to go up. State rules currently restrict indoor dining to 25% capacity. Last week, he mandated a 10 p.m. curfew for most bars, restaurants and gyms. "If the

numbers continue to go up, we're going to clamp down even more," he said.

Mr. de Blasio has said indoor dining should be re-evaluated.

In New Jersey, Gov. Phil Murphy tightened restrictions on private indoor gatherings in the state as the number of Covid-19 cases reached levels not seen since the first deadly wave in the spring.

The governor's new executive order lowers the maximum number of attendees in private residences to 10 beginning Tuesday, following similar restrictions in New York. Outdoor gatherings will be limited to a maximum of 150 people starting Monday.

"What we are doing today I know will cause some people to readjust their Thanksgiving plans, and I understand why there might be frustration,"

Mr. Murphy said Monday. "We've been saying for weeks this won't be a normal Thanksgiving."

The state recorded 2,232 new Covid-19 cases on Monday following 4,353 new cases Saturday and 4,538 new cases Sunday. Those weekend numbers eclipsed the state's previous record of 4,305 set in early April when the first surge hit the state. The seven-day rolling average for Covid-19 cases also reached 3,550 Monday, the highest mark since late April.

About 2,115 people are hospitalized with Covid-19 or suspected of having the disease, more than double the number from the end of October.

Covid-19 deaths remain relatively low but have been creeping up. The state reported 14 coronavirus deaths, raising the state's confirmed cumulative total to 14,779.

New Yorkers in Need Get Help With Thanksgiving Dinners



ALL THE FIXINGS: Volunteers helped distribute supplies for holiday meals Monday during a Food Bank for New York City event in Manhattan's Harlem neighborhood.

GREATER NEW YORK WATCH

NEW JERSEY

Suit Claims Company Defrauded NJ Transit

A bus company defrauded New Jersey's public transit corporation out of more than \$15 million by underreporting trips its buses missed and billing for trips it never took, according to a civil complaint announced Monday.

Attorney General Gurbir Grewal said the state has joined a whistleblower lawsuit against Hoboken-based Academy Bus LLC.

The complaint alleges Academy failed to report tens of

thousands of missed trips over a six-year period ending in late 2018 to avoid assessments under its contract with NJ Transit.

Most of the trips were on routes serving the Hudson County waterfront, including service to New York City. Riders were often left delayed or stranded.

The lawsuit alleges the company violated state false-claims and unjust-enrichment laws, and it seeks damages and civil penalties.

Messages seeking comment were left Monday at Academy's headquarters and with an attorney representing the company. —Associated Press

CONNECTICUT

Mom Charged With Shooting 2 Children

A Plymouth woman charged with shooting two of her children, one of them fatally, has made her first court appearance.

Naomi Bell said nothing as she was presented via videoconference in New Britain Superior Court on Monday.

Ms. Bell was arrested Friday night at her home, where her 15-year-old daughter, Madeline, was found shot to death and her 7-year-old son was critically injured. Her husband and another

child, who wasn't home at the time, weren't injured, police said.

Ms. Bell was ordered held in lieu of \$2.5 million bond on charges of murder with special circumstances and attempted murder with special circumstances. She is due back in court on Jan. 12.

Ms. Bell's attorney, public defender Jassette Henry, told the court that her client had twice been hospitalized recently after suffering psychotic episodes. Ms. Henry said Ms. Bell worked for many years as a scientific researcher and had also been employed as a substitute teacher. —Associated Press

NEW YORK

Storm Knocks Out Power to Thousands

More than 30,000 customers were without power in the Buffalo area and the Hudson Valley on Monday morning after New York was lashed overnight by severe thunderstorms with winds as high as 70 miles an hour.

About 27,000 customers were without power in Buffalo and western New York on Monday morning and another 8,000 north of New York City, according to utilities. —Associated Press

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Alzheimer's Research Looks At Hot Spots

Scientists are increasingly examining the role of location in the prevalence of the disease

By CLARE ANSBERRY

Where you live matters in terms of Alzheimer's disease risk.

Scientists and medical researchers know that advanced age and certain changes in the brain increase the chances of developing Alzheimer's disease and related dementias. Now they are looking at what role location might play.

An emerging body of research is identifying counties and neighborhoods with higher prevalence of Alzheimer's disease, which affects 5.8 million people and is the sixth-leading cause of death in the U.S. Researchers in the field of aging are seeking to find out if those locations have common risk factors associated with Alzheimer's and if any of those risk factors can be reduced.

These researchers have sorted through government and medical data to find areas with high and low prevalence of Alzheimer's disease. The data show, among other things, that overall prevalence is more highly concentrated in the Southeast and Gulf Coast states, including Florida and Texas, compared with Western states, such as Colorado and Arizona.

Such research is in its early stages and many questions remain as to why a location might have higher rates of Alzheimer's disease. None of the studies claim that living in a certain location causes Alzheimer's, but researchers see the information as potentially helpful in finding new ways to fight the disease.

"We've thought about Alzheimer's as a purely biological disease and neglected the social determinants of health," says P. Murali Doraiswamy, a leading Alzheimer's researcher at Duke University. Those determinants include income, education and access to health care and nutritious food. "This is an incredibly important area that we have forgotten."

Two studies released earlier this year focused on location. One found higher rates of Alzheimer's in poor neighborhoods and the other, looking specifically at Ohio, saw higher prevalence in rural Appalachia compared with non-Appalachian rural counties.

A report released this week from UsAgainstAlzheimer's and the Urban Institute parsed location data a different way, identifying 25 counties with the highest and lowest prevalence of Alzheimer's disease for Blacks, Latinos and whites, based on 2016 Medicare data.

The report focused on these three groups because they have the highest prevalence of Alzheimer's disease, with 13.8% of Blacks, 12.2% of Latinos and 10.3% of whites diagnosed with Alzheimer's or other dementias. Prevalence among Asian and Pacific Islanders, American Indians and Alaska Natives is less than 10% for each group.

The report doesn't claim that conditions in a location cause Alzheimer's disease, and questions remain on whether and how social and economic disparities play a role in health disparities. Older Blacks are twice as likely, and older Latinos 1.5 times as likely, to have Alzheimer's as older whites.

"This is a descriptive study," says Jason Resendez, executive director of the UsAgainstAlzheimer's Center for Brain Health Equity. "We are looking for patterns that might exist and identifying them."

The new place-centric studies can help identify gaps between where treatment and research are provided and where they are needed, say medical experts and researchers on aging.

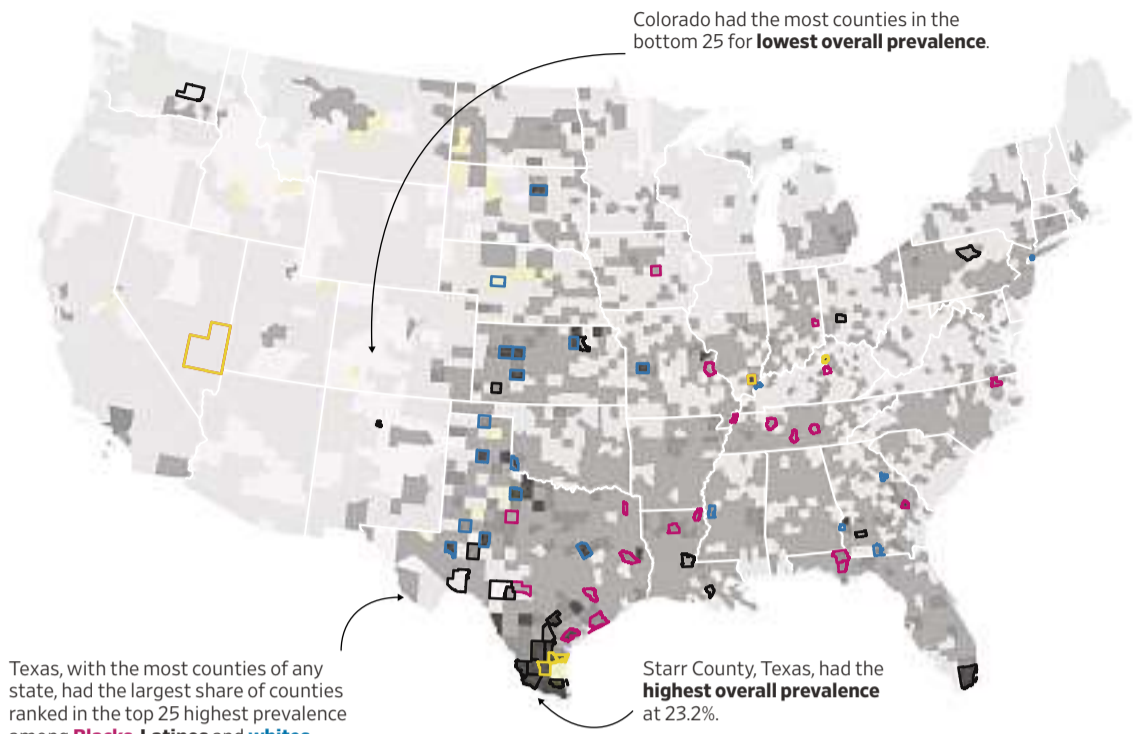
"The country is aging quickly, and knowing where to put our resources can be really helpful," says Jeffrey Wing, an assistant professor of epidemiology at Ohio State University's College of Public Health. Dr. Wing examined 11 years of federal Medicare data for Ohio counties and found that poorer rural Appalachian counties in Ohio—many of which lack access to health care—had a 2%-3% higher prevalence of the degenerative brain disease compared to rural non-Appalachian counties in the state, in a study published online in May in the Journal of Alzheimer's Disease.

The studies also pinpoint locations that might benefit from more intense and tailored intervention efforts to modify behavior and improve local living conditions that affect health. The Lancet Commission this summer reported that managing 12 specific risk factors, including obesity, smoking and air pollution, could prevent or delay about 40% of world-wide dementia cases.

"Until we find an effective cure, the most we can do and best we can do is to try to change some of the factors that might contribute to the onset of dementia," says Stjepica Mudrazija, a senior research

Alzheimer's disease and related dementias (ADRD) prevalence by county

Overall prevalence: <7%, 10, 13, >15, N/A. Top 25 counties with highest ADRD prevalence among: White, Black, Latino, Multiple.



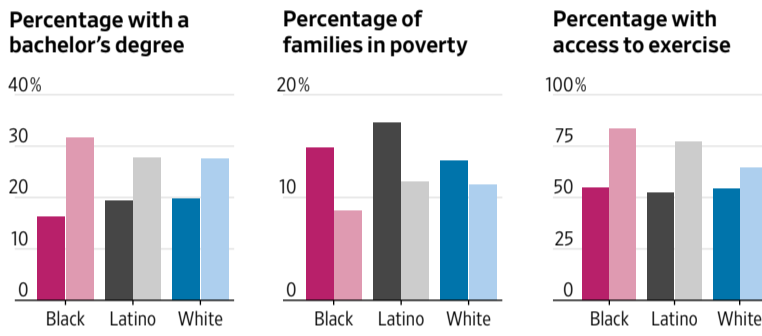
Texas, with the most counties of any state, had the largest share of counties ranked in the top 25 highest prevalence among Blacks, Latinos and whites.

*Counties where highest prevalence was found in more than one racial group. Note: Some counties didn't include prevalence data for all populations. Sources: 2016 data from Centers for Medicare & Medicaid Services; UsAgainstAlzheimer's/Urban Institute

Kyle Kim/THE WALL STREET JOURNAL

Socioeconomic profile of counties with highest and lowest rates of ADRD

Average in highest-prevalence counties vs Average in lowest-prevalence counties



Source: UsAgainstAlzheimer's/Urban Institute

Kyle Kim/THE WALL STREET JOURNAL



A colored 3-D brain scan of a patient with Alzheimer's disease.

associate at the Urban Institute who worked on the UsAgainstAlzheimer's report.

In another of the studies released earlier this year, researchers at the University of Wisconsin School of Medicine and Public Health found that, based on autopsies, people who lived in the poorest neighborhoods at the time of their death were about twice as likely to have brain changes typical of Alzheimer's disease as people who lived in the wealthiest neighborhoods.

"We are in the baby steps of trying to understand what is driving this," says Ryan Powell, a scientist who helped lead the study. He notes that people who live in disadvantaged neighborhoods often suffer from chronic stress, sleep disruption from sirens and thin apartment walls, and poor nutrition due in part to the lack of fresh fruit and vegetables. Those factors are associated with higher risk for Alzheimer's, research has shown.

After identifying counties with the highest and lowest Alzheimer's prevalence for Blacks, Latinos and whites, UsAgainstAlzheimer's compared the counties' demographics, health and socioeconomic profiles using U.S. Census Bureau information and County Health Rankings

to identify trends and risk factors.

The data showed that counties with high prevalence of Alzheimer's tend to have worse social determinants of health, including higher levels of poverty, fewer options for exercise, and less education.

"Across the board, educational attainment was the worst in those counties with highest prevalence," says Mr. Resendez, with UsAgainstAlzheimer's. Research has shown that higher childhood education levels and lifelong higher educational attainment reduces dementia risk.

The report also found that people in higher prevalence areas had fewer opportunities for exercise, which can protect people from dementia by decreasing obesity, diabetes and cardiovascular risk. "You can say go ride a bike or take a walk, but if you live in a dangerous neighborhood or live next door to a highway, it's not that easy," says Mr. Resendez.

More than a third of the 75 counties with the highest Alzhei-

mer's prevalence for Blacks, Latinos and whites are in Texas, with a cluster of counties in the southern part of the state.

That doesn't surprise Gladys Maestre, professor of neuroscience and human genetics at the University of Texas Rio Grande Valley, and director of the Alzheimer's Disease Resource Center for Minority Aging Research in Brownsville.

The area is poor, largely rural, and has lower levels of education than some other regions. She believes that the prevalence is higher than reported. "Even though the numbers are high, we believe the reality is even worse," she says. Yet, she says, community resources to support and treat those with Alzheimer's are few.

She does think certain factors that are associated with Alzheimer's risk are specific to a place, such as local levels of toxic metals in the water and air pollution, one of the 12 risk factors identified by Lancet.

"That is definitely place-related," she says. "We need to learn more."

ANATOMY OF A WORKOUT JEN MURPHY

A Dancer's Routine for Greater Back Flexibility

Thoracic mobility, or range of motion in the middle back, is an integral part of expression for all styles of dance, from ballet to breakdancing, says New York City-based dancer Evan Copeland. "As a dancer, drama is in the torso," says Mr. Copeland, who has performed with Shen Wei Dance Arts and Séan Curran Company and is working with award-winning choreographer Martha Clarke. "The limbs simply follow the musculature of the back."

Mr. Copeland, 35, also teaches thoracic mobility classes at Transform Fitness in New York. Typically, the lumbar spine, or lower back, and cervical spine, the neck, like to move a lot. But the thoracic spine, where our ribs join the spine, can get stuck. This can inhibit everything from shoulder mobility to the muscles that help us breathe, he says.

Modern-day habits like talking on our cellphones and working slouched over a computer often



lead to neck pain, tight shoulders and a general hunched position. A healthy middle back helps us maintain good posture. "When we have

a good thoracic mobility, we are able to draw our shoulders down the back, and that in turn pulls the heavy bowling ball that is our head

on top of the spine," he says. And to effortlessly move our arm above our head to swing a golf club or hail a cab, we need to be able to move into thoracic extension, the very opposite of that hunched position, he says.

You can perform this exercise as a warm-up to a workout or incorporate it throughout your day to prevent stiffness. Go to wsj.com for a six-exercise routine meant to help access our full ranges of spinal flexion, extension, twisting and tilting side to side.

The Exercise Thoracic Twisting

Why: "When it comes to rotation of the spine, we often resort to our neck or even the lower back," Mr. Copeland says. Think about when we turn to look at something. We often move the head by twisting our neck

or by twisting from the lower back, rather than initiating the movement from the largest segment of the back, the thoracic spine.

Accessing the full potential of the spine prevents wear and tear on the lumbar discs, he says.

How: Start on all fours, with the knees directly under the hips and shoulders over the wrists. The insides of the elbows should be rotated forward. Place your right hand behind the head. Press down into the left hand as you open the right elbow toward the ceiling. The gaze should follow.

Only rotate as far as possible while keeping the hips square and directly over the knees. When you lower the elbow, bring it across the body to tap the left arm. Repeat 10 reps per side.

Options: If your hips are wiggling back and forth or twisting, perform the same motion while sitting on your heels.



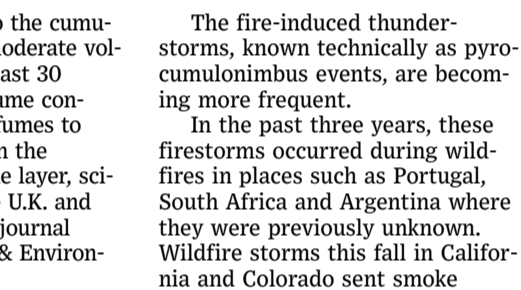
SCIENCE SOURCE

PHOTOGRAPH BY JEN MURPHY FOR THE WALL STREET JOURNAL

PERSONAL JOURNAL. | HEALTH & WELLNESS

Wildfires' Effect Can Be Stratospheric

FROM TOP: DAVID PETERSON/FIREX-AG, JOSH EDELSON/AP/GETTY IMAGES; QUOTICQUANT/REUTERS



much smoke into the stratosphere. "There are a lot of unknowns," said the NRL's Dr. Peterson, who studied pyrocumulonimbus clouds that formed during the 2019 Williams Flats Fire in Washington state.

To generate high-altitude smoke, these thunderstorms require a mixture of extreme drought, hellish heat waves, moisture and strong surface winds. When conditions are right, the hot updraft from burning woodlands and brush can supercharge the towering anvil-shaped thunderhead of a major storm, sucking up smoke at ground level and speeding it to extreme heights.

In Australia and elsewhere, such conditions are in line with a long-term increase in extreme heat events linked to a century of rising regional temperatures, according to the Australian Bureau of Meteorology's "2018 State of the Climate report." Generally, fire seasons in many parts of the world are getting longer and more frequent, according to a 2015 analysis of 35 years of data by the U.S. Forest Service Fire Sciences Laboratory.

In 2017, wildfires raging through Canada's Pacific Northwest triggered a cluster of seven fire-driven thunderstorms in a single five-hour period. Together, they lofted record amounts of smoke high into the stratosphere, where there is no rain to wash the clouds away, scientists said.

But the stratospheric plume from Australia earlier this year was even larger, "a super-outbreak," in Dr. Peterson's words.

As New Year's Eve approached last December, Australia was already in its 35th month of extreme drought—the country's hottest and driest period in modern times, scientists said. Wildfires had consumed 14.3 million acres—about one-fifth of the country's temperate forests. Temperatures topped 120 degrees Fahrenheit in some areas. Wind speeds gusted up to 80 mph.

On New Year's Day, fire scientists counted 18 fire-driven thunderstorms along the Australian coast of New South Wales, the scientists said.

By Jan. 7, the soaring embers, ash and soot from so many firestorms compacted itself into one self-contained bubble of fumes. Warmed by the sun, it started to spin. Like a balloon, it rose ever higher in the air as it circled the world, the scientists said. All told, the plume injected between 300,000 tons and 400,000 tons of carbon-rich smoke into the stratosphere, the scientists said.

"This plume was unprecedented in size, scale and longevity," said Dr. Kablick. "It was something we had never seen at this intensity before. I keep using the word unprecedented, but it's true."



SCIENCE JOURNAL ROBERT LEE HOTZ

Massive wildfires are driving smoke clouds to record heights in the stratosphere, U.S. and European scientists say. What they don't know yet is just how damaging the effects might be.

From the Arctic to Australia, unusual storms powered by wildfires have spewed smoke to altitudes well above where commercial jets usually fly. In the stratosphere, which stretches from around 6 to 31 miles above the Earth, the smoke has affected the air across thousands of miles and blocked sunlight on a "planetary scale," mimicking the effects of a volcanic eruption, the scientists said. They said the soaring wildfire plumes are a by-product of recent years of super-sized wildfires, in which climate changes caused by rising temperatures have played a major role, most scientific experts agree.

"It is a new form of severe weather," said David Peterson, a meteorologist at the U.S. Naval Research Laboratory (NRL) in Monterey, Calif.

In the highest of such plumes so far, Australian wildfires this past January generated firestorms that spewed a swirling vortex of

smoke as wide as the state of Montana up to a record 21 miles high. The smoke circled the world twice before dissipating in April, according to two new independent studies. The scientists tracked the plume using sensors on four satellites and aboard the International Space Station.

Their data shows that the smoke blocked sunlight to an extent never before recorded from wildfires, comparable to the cumulative effect of all the moderate volcanic eruptions of the past 30 years. Moreover, the plume contained enough noxious fumes to etch a temporary hole in the planet's protective ozone layer, scientists from France, the U.K. and Canada reported in the journal Communications Earth & Environment in September.

"That Australian smoke plume was really a jaw-dropping phenomenon," said lead author Sergey Khaykin, who studies the stratosphere at the Latmos laboratory of atmospheric research and space observations at Sorbonne University in France. "We should be expecting more of these events as the climate warms."

The fire-induced thunderstorms, known technically as pyrocumulonimbus events, are becoming more frequent.

In the past three years, these firestorms occurred during wildfires in places such as Portugal, South Africa and Argentina where they were previously unknown. Wildfire storms this fall in California and Colorado sent smoke plumes up to 10 miles high that altered air quality as far away as Europe. The 21-mile-high Australian plume earlier this year was the third major outburst of wildfire smoke to set a stratospheric record since 2009, each one progressively higher and more severe.

"It appears as though the intensity of the major events is getting

stronger," said NRL meteorologist George Kablick III in Washington, D.C., who led a team of researchers studying the Australian smoke plume. They reported their findings earlier this year in Geophysical Research Letters.

Taken together, the new research offers evidence of how the pollution and smoke from regional wildfires driven by severe droughts and heat waves can become a global event, affecting people far from the scene of a major conflagration, the scientists said.

On average, smoke from burning forests and grasslands results in an estimated 339,000 additional deaths a year world-wide due to smoke inhalation, says an international research team that conducted a systematic global health study in 2012 of air pollution from wildfires. The carbon particles and other pollutants in the smoke can aggravate chronic heart and lung diseases, according to the American Lung Association.

Even so, no one knows yet whether there are any long-term consequences from injecting so

The Foods to Boost Your Health in Covid Winter

By ANNE MARIE CHAKER

With Covid cases surging as winter approaches, our energy levels and immune systems could use a boost. We often turn to comfort foods on cold, dreary days, but eating the right foods can strengthen our bodies in better ways. Here are some of the most helpful nutrients for winter, and the foods to find them in.

Vitamin B12

Found in foods such as milk, meat and fortified foods like breakfast cereals.

Vitamin B12 can help combat the winter blahs. It plays an important role in producing serotonin, which helps regulate mood, says Mark Moyad, a director of complementary and alternative medicine at the University of Michigan Medical Center. Getting enough B12 may help thwart symptoms of fatigue and even depression, he says.

"When B12 is off, there are so many things that can go wrong," he says. Donald Hensrud, director of the Mayo Clinic's Healthy Living Program in Rochester, Minn., says that about 15% of people over the age of 65 lack some B12, which is why he often recommends supplements of 500 to 1,000 micrograms daily.

Vitamin C

Found in foods including citrus fruits, tomatoes and potatoes.

Vitamin C helps the immune system function properly. It won't likely cure or prevent colds, but has been shown to slightly reduce duration of symptoms, says Dr. Moyad. It may also help those whose systems are under strain: One 2013 review of 29 clinical trials found that while taking vitamin C regularly didn't reduce the incidence of colds in the general population, it may have helped some 598 subjects exposed to periods of physical exertion, such as marathon runners and skiers.

The recommended daily allowance of C is 75 to 90 milligrams a day for adults. One orange contains 51 milligrams.

Vitamin D

Found in fatty fish, eggs, liver and mushrooms.

Some researchers are looking into possible links between vitamin-



tem fight bacteria and viruses. Researchers have tested the effectiveness of zinc on the severity and duration of cold symptoms, with mixed results. "The consensus seems to be that taking zinc at the first sign of a cold does seem to shorten the duration slightly versus not taking the zinc," says Craig Hopp, a deputy division director at the National Center for Complementary and Integrative Health, an arm of the National Institutes of Health.

Iron

Found in foods including meat, seafood, poultry, beans, spinach and iron-fortified cereals and breads.

Not getting enough iron can lead to anemia, whose symptoms can include tiredness; memory and concentration lapses; and reduced ability to fight infections. Legumes such as white beans, lentils and peas carry "nonheme" iron, found in plant foods and iron-fortified food products. While most Americans get enough iron, certain groups are more likely to have trouble meeting thresholds, such as premenopausal women.

D deficiency and Covid; findings from studies examining the use of vitamin D to prevent or treat Covid aren't conclusive, but some are promising, authorities say.

Vitamin D is often added to foods such as milk and orange juice. The body can also make vitamin D through exposure to sunlight. For people who are vegan or who live in northern latitudes, doctors may recommend taking vitamin D as supplements to ensure adequate levels, says Barbara Davis, a registered dietitian in Canton, Conn.

Zinc

Found in foods including oysters, red meat, poultry, crab and lobsters, as well as beans, nuts and whole grains.

Zinc can help the immune sys-



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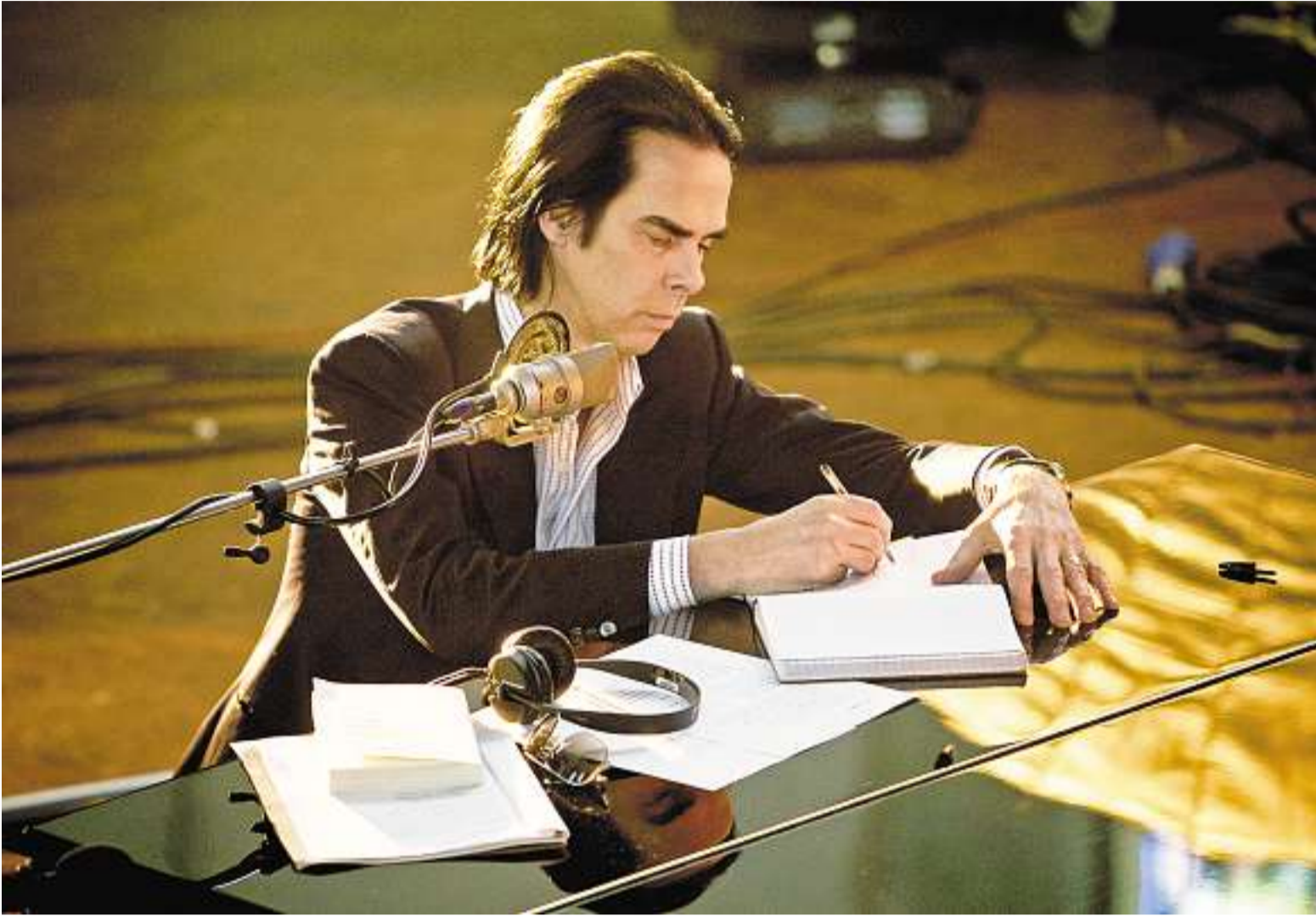
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ARTS IN REVIEW

MUSIC REVIEW | MARK RICHARDSON

When In-Person Is Impossible

Live albums remind listeners of the power of rock concerts at a time when none are to be found



FROM TOP: KERRY BROWN; MATTHIAS HESCHL

Rock music long ago lost its grip on the Billboard charts, but it can still make for a great show. Lists of highest-grossing tours always feature legacy acts prominently—Metallica, the Rolling Stones and Bon Jovi were in the top 10 in 2019—and it's not entirely a matter of nostalgia and who can afford the most expensive tickets. The emotional dynamics of rock and the fact that the form typically requires a group of people performing music on-stage, where mistakes and a certain amount of improvisation are possible, differentiate the genre from, say, the tightly choreographed and pre-programmed spectacle of pop. Another testament to the draw of rock shows is the resilience of the live album, a type of recording that has taken on new resonance in this year of the global pandemic. Two live LPs out Friday, the War on Drugs' "Live Drugs" (Super High Quality) and Nick Cave's "Idiot Prayer: Nick Cave Alone at Alexandra Palace" (Bad Seed Ltd.), present very different approaches to performance, but each brims with dramatic music that resonates deeply in this moment.

Over the past 15 years, Adam Granduciel has transformed his Philadelphia-based group, the War on Drugs, from a ragged extension of Bob Dylan's electric work into a lustrous and arena-ready outfit. While the 41-year-old's influences lean toward heartland-friendly rockers like Tom Petty, Mr. Dylan and Bruce Springsteen, his later records use the synth-heavy 1980s versions of these acts as a template. Guitars are still prominent, and Mr. Granduciel adds blasts of harmonica for emphasis, but keyboards and drum machines are elevated in the mix. His mechanized take on rock gives it the momentum of a vintage automobile gliding down an open highway. The War on Drugs leader is a perfectionist in the studio, where the group records a new album every three years or so, and this meticulous attention to sonic detail extends to his live presentations. But on "Live Drugs," culled from recordings of various shows between 2014 and 2019, the fussiness never undercuts the energy. One of Mr. Granduciel's onstage trademarks is a wordless, one-syllable battle cry he deploys to take his songs to another level of ferocity, and on the fourth track, "Red Eyes," his exclamations hit like



Adam Granduciel of the War on Drugs, above, and Nick Cave, top

thunderbolts. As the LP progresses, he keeps the passion of his rasp dialed up as far as it can go. So the midtempo "Thinking of a Place" is riveting start-to-finish despite its 10-minute length. It moves from buzzing keyboard intro to chiming, Dire Straits-like guitar riff to moody baritone sax solo, as the

frontman sings in the voice of a lost man on the verge of salvation. The songs here mostly come from the past two War on Drugs records, 2017's "A Deeper Understanding" and 2014's "Lost in the Dream," but "Buenos Aires Beach" from 2008's comparatively lo-fi "Wagonwheel Blues" is given an updated arrange-

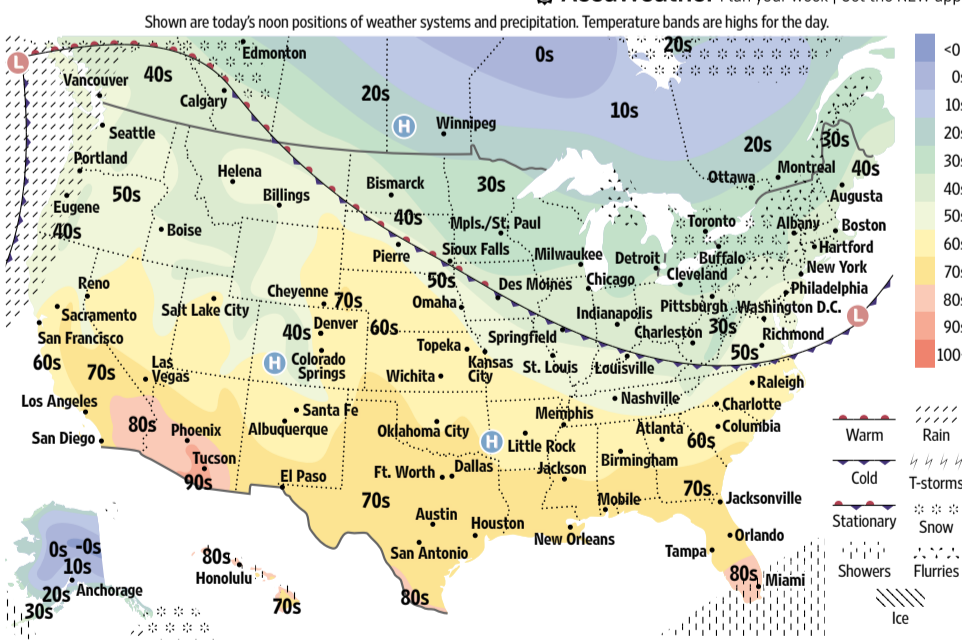
ment, and a cover of Warren Zevon's wistful 1978 ballad "Accidentally Like a Martyr" fits the set seamlessly, as if it were one of the group's originals. In 2017, during the War on Drugs tour where some of these tracks were recorded, the band played Alexandra Palace in London, the setting for an equally stirring live album by alternative rock icon Nick Cave. A full tour with his band the Bad Seeds was scheduled for this year and then canceled, so the songwriter hit upon the idea of a livestream broadcast of a solo performance, which became "Idiot Prayer," captured by cinematographer Robbie Ryan. Onstage with his group, Mr. Cave can be an unhinged wild man, spitting out grinding post-punk with a religious fervor. Here he sounds dignified and mature but no less intense. It's a mountain-sized monument—22

Two very different approaches to performance both brim with dramatic music.

tracks and 84 minutes long—to the 63-year-old's long career that highlights the special achievement of his newer work. In 2015, Mr. Cave's 15-year-old son, Arthur, died after accidentally falling from a cliff, and the tragedy has shaped his songwriting and his approach to performance. His two most recent records, 2019's "Ghosteen" and 2016's "Skeleton Tree," are heavy with grief and mourning. Mr. Cave has found solace by connecting more closely with his audience, answering their questions from the stage and on his website and listening as they share their own stories of loss. This vulnerability is all over "Idiot Prayer," even on songs written decades ago, and heard here, his oeuvre takes the shape of one long story. The set list leans heavily toward ballads, and tracks are sequenced so they comment on one another as groups of themes develop. A triptych in the first half is particularly striking. Beginning with 1994's "Nobody's Baby Now" and on through 1997's "(Are You) the One That I've Been Waiting For," Mr. Cave explores pain, loneliness and hope before reaching an emotional crescendo with "Waiting for You." The last of these, originally from "Ghosteen," could be about a lover, a messiah or the singer's late son, and Mr. Cave's cracking voice on the chorus is agonizing. Newcomers to his work should start with his studio records, perhaps "The Boatman's Call," but a passing familiarity is all that's needed to appreciate the intimate revelations of "Idiot Prayer." Like "Live Drugs," it's a transporting document of the concert experience that takes its songs and listeners to new places.

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

Weather



U.S. Forecasts

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Anchorage	18	9	s	23	11	s
Atlanta	63	39	s	61	38	s
Baltimore	52	31	s	46	26	s
Boise	58	45	c	55	39	sh
Boston	47	29	pc	35	25	s
Burlington	39	21	sf	30	20	c
Charlotte	62	35	s	54	32	s
Chicago	42	28	s	49	44	s
Cleveland	39	31	sf	40	33	s
Dallas	72	47	s	73	54	s
Denver	69	46	s	72	44	pc
Detroit	39	24	pc	41	34	s
Honolulu	86	75	c	85	74	t
Houston	76	49	s	75	54	s
Indianapolis	44	26	s	49	39	s
Kansas City	59	44	s	66	54	s
Las Vegas	77	55	pc	78	53	s
Little Rock	66	38	s	65	42	s
Los Angeles	75	54	pc	79	56	pc
Miami	82	70	pc	79	70	pc
Milwaukee	41	28	s	49	43	c
Minneapolis	34	28	s	48	41	c
Nashville	57	32	s	58	40	s
New Orleans	72	54	s	69	57	s
New York City	48	32	c	40	31	s
Oklahoma City	69	44	s	69	53	s

International

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Amsterdam	57	49	sh	57	47	pc
Athens	68	55	pc	66	55	sh
Baghdad	75	50	pc	73	47	s
Bangkok	92	78	pc	93	78	pc
Beijing	57	50	c	55	42	r
Berlin	51	48	pc	53	46	pc
Brussels	55	47	pc	59	47	pc
Buenos Aires	78	65	s	75	64	pc
Dubai	86	76	pc	87	75	r
Dublin	60	50	sh	55	42	r
Edinburgh	59	55	sh	57	40	r
Frankfurt	54	40	pc	53	43	pc
Geneva	52	38	pc	56	40	pc
Havana	83	73	sh	80	71	c
Hong Kong	79	74	pc	80	75	pc
Istanbul	61	50	s	60	52	c
Jakarta	90	78	t	89	77	t
Jerusalem	64	53	pc	67	53	s
Johannesburg	85	65	s	88	64	s
London	58	51	pc	59	45	r
Madrid	64	45	pc	64	45	pc
Manila	89	77	s	89	77	s
Melbourne	69	53	s	82	65	pc
Mexico City	67	50	pc	65	47	pc
Milan	57	39	pc	58	40	s
Moscow	26	21	s	28	27	c
Mumbai	95	80	pc	94	80	pc
Paris	57	43	pc	60	47	pc
Rio de Janeiro	83	73	t	76	70	sh
Riyadh	88	64	pc	81	59	pc
Rome	66	49	s	67	48	s
San Juan	86	75	pc	86	75	sh
Seoul	66	56	s	69	60	r
Shanghai	77	67	pc	81	69	pc
Singapore	87	77	t	87	78	t
Sydney	74	59	pc	75	62	pc
Taipei City	83	72	pc	88	70	s
Tokyo	66	57	s	69	59	s
Toronto	38	26	sf	37	30	r
Vancouver	53	44	r	48	40	r
Warsaw	49	45	pc	51	43	pc
Zurich	51	36	pc	51	37	pc

The WSJ Daily Crossword | Edited by Mike Shenk

1 Detailed account

5 "All Day Strong" advertiser

10 PCs made by Big Blue

14 Lab assistant of horror

15 "Main Street" or "Tobacco Road"

16 Christmas song

17 Territorial dispute?

19 Site of New York City's first Apple Store

20 Places for Pipers

21 Rich rice dish

23 Press into service

24 Circus dispute?

25 Magnetic flux density unit

28 Hot under the collar

29 "Awkward Black Girl" star Issa

30 Area east of the Urals

31 Snowboarder's jump

32 Inside-baseball vocabulary

35 "Code Switch" provider

36 Brotherly dispute?

38 Frankenfood label

39 One often spotted being

41 Whichever

42 Like venison

43 Promise to pay

44 Pitcher's stat

45 Don Diego de la Vega's secret identity

46 Bedroom dispute?

49 Marshy area

50 Delivering a monologue, say

51 Drink at home before heading to a party, slangily

55 Senate majority leader of the 1980s and 1990s

56 Casino dispute?

58 Funky fragrance

59 White-plumed bird

60 Cruel fellow

61 Jacob deGrom pitches for them

62 Consumes a 15-Across

63 Wine's aroma

- 31 "The ___ of War"
- 32 Great happiness
- 33 Congresswoman Ilhan
- 34 One might earn a toddler a "tsk, tsk!"
- 36 Infectious disease expert
- 37 Genetic messenger
- 40 Lists of players
- 42 Scam developed over months
- 44 Retain, as a lawyer
- 45 Quite a bit of razzle-dazzle?
- 46 City destroyed by fire and brimstone
- 47 Deteriorate
- 48 Answer following a knock
- 49 Guitar neck ridges
- 51 Said "not guilty," say
- 52 Ship that Cicero wrote about
- 53 Site of the 16-mile-high Olympus Mons
- 54 Fencing blade
- 57 Strapped support

Previous Puzzle's Solution

N	E	S	P	L	A	E
O	X	E	N	E	R	I
D	E	B	I	C	A	R
E	I	S	T	A	T	I
M	O	T	H	E	R	B
M	A	S	T	E	R	I
E	X	P	O	S	A	R
S	L	A	P	C	H	I
S	I	E	R	O	I	L
P	R	I	N	G	L	E
S	O	N	A	R	A	C
A	M	A	N	P	O	K
L	E	N	A	G	O	B
M	O	E	S	M	I	S

► Solve this puzzle online and discuss it at [WSJ.com/Puzzles](https://www.wsj.com/puzzles).

SPORTS

JASON GAY

When Tiger Woods Reminds Me of Me

An epic 10-stroke adventure sets a new career mark for the five-time Masters champ—and humanizes his legend



Tiger Woods won the Masters on Sunday. OK, yes, we all know that's not literally true—Dustin Johnson won the 2020 pandemic-delayed Masters, staggeringly, setting a tournament record (a 20-under 268) that broke the mark previously owned by Jordan Spieth and Woods himself.

Congratulations to DJ—a giant talent who'd struggled at major tournaments, and had yet to win at Augusta, until Sunday.

But Tiger Woods won a different sort of Masters.

He won the Masters for The Mortals.

He “won” it on the 12th hole of Sunday's final round, when he had what golf mortals like to call an “adventure.”

By this point, Woods was out of contention, trying to finish the round, when he plunked not one, or two, but three shots into the drink—the legendary Rae's Creek—on the Amen Corner par-3.

Tiger dunked it.

He dunked it again.

He put it in a bunker...and then dunked it a third time. He missed and missed and missed, until it was basically impossible to miss again, and the golf ball gave up and mercifully threw itself into the hole.

When it was done, Woods carded a 10. A 10 on a par 3—an outstanding septuple bogey blow-up.

It was a proper adventure. It was also the highest-scoring hole of Woods's nearly quarter-century pro golf career.

I felt bad. I also felt...redeemed? Here was Tiger Woods—Tiger Woods—undeniably one of the greatest to play the game, playing golf, like, well...the rest of us.

Mortals know that golf is a sport invented to ruin weekends and drive reasonable humans to the brink of madness. Ordinarily, it is not the beautiful medley of booming drives and clever putts that professionals execute in cathedrals like Augusta.

It is an ordeal. It is a slog. Even



During the final round of the Masters on Sunday, defending champion Tiger Woods recorded a 10 on the 12th hole.

when it's fun, it's sort of a mess.

Who among us hasn't been right where Tiger was? Who among us hasn't sunk a few into the creek, the pond, the river, the bay, the wastewater treatment plant? Who hasn't found the trees on a course that has no trees? Who hasn't recovered a ball in the dining room of a Dairy Queen three miles away from the course? Or hooked a drive into the parking lot, thumping it loudly off the trunk of some sucker's car?

Wait. That's my car!

Who hasn't taken 15 minutes to hack and flail at the sand, mud, pine cones, fescue, concrete, or the carpet under the sale rack of the pro shop—then had to grimly

scribble an ugly double digit into the scorecard?

Or...not scribbled the ugly double digit?

GOLF PAL (holding scorecard): What did ya get?

YOU: I don't know...a six?

GOLF PAL (laughing): Yeah, um, OK.

(It's always a six, isn't it? The mortal golfer could lose seven balls off the tee, sock the eighth deep into the woods, go search for the ball in the woods, get adopted by a family of grizzly bears, teach all the grizzly bears how to read and make their own pasta, officiate a grizzly bear wedding, and then, when they finally found the ball, punched out of the woods, four-

putted and finished the hole, they'd theatrically pause for 10 seconds and say...Yeah...I think that's a six.)

Mortals stop counting. Handicap rules limit serious damage. Tiger had to take the full 10, on golf's biggest stage, Sunday at the Masters. I can't imagine what I'd card at that beautifully menacing No. 12. A lot of Sundays lie at the bottom of that creek, or sank in its nearby bunkers. If I cleared the water, I'd dance atop Hogan Bridge.

But what happened Sunday also showed us something about the career arc of Tiger Woods.

Woods, of course, won the Masters before this, in 2019, and it was a deeply satisfying victory after a

long, arid streak in which the former phenom had been humbled personally and professionally. Tiger had been playing hurt, and there'd been wide skepticism over whether or not he would ever win a major tournament again. Attendees at this year's champions dinner, which Woods hosted, described the 44-year-old as still emotional about a triumph now more than 19 months in the rear view.

“I've never seen Tiger that way,” Jack Nicklaus said.

The victory recast the autumn of Woods's career.

Think about it: had Woods not prevailed in 2019, Sunday's 10-stroke blow-up would have commenced yet another round of melancholy rumination about “The End of Tiger.”

Instead, the vibe was different. The stakes were low here: Woods wasn't in the title hunt, and so this was not some existential agony. It was just golf being...golf.

It happens. Shrug your shoulders. It's 2020, after all. Weird stuff abounds. Move on.

Woods did more than move on. He recovered brilliantly, birdieing the next hole, and five of the final six, reminding everyone that professionals are professionals for a reason, and he's still, you know, Tiger Freaking Woods. (He wound up with a 76. Imagine getting a *septuple-bogey* and managing to shoot 76. Sheesh.)

“This sport is awfully lonely sometimes,” Woods said later. “You have to fight it. No one is going to bring you off the mound or call in a sub. You have to fight through it. That's what makes this game so unique and so difficult mentally. We've all been there, unfortunately.”

We sure have. Some of us, all the time.

A short while later, an upbeat Woods was in Butler Cabin, handing a crisp jacket to Johnson. Another golfer got to experience the tingly magic of a loud green sport coat.

Tiger Woods looked mortal, but happy. It was just golf.

CHRIS CARLSON/ASSOCIATED PRESS

A Soccer Club in North Wales Is Set to Go Hollywood

By JOSHUA ROBINSON

WHEN SPENCER HARRIS first told the shareholders of his local soccer team that a pair of Americans were proposing a takeover, he deliberately left out the investors' names. He didn't want fans of Wrexham AFC getting carried away.

Even though British soccer teams regularly sell to Middle Eastern sheikhs and U.S. hedge-fund billionaires, Harris knew this one would still raise some eyebrows. The buyers were Hollywood stars Ryan Reynolds and Rob McElhenney. And Wrexham was, well, Wrexham, a fifth-tier club from North Wales.

“You never think that you're going to get somebody of the renown of a Rob and a Ryan,” said Harris, a club director.

McElhenney and Reynolds weren't kidding.

McElhenney, a TV actor, has shared pictures of himself watching Wrexham games from the set of his latest movie. Reynolds, known for the “Deadpool” movies, shipped crates of the gin from the brand he owns a stake to pubs all over Wrexham.

“Under any other circumstance, we'd be in Wrexham right now, touring the Racecourse Ground, having a pint with supporters in person,” the pair wrote in a letter to fans during the sale process. “But 2020 has other plans for us all.”

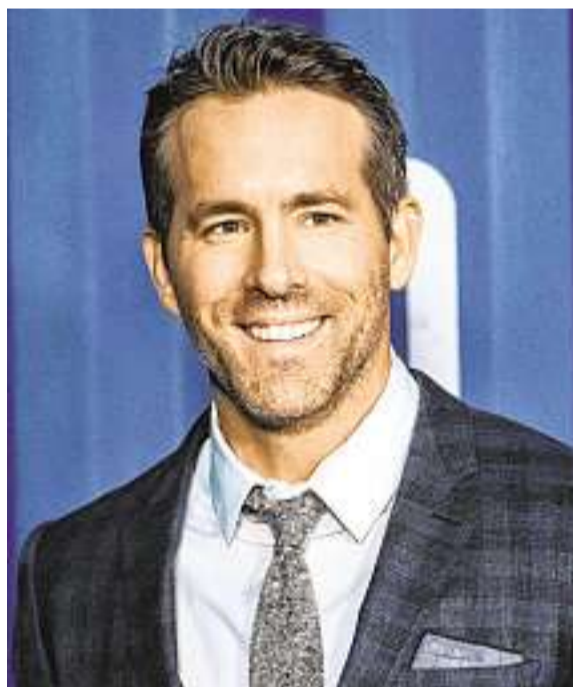
Even in a year less unusual than 2020, a pair of Hollywood actors from Vancouver and Philadelphia buying a fifth-tier soccer team in North Wales would qualify as highly unusual.

In their quest to buy a European soccer team to grow and support from afar—without losing their shirts—they scouted candidates up and down Britain. They landed on debt-free, fan-owned Wrexham.

After an initial approach in May and further talks in September, the Wrexham shareholders voted by an overwhelming majority on Monday to approve the sale.

Reynolds and McElhenney will pay one peppercorn—a nominal fee in British contracts—and inject £2 million (\$2.6 million) into the club immediately.

Asked on Twitter why he would possibly choose Wrexham, McElhenney answered simply, “Why not



Actors Ryan Reynolds, left, and Rob McElhenney are getting into the soccer business with fifth-tier club Wrexham.

Wrexham?”

For one, investors aren't exactly queuing up to acquire clubs with average attendances of 4,000.

Over the past 15 years, Americans have preferred to snap up jewels of the English game like Liverpool, Manchester United, and Arsenal, which are all valued in billions of dollars.

A handful of buyers from outside of soccer played a longer game in picking up clubs in England's

In their quest to buy a team to grow and support from afar, they landed on Wrexham.

second or third tiers with plans to invest slowly and scale the ranks to the Premier League. Few, however, had nosed around the fifth tier. Even Elton John, who once owned his boyhood club Watford, only picked it up in the fourth.

McElhenney, a star of “It's Always Sunny in Philadelphia,” hasn't yet had a chance to see for himself that it's rarely sunny in North Wales. Nor has he visited the Racecourse Ground, the stadium Wrexham has occupied continuously

since 1864. But as the descendant of a British coal miner, he said he feels a kinship between his home city and the blue-collar town of 66,000 in Welsh coal country.

“I feel like Philly and Wrexham are very similar towns,” McElhenney said in a Zoom call with fans. “Just on opposite sides of the Atlantic.”

“We don't see why it can't have a global appeal,” Reynolds added.

Ownership by a pair of Hollywood actors with more than 37 million Instagram followers between them helps. So does having those Hollywood actors produce a documentary about their adventures at the club as they take over.

And while Reynolds doesn't expect Wrexham to turn into Liverpool, he did call Wrexham “a sleeping giant.”

This is a soccer team that last tasted the rarefied atmosphere of the second tier in 1982 and has never played in the modern first division. Its most famous victory remains a 1992 upset of Arsenal in the third round of the FA Cup.

Considering Wrexham's more recent history, simply continuing to exist was a success.

In the early 2000s, it threatened to become an all too familiar casualty of mismanagement in the lower leagues of British soccer. A previous owner—who wasn't a

movie star—had hoped to pry Wrexham out of its historic stadium and sell the land to a chain of home improvement stores.

Once he was ousted, the community club was little more than a pile of debt that happened to field 11 soccer players on Saturday afternoons.

It eventually took the Wrexham Supporters Trust to save it, purchasing the team for £1 in 2011. For the next nine years, a team of volunteers worked to clear debts of over \$700,000 and put their club back on firm footing.

Reynolds and McElhenney now believe they can take it further, starting with promotion to the fourth tier.

“We were advised—and I think this is fair—to temper our excitement in terms of what we hope to promise,” McElhenney told the fans. “I also think it's misguided and stupid to come in and say, ‘Well we're going to try and be OK. We'll be fine.’ That's not our goal. We want to be champions.”

Dreams of a title are at least a season away. Wrexham currently sits in 14th place.

“To all of you who are already finished with American Football for the season, may I suggest European Football?” McElhenney tweeted in October. “Don't worry. It's just as heartbreaking.”

The Madness Will Take Place Inside a Bubble

By LAINE HIGGINS

THE CORONAVIRUS PANDEMIC scrapped March Madness from the calendar in 2020. With Covid-19 infections surging to all-time highs, the National Collegiate Athletic Association announced Monday that the 2021 edition of its lucrative men's basketball tournament will be played in a sequestered bubble at a handful of sites around Indianapolis.

March Madness is usually a sprawling national affair, with 68 teams bouncing among 14 host cities en route to playing 67 games over a three-week span. But this kind of rapid-fire competition and constant travel isn't compatible with stay-at-home orders or 14-day quarantine periods recommended by public-health officials to mitigate spread of the coronavirus.

“It became clear it's not feasible to manage this complex championship in so many different states with the challenges presented by the pandemic,” said Dan Gavitt, NCAA senior vice president of basketball. The NCAA did not say what it plans to do with the women's tournament.

Talks between the NCAA and the state of Indiana and city of Indianapolis, which was already slated to hold the 2021 Final Four on April 3-5, are preliminary and details about how a March Madness bubble would operate are scant. However, the NCAA cited the importance of creating a “controlled environment competition and practice venues, medical resources and lodging for teams and officials all within proximity of one another.”

The first regular season college basketball games of the season are set to tip off on Nov. 25.



The 2021 Final Four is set for April 3-5.

FROM LEFT: CHARLES SYKES/INVISION/ASSOCIATED PRESS; VALERIE MACON/AGENCE FRANCE-PRESSE/GETTY IMAGES; PETER CASEY/REUTERS

OPINION

The Education of Joe Biden



MAIN STREET
By William McGurn

You might not know it today, but for much of his life Joe Biden was friendly to real, if modest, education reform. As a senator, he supported holding states and schools accountable for their students' performance, expanding public-school choice and increasing federal funding for charter schools and their facilities. In 1997, he even gave a floor speech in which he said that the plight of children "presently caught in a failed public school" was leading him to reconsider his votes against private-school vouchers. As Barack Obama's vice president, he loyally promoted an agenda that pushed teacher evaluations and charters.

All that went out the window when Mr. Biden entered the 2020 race. During his campaign, he promised to appoint a teacher as education secretary. Now the talk is that Mr. Biden will appoint not only a teacher but the head of a teachers union. The two names most often mentioned are American Federation of Teachers President Randi Weingarten and former National Education Association President Lily Eskelsen García.

Everyone has understood that a Biden Education Department would mark a change of direction from the past four years. But to elevate to education secretary someone whose

career has been spent fighting any reform aimed at relaxing the teachers unions' stranglehold on the public schools would be an astonishingly bleak admission about whose interests come first.

"Appointing either Weingarten or García would be the biggest union payback since Jimmy Carter created the Department of Education in 1979," says Jeanne Allen, who is founder and CEO of the Center for Education Reform and worked in the Reagan Education Department. "It's a sign that the teachers unions now own him lock, stock and barrel."

Ms. Allen is alluding to the Education Department's origins in the 1976 presidential campaign. That year, the NEA endorsed a presidential candidate for the first time—Mr. Carter. Three years later, he returned the favor by signing the new cabinet-level department into law.

Not everyone was on board. While the NEA was enthusiastic, the AFT was not. Even the New York Times objected. In a May 22, 1979, editorial headlined "Centralizing Education Is No Reform," the Times explained that the NEA understandably supported the move because it expected the new federal department to "concentrate on the protection of its interests."

Those interests were one thing in 1979. They are altogether another today, especially in the thick of a pandemic that has exposed to millions of moms and dads how little the best interests of their

children align with those of the teachers unions. Not to mention how few options that leaves them when, say, their kids can't go to school and they can't go to work because the teachers unions have succeeded in keeping classrooms closed.

The Centers for Disease Control and Prevention has been clear on this. "Of key significance," it advises, "in-person learning is in the best interest of students, when compared to virtual learning."

Is he really going to nominate the head of a teachers union for his cabinet?

The CDC has further laid out guidelines for how schools can reopen safely. Instead of cooperating, however, the teachers unions have largely held students hostage to their demands.

Take the District of Columbia. Resistance from the teachers union forced the schools chancellor to scrap a plan that would have brought about 7,000 kids back for limited in-person learning starting Nov. 9. These were among the most at-risk students in Washington's school system: Those who are homeless, have special needs or take English as a second language were to be given priority. The Washington Post dryly noted that the president of the Washington Teachers Union characterized the cancellation

as a "win."

The teachers unions generally justify closures on health grounds, claiming they are necessary to protect teachers and staff from Covid-19. But they have been embarrassed that private and parochial schools have managed, often working with a far smaller staff and less resources, to resume classroom instruction while keeping the coronavirus at bay.

In Massachusetts, Gov. Charlie Baker points to the state's Catholic schools. They have had about 28,000 students and 4,000 employees back in their schools since mid-August, with only a handful of Covid cases. Others, including the CDC, have noted that school closures set back learning, with the most disadvantaged students falling furthest behind. In short, there is nothing progressive about keeping kids from their classrooms.

Ms. García or Ms. Weingarten might find it hard going in a Senate run by Mitch McConnell, but presidents enjoy a presumptive right to name their own advisers. If either of these women were to be confirmed, it would be a tremendous victory for the unions. And as departing Education Secretary Betsy DeVos put it in a recent tweet, "When unions win, kids lose."

Is this really the signal Mr. Biden wishes to send by turning federal education policy over to a teachers union president?

Write to mcgurn@wsj.com.

BOOKSHELF | By Philip Terzian

A President Remembers

A Promised Land

By Barack Obama
(Crown, 751 pages, \$45)

The better presidential memoirs tend to have been written inadvertently—the Adams-Jefferson correspondence, Polk's diary—or are not about the presidency at all: Grant on the Civil War, Eisenhower's "Crusade in Europe." The one that comes closest to literature—"The Autobiography of Calvin Coolidge"—is the length of a novella, and its author only lands in the White House toward the end.

In fact, until comparatively recently, most of the men who survived their presidencies never bothered to write accounts of their tenure in office. Maybe they believed that history's verdict was inexorable or that custom demanded a graceful, and suitably circumspect, withdrawal from the stage. Perhaps they felt, as Dean Acheson once warned, that "detachment and objectivity" would be suspect and "the element of self-justification could not be excluded."

That was then. In due course Acheson overcame his scruples and wrote a memoir of his service as secretary of state that won him the Pulitzer Prize. And it was Acheson's boss, Harry Truman, who inaugurated the modern era, issuing a hefty account of his presidency that was serialized in Life magazine. Of Truman's successors, John F. Kennedy was assassinated and only George H.W. Bush chose not to weigh in.

Presidents are entitled to their defense briefs, of course, but have any of their authorized versions of events been persuasive to skeptics? Or for that matter, played well beyond their loyal constituencies? The

reader's response to "A Promised Land" is likely to comport with the reader's attitude toward its author. Barack Obama is a smart politician with a practiced ear and a lawyer's capacity for argument; as our first black president, he holds a particular place in history. As a matter of substance, however, "A Promised Land" tells us little that a newspaper reader wouldn't already know, and unflattering asides and casual insults are entirely predictable: "Sarah Palin . . . had absolutely no idea what the hell she was talking about." Of Mitch McConnell's willingness to negotiate with Vice President Joe Biden, Mr. Obama assumes that the then-Senate minority leader was worried about inflaming the Republican base, something "that any appearance of cooperating with (Black, Muslim socialist) Obama was bound to do."

The author's intent is plain enough, as explained at the outset: "To give an honest rendering of my time in office . . . to pull the curtain back a bit and remind people that, for all its power and pomp, the presidency is still just a job." And in that sense, it succeeds—up to a point. "A Promised Land" is a series of set pieces on the stepping stones to Mr. Obama's election and a handful of selected issues and incidents that shaped his presidency until the death of Osama bin Laden in 2011. (A second volume is promised.)

These include an abbreviated account of his campaign for the Democratic presidential nomination—in which he was strongly encouraged to run by his party's establishment—and his election in 2008: "My memories of that night . . . are shaded by the images that I've seen." The inherited financial crisis, and his struggle with Congress to enact a near-trillion-dollar Recovery Act, give us a glimpse of Hot Obama—Mr. McConnell's "primary concern was clawing [his] way back to power"—while his first G20

The path to the White House and the first years there, told with detachment and, occasionally, flashes of anger and self-deprecating humor.

summit unveils Cool Obama: He is bemused by the French president Nicolas Sarkozy, "with his dark, expressive, vaguely Mediterranean features . . . [and] his chest thrust out like a bantam cock's." He is pleased to settle scores and clarify embarrassments—an inordinate amount of space is reserved to explain the Rev. Jeremiah Wright detractors—and is proud of ObamaCare's tactical victory and the mission to avenge 9/11 by killing its mastermind.

This is all expressed in a kind of consensus prose, rotating the trademark Obama detachment with occasional flashes of anger or self-deprecating humor. It can get monotonous at times. The chapters unfold in a formulaic, curiously uniform, fashion: A subject is introduced with some helpful background; Mr. Obama marshals his team ("Almost sixty years old, graying, and built like a panda bear, Pete [Rouse] had worked on Capitol Hill . . ."); meetings are conducted, options explored, and decisions are made or votes won or lost.

Along the way there are intervals of pick-up basketball, banter with manservants and musical relief ("It was rap that got my head in the right place . . . especially: Jay-Z's 'My 1st Song' and Eminem's 'Lose Yourself'"). There is a tart rejoinder or affectionate encouragement from his wife, swelling sentiment ("[David Axelrod's] voice choked up. I put my arm around him, feeling my own emotions"), followed by brief reflection: "I think about it sometimes," he says to his press secretary, "how this isn't supposed to be about my own ambition. It's supposed to be about making the country better."

Political debts are repaid in affectionate phrases ("Oprah Winfrey . . . was as wise, funny, and gracious on the trail as she was in person") and hindsight is prescient: "Though I didn't know him well, I'd never been particularly impressed with [John] Edwards." As a freshman senator, in 2005, Mr. Obama tells us he was quick to perceive the gathering symptoms of the 2008 financial crisis; as president, in a meeting with the Indian prime minister, he worries about the growing influence of India's Hindu nationalist Bharatiya Janata Party four years before it comes to power.

Most revealing of all, there are unguarded moments of smoldering discontent that he shares with another president: Mr. Obama is routinely aggrieved by his press coverage; and on the subject of friction within the executive branch, he explains "how the foreign policy bureaucracy could slow-walk, misinterpret, bury, badly execute, or otherwise resist new directions from a president [who would] often end up butting heads with the Pentagon, State Department, and CIA." The glorious burden of the presidency can sound very familiar.

Mr. Terzian, a contributing writer at the Washington Examiner, is the author of "Architects of Power: Roosevelt, Eisenhower, and the American Century."

‘Tribalism’ Isn’t Going Anywhere



GLOBAL VIEW
By Walter Russell Mead

Azerbaijan and Armenia may have signed a peace deal, but a new conflict is brewing in Ethiopia that is potentially more devastating, strategically consequential and historically important. The Caucasian war looked backward to the breakup of the Soviet Union and the Ottoman Empire's genocidal demise. The Ethiopian war looks forward, as the sort of national conflict that dominated the past two centuries of European history begins to shape the politics of a rising Africa.

Ethiopian Prime Minister Abiy Ahmed, winner of the 2019 Nobel Peace Prize, has sent in the army to force the restive northeastern Tigray region back into line. In September, local authorities in Tigray defied a nationwide ban on elections (ostensibly due to the Covid pandemic but seen by Mr. Ahmed's opponents as a ploy to retain his power) to vote for a new provincial assembly. Though the Tigrayans only numbered 8.8 million by the last Ethiopian census in 2007, this relatively small ethnic group has played an outsize role in the country's politics since it led a military campaign that overthrew the Marxist regime of President Mengistu Haile Mariam in 1991.

What many Ethiopians from

other ethnic groups considered a form of Tigrayan domination took the form of a dictatorial government. Mr. Ahmed dismantled that dictatorship, to local and international applause. Many Tigrayans, however, resent the new system and believe that they are being targeted for unfair dismissals and prosecutions. Their current defiance of central authority is seen by many Ethiopians as part of a plan to reassert their power beyond their home region.

Neighboring Eritrea, which won its independence in 1993, has already been drawn into the conflict, with Tigray firing missiles at its capital, and the entire Horn of Africa could be thrown into chaos if the fighting persists. Sudan's fragile domestic order could easily be destabilized by a war next door that disrupts trade, creates flows of refugees, and draws Sudanese ethnic groups into the conflict. Somalia, still in turmoil amid the fight against Al Shabab terrorists, depends on Ethiopian troops and political support that would be at risk if the fighting continues. And Ethiopia itself, with roughly 110 million people divided into approximately 80 ethnicities speaking almost 90 languages, is a tinderbox. As my Hudson Institute colleague James Barnett noted in a recent report, prolonged fighting in the north could lead to more challenges against the central government and, in a worst-case scenario, a Yugoslav-style meltdown on a much greater scale.

For students of world politics, the Ethiopian conflict holds two vital lessons. The first is an important reminder that much of the conventional wisdom in the West about geopolitical developments in the rest of the world is firmly embedded in a mix of ignorance, wishful thinking and projection. Mr. Ahmed, like former rock stars of the global do-gooding circuit Aung San Suu Kyi and Paul Kagame, has

Look at Ethiopia, where ethnic tensions have built up even as the economy grew.

never been the figure his Western admirers imagined. He emerged from a career in the Ethiopian intelligence service, and his vision of his role and the future of his country has little to do with the fantasies of his foreign admirers. Myanmar's Ms. Suu Kyi, Rwanda's Mr. Kagame and Mr. Ahmed are complex figures in countries where the rules are weak, the stakes are existential, and scruples are necessarily few. The inane rituals of celebration and reprobation that self-described moral leaders in the West alternately inflict on these leaders are noise, not signal. Serious people need to tune it out.

The second lesson is even more important. When it comes to sub-Saharan Africa and other places undergoing

rapid economic development and social change, Western thinkers need a paradigm shift. Since the end of colonial rule, many Western observers have naively assumed that ethnic and religious tensions would fade away with economic development.

That is not how things work. During the past 20 years, Ethiopia has consistently posted some of the best growth rates in Africa, but ethnic tensions have risen with gross domestic product. Illiterate peasants scratching a bare subsistence from the soil don't care much about how their government works. As literacy, living standards and access to information rise, that changes.

European and Ottoman history followed a similar pattern. Nationalism rose with levels of development—and democracy, linked to nationalism, was more often a destabilizing force leading to conflict than a calming force leading to peace.

"Tribalism," as ethnic nationalism in postcolonial Africa is sometimes dismissively and condescendingly called, is not a remnant of the past destined to fade as modernization progresses. It is a sleeping giant that, as it awakens, will test the stability and perhaps alter the borders of many African countries.

World leaders can hope that the Ethiopian civil war will be quickly and peacefully resolved. But they should brace for a turbulent future, not only in Ethiopia, but across a rapidly developing continent.

How to Save Kabul From Saigon's Fate

By Bing West

America has entered its 20th year of fighting in Afghanistan without victory. With a major troop drawdown imminent, many of the generals who failed to win are now well-positioned to prevent a disastrous defeat.

In a swift response to the 9/11 attacks, the 2001 invasion of Afghanistan shattered al Qaeda, driving its remnants into neighboring Pakistan. But then President George W. Bush decided to build Afghanistan into a democracy.

The generals enthusiastically took on an open-ended mission: "Soldiers and Marines are expected to be nation-builders as well as warfighters," decreed the 2006 counterinsurgency field manual. Grunts, however, soon learned they couldn't win the hearts and minds of semiliterate tribesmen or stop the Taliban from using its Pakistani sanctuary to rearm. Still, our

generals remained confident.

President Obama took office declaring that Afghanistan was "a war that we have to win." But after making scant progress, he pulled out most U.S. troops. Mr. Trump further reduced U.S. forces to roughly 5,000, while greatly increasing the bombing.

Biden would be wise to leave a small force to disrupt terrorists.

In a tweet last month, the president promised to have all U.S. troops in Afghanistan home by Christmas. Mr. Trump can issue the order, but it would be impossible to carry out before he leaves office. Nevertheless, he seems determined to slash by half the few U.S. forces remaining in Iraq and Afghanistan. Such a quick and dirty drawdown would be the most irresponsibly

national-security decision of this tumultuous presidency. It will be applauded by terrorists and Iran and cause tremors in Kabul and Baghdad.

President-elect Biden will inherit a worsening situation. The Taliban will redouble their efforts to force out remaining U.S. troops. They can't seize the cities as long as we are there to bomb them, but they control much of eastern Afghanistan. And whoever controls the ground controls the outcome after negotiations.

In 1972 the U.S. signed a peace treaty that left thousands of North Vietnamese soldiers in South Vietnam. A few years later, North Vietnamese tanks rolled into Saigon as the world watched on TV. Respect for American resolve plummeted at home and abroad.

The Taliban share Islamist roots with terrorists who pursue murder on a global scale. A total U.S. withdrawal would lead to a resurgence of terror

plots, no longer in danger of disruption. Instead, the U.S. should continue what it is doing: keep military presence low and lethality high, and tolerate a messy government in Kabul. With modest expense and low casualties, the benefits of withdrawal can't justify the costs.

In September, 22 retired four-star generals and admirals endorsed Mr. Biden for president. That list included many who shared responsibility for the profligate strategy of nation-building. Having helped to elect him, those generals should urge Mr. Biden to retain a small force in Afghanistan. The message should remain unchanged: *Wherever ye gather in terror's name, hell follows.*

Mr. West, a military historian, has served as an assistant secretary of defense and a combat Marine. He is author of "The Last Platoon: A Novel of the Afghanistan War."

OPINION

REVIEW & OUTLOOK

Trump, Biden, and Covid Vaccines

For the second Monday in a row, there was good news on the Covid-19 vaccine front. Moderna said its vaccine candidate showed positive results at 95% after Pfizer reported 90% effectiveness. The fight against Covid is far from over, but markets are cheering the vaccines and a promising new Eli Lilly therapy.

Credit here goes to private drug investment and innovation, but also to the Trump Administration for speeding up government approvals. The Administration pushed reforms in the Food and Drug Administration's bureaucratic and risk-averse culture, even if it didn't always succeed. Former FDA Commissioner Scott Gottlieb put a particular priority on speeding up drug approvals. New generic approvals increased to 107 last year from 73 in 2016.

The FDA has also fast-tracked reviews of breakthrough medicines such as gene therapies and let drug makers use creative and adaptive trial designs that aren't the double-blind randomized control placebo "gold standard." From 2017 to 2019, an average of 51 novel therapies were approved compared to 32 on average from 2010 to 2016. All of this has been especially helpful on Covid.

* * *

Not everyone approves. Some self-styled experts grouse that the FDA is approving too many expensive new drugs that may help only a subset of patients. Their odd logic is that if everyone doesn't receive a benefit from a drug, then no one should. They say testimonials from doctors are biased and should be ignored.

This summer the FDA was criticized for granting an emergency use authorization (EUA) for convalescent plasma to treat Covid. More than a dozen non-gold standard studies showed benefits. A Mayo Clinic trial that enrolled some 35,000 patients found seven-day mortality was 44% lower among non-intubated patients under the age of 80 who were treated within 72 hours of diagnosis with plasma containing high levels of antibodies versus lower levels.

The study didn't find a difference in survival among all patients and didn't include a placebo group. "There are currently no data from well-controlled, adequately powered randomized clinical trials that demonstrate the efficacy and safety of convalescent plasma for the treatment of COVID-19," a National Institutes of Health panel cavilled.

Yet gold-standard trials can obscure critical benefits among subgroups. Consider a World Health Organization multinational trial, which last month reported no benefit from four antiviral drugs tested including Gilead's remdesivir. An earlier NIH trial in the U.S. found remdesivir

improved recovery time by five days and survival by 27%.

The WHO, however, aggregated data from countries with vastly different medical standards, patient populations and risk factors. More than three-quarters of patients were treated in developing countries including Pakistan, Albania, South Africa and Lebanon. Many weren't treated until late in the disease when antivirals are unlikely to help.

Yet now some critics claim that the FDA jumped the gun by approving remdesivir and should have waited for supposedly more robust evidence like the WHO trial. Some also say the FDA should have consulted outside experts before granting emergency authorization. These panels are notorious for nitpicking trial designs and shooting down promising therapies that only benefit a subgroup of patients. They allow the FDA to disperse accountability for decision-making.

* * *

Some critics of the Trump FDA's accelerated approvals are on Mr. Biden's Covid task force. Take Ezekiel Emanuel, who helped inspire ObamaCare's bureaucratic panel for cutting Medicare spending, which Congress has since repealed. He believes government needs to clamp down on doctors who prescribe treatments that incrementally help patients, especially the elderly with fewer years to live.

Then there's David Kessler, the FDA commissioner in the George H.W. Bush and Clinton Administrations. Mr. Kessler let the agency be hijacked by trial lawyers and banned most silicone breast implants because of unascertainable risks, which many women said they were willing to bear. During his tenure, approvals of new medical devices ground to a halt.

One of the big jobs of "the FDA commissioner is to put their body on the line in between all the forces that want to influence the agency," Mr. Kessler told Politico in August. What he meant is the agency should ignore doctors and patients who want access to therapies that don't pass this "expert" bureaucratic obstacle course.

The Trump FDA's Covid innovation has been providing real-time feedback and clear guidance to drug and vaccine makers about its expectations. This has helped therapies and vaccines advance and cut Phase 3 trials from three years to a few months. These reforms are one of the success stories of the federal Covid response. But there's a serious risk that the Biden team will default to their instincts and reimpose a culture of bureaucratic control that restricts new medical advances.

Trump's Afghan Sign Off

Pentagon officials on Monday confirmed our report Sunday night that President Trump is expected to order another troop reduction in Afghanistan—with a deadline conveniently timed just before he is likely to leave office on Jan. 20. We wish there was some justification other than the looming end of his Presidency.

There's certainly no military rationale for reducing U.S. forces to 2,500. The current 4,500 level was recommended earlier this year by Army Gen. Scott Miller, the U.S. commander in Afghanistan, when Mr. Trump demanded a reduction from 8,000. The 2,500 looks like a number pulled out of a Pentagon helmet as an arbitrary alternative to the disastrous total pullout Mr. Trump was contemplating last week.

The smaller force by Jan. 15 means something will have to give in the U.S. mission that includes support for Afghan forces, coordinating the use of air power, intelligence gathering, and counter-

terror operations against al Qaeda and Islamic State. At some point, low troop levels become a risk to U.S. soldiers because they can't supply adequate force protection.

Mr. Trump says it's time to go because we've been there 19 years, and that's enough. But that's a political notion put into his head by the loyalists he has placed in charge of the

Pentagon in the last few days. The rushed reduction in forces will reinforce the Taliban's view that they needn't compromise in negotiations with the Afghan government because the Americans are desperate to depart.

Joe Biden's advisers have said they favor keeping a residual force in Afghanistan, but they can't know how many troops that requires until they consult with Gen. Miller and Chairman of the Joint Chiefs Mark Milley. Let's hope the generals can follow Mr. Trump's orders in a way that offers Mr. Biden more options than retreat after he's in the White House.

He slashes troop levels for a political deadline but no military rationale.

State Tax Revenue Rebound

In case you hadn't heard, states are experiencing a surge—of tax revenue. Politicians don't want this good news to get out because they want more money from Congress.

- California recently reported that tax revenue for this fiscal year is running \$9.9 billion (18.6%) above projections. Personal income tax revenue in October was \$1 billion (15.6%) higher than in the previous October, and sales taxes were up 9.2%. For the last four months, overall revenue has exceeded spring forecasts and even 2019 collections.

- Behold how a rising stock market lifts progressive state budgets. The top 1% of earners in California generate half of its personal income tax revenue. A rebounding stock market—the Dow Jones Industrial Average has increased 16% since the beginning of July—has produced a gusher of revenue for blue states with sharply progressive tax systems.

- In New York, overall tax revenue was up 4.3% in September compared to September 2019 thanks to soaring personal income tax revenue. Most of this bump appears due to an increase in withholdings from larger unemployment checks.

- Like many states, New York taxes unemployment benefits. Because the federal \$600 in weekly enhanced jobless benefits more than offset wage losses for most unemployed workers, many states have been collecting more income tax revenue from workers who are unem-

Sales and income receipts are coming in better than expected.

ployed than from lower-income folks who are working. After enhanced benefits lapsed in October, income tax revenues in New York dipped though were still only 1.8% lower than last year.

Personal income tax revenue in Connecticut increased 2.9% in September from the previous year. In the fiscal year that started in July, income tax receipts are running 0.3% ahead of last year and sales tax revenue is up 5.3%.

Sales tax revenue in most states hasn't fallen as much as expected because many Americans haven't reduced spending. They are spending on different things. They are buying more appliances to remodel their homes while spending less on personal services like hair cuts and dry-cleaning, which most states don't tax.

Despite the wailing by Democratic governors, budgets in states run by Republicans have been hit harder by the pandemic because they rely less on income taxes from the wealthy, which have been buoyant. Tax collections in Texas were down 8.25% in September and October from the previous year due mainly to lower oil and gas revenues. But Gov. Greg Abbott isn't begging for a federal bailout.

Most states will survive the pandemic fine without more federal aid if they don't reimpose lockdowns as Oregon, Michigan and New Mexico have, though some have pre-existing problems that Democrats want Congress to relieve. Most blue-state budget bruises are self-inflicted.

LETTERS TO THE EDITOR

Supreme Court and the Challenge to the ACA

Regarding your editorial "Supreme Misjudgment on ObamaCare" (Nov. 11): Texas Solicitor General Kyle D. Hawkins was not whistling Dixie, as you have suggested, when he explained to Chief Justice John Roberts that the remainder of the ObamaCare statute is not constitutionally severable from its now-repealed funding mandate. President Obama and the Democrats, themselves, did not include a severability clause in their statute even though such a clause is routinely included in most statutes. This was no unintended oversight on their part. Instead, it was how the Democrats obtained the acquiescence of the well-healed health-insurance industry. Specifically, in exchange for that industry agreeing to insure persons with pre-existing conditions and 19 to 26-year-olds on their parents' policies, Congress agreed to compel every American, via the mandate, to buy health insurance. This deal was also designed to keep President Obama's promise (now long since broken) that our premiums would not go up. So please don't mess with Texas.

JOHN K. HAGGERTY
Santa Clara, Calif.

You quote Chief Justice Roberts saying to Texas Solicitor General Kyle Hawkins: "I think it's hard for you to argue that Congress intended the entire Act to fall if the mandate were struck down when the same Congress that lowered the penalty to zero did not even try to repeal the rest of the Act." The counterargument I would have made is that clearly the members of Congress (all Democrats) who voted for the original bill had no intention of any kind except to pass it. Speaker of the House Nancy Pelosi famously said: "We have to pass the bill so that you

can find out what is in it." Clearly, you can't intend a bill to be something if you don't even know what is in it. Additionally, those members had no reason to believe the mandate would ever be zeroed out, even if they were actually aware of such a thing in the bill.

The court may rule in favor of keeping ObamaCare based on severability precedents, which is a legitimate reason, but many of us constitutionalists are weary of Justice Roberts making rulings and arguments based on his stated ability to mind read Congress.

TOM CHALMERS
Old Bridge, N.J.

The chief justice may have been correct that the intent of Congress in 2017 by repealing the tax was not to throw the entire structure of ObamaCare out the window, but he was wrong when he said it was not the Supreme Court's job to determine whether the remainder of the statute was constitutionally permissible given the key change in its structure and the court's earlier ruling which found the act constitutional only because of the tax. At this point the intent of Congress is irrelevant. The court's duty is to test the amended statute against the Constitution.

The chief justice's comment is also inaccurate. Many in Congress wanted to repeal the entirety of the act but when that effort failed Congress decided to repeal the most unpopular aspect of the law. This is not the chronology of an effort by Congress to get the Supreme Court to do its dirty work. It is the story of politicians currying favor with voters by giving them what they want. That's what Congress does.

TIM KELLY
Naples, Fla.

States Can Vote Without the Electoral College

Regarding Steven E. Landsburg's "Want a Coup? Abolish the Electoral College" (op-ed, Nov. 12): It is not obvious that the federal court's assertion of control over presidential elections isn't a greater threat to our constitutional framework than a popular election—particularly if the election is controlled by the states as required in the Constitution. It is arguable that the Supreme Court's actions in 2000 created a precedent for further erosion of state control of presidential elections by federal courts, a circumstance that should be of greater concern to Mr. Landsburg than how voting by the states is applied to deciding presidential elections. Noting that proportional assignment of electors is already within the province of the states, extension to a de facto popular

election can be fully compliant with the Constitution without exposing the republic to further risk. The same cannot be said for having the Supreme Court control a presidential election.

DAVID GOODYEAR
Olympia, Wash.

The important strengths of our election system, as summarized by Mr. Landsburg, lie primarily in its noncentralized nature. We could maintain the distributed character of the election process while moving away from the Electoral College system and toward a popular-vote system.

JOEL FAGAN
Iowa City, Iowa

Tax Carbon and Leave The Rest to the Markets

Regarding "Car Makers Keen on Electric Push" (Business News, Nov. 10): It is true that we can do better than our current patchwork of state and federal auto regulations. Yet no matter how many electric vehicles we put on the road, more is needed to reduce our carbon emissions. We need to incentivize a gradual transition to clean-energy sources throughout our entire economy.

The most cost-effective incentive is a price on carbon. By putting a price on carbon, consumers will be incentivized to choose clean, low-carbon energy sources. And auto makers, who respond to consumer demand, would be more willing to make long-term investments in electric technology. Instead of bogging down companies with more regulations, we should encourage them to focus on innovation.

Congress has a bill that would do just that. If enacted, the Energy Innovation and Carbon Dividend Act (H.R. 763) puts a price on carbon that starts low and gradually increases. The revenue generated gets returned as a monthly dividend to Americans who will spend it as they see fit. After all, it's up to us which clean-energy path we choose.

ADAM REED
Longmont, Colo.

Biden's Appointee Ezekiel Emanuel Raises Age Issues

Regarding your editorial "The Covid Vaccine Cavalry" (Nov. 10): Ezekiel Emanuel, a member of Joe Biden's Covid-19 Advisory Board, in 2014 wrote "Why I Hope to Die at 75." Does he realize Joe Biden will be 78 when he takes office or that Nancy Pelosi is 80? Can we expect that opinion to influence his pandemic-board work where life and death decisions will be made? Will he advocate that medical care be withheld from anyone 75 or older? Dr. Emanuel's views may be sincerely held, but they are not those of most people, especially those in the later half of life. He's hardly the best choice to participate in life and death decisions for millions.

LEWIS R. ELIN
Chicago

Feeding Those Independent Critters Creates Dependence

Regarding Allan Ripp's "In My Yard, Every Critter Gets a Handout" (op-ed, Nov. 10): Perhaps the author should have a long conversation with a park ranger. We took our children to different national parks virtually every summer while they were growing up. At every park, we heard the same message: Don't feed the animals. You're not doing them any favors. Every ranger understood that feeding the animals only turned them into pets, wholly dependent on human charity and unable to fend for themselves when humans went home. Come to think of it, maybe the same logic could be applied to government handouts of the inedible variety.

JOHN GRAHAM
Newton, Mass.

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Pepper ... And Salt

THE WALL STREET JOURNAL



OPINION

America's Shockingly Moderate Electorate

By Mark Penn

The more things change, the more they stay the same—or so it seems in American politics, after the electorate returned the Democratic establishment to power after rejecting it for a rogue outsider four years ago. The surprise finding of the exit polls is that moderates and men provided the crucial swing voters who put Joe Biden into office.

Has the American electorate changed? The answer is that despite billions of dollars spent on persuasion, massive increases in turnout, a media with an agenda, and racial unrest, the changes in American voting patterns were minuscule.

Polls predicted a landslide, but the result was close and split because voters reject radical changes.

We are one country divided by two parties. The nation is largely moderate, practical and driven by common sense over ideology. Most voters prefer compromise on health care, immigration, stimulus and other thorny issues that the extremes of the parties have pushed to the limits. Only 24% of voters identify as liberal, while 38% say they're conservative, according to CNN exit polls. Another 38% are moderate. Despite the widespread publicity given the left, since 2014—a good year for Republicans—the percentage of self-identified liberals declined 2 points, while the share of conserva-

tives increased 3 points.

By now everyone has heard that President Trump did worse in the suburbs and better with minorities than in 2016. While technically true, the suburban swing occurred before the 2018 midterms, and the minority shift was relatively small, except for Hispanic voters in Florida and the border towns of Texas. Some surprising findings have been overlooked. Mr. Trump's margin of victory among white women increased from 11 to 13 points, according to CNN's final adjusted exit polls. But his advantage among white men narrowed from 30 points to 23.

Mr. Biden won almost all the liberals and Mr. Trump the conservatives. But Mr. Biden expanded the Democratic lead among moderates to 30 points from 12 in 2016—the single most significant change. Moderate men swung the race to Mr. Biden.

There were some offsetting changes in the overall demographic landscape. The white share of the vote declined from 71% to 67%, while Latinos grew from 11% to 13%. The electorate was older, with fewer young adults and more than 1 in 5 over 65.

In the 2018 midterms, Democrats won by nearly 7 points in the popular vote for all House seats. But that margin shrank by more than half this year, compounded by Mr. Biden's smaller margin of victory at the top of the ticket. House Democrats, despite a strong advantage on health care, owe their problems to associations with a range of unpopular issues from defunding the police to raising taxes, ending fracking and opening up borders.

Any race decided by such small



A polling place in Flint, Mich.

SETH HERALD/AGENCE FRANCE PRESSE/GETTY IMAGES

margins could have been won by either side. Mr. Trump failed to improve his character or tone down his rhetoric, and he ran without developing a clear second-term agenda. He should have taken a bipartisan approach to the pandemic and appointed a general, not a politician, to lead the effort. Instead he made it a Republican effort, and he owned it. Those were big mistakes. The Biden campaign focused on character, but if character outweighed issues, Mr. Trump would have lost by 20 points. Democrats did win on the virus, which was voters' No. 2 issue, and that's likely what put Mr. Biden over the top. Voters made the rather sensible determination that while Mr. Trump might have done a good job with the economy, he did a bad one with the virus.

It is highly significant that in deep-blue California, two ballot measures—

to end a constitutional ban on racial preferences by government and to repeal restraints on commercial property-tax increases—both went down by wide margins. The country might have shifted in favor of looser marijuana laws, but it doesn't generally favor higher taxes (Illinois voters also voted against tax increases) nor has it lost faith in the ideal of a post-racial society. Also, respondents to a not-yet-released Harris poll named free speech as the most important American value. These are critical signals from the voters that a new administration can ignore only at its peril.

When it comes to polling, the final Hill-Harris Poll got it about right, with a 4-point gap in favor of Mr. Biden. We saw the momentum in the race seesaw in the last month and end up on Mr. Trump's side as he ramped up his mass rallies. Prominent national polls, such as from The Wall

Four Seasons Total Landscaping Isn't Exactly the Reichstag

FREE EXPRESSION
By Gerard Baker

Is this a coup? Is this how the greatest democratic experiment in human history fails after nearly 250 years? Will historians write about the plot hatched at Philadelphia Four Seasons Total Landscaping the way they write about the Beer Hall Putsch, an ominous augury of a proud nation's descent into an authoritarian hell?

Historians are constantly re-evaluating the causes, meaning and consequences of events, so any judgment on the Constitutional Crisis of 2020 would have to be conditional, but I'd be willing to bet the answers to those questions are, respectively, no, no and probably not.

We have spent four years being told we are Weimar Germany, and it should come as no surprise that President Trump's response to the election has embedded the coup narrative in the media, the Democratic Party and even some of the

supposedly sober parts of our establishment.

The media are palpitating. A quick Google search for "Donald Trump coup" yields 69 million search results. For comparison, a search for "Fidel Castro coup" produces slightly over a million.

Democrats are manning the rhetorical barricades. Rep. James Clyburn of South Carolina, the third-ranking House Democrat, told CNN last week: "That's what Hitler did in Germany. He was elected chancellor and then because he successfully discredited the news media, took over the churches."

Mr. Clyburn is an intelligent and courageous man who has already earned an honorable place in history for his youthful civil-rights activism. But this is, to put it mildly, a selective and incomplete account of what Hitler did to Germany.

Aside from the points that the modern American media has done more to discredit itself than any politician and that the nation's churches aren't exactly under state control, it's a stretch to liken a sullen president's angry denunciations of an election to the systematic dis-

mantling of republican institutions by a combination of diktat and force.

You would expect Democrats to reach for hyperbole, but the coup hysteria goes much further. According to the Financial Times, a couple of dozen chief executives of America's largest companies took part in

Trump's shambolic vote challenges provoke cries of 'coup' and the usual comparisons to Hitler.

a conference call last week in which they were soberly warned by a Yale professor that Mr. Trump might be launching a coup.

It's a sorry reflection of the nation's corporate leadership that the man who seems to have received serious pushback at that meeting was not the hyperventilating professor, but Stephen Schwarzman, CEO of the Blackstone Group, who was reportedly challenged for raising allegations of electoral fraud and for

suggesting the president had a right to pursue legal remedies.

One should never be complacent. The fragility of American cohesion is worryingly palpable and raw. But the Weimar comparisons are ludicrous. The German republic was a decade old when Hitler came to power. It had been established after a humiliating national military defeat followed by an imposed settlement by revanchist powers that consciously sought to crush Germany's strategic capabilities and constrain its independence. It quickly succumbed to an economic crisis in which monthly inflation hit 30,000%.

Coups have occurred in more-propitious circumstances, it's true, but American institutions are deeply entrenched and have survived greater challenges.

None of this is to defend the president's language since the election. His efforts so far to prove massive fraud have been as successful as O.J. Simpson's efforts to find the real killer. The contrast between the specific, narrow, small-scale instances of electoral fraud adduced by his lawyers and the grand sweep-

ing claims of conspiracy adduced by his own imagination grow wider by the day.

The president has a right to pursue legal challenges. He has a right to a grievance about the way his own election was greeted by opponents four years ago and the way he has been treated since. But the president has duties as well as rights. One of those duties is to help build trust in the integrity of the republic.

There's another reason the coup talk is overblown. To launch a coup you need more than a giant, suppurating grievance and access to Twitter. You need a fanatical commitment, a detailed plan, an energy, a sophisticated apparatus of revolution. If nothing else, this should calm the current hysteria.

Another German famously wrote: "All great world-historical facts and personages occur, as it were, twice, the first time as tragedy, the second as farce."

It was one of Karl Marx's enduring observations, and it will likely prove a more accurate assessment of the facts when historians look back at the coup that was launched at Four Seasons Total Landscaping.

Two Existing Technologies Could Fight Covid Now

By Salmaan Keshavjee
And Tom Nicholson

The response to the Covid-19 epidemic has taken many forms, from targeted interventions to complete lockdowns. But even the most stringent lockdown was essentially a fiction for essential workers and the working poor, who had to perform their jobs despite the uncertainty and risk. For those confined to their homes and those who had no choice but to leave them, the mental and physical toll has been immense. It is past time to deploy a strategy that protects the vulnerable while interrupting airborne viral transmission in places where people come together. A balanced and layered approach can help open clinics, schools, businesses, houses of worship and society in general.

Many are surprised to learn that there are low-cost and effective ap-

proaches already in widespread use outside the U.S. that can provide focused protection for the vulnerable and prevent transmission of viruses in indoor settings. The installation of a simple technology that deactivates germs could make public spaces safer against viruses and bacteria for decades. Also, while new vaccines are making the headlines, a nearly century-old vaccine that costs pennies per dose and is already used by hundreds of millions of people world-wide can help reduce severe outcomes from respiratory infections.

The former tool is upper-room UVC germicidal lighting. These fixtures look like glorified bug-zappers, but the bugs they zap are viruses and bacteria, not insects. The technology has been around since 1937, when it was first used against a measles outbreak—an airborne virus more contagious than Covid-19—in a Philadelphia school. Studies show

that when optimally used in concert with good ventilation systems, UVC germicidal lighting provides the same effect as completely replacing the air in a room more than 10 times an hour. This reduces transmission and is a safe, effective layer of protection against threatening airborne diseases in crowded indoor settings.

The devices are manufactured in America and have been supplied to U.S.-funded programs around the world through the Centers for Disease Control and Prevention and the U.S. Agency for International Development. Outfitting indoor public spaces with these devices would cost considerably less than the trillions already spent by the federal government to mitigate the economic impact of this crisis. Our data from implementation of this approach in Oklahoma City indicate that installing these bug zappers in a typical building costs less

than \$6 a square foot. Maintenance and upkeep are cheap and simple. From Utica College in New York to the Salvation Army of Central Oklahoma, and from Los Angeles

Germicidal lighting and a tuberculosis vaccine should be a part of the pandemic response.

International Airport to the Cambridge Friends School in Massachusetts, these lights are already on and providing a layer of important protection.

The second tool is a vaccine that hundreds of millions of people have taken for years with almost no side effects—the antituberculosis vaccine BCG. It has been used for almost a century to protect the most vulnera-

ble against tuberculosis and can be almost immediately produced in large quantities at low cost. A study funded by the National Institutes of Health and published last month in the journal Cell showed that BCG vaccination triggers a general immune response that decreases viral respiratory tract infections by 79% among the elderly.

In a trial run in the United Arab Emirates, none of the hospital workers randomly assigned to receive a BCG booster developed Covid-19, while 8.6% of those who received no boosters were infected. While it appears that BCG is helpful on its own, it has also been shown to increase the efficacy of other vaccines. This is important because none of the major Covid-19 vaccine trials currently receiving attention are designed to detect a difference in severe disease or death. Urgent investment is needed for rapid multisite trials of BCG vaccination in the elderly and other vulnerable populations. This approach could save many lives right now.

These technologies have been around for a long time so their profit-making potential is limited. That could explain why they have been overlooked, but it has no bearing on their utility. U.S. foreign-aid programs have funded these approaches against infectious diseases for decades. If America were to fold them into its pandemic strategy alongside localized contact tracing, appropriate use of masks, targeted testing and, possibly, a new Covid vaccine, we would protect our essential workers and begin the process of safely reopening society.

Dr. Keshavjee is director of Harvard Medical School's Center for Global Health Delivery. Mr. Nicholson is a researcher at Duke University and executive director of Advance Access & Delivery, a nonprofit.

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Notable & Quotable: Biden

From "Biden Won the Battle—but Dems Are Losing the Social Media War," DailyBeast.com, Nov. 16:

"Impeachment was so bad for us because it fit into [Trump's] meta-narrative that they reinforced every day," said Tara McGowan, a leading Democratic digital strategist, referring to the persistent "deep state" conspiracy theories and allegations of Biden family corruption that pervaded conservative media amid the historic rebuke of the president.

Months later, as racial unrest erupted—occasionally violently—in cities around the country, Democrats faced the same feedback loop of conservative posts and commentary that reinforced some of the president's central political messaging. The riots

in Kenosha, Wisconsin, following the shooting of a Black man by police there created such a scare for the Biden digital team that it was one of the few times they advised the communications shop to forcefully push back against the emerging narrative (in this case, of Biden being on the side of the protesters).

"I don't know that we would've been able to recover from the law-and-order narrative if the president himself hadn't contracted the virus," said McGowan, describing the president's coronavirus diagnosis as a seminal moment that shifted the on-line conversation back to his poor handling of the pandemic. "Frankly, if the pandemic had not come," she said, "I think we would've absolutely lost this presidential election."

WORLD NEWS

Japan Considers Path To Sustaining Rebound

Some in the ruling camp favor direct handouts; others back private-sector spending

By MEGUMI FUJIKAWA

TOKYO—The economy in Japan, as in many developed countries, is about halfway back from the worst of the pandemic.

The world's third-largest economy after the U.S. and China grew at an annualized pace of 21.4% in the July-September quarter.

Economists said getting all the way back might not happen until 2024.

"The pace of growth is expected to slow down sharply in the near term because pent-up demand is likely to decline both at home and abroad, while infections are quickly spreading again in the U.S., Europe

and Japan," said BNP Paribas economist Ryutaro Kono.

Japanese economy minister Yasutoshi Nishimura said Monday that the country is suffering from an output gap—the difference between what workers could produce in a fully healthy economy and what they are producing—of some \$300 billion.

While many workers had their pick of jobs a year ago, helping push up wages, jobs are now scarce in many areas. Chronically understaffed places such as nursing homes still need help.

Some in the ruling camp believe shoveling cash quickly into the economy through direct handouts and public-works projects is the best way to fill the gap.

Based on current interest rates, the government could easily borrow the money for such programs and pay hardly any interest.

overheating from too much money chasing too few goods.

"It's simple enough to do nothing, but then there's the discussion of how much the number of unemployed people will rise," said Yoichi Takahashi, an adviser to Prime Minister Yoshihide Suga and former Finance Ministry official.

Mr. Takahashi, alluding to a statement in May by the finance minister and the Bank of Japan governor pledging cooperation, said the central bank would buy any bonds necessary for the government to support the economy.

Nonetheless, some economists say a big rush of spending could unsettle markets and put Japan on the wrong fiscal path.

"If you believe a larger budget produces bigger effects, you may spend endlessly," said Daiwa Securities economist Mari Iwashita.

Mr. Suga, just two months into his tenure, has yet to take a clear stand in one of the two camps, but he has emphasized policies that would lift Japan's



Small restaurants are among the businesses hardest hit by Covid-19 due to social-distancing limitations.

long-term growth potential rather than give an immediate jolt. He suggested shortly before taking office that the nation's sales tax, raised last year to 10%, might have to increase further to tackle budget deficits, though he later said he had no plans to do so for the next decade.

The government is preparing an economic-stimulus package to be submitted to parliament early next year. Economists expect the budget to include at least \$100 billion or so of new spending—a big figure, yet short of the output gap cited by the economy minister.

Businesses could make up the shortfall if they spend more. Capital investments by companies fell in the July-September quarter despite the economy's strong growth overall, suggesting that uncertainty about the pandemic outweighs the incentive to invest in retooling for a post-pandemic world.

Mr. Suga's policies are focused on long-term issues, such as Japan's digital transition and his goal of making the country carbon-neutral by 2050.

"What is expected for Mr. Suga is to change the course of fiscal spending so it can en-

courage the private sector to make more investments and spend more money," said Takeshi Niinami, chief executive of Suntory Holdings Ltd. and a member of the government's economic council.

He said making the nation's labor market more flexible and promoting female executives could give a lift to Japanese business, although both issues long predate the pandemic.

"We are going to get done the homework we've left sitting for many years and haven't been able to finish," said Mr. Nishimura, the economy minister.

For Some, Working From Home Means Going Abroad

By MARGHERITA STANCATI

ROME—The moment Jennifer Babin found out her employer's offices in Paris wouldn't reopen anytime soon, she packed up her bags and moved to the Sicilian city of Palermo.

"I jumped at the opportunity to relocate to Sicily because I love it so much," said Ms. Babin, 28 years old, who continues to work for a Paris-based insurance company.

With the pandemic continuing to rage in most Western countries, and most offices likely to stay shut through the winter, more Europeans and Americans are taking the chance to work from abroad.

For some, it is a once-in-a-lifetime chance to have their cake and eat it: to swap the chilly, damp north for the Mediterranean while holding on to their jobs.

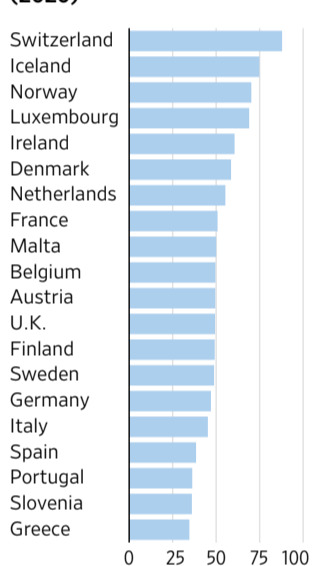
It also can be a way to cut costs. Ms. Babin now pays €600, equivalent to about \$710, monthly for a two-bedroom apartment overlooking a piazza in downtown Palermo, about one-third of what she paid for her smaller flat in Paris.

"I'm very grateful to have a job, a Parisian salary and to be living somewhere that is much cheaper and I think much nicer," said Ms. Babin, who is originally from Australia.

Greater workplace flexibility is likely to stay. Around 80% of corporate executives polled in a Gartner Inc. survey published in June said they expected to continue allowing remote work even after the pandemic is over.

For the self-employed, the shift to working from anywhere is sometimes even easier, since face-to-face meetings with clients have mostly been

Index of cost of living plus rent (2020)



Note: Index is relative to New York City. Cost of living plus rent index is an estimation of consumer prices including rent. Source: Numbeo

replaced with video calls.

Jincey Lumpkin, a writer and beauty-industry expert from New York, is currently working from Portugal, but she is sticking to an East

Coast schedule. "I can wake up at 10 a.m., and that's 5 a.m. U.S. time. I feel like I'm really on top of it," she said.

Ms. Lumpkin had a full-time job in advertising until she was laid off in the spring when the pandemic exploded. "It was a blessing in disguise," said the 40-year-old, who took time to write a fantasy novel over the summer before freelance work started picking up.

She flew to Portugal in September to house-hunt with her wife. The couple is weighing the pros and cons of living in Lisbon, the capital city, or somewhere quieter along the coast.

"I love New York and the

people, but we can also be very impatient," she says. "The pace of life here is much more manageable."

Life in Southern Europe isn't always easy: The pandemic has hit the region hard. Portugal's government last week imposed nighttime and weekend curfews across most of the country to slow the spread of the virus.

Despite the new rules, Duncan Wallis, a 47-year-old from Manchester, U.K., said moving to Sicily has been worth it.

"I see no good reason to leave. The restrictions in Italy, even if they go for a national lockdown, will be similar to procedures being followed elsewhere in Europe," said Mr. Wallis, who trains teacher trainers in various parts of the world, a job he is now doing remotely.

"I wanted to go to a place where I could get a bit of sunshine, spend more time outside, and where rents would

be a little cheaper," he said. "It's working pretty well."

The work-from-abroad tribe is growing so rapidly that some businesses are starting to cater to its needs. Some hotels, devoid of tourists, are now offering packages tailored for remote workers, including special rates for long-term stays, high-speed Wi-Fi and workspaces.

Hospitality company Selina specifically targets the work-from-anywhere crowd. The company has introduced monthly rental packages for its Portugal resorts, offering services such as quiet working spaces and yoga classes, a program it has since extended to Mexico, Costa Rica and elsewhere.

"Locals wanted to get out of the city. And expats who were about to return to their home countries wanted to stay. We saw that potential," said Manuel Rito, the Lisbon-based director of European marketing for Selina.

He anticipates the trend will only grow once the pandemic is over. "People will want to work from everywhere in the world, and to work and explore wherever they are."

WORLD WATCH

MOLDOVA

Pro-West Candidate Wins the Presidency

Maia Sandu, a former World Bank economist who favors closer ties with the European Union, won Moldova's presidential runoff vote, decisively defeating the staunchly pro-Russian incumbent, according to preliminary results.

Ms. Sandu captured more than 57% of the vote, leading the incumbent, Igor Dodon, by more than 15 points, according to preliminary data from the Central Election Commission, with nearly 100% of the vote counted.

Sunday's election was seen as a referendum on divergent visions for the future of the nation sandwiched between Ukraine and Romania. Ms. Sandu and Mr. Dodon, whom Russian President Vladimir Putin identified as his preferred candidate, have been rivals since he narrowly defeated her in the 2016 presidential race.

On Monday, Mr. Dodon conceded and congratulated Ms. Sandu.

The current pro-Russian government controls only 51 of 101 seats in the Parliament. The new president can dissolve Parliament if the prime minister resigns and there are two failed attempts to find a successor.

—Associated Press

FRANCE

Trial Opens in Attack Foiled by Americans

An Islamic State operative listened as a judge detailed his alleged attempt in 2015 to kill passengers on a high-speed train



ON GUARD: A Russian peacekeeper patrols near the Dadivank Monastery in Nagorno-Karabakh following a Moscow-brokered cease-fire earlier this month that calls for Armenia to cede territory to rival Azerbaijan in the disputed enclave.

before he was tackled and subdued by American vacationers.

Opening a month-long trial for Ayoub El Khazzani, the judge said the 31-year-old Moroccan intended to "kill all the passengers" aboard the Amsterdam to Paris train in 2015 but "lost control of events."

Mr. El Khazzani acknowledged the charges against him with a simple "Yes."

A lawyer for the two U.S. servicemen and their friend said their actions on Aug. 21, 2015, thwarted a "slaughter."

Mr. El Khazzani boarded the train in Brussels with a Kalash-

nikov rifle, nine clips with 30 rounds each, an automatic pistol and a cutter, according to investigators.

He is charged with attempted terrorist murder. If convicted, he faces a maximum sentence of life in prison.

His lawyer, Sarah Mauger-Poliak, said Mr. El Khazzani "regrets having allowed himself to become indoctrinated" by extremist propaganda and wants "to demonstrate his remorse."

Three others, who weren't on the train, are being tried as alleged accomplices.

—Associated Press

BELARUS

Retirees Protest on 100th Day Since Vote

Crowds of retirees marched Monday in the Belarusian capital of Minsk, marking 100 days since mass protests began and became an almost-daily feature of life in the country after authoritarian President Alexander Lukashenko won his sixth term in a widely disputed election.

More than 2,000 pensioners were estimated to have taken part in the rally, demanding the resignation of Mr. Lukashenko

and a halt to the government's violent crackdown on dissent.

"Lukashenko, you and my children will remember this disgrace," read one of the banners the retirees carried.

Such protests have roiled Belarus since the Aug. 9 election handed Mr. Lukashenko a crushing victory over his widely popular opponent Svetlana Tikhanovskaya. She and her supporters refused to recognize the result, saying the vote was riddled with fraud.

Both sides seem to be locked into a continuing cycle of protest and crackdowns, with the oppo-

sition turning out thousands in regular marches, while the government uses arrests and other intimidation tactics to quash any threats to Mr. Lukashenko's 26-year hold on power.

According to human-rights advocates, more than 19,000 people have been detained since the election. At least four people are reported to have died as the result of the crackdown.

—Associated Press

NETHERLANDS

Court Upholds Terror Conviction in Assault

An Amsterdam appeals court upheld Monday the terror conviction of an Afghan asylum seeker who stabbed two American tourists, seriously injuring them, at Amsterdam's main railway station in 2018.

The court said judges slightly reduced the sentence of the attacker, who has been identified only as Jawed S., from nearly 27 years to 25 years based on sentences in similar cases and on his young age. The man, who is now 21, was convicted of attempted murder with a terrorist motive just more than a year ago.

The court said he took a train from Germany to the Dutch capital to avenge what he perceived as insults to Islam and didn't know his victims were Americans. "It is thanks to the very fast response of the police that there weren't more victims," the court said.

Police officers shot the attacker within 10 seconds of the attack on Aug. 31, 2018.

The court said the attacker only expressed remorse during the appeals case "as a way to reduce his sentence."

—Associated Press

BUSINESS & FINANCE

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Walmart Rethinks Global Footprint

Retail giant's sale of stake in Japan chain helps sharpen new focus on e-commerce

By Peter Landers and Kosaku Narioka

TOKYO—Walmart Inc. threw in the towel on Japan after 18 years, selling most of its stake in a local supermarket chain and continuing its retreat from slow-growing global markets in favor of e-commerce bets.

Private-equity firm KKR & Co. will buy 65% of Tokyo-based Seiyu GK in a deal that values the 329-store, 34,600-employee chain at just over \$1.6 billion, the companies said. Walmart will retain 15%, while Japanese internet company Rakuten Inc. will take 20%. Walmart also will retain a seat on the board.

Walmart has sold three longtime overseas holdings in less than seven weeks, each at the cost of some financial pain. In October, the Bentonville, Ark., giant agreed to sell U.K. grocery-store chain Asda

Group Ltd. to a private investment group in a deal valuing Asda at the equivalent of \$8.8 billion. Walmart said it expected to recognize a noncash after-tax loss of about \$2.5 billion. And on Nov. 6, Walmart said it would sell its retail operations in Argentina in a deal that would result in a noncash after-tax loss of about \$1 billion.

Walmart executives in early 2018 said the retail behemoth would back away from slow growth and struggling international operations, in favor of higher-growth or e-commerce

opportunities. Since then it has gradually remade its international operations, including buying Indian e-commerce startup Flipkart for \$16 billion and investing in e-commerce operations in Canada and Mexico.

The rapid shift to online shopping around the world because of the Covid-19 pandemic also played a role in Walmart's decision to sell its Japanese operations, a company spokesman said Monday. Rakuten already has e-commerce infrastructure in place and is able to ramp up quickly

to meet customer expectations, said the spokesman. "A partnership like this just makes more sense for the business," he said.

The pandemic has also helped grocery stores and may have made it easier for Walmart to find buyers.

"It's been a big tailwind because more people are staying home and eating out less," said Eiji Yatagawa, a partner at KKR. "The purchase amount per visit has also gone up because they are trying to go out less frequently."

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Goldman Tech Guru Jumps to Dell's Firm

By Liz Hoffman

Gregg Lemkau, one of Goldman Sachs Group Inc.'s top deal makers, is leaving to run the investment firm started by technology tycoon Michael Dell.

The move, first reported by The Wall Street Journal, turned heads inside the firm and across the industry. Mr. Lemkau ran one of Goldman's most profitable divisions after a long career putting together technology, media and health-care mergers, and was seen as a potential contender to be chief executive of the firm.

He will be chief executive of MSD Partners, which manages about \$15 billion including some of Mr. Dell's fortune and has plans to grow.

The 51-year-old joined Goldman in 1992 and spent his career as a counselor to big technology and media companies including Twitter Inc. and Uber Technologies Inc. He was named in 2013 a co-head of its merger business and promoted again in 2017 to co-run its investment-banking arm, which includes M&A, IPOs and lending deals.

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Thriving Tesla Is Added To S&P

By Heather Somerville

Tesla Inc. Chief Executive Elon Musk has taken another step to turning the Silicon Valley electric vehicle maker into a mainstream car maker, parking the company in the S&P 500 index.

It marks a milestone for the company that over the course of its 17 years has sought to overcome cash-flow problems and defy skeptics from Wall Street and Detroit.

S&P Dow Jones Indices Monday said Tesla would join the index on Dec. 21.

The move is expected to galvanize the company's bullish investors who have propelled its soaring share price. It comes at a time Wall Street expects the electric-vehicle maker to post its first full-calendar year of profit in 2020. Tesla has posted a profit in the first three quarters of the year despite the pandemic that led local authorities in California to order the company to temporarily close its lone U.S. car plant.

Inclusion in the benchmark that gauges the U.S. stock market requires an accumulation of four consecutive quarters of net profit. Tesla has strung together five for the first time in its history.

"It's the cherry on top of a very successful year for Musk," said Toni Sacconaghi, an analyst with Bernstein Research. "It's probably the ultimate symbolic vindication for Elon Musk"

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Berkshire Bets on Vaccine Makers

By Jenna Telesca and Ben Eisen

Warren Buffett's Berkshire Hathaway Inc. is betting on some of the largest firms chasing a Covid-19 vaccine.

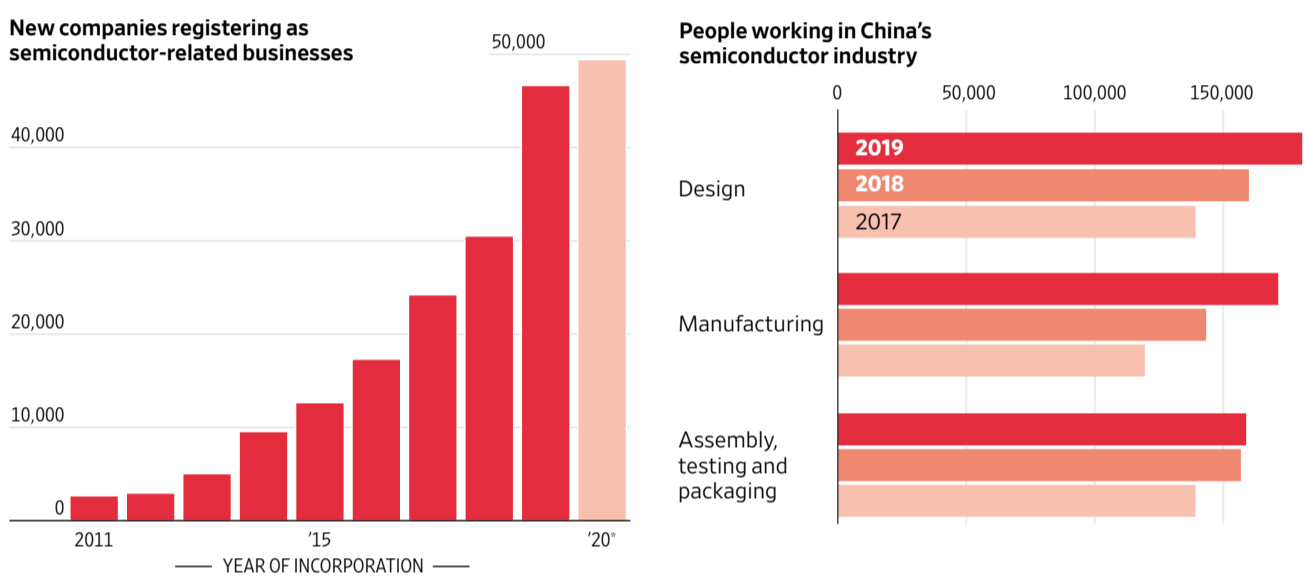
The Omaha, Neb., conglomerate recently made new investments in large pharmaceutical companies Merck & Co., Bristol-Myers Squibb Co. and AbbVie Inc., investing between \$1.8 and \$1.9 billion in each, according to public filings. Berkshire also made a new, smaller investment in Pfizer Inc. of \$136 million.

Berkshire made these investments sometime in the quarter ended Sept. 30, well before Pfizer, BioNTech SE and Moderna Inc. reported positive results from late-stage trials of potential vaccines.

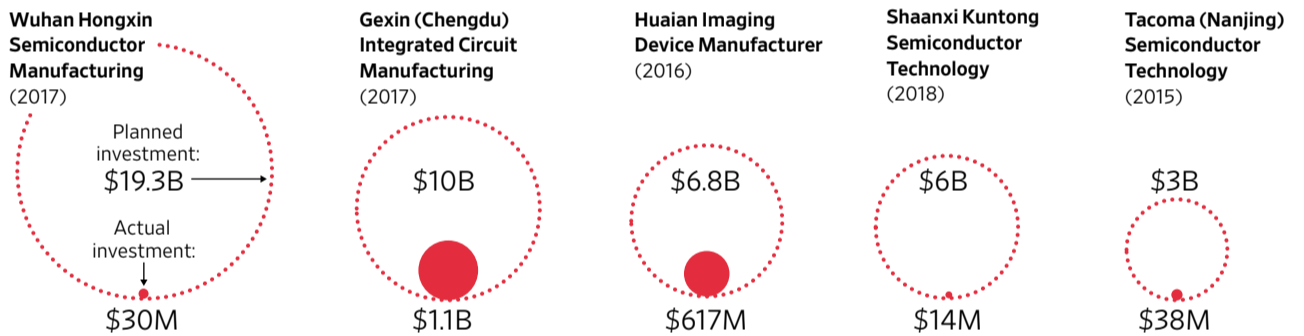
"Historically, Buffett has stated that, if he were to invest in the pharmaceutical industry, it would likely be that he takes a basket approach"

Please turn to page B2

A record number of Chinese firms registered as chip-related this year as talent flows into the semiconductor industry, but in the surge several high-profile projects have failed.



Failed projects and their planned investments



*As of Nov. 16
Sources: Tianyancha (number of companies, failed projects/investments); China Center for Information Industry Development (workers); the companies, local government statements, state media (failed projects/investments)

Tech Race With U.S. Turbocharges China Chip-Manufacturing Frenzy

By Liza Lin

China is investing heavily in computer chips and stepping up efforts to cultivate home-grown talent as it accelerates its quest for technological self-sufficiency amid a tech trade war with the U.S.

Chinese semiconductor companies have raised the equivalent of nearly \$38 billion so far this year through public offerings, private placements and asset sales, according to S&P Global Market Intelligence—more than double last year's total.

Meantime, more than 50,000 Chinese companies have registered their businesses as related to semiconductors this year, a record that is four times the total from five years ago, according to data from corporate registration tracker Tianyancha.

These include companies with only the most tenuous of ties to the chip industry such as real-estate developers, cement makers and restaurant businesses—all of which have recast themselves as chip firms in a bid to benefit by association with a plan unveiled in Au-

gust by China's cabinet promising tax waivers and government funding.

The semiconductor surge mirrors other recent enthusiasm in China, including investment binges in electric vehicles, real estate, peer-to-peer lending and solar panels—some of which led to bubbles or irrational spending—prompting China's top economic planner to warn about unwise business activity.

"Companies without experience, technologies and talents have rushed into the integrated circuit sector," a representative

of the National Development and Reform Commission said last month. "Some local governments also blindly started projects with inadequate understanding of the industry."

The frenzy of activity underscores concerns about China's technological reliance on the West.

China is the world's largest importer of semiconductors. Customs data showed it bought more than \$300 billion in foreign-made chips last year.

Chinese firms supply only 5% of the world-wide market, ac-

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Taylor Swift's Recordings Are Sold

By Anne Steele

Celebrity talent manager Scooter Braun sold Taylor Swift's master recordings from her first six albums to Los Angeles-based investment firm Shamrock Capital Advisors LLC.

The sale, closed in the last two weeks, marks a new flash-point amid a tussle between the pop superstar and her former label as the value of music soars in the streaming era.

The deal is valued at more than \$300 million—about what Mr. Braun's Ithaca Holdings LLC paid for the entirety of Ms. Swift's former label, Big Machine Label Group LLC, a year and a half ago—according to people familiar with the matter. It is structured so Mr. Braun will continue to collect on the catalog's earnings.

Ms. Swift, who has been vocal about her disapproval of the sale of her work to Mr. Braun, said Monday on Twitter that she had tried to buy her old catalog from Ithaca and that the sale to Shamrock hap-

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INSIDE



RETAIL

Home Depot spends \$8.7 billion to buy a wholesale distributor it once owned. **B3**

MARKETS

Oil giant Aramco, pressed for cash, plans to issue a dollar-denominated bond. **B10**

Office Return Brings Covid Legal Risks

By Te-Ping Chen and Sara Randazzo

Companies are wary of reopening offices due to the risk of exposing employees to Covid-19. They are also worried about their own legal exposure should staff get sick.

As coronavirus cases surge, offices around the country have stayed largely closed or only partially reopened, and not just because of health concerns. For white-collar workplaces, the pandemic has required compliance with the kind of complex workplace-safety regulations that, until recently, applied more to industrial settings than to offices.

Office spaces that fail to comply with the requirements face a liability threat few had to think about before the pandemic, employment lawyers say.

"A white-collar company is not used to having this much



Real-estate firm JLL lets staff to return to workplaces on a voluntary basis. An office in Menlo Park, Calif.

burden from a workplace-safety standpoint," said Travis Vance, an attorney at employment firm Fisher Phillips LLP who estimates he has advised 600 companies on Covid-19-related

questions. Of those looking to reopen, he said, about one-quarter have decided the legal requirements are too challenging.

The list of rules and guide-

lines employers must consult when reopening offices is varied, including guidance from the Occupational Safety and Health Administration and the

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Offices Face Legal Risks Over Covid

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Centers for Disease Control and Prevention. It also includes regulations at the local and state levels, where many new Covid-19-specific workplace safety requirements have been created to try to protect employees amid a pandemic that has killed more than 245,000 Americans.

Such regulations range from the general—including the need to wear masks and socially distance—to the more granular. New York state's guidance for office reopenings, for example, spans more than 100 bullet points and covers everything from the kinds of amenities that should be installed, such as touch-free water fountains, to the kinds of health records that can be maintained.

"Now, everywhere is a potentially hazardous environment," said Harris Mufson, an employment lawyer at Proskauer Rose LLP.

Further weighing on companies is how much coverage their workers' compensation policies will provide if employees say they became ill at work. At least 17 states now have laws that assume an employee who contracts Covid was infected in the office, which triggers workers' compensation. Employment lawyers say asking people to sign a waiver before returning to work is unlikely to offer protection in most states.

Beyond concern about possible illness, reopening offices presents privacy concerns, including how to store biometric information collected from employee temperature checks.

Some companies say it is worth the risk. After months of having its 40 employees working from home, workforce-training company 1Huddle Inc. opened a new headquarters in Newark, N.J., in September.

The company first consulted with lawyers, and following

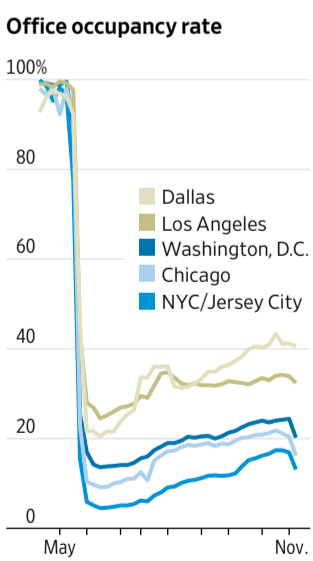
their advice, isn't requiring anyone to come in, says CEO Sam Caucci.

To enable social distancing, the company capped attendance at eight people. It mandated masks and installed an extra HVAC unit to improve ventilation. The company is also paying extra in liability insurance, Mr. Caucci said.

"We're not a Walmart or a Jet, or a well-established tech company where you already have a brand built up," Mr. Caucci said. As a small company, he said, he felt the company needed an office to help its culture stay strong.

Offices in 10 major metropolitan areas including New York, Philadelphia and San Francisco have an average occupancy rate of 25% compared with more than 97% before the pandemic, according to data from Kastle Systems.

Neil Murray, chief executive of corporate solutions for commercial real-estate firm Jones Lang LaSalle Inc., said he generally wasn't seeing employers force people back. "I don't think it's driven by liability. I think it's driven by genuine concern for people," Mr. Murray said. The company, known as JLL, said it has opened 131 out of its 135 U.S. offices with capacity restrictions, and with attendance on a voluntary basis.



Notes: Occupancy measured as daily swipes of Kastle access controls compared to February; Includes surrounding metro areas. Source: Kastle Systems

Tesla Added To S&P

Continued from page B1
that he is being recognized by this significant financial index."

Its third-quarter profit was a record \$331 million, propelled by production from the company's Shanghai factory, where Tesla benefits from cheaper la-

bor, and strong demand for its more affordable Model 3 car. Tesla was buoyed by \$397 million in regulatory credits in the third quarter, which helped tip it into profitability.

The inclusion elevates Tesla's profile among public market investors and validates what was once a niche and highly unprofitable Silicon Valley company. Tesla also has more broadly changed the car industry's mind-set around electric cars and incited a race toward electrification.

Tesla will replace an S&P 500 company that will be

BUSINESS & FINANCE

Universal, Cinemark Set Film Deal

By R.T. Watson

Comcast Corp.'s Universal Pictures has found another key partner willing to shrink the amount of time new movies play in theaters before moving to home video.

The Hollywood studio and America's third-largest cinema chain, **Cinemark Holdings Inc.**, announced on Monday a deal under which Universal titles can be shipped online after just three weekends, or 17 days, in theaters. The nation's largest theater chain, **AMC Entertainment Holdings Inc.**, agreed to a similar deal with Universal in July.

Traditionally, moviegoers were forced to wait about 2½ months from a film's theatrical debut before they could then watch it at home. Under the new paradigm that Universal is pushing, viewers will, in some cases, be able to watch new

movies in their living rooms or on their devices just 2½ weeks after they premiere in theaters.

Amid the Covid-19 pandemic, which has closed theaters and performance venues around the country, cinemas have been trying to find ways to make money while most viewers stay home. By completing a multiyear deal with Universal, Cinemark, like AMC, has acquiesced to what is shaping up to be a historic shift that could forever alter the film-distribution landscape. Even though most films and theaters earn the bulk of box-office revenue in the first few weeks, theater chains have for years been fiercely resistant to reducing their window of exclusivity.

"We were talking about flexible windows since prior to Covid with multiple studios," said Cinemark CEO Mark Zoradi, who added that Universal's commitment to keep bet-

ter-performing films in theaters longer than 2½ weeks was key to getting the deal done. "We're in the business of trying to maximize the box-office potential."

Under the Cinemark-Universal deal, movies that gross more than \$50 million domestically during their first weekend in theaters will continue to be shown in theaters exclusively for five weekends, or 31 days. After that, while theaters can continue to screen a film, the title will concurrently be available on premium online video-rental platforms like Apple TV and Amazon's website. Universal is offering the same terms for films grossing more than \$50 million to AMC, a person familiar with the matter said. Like AMC, Cinemark will share in the digital-rental revenue, the person said.

In addition to monthslong cinema closures and weak at-

tendance, the theater industry is reeling because Hollywood has largely canceled plans to release its higher-profile movies, the brand of content theaters rely on to sell tickets. Meanwhile, theaters have been trying to survive by showing older films like Walt Disney Co.'s "Hocus Pocus" or one of the many smaller independent titles.

AT&T Inc.'s Warner Bros. tried to resuscitate the theatrical industry in September when it released its \$200 million spy thriller "Tenet." While the film has done decent business abroad, in the U.S. and Canada the movie, by top-flight director Christopher Nolan, has grossed just \$56.3 million. Theaters are anxiously awaiting to see what Warner will decide to do with its highly anticipated "Wonder Woman 1984" sequel, which also cost about \$200 million to produce and is currently slated to premiere Christmas Day.

Exporters Feel Squeeze as Capacity Fills Up

By Costas Paris

A surge in Asian imports bound for U.S. retailers stocking up for the holidays is leading to an acute shortage of shipping capacity for U.S. exporters, with agricultural producers now struggling to find the containers they need to send their products to overseas buyers.

Container shipping companies seeking to keep pace with the strong demand for goods from China are rushing to unpack and return to Asia the containers, industry officials say. That leaves fewer boxes available for American exporters to stuff with soybeans, lumber, cotton and other products.

"Right now we are grappling with a true emergency—carriers refusing bookings for trans-Pacific agricultural exports and canceling those already booked," said Peter Friedmann, executive director at the Agriculture Transportation Coalition, a trade body representing U.S. farmers. "We are getting locked out of foreign markets."

The shortage is in part the result of the steep imbalance in the value of the goods moving across the Pacific. U.S. imports from China, for instance, include big volumes of electronics, apparel, toys and other manufactured goods. U.S. ex-



The Port of Los Angeles is crammed with containers amid a surge in imports for holiday shopping.

ports lean heavily toward bulky agricultural goods, along with food and beverages, which have a lower market value.

Container shortages aren't uncommon during the busy summer months, but it is more intense this year and has spread to ports around the world as demand swung sharply from record lows to record highs within a few months.

The high demand in the U.S. for imports has pushed container freight rates from China

to the U.S. West Coast seaports beyond \$4,000 per container while average prices to ship goods by container from Los Angeles to Shanghai in recent weeks was \$518.

For carriers, that means it makes more financial sense to hustle boxes back to Asia rather than wait for them to travel inland for several weeks to reach exporters and then return to the coastal gateways.

The U.S. import surge took off in midsummer after global trade nosedived because of the

Covid-19 pandemic. Big U.S. retailers rushed to replenish inventories that were depleted earlier in the pandemic and started pulling in more goods from Asia to stock shelves and e-commerce warehouses as consumer sales rebounded.

The National Retail Federation and Hackett Associates LLC said major U.S. ports imported 2.11 million containers in September, 12.5% more than the year before and the highest monthly total in records going back to 2002.

Berkshire Wagers on Vaccines

Continued from page B1
and buys a handful of companies instead of a very large stake in just one," Berkshire investor and Cheviot Value Management LLC portfolio manager Darren Pollock wrote in a note.

Mr. Buffett generally invests in stable industries he expects to grow over time, suggesting he expects the broader pharmaceutical world to profit from eventual Covid-19 vaccines and therapeutics. Berkshire's recent investments give insight into how he believes the coronavirus pandemic will shape American businesses for the long term.

Overall, Berkshire's largest stock investments remain Apple Inc., Bank of America Corp. and Coca-Cola Co.

The 90-year-old Mr. Buffett might or might not have made these investments himself. Berkshire employs two portfolio managers, Todd Combs and Ted Weschler, who make many of Berkshire's equities investment decisions. When Mr. Buf-

fett eventually steps down from running Berkshire, they are on the shortlist of potential successors, along with Greg Abel and Ajit Jain.

The purchases come after Berkshire Hathaway trimmed its airline holdings this year as the pandemic struck. In May, Mr. Buffett disclosed Berkshire had sold its stakes in United Airlines Holdings Inc., American Airlines Group Inc., Delta Air Lines Inc. and Southwest Airlines Co.

"The airline business has the problem that if the business comes back 70% or 80%, the aircraft don't disappear," he said during Berkshire's virtual annual meeting. "The world changed for airlines."

Berkshire unloaded more bank stocks in the third quarter.

The conglomerate roughly halved its remaining stake in Wells Fargo & Co., further whittling down its holdings in a bank it has owned for more than three decades. Berkshire also sold nearly all of its remaining stake in JPMorgan Chase & Co. The moves continue the billions of dollars worth of sales of both firms in the second quarter.

Meanwhile, Bank of America appears to be emerging as Mr. Buffett's favorite bank. His firm increased its shareholdings by about 9% last quarter. Berkshire now owns nearly

12% of the company, according to FactSet, above the 10% threshold Mr. Buffett has said he typically tops out at.

Berkshire has also invested heavily in its own stocks in the first three quarters of the year, making \$15.7 billion in stock buybacks. These buybacks rank among the largest investments Berkshire has ever made.

Investors and analysts continue to wait for Mr. Buffett to spend a larger chunk of Berkshire's \$150 billion cash pile on an acquisition or a significant stake in a company. In recent months Berkshire purchased Dominion Energy Inc.'s midstream energy business and its investment of \$6 billion in five Japanese companies.

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BUSINESS NEWS

BBVA, Exiting U.S., Discusses Merger With Spanish Bank

Banco Bilbao Vizcaya Argentaria SA's sale of its U.S. operations to PNC Financial Services Group Inc. underlines

By Patricia Kowsmann, Margot Patrick and Orla McCaffrey

that for European banks, America is a tough nut to crack.

The problem for BBVA was that while it grew in the U.S. over a 15-year period, particularly in the Southwest, it didn't get big enough that it made sense to stay in the country. The second-largest Spanish lender lacked the capital to further expand its footprint and couldn't ask shareholders—already struggling with its depressed share price—to put in more money.

Instead, BBVA signaled it will use the sale proceeds to increase its presence at home and in other core markets to scale up and boost profit. On Monday, following the U.S. sale announcement, BBVA said it was in merger talks with domestic peer Banco de Sabadell SA.

BBVA's strategic shake-up shows how the coronavirus pandemic is forcing European banks to be more calculated about their prospects for growth and survival. Another duo of Spanish lenders, Caixa-Bank SA and Bankia SA, agreed to merge in September, and analysts and regulators are betting more deals will come.

With the cash proceeds from the PNC deal—equating to 50% of BBVA's entire market value—the bank could buy Sabadell and still have money left to buy back shares to boost its share price and satisfy shareholders. Sabadell's shares, which have been hit along with the share of other European banks, are down some 60% this year.

Shares of BBVA closed Monday up 15% in Madrid. Sabadell's rose almost 25% before BBVA made its announce-

ment after the European market close.

BBVA was among the European banks that spread out across the world before the last financial crisis on a hunt for growth. It bought a small California bank in 2004 and expanded across Texas, Arizona and other Sun Belt states through a string of acquisitions. It and larger Spanish rival Banco Santander SA kept sizable retail banks in both North and South America, even after other foreign banks exited in recent years.

While BBVA was the No. 4 bank in Texas by deposits, its market share, at 4.5%, was considered too small for strong returns.

Pittsburgh-based PNC said it agreed to buy BBVA's U.S. operations for \$11.6 billion. In the U.S., shares of PNC closed up 2.9% at \$126.29. Big bank takeovers have been rare since the 2008 crisis, with major players unwilling to test the political waters and wary of new regulations now applied to larger banks. Democratic administrations have typically been less friendly toward megabank deals.

Still, PNC is confident it will receive approval for BBVA, which had been at "the top, or near top, of our wish list," PNC Chief Executive Bill Demchak said on a call with investors Monday, in part because the combined entity will be "one-fifth the size of the giant four banks out there." The combined PNC-BBVA will have assets of about \$550 billion. JPMorgan Chase & Co., the largest bank in the U.S., has more than \$3 trillion.

Other geographic retreats by European banks so far this year have included HSBG Holdings PLC's closing around one-third of its U.S. branches.

◆ Heard on the Street: PNC will be regional no more B11



A manager at one of the company's stores in Houston wheels a portable generator ahead of Hurricane Laura's arrival in August.

Home Depot to Buy HD Supply, A Former Unit, for \$8.7 Billion

By COLIN KELLAHER

Home Depot Inc. agreed to buy HD Supply Holdings Inc. for about \$8.7 billion, reuniting with a unit it sold off in 2007 as the home-improvement giant looks to beef up its ability to distribute industrial products amid the pandemic.

HD Supply is a wholesale distributor of electrical, plumbing, janitorial and other supplies. It has about 44 distribution centers in the U.S. and Canada. It booked sales of nearly \$6 billion in its latest fiscal year, though it recently sold a construction unit that accounted for about half of its business.

Home Depot, which has gotten a big lift in sales from rising interest in household projects amid the coronavirus pandemic, said it expects the acquisition will accelerate its sales growth and add to earnings starting next fiscal year. The Atlanta-based company

in August reported its strongest quarterly sales growth in nearly 20 years and is expected to report another strong gain on Tuesday. The pandemic has fueled do-it-yourself projects and strained supply chains.

HD Supply competes with Fastenal Co., W.W. Grainger Inc. and Home Depot's own Pro division, which Chief Executive Craig Menear had sought to build up before the pandemic struck. Analysts at Wells Fargo said the deal will accelerate Home Depot's initiatives to serve professional customers and broaden its ability to provide job-site delivery.

The company said it would pay \$56 a share in cash for HD Supply, a 25% premium to Friday's closing price of \$44.81. Based on roughly 155.6 million shares outstanding, Home Depot is paying about \$8.7 billion.

Home Depot said it would

fund the acquisition, which it expects to complete by the end of January, with cash on hand and debt. It said the transaction has a total enterprise value of roughly \$8 billion, including HD Supply's net cash.

Home Depot built HD Supply in the 2000s through an acquisition spree led by then Chief Executive Robert Nardelli. After a CEO change, the company sold the unit in 2007 to Bain Capital, Carlyle Group and Clayton Dubilier Rice in a leveraged buyout valued at \$8.4 billion.

The trio of private-equity firms took HD Supply public in 2013. HD Supply's board includes representatives from two activist hedge funds: Lauren Taylor Wolfe of Impactive Capital LP and Scott Ostfeld of Jana Partners LLC. Both have been on the board since 2017.

HD Supply last year said it planned to separate its facili-

ties-maintenance and its construction and industrial businesses into two publicly traded companies, but it put those plans on hold in March amid chaotic market conditions brought on by the pandemic.

The company in August opted to sell the construction and industrial business, known as White Cap, to Clayton Dubilier for \$2.9 billion in cash and focus on the facilities-maintenance business. That deal, which closed last month, made HD Supply more complementary to Home Depot's current business and its focus on its Pro offering, analysts at Credit Suisse said.

Shares of HD Supply jumped 25% to \$55.80 each in late-afternoon trading on Monday. Home Depot shares were little changed.

◆ Heard on the Street: It's déjà vu again for Home Depot..... B11

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Seoul Semiconductor Obtains Again Permanent Injunctions and an Order for Recall against LED Lighting Products of Philips Brand Lighting Affiliate

The 2 nd Generation LED Technologies		
The 2 nd Generation Technologies	The World's 1 st Technologies of Seoul Semiconductor	Judgment
1 Virus Disinfection	Wioleds • Disinfect virus and bacteria	Permanent Injunction
2 Lighting That Perfectly Mimics Natural Sunlight	SunLike • Light source for healthy circadian rhythm to match 24-hour body cycles	
3 Package-Free	Wicop • Light, thin, short and small / Core technology of Mini and Micro LED	Permanent Injunction
4 Classic Design Bulb	Filament • Filament LED with similar design to conventional incandescent bulbs	Permanent Injunction
5 More Than High-Voltage 6V	AcrichMIT • Easily connectable to 220V for home use with less number of LED	Permanent Injunction
6 High Voltage Driver	Acrich Driver • Connectable to 220V for home use and 20% cost reduction	Permanent Injunction
7 Color Rendering of More Than CRI-90	UCD Phosphor • White LED light source with color rendering close to sunlight	Permanent Injunction
8 Long Lifetime	Over 10W hour • Use 5 years available for 5 hours a day (Up to 10 times longer lifespan than incandescent bulbs)	Permanent Injunction
9 Less Electric Consumption	Over 150 lm/W • Electricity cost less than one-tenth compared to conventional incandescent bulbs and one-third of fluorescent lamps	Permanent Injunction

ANSAN, South Korea - Seoul Semiconductor Co., Ltd. ("Seoul") (KOSDAQ 046890), a leading global LED innovator, announced that the German District Court of Düsseldorf has issued "two" permanent injunctions against certain cell phone and lighting products affiliated with Philips brand lighting. The court ordered a permanent injunction against lighting products manufactured by Klite Lighting, a subsidiary of Signify (formerly Philips Lighting), and a recall of those products sold after March 2017 with the destruction of such products in the patent litigation against Leuchtstark Vertriebs GmbH. In other recent litigation against Klite's products, Seoul also obtained a permanent injunction, a recall of infringing products sold after October 2017 and destruction of

those products. This follows on the heels of two other cases in the U.S. where Seoul obtained permanent injunctions against the sales of Philips branded LED TV products.

In a separate patent litigation filed against Conrad Electronic, one of European largest electronics retailers, the court ordered permanent injunction and a recall of infringing cell phone products sold after October 2017 because they infringed Seoul's patent.

LED industry technology has evolved into second-generation technology, and Seoul is leading the development of second-generation technology by investing over \$1 billion in R&D over the past 20 years. For the past 3 years, Seoul has prevailed in approximately 30 patent litigations across the U.S., U.K., Germany,

Japan, China, and Korea. The above table shows a list of Seoul's patented technology asserted in enforcement actions.

"Intellectual property rewards small businesses and entrepreneurs by enabling them to protect their valuable discoveries and inventions, regardless of their class or country of origin," explained one of Seoul's officials. "Seoul believes that technology is the way to improving our world and community. Since the industrial revolution, the infant mortality rate has declined from 43% to 3%, the absolute poverty rate has decreased to less than 10% from 80%, literacy rates have increased, and 85% of the world's population has electricity. We believe that Seoul's groundbreaking green technology will continue helping improve the future for everyone."

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BUSINESS NEWS

Birth Drop Is No Bundle of Joy

Makers of products for infants feel pinch as projections show pandemic-fueled fall

By SAABIRA CHAUDHURI

Makers of infant formula and diapers are girding for another possible Covid-19 challenge: fewer babies.

Birthrates have been declining for years in the U.S. and China, and new projections suggest that the coronavirus pandemic could lead to hundreds of thousands of fewer births in the coming months. A drop in new arrivals could spell trouble for makers of infant products, who have been developing new lines and shifting their focus to other products, analysts and executives say.

"What we have seen in the pandemic, particularly in the U.S., is a decline in birthrate," Laxman Narasimhan, chief executive of Enfamil maker **Reckitt Benckiser** Group PLC, said on an investor call in October. To buoy sales, Mr. Narasimhan said Reckitt has been expanding its nutrition category to include a focus on elderly people's health.

The company, which also makes milk supplement Sustagen, in October warned that fewer births in China—about half the global baby-formula market—as well as the U.S. could hit its baby-feeding business next year.

U.S. government data for 2020 birthrates won't be available until next summer. Mr. Narasimhan in an interview said Reckitt has its own birthrate projections and has also noted figures from the Brookings Institution.

The think tank has forecast between 300,000 to 500,000 fewer births in the U.S. next year, compared with a drop of 44,172 last year. Its analysis, partly based on what happened after the 2007-2009 recession, is that weaker job prospects equate to fewer births. "Women will have many fewer babies in the short term, and for some of them, a lower total number of children over their lifetimes," it



Kimberly-Clark is watching birthrate trends closely. A diaper drive-through event in Iowa, in July.

said in a June report. Barclays expects China's birthrate to drop 8% this year, double last year's decline.

"Concerns around infection and a pending economic slowdown are a powerful cocktail" that could accelerate China's falling birthrates, said Barclays analyst Warren Ackerman. He thinks the trend could drive further consolidation among big players in China's infant formula market.

With birthrates in the U.S. and China already at their lowest levels on record, formula makers including Reckitt, Nestlé SA and Danone SA have been under pressure. Parents in these countries and some others are having fewer children but spending more money on them, propelling companies to create pricier baby food. Nestlé in June launched an upscale infant milk powder brand called Belsol for the Chinese market and recently began selling a new formula for infants allergic to cow's milk protein.

Nestlé is also creating products for the first 1,000 days of a baby's life, developing supplements for mother and baby. Last year, it opened a \$32 million research center in Ireland focused on the category. Nestlé

CEO Mark Schneider in October said the Gerber owner is making up for slow baby-formula growth in areas like infant cereals and vitamins.

Reckitt has also expanded its nutrition offerings, using its expertise in baby-related products to launch supplements for adults as well. "We see a real tailwind in seniors, and the growth rate in there is actually

8%

Barclays' estimate of China's birthrate decline this year

not small," Mr. Narasimhan said.

Infant formula is particularly important for Reckitt, which bet big on the category three years ago with its \$16.6 billion acquisition of baby-food maker Mead Johnson Nutrition Co. Growth since then has been slow with China's birthrates steadily falling since 2016—the year after the government relaxed its one-child policy. The company in February took a write-down equivalent to more than \$6 billion on the business, citing the

lower birthrate in China and increased competition.

Pampers owner **Procter & Gamble** Co. has also seen sales buffeted by the drop in birthrates and is developing more sophisticated products that can justify high prices. This year, it said sales of more-elaborate diapers that use tape or fit like pants are growing strongly. A spokeswoman for P&G said it is too early to know what Covid-19's impact will be on birthrates.

Others are on the fence, too. "I don't have a great view right now at this point of the long-term effects of Covid," **Kimberly-Clark** Corp. CEO Michael Hsu said on an investor call last month.

The Huggies owner has introduced new diapers, including a line called Special Delivery, which is made from plant-based materials and costs roughly five times more than the cheapest diaper on the market.

Mr. Hsu said Kimberly-Clark would look to keep expanding in emerging markets where populations are growing, highlighting its \$1.2 billion acquisition of an Indonesian diaper maker in September as an example. He said Kimberly-Clark is now watching birthrate trends closely.

Goldman Tech Guru Hired Away

Continued from page B1

A former Dartmouth soccer goalie, he remains a sports nut—he and Goldman's president, John Waldron, share a box at Fenway Park—and is well-liked on Wall Street.

Though he had been seen as a potential candidate to be CEO, the bid was a long-shot one—current CEO David Solomon is just two years into the job—and Mr. Lemkau has flirted with jobs in private equity over the years. He informed Mr. Solomon of his decision over the summer, according to people familiar with the matter, and stayed on through Goldman's selec-

tion of new partners, who were named last week.

He knows Mr. Dell well, having advised on a decade's worth of deals that took his eponymous computer company, merged it with rival EMC Corp., and returned it to the public markets two years ago.

MSD Partners was founded in 2009. The firm has steered clear of technology deals, instead investing mainly in credit and real estate, including the Four Seasons in Hawaii that neighbors Mr. Lemkau's vacation home.

Mr. Lemkau's departure means that for the first time in years Goldman doesn't have an M&A guru running its investment bank. He will be succeeded by Jim Esposito, a former investment banker who in 2018 was tapped to help turn around Goldman's trading division. Mr. Esposito will remain, for now, based in London; his co-head, Dan Dees, is based in California.

Superstar's Catalog Is Sold

Continued from page B1

She said that she was initially optimistic about a partnership with the investment firm, but when she learned that Mr. Braun would continue to benefit financially from her work, it was a nonstarter.

"We made this investment because we believe in the immense value and opportunity that comes with her work," Shamrock said. "We fully respect and support her decision and, while we hoped to formally partner, we also knew this was a possible outcome that we considered." The purchase is the firm's first major investment in a music catalog. Representatives for Mr. Braun and Big Machine founder Scott Borchetta didn't respond to requests for comment.

The battle over Ms. Swift's music kicked off at the end of



Taylor Swift

June last year, when Mr. Braun, through closely held Ithaca Holdings, acquired Big Machine, an independent Nashville, Tenn., music company in a deal backed by private-equity giant **Carlyle Group** Inc. Ms. Swift, who had previously feuded with Mr. Braun and some of his clients, voiced immediate dismay over the deal, saying she had pleaded for a chance to own her work, and that Mr. Braun's purchase of her masters was "my worst case scenario." She later said she would rerecord hits from her catalog starting this year, as allowed under the terms of her old contract.

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TECHNOLOGY

WSJ.com/Tech

HBO Max Is Coming To Amazon Devices

BY DREW FITZGERALD
AND JOE FLINT

AT&T Inc. reached a deal to offer its HBO Max streaming service through Amazon.com Inc., removing a distribution barrier that has checked the app's growth since its launch.

The telecom company said existing HBO apps on Amazon Fire dongles and tablets will automatically upgrade to HBO Max starting Tuesday. Viewers who subscribe to HBO through Amazon Prime Video Channels, the e-commerce company's TV portal, will also get upgrades. Terms weren't disclosed.

AT&T has staked much of its future on HBO Max, a beefed-up version of the premium TV channel designed to compete with online services like Netflix, Disney+ and Amazon's own original TV series. Executives planned for the newer streaming service to eventually supplant classic HBO.

That transition has moved slowly since HBO Max's May 27 launch. Overall U.S. HBO subscribers hit a record 38 million at the end of September, but about 8.6 million subscribers had activated HBO Max. Many others were still watching the channel through an older cable subscription or hadn't bothered to log into the new service, which at \$15 a month costs the same as legacy HBO.

The lack of compatibility with Amazon and Roku Inc. devices was one of the factors holding back HBO Max's growth. Executives at AT&T's WarnerMedia division are eager to draw more customers to the new streaming video app, which gives the company more control over customer billing relationships.

AT&T complained to lawmakers about Amazon's use of its market power during negotiations earlier this year, according to people familiar with the matter.

AT&T Chief Executive John Stankey mentioned the retailer by name during an October interview, saying that tech companies' commercial discussions with content creators sometimes created "bottlenecks" that hurt innovation.

The standoff became a topic of conversation on Capitol Hill in July, when Amazon chief Jeff Bezos testified about it during an appearance before the House Subcommittee on Antitrust, Commercial and Administrative Law.

Amazon and Roku together control more than 70% of the streaming-media player market, according to industry researcher Parks Associates. The Amazon agreement leaves Roku as an outlier with no agreement to carry HBO Max.

The two sides are separated by a dispute over how much programming WarnerMedia is willing to provide to Roku for its own channel as well as hammering out terms on sharing advertising when HBO Max launches an ad-supported version of the service next year, according to people familiar with the matter.

GameStop Pressed to Modernize

Investor Ryan Cohen, co-founder of Chewy, writes to board with tech recommendations

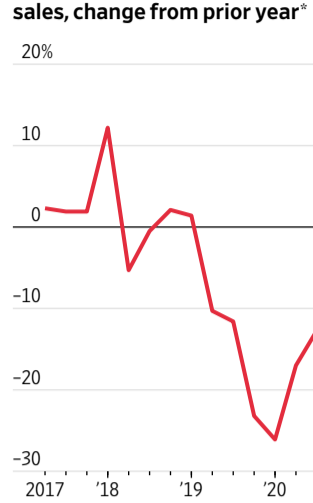
BY SARAH E. NEEDLEMAN

Shoppers are spending more than ever on videogames, and one of GameStop Corp.'s biggest investors says the struggling retailer should get a bigger piece of the pie.

Chewy Inc. co-founder Ryan Cohen, who holds a nearly 10% stake in GameStop through his investment firm RC Ventures LLC, is pushing the company to conduct a strategic review after he says private talks with the board yielded little progress. Mr. Cohen, who first disclosed a position in GameStop in August, holds a stake valued at roughly \$79 million based on current trading levels.

In a letter sent Monday to the company's board, Mr. Cohen said GameStop's bricks-and-mortar-centric business model is outdated and lags behind the broader industry. He is urging the company to reduce the number of physical stores, focus on improving e-commerce and explore other tech-driven opportunities in areas such as esports, mobile

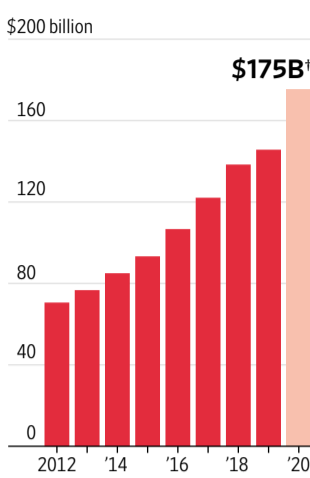
GameStop comparable-store sales, change from prior year*



*Fiscal 2020 2Q ended Aug. 1. †Projected.

Sources: the company (GameStop sales); Newzoo BV (game sales)

Global consumer spending on videogame software



gaming and game streaming.

GameStop is "one of the most shorted stocks in the entire market, which speaks volumes about investors' lack of confidence in the current leadership team's approach," according to the letter, reviewed by The Wall Street Journal. "We want GameStop's leaders to do their jobs and implement a strategy for bringing the Company into the 21st century."

A GameStop representative confirmed late Monday that the company received Mr. Co-

hen's letter, adding that it shares his goal of developing a plan in the best interests of all shareholders. The company said it extended multiple offers for Mr. Cohen to join the board, believing his "acumen and guidance would complement" viewpoints on the panel but he turned them down.

For decades, GameStop was a go-to destination in malls and shopping centers for buying games, systems and accessories. The company has faced stronger competition from

other retailers lately, including Amazon.com Inc., and customers are increasingly downloading games online instead of buying them in stores. The coronavirus pandemic has hastened that trend.

As consumer spending on gaming has more than doubled, GameStop revenue has plummeted, falling to \$6.4 billion in fiscal 2019 from \$9.6 billion in fiscal 2011.

The company has closed stores and halted experiments, including a failed run at bricks-and-mortar smartphone retailing. It has grappled with high executive turnover with Chief Executive George Sherman, who joined the company last year, being the fifth person to hold the position since November 2017. GameStop tried to sell itself in 2018 but early last year said it failed to secure a buyer and would continue as a stand-alone company.

GameStop now has more than 5,000 stores across 10 countries and owns Game Informer, a print and online videogame publication.

Mr. Cohen recommended ending leases at underperforming stores and closing nonessential operations in Europe and Australia to pay for tech improvements, such as revamping GameStop's online

store, according to the letter. Mr. Cohen, who isn't requesting a seat on GameStop's board, said the company needs to better leverage its reputation as a videogame specialist in the face of mounting competition from the likes of Walmart Inc. and Target Corp.

The 35-year-old Canadian-born entrepreneur has experience in tech with Chewy, an e-commerce pet-food business



Ryan Cohen, co-founder of pet-supplies firm Chewy, holds a nearly 10% stake in GameStop.

he co-founded and later sold for \$3.35 billion to PetSmart Inc. in 2017. Chewy went public in 2019 and today has a market capitalization of nearly \$26 billion.

GameStop has said it is focusing on paying down debt and growing its e-commerce operations in its turnaround effort. The company's share price has more than doubled since Mr. Cohen first disclosed holdings in GameStop, a position he began building in the spring.

U.S. Feud Fuels China Chip Effort

Continued from page B1

According to the Semiconductor Industry Association, Chinese chips are also far less advanced, lagging behind their Taiwanese and U.S. peers by five years or more, experts say.

President Trump's moves this year to block exports of critical technologies to China's Huawei Technologies Co. and ZTE Corp. set off a scramble by Chinese companies to build up domestic sources of semiconductors, the tiny processors that are increasingly essential to makers of smartphones, cars and other Chinese exports.

"It's about protecting the safety of your supply chain," said Adam Zhao, managing director at Shanghai investment firm Winsoul Capital, which invests in semiconductor startups. "You never know if you'll be next on the U.S. blacklist."

Last month, in an economic blueprint setting out priorities for the next five and 15 years, Chinese authorities formally elevated "self-reliance" in technology to the level of a key national goal.

President Xi Jinping last week called for accelerating the development of critical industries including semiconductors.

Since the 1950s, Beijing has spent billions of dollars to cultivate a domestic chip industry—first through central planning, and then with the help of foreign joint ventures. Talent bottlenecks, misguided investment and burdensome bureaucracy held back its success.

What's different this time is the U.S.-China tech war, which has turbocharged Beijing's de-



China, the world's largest importer of microchips, seeks self-sufficiency. The China Beijing International High Tech Expo in September.

sire to break through. The latest effort also relies more on private-sector expertise than the largely state-driven approach of the past.

"There's now a whole-of-society effort to cultivate domestic sources so that no firm can be crippled by unpredictable supply," said Dan Wang, an analyst at research firm Gavekal Dragonomics.

Universities are giving priority to programs dedicated to training a new generation of semiconductor experts, seeking to address an industry shortfall that will top 250,000 skilled workers by 2022, according to state media reports citing a 2019 white paper by a government-backed think tank.

In July, China's cabinet raised the status of university degrees tied to semiconductors, promising more funding and

prestige. Meantime, China's elite Peking, Tsinghua and Fudan universities have started to channel additional resources into semiconductor programs.

"There is no shortcut in chip development—accumulating engineer experience and know-how is critical to success," said Szeho Ng, head of semiconductor research at China Renaissance Securities.

At Huawei, which said in September it is running out of processor chips for its smartphones because of U.S. sanctions, founder Ren Zhengfei has emphasized the need for a strong domestic chip industry. Huawei is facing difficulties because "China's industry could not build the advanced semiconductor chips we designed," Mr. Ren said in September.

Huawei, in a statement, said cutting off its access to U.S.

technology has "damaged the global semiconductor industry" and "led to a growing 'de-Americanization' of supply chains around the world."

This year, six Chinese provinces and regions pledged to invest the equivalent of about \$13 billion in semiconductors, according to state media and government statements.

Chinese companies ramping up chip-based investment include e-commerce giant Alibaba Group Holding Ltd. and electric car maker BYD Co.

But the list also includes businesses like Gansu Shangfeng Cement Co., which poured \$38 million into an investment fund to finance a semiconductor joint venture with the government of Anhui province—despite no prior experience in chips. Shangfeng said in a stock filing it was seeking to diversify

its investments.

Several high-profile Chinese projects have gone belly up, including two between Chinese authorities and U.S. chip makers.

Last year, a joint venture between San Diego-based Qualcomm Inc. and China's Guizhou province to make server chips folded after three years, according to former staff members, while a \$10 billion plan by Globalfoundries Inc. of Santa Clara, Calif., to build an advanced chip-making factory in Chengdu fell apart.

Qualcomm didn't respond to a request for comment. Globalfoundries said it and its local government partner amended their joint venture in 2018 and halted the construction plans after assessing market conditions.

—Raffaele Huang, Xiao Xiao and Dan Strumpf contributed to this article.

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BUSINESS NEWS

Prices Climb for Soybeans, Corn, Wheat

Demand in China and dry weather in many key growing regions alter earlier forecasts

BY RYAN DEZEMBER
AND KIRK MALTAIS

Dry weather, China's push to fatten its pigs and the lockdown-induced baking bonanza are lifting prices for U.S. row crops.

Futures prices for soybeans, corn and hard red winter wheat—the kind used for baking bread—have risen by about a third since a rally began Aug. 10. Soft red winter wheat, found in animal feed and processed foods, is up 22%.

The gains are a sharp reversal of fortune for farmers. The coronavirus pandemic had cast doubt on demand, from the corn that finds its way into motor fuels to the wheat that winds up as restaurant dinner rolls.

In June, investors held a large short position in U.S. agricultural commodity futures, betting that prices would fall. Now they have piled into a historically large wager that prices will rise, said Tracey Allen, an agricultural commodities strategist at JPMorgan.

“These markets could extend much higher,” Ms. Allen said. “We’ve drawn down considerable inventory at the



Soft red winter wheat, found in animal feed and processed foods, harvested in July in Kirkland, Ill.

same time that China's demand appetite has stepped up.”

Dry weather in the U.S. Great Plains, Argentina, Russia, Ukraine and Brazil have reduced yields and expectations for what were forecast to be bumper crops.

Meanwhile, China has been restocking its grain bins and rebuilding its hog herds after culling millions of pigs last year to combat an outbreak of African swine fever.

The U.S. Agriculture Department predicts that China this season will import record volumes of coarse grains, which

are mostly corn, and buy more foreign wheat than it has in a quarter-century.

China's buying has been particularly bullish for soybeans. U.S. soybean sales to China have doubled since the countries signed a bilateral trade agreement earlier this year.

Though China has bought more than \$23 billion of U.S. agricultural goods, it has billions yet to spend to fulfill the terms of the countries' so-called phase-one deal, according to the Office of the U.S. Trade Representative.

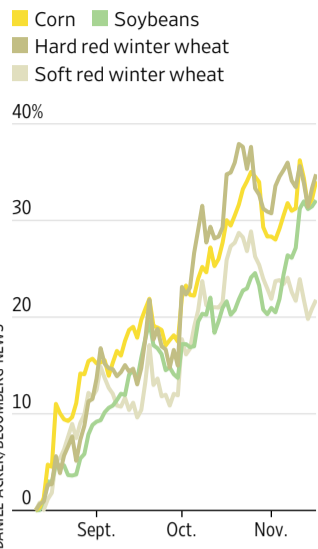
China's big orders are open-

ing up other markets for U.S. growers as well.

China bought so many soybeans from Brazil that the world's largest exporter is running low at home. Last month, Brazil lifted import tariffs on soybeans and corn. Earlier this month a ship loaded with 38,000 metric tons of soybeans left the U.S. bound for Brazil, taking a rare trade route, according to Randy Giveans, a Jefferies shipping analyst.

At home, Americans are eating into wheat stockpiles. A sourdough craze and a banana-bread binge helped make up for the shutdown of cruise

Agricultural-futures-price performance



Source: FactSet

ships, hotels and restaurants that buy flour by the pallet.

From July through September, 234 million bushels of wheat were ground for flour, up 7% from the second quarter and 1% higher than in the third quarter of 2019, according to the National Agricultural Statistics Service's quarterly survey of millers.

“That’s literally people sitting at home baking,” said Sal Gilbertie, president of Teucrium Trading, which operates exchange-traded funds that buy agricultural commodity futures.

The Agriculture Department

last week said it expects that U.S. inventories of wheat and corn will end their current marketing years 15% lower than in the prior ones. It slashed its expectations for soybean production following poor yields in Ohio, Indiana and other states and expects season-end stockpiles to be about a third of what they were a year earlier.

Farmers and traders are watching the weather in Argentina and Brazil, where a lack of rain threatens harvests.

“If South America has weather issues and production issues, that’s how you get beans in the teens,” said Craig Turner, a podcasting commodities broker at Daniels Trading in Chicago.

Soybeans for January delivery ended Monday at \$11.535 a bushel, a fresh four-year high.

Andy Huston, who grows corn, soybeans and hemp in Warren County, Ill., is among those betting on even better prices.

Not long ago, Mr. Huston was counting on losing money on this year's crop. He was trying to decide where to skimp on the next crop when prices shot up.

The rally prompted him to hold back on his soybean harvest in hopes of higher prices.

“Definitely changed the attitude of a lot of farmers out here,” he said. “We’re doing the gambling thing. This could be the start of the rally.”

Walmart Rethinks Footprint

Continued from page B1

Two years ago, Walmart sold most of its Brazilian operations in another deal that left it with losses. The retailer retains a big bricks-and-mortar presence in some places, including China, Mexico and Central America.

Walmart's biggest overseas bet in recent years was in e-

commerce: Its purchase of roughly 77% of Flipkart was its largest-ever acquisition.

Walmart's method of achieving dominance in the U.S.—squeezing out supply-chain inefficiencies and getting the best price from suppliers—often failed to translate in overseas markets such as Japan.

After first investing in Seiyu in 2002, Walmart ultimately spent more than \$2 billion to take 100% control of the perennial money loser by 2008. Seiyu stopped reporting its results after that, but other Japanese big-box stores selling daily necessities such as groceries and

household items have been suffering. Government filings from Walmart's Japan holding company, Seiyu's direct parent, have shown virtually no net income in recent years.

KKR's Mr. Yatagawa said the involvement of Rakuten, whose e-commerce businesses in Japan compete with Amazon.com Inc., will help Seiyu offer a combination of online and offline shopping. And Seiyu, he said, will be able to make faster, more localized business decisions under private-equity management than under Walmart.

—Sarah Nassauer contributed to this article.

Pandemic Thanksgiving Means Smaller Turkeys, Higher Costs

BY ANNIE GASPARRO
AND JAEWON KANG

This year's Thanksgiving celebrations are shaping up to be a little more fancy, a little more pricey and a lot smaller than usual.

Many people are planning to avoid travel and to gather in smaller numbers as Covid-19 cases climb to new heights.

Fewer guests around the table means less meat. Grocers this year are stocking smaller turkeys—12 to 14 pounds in some cases rather than 16 to 20 pounds—and hams. Food makers, meanwhile, are catering to first-time Thanksgiving chefs, and restaurants are touting takeout feasts for those who would rather not cook.

Raley's Inc., a chain of 130 grocery stores in California, bought as many smaller, frozen turkeys as it could months ago in preparation for the pandemic Thanksgiving. “Everyone will get a bird if they want it, but they might not get the size they want,” said Chief Executive Keith Knopf.

Turkey supplier Cargill Inc. said it was too early to tell if consumer demand will change going forward. Because retailers bought birds at the start of the calendar year, the quantity, turkeys' size and prices were locked in before the pandemic.

Other grocers are selling chickens, turkey breasts and other cuts that are easier for novices to cook. Distributor Gordon Food Service Inc.'s bricks-and-mortar stores are offering six-pound bone-in turkey breasts for the first time.

Jagtar Nijjar, director of import and commodities at Gordon Food, said retailers are also ordering boneless turkey breasts that people can roast.

Grocers are also selling precooked holiday meals designed for smaller gatherings. Save Mart Cos., which operates more than 200 grocery stores in California and Nevada, is selling ready-to-eat turkey and ham meals for two, said Trey Johnson, the grocer's chief merchandising and supply-chain officer.

The U.S. food-supply chain has struggled for most of this year as people buy more food and cook more at home. Baking ingredients, soup, canned vegetables and frozen meat remain low in supply going into the holidays.

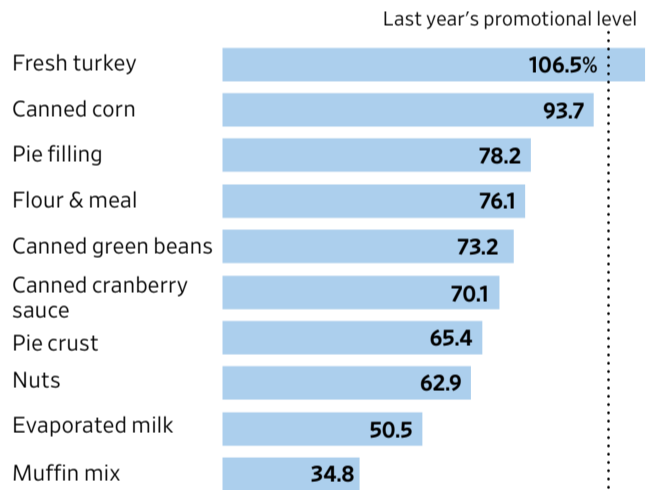
Grocery stores put Thanksgiving foods on display earlier than usual this year. New Seasons Market, a chain of more than 20 stores in the Pacific Northwest, began selling holiday items in October.

Manufacturers are making high-demand items in greater quantities, including flour, canned food, paper towels and aluminum pie trays.

“The retailers want a little

Except for turkeys, fewer Thanksgiving staples were sold at a discount this year.

Units sold on promotion, compared with a year earlier



Note: Data reflects four-week period ended Oct. 24. Source: Nielsen

more inventory, and they want it a little sooner,” said B&G Foods Inc. Chief Executive Ken Romanzi of the company, which owns Green Giant vegetables.

Another major vegetable canner, Del Monte Foods Inc., said sales were already significantly higher than a normal.

Tight supplies and growing demand mean higher prices and fewer discounts. The cost of a typical Thanksgiving meal has risen 3.7% from a year ago to about \$55.27, according to Nielsen.

Food manufacturers say they can't justify discounts when demand is already beyond their production capacity. Executives say their operating costs have risen during the pandemic, with purchases of protective equip-

The cost of a typical holiday meal has risen 3.7% from a year ago to \$55.27.

ment for factory workers, pay for employees on sick leave and higher prices for commodities and transportation.

B&R Stores Inc. isn't offering discounts on boneless hams and cream of mushroom soups this year because inventory is tight, said Mark Griffin, its president. The Lincoln, Neb.-based grocer plans to put bone-in hams on sale instead. “We’ve typically had huge displays” of sale items, Mr. Griffin said. “This year, we’re not.”

Turkeys are more expensive this year partly because of production cutbacks that predated the pandemic. After reviewing its business last year, Cargill ended production of fresh and frozen whole turkeys at a Texas plant that processed 27,000 turkeys a day.

“This put the price pressure

on,” said Mr. Nijjar of Gordon Food Service. Wholesale prices for turkey have increased 15% from last year to about \$1.25 a pound, he added.

Food companies including Conagra Brands Inc. and General Mills Inc. expect first-time chefs to attempt more elaborate casseroles, side dishes and desserts since they won't be traveling to relatives.

“You're on the hook to cook this year,” said Jeanine Bassett, General Mills' vice president of market research. “America has skilled up in the kitchen.”

Susan Izzo, a nurse practitioner in Vernon, Conn., said she doesn't feel comfortable going to her in-laws' house this Thanksgiving. Instead, she plans to make the meal for her husband and twin 8-year-old daughters.

“For the first time in my life, I'm going to have to learn to cook a turkey,” she said.

Meal-kit company Blue Apron Holdings Inc. is introducing a Thanksgiving cooking kit that feeds up to eight people for \$135. People can also order an additional pair of side dishes, mushroom braised collard greens and roasted carrots in ginger syrup, for \$26.

Restaurants are hoping for a Thanksgiving bump to help their battered businesses. Some say they are receiving more orders for their takeout feasts than usual.

Del Frisco's Double Eagle Steakhouse, owned by Landry's Inc., is selling a turkey dinner for two to four people for \$175 to \$250. Ruth's Chris Steakhouse, owned by Ruth's Hospitality Group Inc., is selling a Thanksgiving meal to go, with a roasted half turkey breast and sides, for \$165 for four people. The company is marketing it to loyal customers, hoping to make up for the lost business in its dining rooms this year.

—Jacob Bunge contributed to this article.

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BANKRUPTCIES

UNITED STATES BANKRUPTCY COURT DISTRICT OF DELAWARE
Chapter 11
In re **VIVUS, INC., et al.**,) Case No. 20-11779 (LSS)
Debtor. (Jointly Administrated)
NOTICE OF (I) DEBTORS' SECOND AMENDED CHAPTER 11 PLAN, (II) CONTINUED COMBINED HEARING, (III) OBJECTION DEADLINES, AND (IV) EXISTING STOCK RECORD DATE
On November 10, 2020, VIVUS, Inc. and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “Debtors”), filed the Second Amended Joint Prepackaged Chapter 11 Plan of Reorganization (the “Plan”) with the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”). As set forth in a letter filed with the Bankruptcy Court (the “Equity Support Letter”), and available, along with all other documents filed by the Debtors with the Bankruptcy Court, on the electronic case filing docket and free of charge on the website maintained by the Debtors' voting agent, Bankruptcy Management Solutions, Inc. d/b/a Sretto (the “Voting Agent”) at <https://cases.sretto.com/vivus/> (the “Case Website”), the Plan has the full support of the official committee of equity security holders appointed in the Debtors' chapter 11 cases (the “Equity Committee”) and incorporates the terms and conditions of the plan support agreement filed with the Bankruptcy Court on November 5, 2020 (Docket No. 329) and available on the Case Website (the “Plan Support Agreement”).

PLEASE TAKE NOTICE that, a combined hearing to consider, among other things, approval of the disclosure statement and confirmation of the Plan and any objections thereto will be held before the Bankruptcy Court on **December 3, 2020 at 10:00 a.m. (Eastern Time) (the “Combined Hearing”).** The Combined Hearing may be adjourned from time to time without further notice other than by filing a notice on the Bankruptcy Court's docket indicating such adjournment and/or an announcement of the adjourned date or dates at the Combined Hearing. The adjourned date or dates will be available on the electronic case filing docket and the Case Website. The deadline to file objections to confirmation of the Plan is **November 24, 2020, at 4:00 p.m. (Eastern Time) (the “Objection Deadline”).**

PLEASE TAKE FURTHER NOTICE that, on November 13, 2020, the Debtors announced that, subject to confirmation of the Plan, the Existing Stock Record Date (as defined in the Plan) will be **Friday, November 13, 2020.**

Upon confirmation of the Plan by the Bankruptcy Court, only holders of issued and outstanding common stock of VIVUS, Inc. as of the Existing Stock Record Date (“Existing Stock”) will be eligible to participate in the “Existing Stock Settlement” set forth in Section 5.3 of the Plan and subject to the conditions thereof.

The Existing Stock Settlement, as described in the Plan, may entitle eligible holders of Existing Stock to receive interests in a liquidating trust (the “Liquidating Trust”) and such interests, the “Liquidating Trust Interests,” that will be established on the Effective Date solely for the purpose of distributing certain Royalty Payments in connection with Net Sales (as defined in the Royalty Agreement) of V-0106, if any, pursuant to the Royalty Agreement to eligible holders of Existing Stock. The initial seed funding amount to cover certain expenses of the Liquidating Trust will be determined by the equity committee (subject to the Debtors' reasonable consent) and will be funded by the Debtors from the \$6 million Existing Stock Cash amount pursuant to the Plan. The Debtors and Reorganized Debtors will have no obligation to fund, develop, or market V-0106 and make no assurances that any Royalty Payments will be made in connection therewith. Section 5.4(g) of the Plan addresses whether the Liquidating Trust Interests are transferrable.

The Plan provides that all Interests (as defined in the Plan) in VIVUS, Inc., including, without limitation, common stock, will be cancelled on the Plan effective date without any distribution; provided, however, that holders of Existing Stock may participate in the Existing Stock Settlement, if eligible. Eligibility to participate in the Existing Stock Settlement does not trade or transfer with Interests in VIVUS, Inc., including, without limitation, common stock, under the Existing Stock Record Date pursuant to the Plan.

Accordingly, upon confirmation of the Plan by the Bankruptcy Court, any person who acquires Interests in VIVUS, Inc., including, without limitation, common stock, directly or indirectly, after the Existing Stock Record Date (i.e., November 13,

2020); (1) will not be eligible to participate in the Existing Stock Settlement and (2) will receive no recovery on account thereof.

Further, upon confirmation of the Plan, holders of Existing Stock will be provided with an opt-out notice (the “Opt-Out Notice”) that will entitle holders to opt-out of, and not grant, the releases of certain third parties set forth in Section 10.7(b) of the Plan (the “Third Party Release”). Otherwise eligible holders of Existing Stock (i.e., those holders that did not file objections or otherwise challenge confirmation of the Plan and that meet the other settlement conditions detailed in the Plan) that opt-out of the Third Party Release will not be entitled to participate in the Existing Stock Settlement.

Restrictions and Procedures for Certain Transfers of Interests in VIVUS, Inc. On July 7, 2020, the Debtors filed a motion (the “Motion”) seeking entry of interim and final orders by the Bankruptcy Court — which were granted on July 10, 2020 (Docket No. 631) and on August 16, 2020 (Docket No. 161), respectively (such final order, the “NOL Order”) — establishing certain procedures (the “NOL Procedures”) with respect to direct and indirect transfer and transfers of stock of VIVUS, Inc., and related relief, in order to protect the potential value of the Debtors' net operating loss carryforwards and certain other tax benefits of the Debtors, which are assets of the Debtors.

The NOL Procedures, among other things, restrict transfers of common stock of VIVUS, Inc. (a person, or a group of persons, may need to file a notice of the proposed transaction with the Bankruptcy Court and serve such notice on the Debtors at least five business days prior to the proposed transaction date. The Debtors will have three business days after the filing of such notice to file an objection to the proposed transaction. Any prohibited transfer of stock of VIVUS, Inc. on or after July 7, 2020, is null and void ab initio and may lead to contempt, compensatory damages, punitive damages, or sanctions being imposed by the Bankruptcy Court. A direct or indirect holder of, or prospective holder of, common stock of VIVUS, Inc. should read the Motion, the NOL Order, and the NOL Procedures set-out therein.

The Plan, Plan Supplement, NOL Order, Equity Support Letter, and additional materials relating to the Debtors' chapter 11 cases, including the Combined Hearing and the Existing Stock Settlement, may be obtained (1) free of charge by (i) visiting the Case Website: <https://cases.sretto.com/vivus/>, or (ii) contacting the Voting Agent (a) by phone at 855-423-1425 (domestic) or 949-266-6367 (international) or (b) by sending an electronic mail message to teamvivus@vivo.com with “VIVUS” in the subject line, or (2) on the docket of the Debtors' chapter 11 cases, Case No. 20-11779 (LSS), which can be accessed via PACER at <https://www.pacer.gov>.

THIS NOTICE IS NEITHER AN OFFER TO SELL NOR A SOLICITATION OF AN OFFER TO BUY ANY SECURITY OR INTEREST. THE STATEMENTS CONTAINED IN THIS NOTICE ARE MADE AS OF THE DATE HEREOF, UNLESS OTHERWISE SPECIFIED, AND ARE QUALIFIED IN THEIR ENTIRETY BY THE PLAN, WHICH GOVERNS IN THE EVENT OF ANY INCONSISTENCY. ALL PARTIES IN INTEREST ARE DIRECTED TO THE CASE WEBSITE FOR ALL PRIOR AND SUBSEQUENT DISCLOSURES AND/OR FILINGS MADE BY THE DEBTORS IN CONNECTION WITH THEIR CHAPTER 11 CASES.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, as applicable are: Vivus E.V. (1942); Vivus Digital Health Corporation (0625); VIVUS, Inc. (6179); and Vivus Pharmaceuticals Limited (9329). The Debtors' corporate headquarters and service address is 300 E. Hamilton Avenue, Suite 550, Campbell, CA 95008.

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MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

29950.44 ▲470.63, or 1.60%
High, low, open and close for each trading day of the past three months.



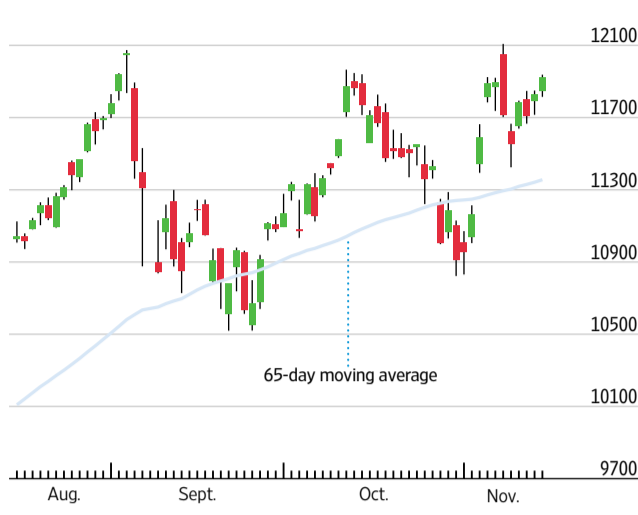
S&P 500 Index

3626.91 ▲41.76, or 1.16%
High, low, open and close for each trading day of the past three months.



Nasdaq Composite Index

11924.13 ▲94.84, or 0.80%
High, low, open and close for each trading day of the past three months.



Major U.S. Stock-Market Indexes

Index	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD	% chg 3-yr. ann.
Dow Jones										
Industrial Average	29964.29	29672.36	29950.44	470.63	1.60	29950.44	18591.93	6.8	4.9	8.5
Transportation Avg	12416.08	12170.43	12394.02	308.70	2.55	12394.02	6703.63	13.9	13.7	8.9
Utility Average	920.84	908.36	917.38	6.47	0.71	960.89	610.89	7.9	4.3	6.3
Total Stock Market	37298.80	36999.07	37288.44	458.44	1.24	37288.44	22462.76	16.9	12.9	11.7
Barron's 400	800.93	792.33	800.91	13.62	1.73	800.91	455.11	13.3	9.4	5.3
Nasdaq Stock Market										
Nasdaq Composite	11937.72	11814.89	11924.13	94.84	0.80	12056.44	6860.67	39.5	32.9	20.6
Nasdaq 100	12035.50	11891.85	12013.38	75.54	0.63	12420.54	6994.29	44.2	37.6	23.7
S&P										
500 Index	3628.51	3600.16	3626.91	41.76	1.16	3626.91	2237.40	16.2	12.3	11.9
MidCap 400	2155.75	2130.75	2155.55	42.29	2.00	2155.55	1218.55	7.9	4.5	5.5
SmallCap 600	1024.16	1008.03	1023.52	29.23	2.94	1041.03	595.67	4.6	0.2	4.2
Other Indexes										
Russell 2000	1785.34	1747.02	1785.34	41.29	2.37	1785.34	991.16	12.1	7.0	6.3
NYSE Composite	13985.51	13879.18	13982.19	220.87	1.60	14183.20	8777.38	3.7	0.5	4.4
Value Line	530.96	518.77	530.89	12.12	2.34	562.05	305.71	-0.3	-3.9	-0.6
NYSE Arca Biotech	5589.96	5523.68	5548.08	-7.08	-0.13	6142.96	3855.67	19.3	9.5	10.2
NYSE Arca Pharma	674.16	667.16	670.32	-3.13	-0.47	675.64	494.36	9.1	2.6	7.8
KBW Bank	91.01	89.25	90.38	2.85	3.25	114.12	56.19	-16.8	-20.3	-3.0
PHLX ^S Gold/Silver	144.60	141.33	143.40	0.02	0.02	161.14	70.12	51.1	34.1	21.6
PHLX ^S Oil Service	36.82	35.02	36.77	3.02	8.95	80.99	21.47	-44.3	-53.0	-34.3
PHLX ^S Semiconductor	2571.99	2524.41	2570.98	62.16	2.48	2570.98	1286.84	47.9	39.0	25.1
Cboe Volatility	24.08	22.43	22.45	-0.65	-2.81	82.69	11.54	80.2	62.9	24.1

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 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	8,223.5	362.75	0.18	0.05	362.97	358.00
NIO ADR	NIO	6,977.3	47.27	1.69	3.71	47.63	44.60
AT&T	T	5,606.0	29.00	0.03	0.10	29.03	28.93
iShares MSCI Emg Markets	EEM	4,512.8	48.94	0.01	0.02	49.10	48.80
Tesla	TSLA	4,217.1	453.50	45.41	11.13	456.00	407.47
Apple	AAPL	4,111.2	120.03	-0.27	-0.22	120.50	120.00
SmileDirectClub	SDC	3,393.2	9.59	-0.37	-3.71	11.50	9.36
New Concept Energy	GBR	624.9	2.13	0.31	17.03	2.39	1.77
Tesla	TSLA	4,217.1	453.50	45.41	11.13	456.00	407.47
Retractable Technologies	RVP	63.3	9.11	0.72	8.58	9.22	8.39
Paramount Group	PGRE	160.8	9.00	0.71	8.56	9.13	8.29
JOYY ADR	YY	149.6	101.26	5.68	5.94	103.69	95.00
...And losers							
AgEagle Aerial Systems	UAVS	567.6	2.39	-0.30	-11.15	2.80	2.37
Agora ADR	API	58.1	38.00	-3.47	-8.37	41.47	36.80
ChampionX	CHX	67.0	10.82	-0.68	-5.91	11.57	10.82
iQIYI ADR	IQ	289.3	26.14	-1.63	-5.87	28.00	25.50
HighPoint Resources	HPR	145.3	6.58	-0.40	-5.73	7.13	6.37

Percentage gainers...

Company	Symbol	Latest Session Close	Net chg	% chg	High	Low	% chg
HighPoint Resources	HPR	6.98	3.22	85.64	99.00	2.80	-88.7
CBAK Energy Technology	CBAT	11.30	5.15	83.74	11.40	0.36	2582.8
Westwater Resources	WWR	6.27	2.07	49.29	14.50	0.25	125.5
Pioneer Power Solutions	PPSI	4.29	1.34	45.42	9.43	0.90	24.0
GreenPower Motor	GP	16.89	4.29	34.05	23.45	0.82	93.1
Greenwich LifeSciences	GLSI	4.59	1.12	32.09	5.75	3.26	...
FuelCell Energy	FCEL	3.75	0.90	31.40	3.78	0.48	330.5
Foundation Building Matls	FBM	19.26	4.10	27.04	21.62	7.99	-8.9
SQZ Biotechnologies	SQZ	30.33	6.33	26.38	30.37	12.98	...
Lordstown Motors	RIDE	22.55	4.65	25.98	31.80	9.50	127.3
Blink Charging	BLNK	12.19	2.49	25.67	14.58	1.25	638.8
Sunworks	SUNW	4.07	0.82	25.23	8.50	0.29	201.5
Bit Digital	BTBT	5.41	1.07	24.65	5.50	0.28	1253.9
HD Supply Holdings	HDS	55.77	10.96	24.46	55.89	21.69	38.6
Team	TISI	10.61	2.05	23.95	16.77	3.75	-35.8

Most Active Stocks

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	52-Week Low	% chg
NIO ADR	NIO	299,658	111.5	45.58	2.29	54.20	1.73	
Sundial Growers	SNLD	123,247	110.6	0.26	-6.61	3.88	0.14	
Zomedica	ZOM	120,179	352.9	0.11	18.27	0.50	0.06	
General Electric	GE	118,384	11.7	9.57	3.46	13.26	5.48	
Alteryx Therapeutics ADR	ATHE	114,162	100703.4	2.83	146.09	5.15	0.28	
Carnival	CCL	111,530	158.4	17.57	9.74	51.94	7.80	
CBAK Energy Technology	CBAT	106,449	929.2	11.30	83.74	11.40	0.36	
American Airlines Group	AAL	104,092	67.0	12.79	4.49	30.78	8.25	
Gulfport Energy	GPOR	95,841	582.8	0.13	-44.14	3.38	0.12	
FuelCell Energy	FCEL	92,993	391.6	3.75	31.40	3.78	0.48	

* Volumes of 100,000 shares or more are rounded to the nearest thousand

Percentage Losers

Company	Symbol	Latest Session Close	Net chg	% chg	High	Low	% chg
Hall of Fame Resort Ent	HOFV	1.15	-1.34	-53.82	12.31	1.09	...
RAPT Therapeutics	RAPT	16.41	-14.06	-46.14	51.21	10.52	-7.8
Fiduciary/Clymr Energy	FMO	5.27	-2.84	-35.00	43.00	3.09	-85.1
Francesca's Holdings	FRAN	2.49	-1.16	-31.78	19.91	1.70	-82.7
MicSec US Big Oil 3X InLV	NRGD	10.25	-2.68	-20.73	30.72	10.20	-75.1
ProSh Ult Bloomg Nat Gas	BOIL	28.29	-5.74	-16.87	130.50	22.50	-76.6
Silence Therapeutics ADR	SLN	16.70	-3.29	-16.46	20.50	15.00	...
Cryoport	CYRX	50.22	-8.78	-14.88	63.36	13.01	228.9
Servotronics	SVT	7.34	-1.22	-14.23	11.03	5.40	-32.9
Armata Pharmaceuticals	ARMP	3.14	-0.51	-13.97	6.92	5.72	-24.5
Resideo Technologies	REZI	16.77	-2.72	-13.96	19.95	3.72	69.6
Flexible Solutions	FSI	2.32	-0.37	-13.75	3.00	0.86	-5.7
BioNTech ADR	BNTX	91.52	-14.48	-13.66	115.00	18.60	364.6
Casper Sleep	CSPR	6.42	-1.01	-13.59	15.85	3.15	...
Aenza ADR	AEZ	1.86	-0.29	-13.49	3.00	1.34	-6.1

Volume Movers

Company	Symbol	Volume (000)	% chg from 65-day avg	Latest Session Close	% chg	52-Week High	52-Week Low	% chg
Invsch KBW P&C Ins	KBWP	1,011	170.90	67.05	3.39	76.48	44.46	
Roth CH Acquisition I	ROCH	2,722	95.86	10.50	3.96	10.55	97.6	
Franklin FTSE China ETF	FLCH	890	630.9	31.66	0.10	33.35	19.77	
Franklin Lib Fed Tax Fd	FLMB	350	548.1	26.95	0.15	27.70	23.32	
Ind Tech Acqns Cl A	ITAC	285	498.2	9.70	2.90	9.99	9.65	
Foundation Building Matls	FBM	5,443	358.1	19.26	27.04	21.62	7.99	
HD Supply Holdings	HDS	35,527	306.6	55.77	24.46	55.89	21.69	
TauMan Ctrs	TCO	21,543	266.5	42.80	8.41	53.40	26.24	
VanEck Vectors Brazil SC	BRF	203	249.5	18.82	1.79	28.39	10.76	
RAPT Therapeutics	RAPT	5,516	242.2	16.41	-46.14	51.21	10.52	

* Common stocks priced at \$2 a share or more with an average volume over 65 trading days of at least 5,000 shares. † Has traded fewer than 65 days

International Stock Indexes

Region/Country	Index	Close	Net chg	Latest % chg	YTD % chg
World	The Global Dow	3316.35	69.91	2.15	2.0
	DJ Global Index	468.82	6.12	1.32	8.0
	DJ Global ex U.S.	270.08	4.00	1.50	2.5
Americas	DJ Americas	846.07	10.35	1.24	11.2
Brazil	Sao Paulo Bovespa	106429.92	1706.92	1.63	-8.0
Canada	S&P/TSX Comp	16889.81	214.17	1.28	-1.0
Mexico	S&P/BMV IPC	40791.81	...	Closed	-6.3
Chile	Santiago IPSA	2787.75	28.98	1.05	-16.4
EMEA	Stoxx Europe 600	389.74	4.56	1.18	-6.3
Eurozone	Euro Stoxx	385.59	4.42	1.16	-4.5
Belgium	Bel-20	3582.29	58.09	1.65	-9.4
Denmark	OMX Copenhagen 20	1389.68	-10.21	-0.73	22.4
France	CAC 40	5471.48	91.32	1.70	-8.5
Germany	DAX	13138.61	61.89	0.47	-0.8
Israel	Tel Aviv	1433.03	6.56	0.46	-14.9
Italy	FTSE MIB	21317.01	413.43	1.98	-9.3
Netherlands	AEX	601.67	4.80	0.80	-0.5
Russia	RTS Index	1268.61	40.83	3.33	-18.1
South Africa	JSE/FTSE All-Share	57267.00	84.40	0.15	0.3
Spain	IBEX 35	7986.16	202.46	2.60	-16.4
Sweden	OMX Stockholm	755.39	7.68	1.03	11.0
Switzerland	Swiss Market	10586.74	94.13	0.90	-0.3
Turkey	BIST 100	1292.99	1.70	0.13	13.0
U.K.	FTSE 100	6421.29	104.90	1.66	-14.9
U.K.	FTSE 250	19608.05	338.05	1.75	-10.4
Asia-Pacific					
Australia	S&P/ASX 200	6484.30	79.08	1.23	-3.0
China	Shanghai Composite	3346.97	36.86	1.11	9.7
Hong Kong	Hang Seng	26381.67	224.81	0.86	-6.4
India	S&P BSE Sensex	43443.00	...	Closed	5.3
Japan	Nikkei Stock Avg	25906.93	521.06	2.05	9.5
Singapore	Straits Times	2748.00	36.61	1.35	-14.7
South Korea	Kospi	2543.03	49.16	1.97	15.7
Taiwan	TAIEX	13551.83	278.50	2.10	13.0
Thailand	SET	1351.06	4.59	0.34	-14.5

Sources: FactSet; Dow Jones Market Data

Percentage Gainers...

Company	Symbol	Latest Session Close	Net chg	% chg	High	Low	% chg
HighPoint Resources	HPR	6.98	3.22	85.64	99.00		

COMMODITIES

wsj.com/market-data/commodities

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Table with columns: Open, High, Low, Settle, Chg, Open interest. Rows include Copper-High, Gold, Palladium, Platinum, Silver, Crude Oil, Light Sweet, NY Harbor ULSD, Gasoline-NY RBOB, Natural Gas.

Agriculture Futures

Table with columns: Open, High, Low, Settle, Chg, Open interest. Rows include Corn, Oats, Soybeans, Soybean Meal, Soybean Oil, Rough Rice, Wheat, Wheat (KC), Cattle-Feeder.

Table with columns: Open, High, Low, Settle, Chg, Open interest. Rows include Cattle-Live, Hogs-Lean, Lumber, Milk, Cocoa, Coffee, Sugar-World, Sugar-Domestic, Cotton, Orange Juice.

Interest Rate Futures

Table with columns: Open, High, Low, Settle, Chg, Open interest. Rows include Ultra Treasury Bonds, Treasury Bonds, Treasury Notes, 5 Yr. Treasury Notes, 2 Yr. Treasury Notes, 30 Day Federal Funds, 10 Yr. Del. Int. Rate Swaps, Eurodollar, Japanese Yen, Canadian Dollar, British Pound.

Currency Futures

Table with columns: Open, High, Low, Settle, Chg, Open interest. Rows include Japanese Yen, Canadian Dollar, British Pound.

Index Futures

Table with columns: Open, High, Low, Settle, Chg, Open interest. Rows include Mini DJ Industrial Average, S&P 500 Index.

Index Futures

Table with columns: Open, High, Low, Settle, Chg, Open interest. Rows include Mini S&P 500, Mini S&P Midcap 400, Mini Nasdaq 100, Mini Russell 2000, Mini Russell 1000, U.S. Dollar Index.

Bonds | wsj.com/market-data/bonds/benchmarks

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 close, YTD total return (%), Index, Yield (%), Latest, Low, High, Total return close, YTD total return (%), Index, Yield (%), Latest, Low, High. Rows include Broad Market, U.S. Corporate Indexes, Mortgage-Backed, High Yield Bonds, Global Government.

Cash Prices | wsj.com/market-data/commodities

Monday, November 16, 2020

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, Monday, Monday. Rows include Energy, Metals, Fibers and Textiles, Grains and Feeds, Fats and Oils.

KEY TO CODES: A=ask B=bid; BP=country elevator bids to producers; C=corrected; E=Manfra,Tordella & Brookes; H=American Commodities Brokerage Co; M=monthly; N=nominal; n.a.=not quoted or not available; R=SNL Energy; S=Platts-TSI; T=Cotlook Limited; U=USDA; W=weekly; Z=not quoted. *Data as of 11/15 Source: Dow Jones Market Data

Borrowing Benchmarks | wsj.com/market-data/bonds/benchmarks

Money Rates

November 16, 2020

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 Inflation, U.S. consumer price index, International rates, U.S. government rates, Discount, Federal funds, Treasury bill auction, Secondary market, Other short-term rates, Call money, Commercial paper (AA financial), Libor, Euro Libor, Secured Overnight Financing Rate, DTCC GCF Repo Index.

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.

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 for discounts made and advances 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; Sources: Federal Reserve; for additional information on these rate data and their derivation, please see: www.federalreserve.gov/releases/h15/data.htm

*Constrained indexes limit individual issuer concentrations to 2%; the High Yield 100 are the 100 largest bonds. †In local currency. ‡Euro-zone bonds. **EMBI Global Index. Sources: ICE Data Services; Bloomberg Barclays; J.P. Morgan

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., Australia, France, Germany, Italy, Japan, Spain, U.K.

Corporate Debt

Prices of firms' bonds reflect factors including investors' economic, sectoral and company-specific expectations

Investment-grade spreads that tightened the most...

Table with columns: Issuer, Symbol, Coupon (%), Yield (%), Maturity, Spread†, in basis points. Rows include Delta Airlines, JPMorgan Chase, Molson Coors Beverage, ConocoPhillips, Alaska Airlines, GE Capital International Funding, Nissan Motor, Exxon Mobil.

...And spreads that widened the most

Table with columns: Issuer, Symbol, Coupon (%), Yield (%), Maturity, Spread†, in basis points. Rows include State Street, Exelon Generation, American Honda Finance, Westpac Banking, BNP Paribas, Pfizer, Ally Financial, Banque Federative du Credit Mutuel.

High-yield issues with the biggest price increases...

Table with columns: Issuer, Symbol, Coupon (%), Yield (%), Maturity, Bond Price as % of face value. Rows include American Airlines, Royal Caribbean, Carnival, Occidental Petroleum, Continental Resources, Ford Motor, Marks and Spencer.

...And with the biggest price decreases

Table with columns: Issuer, Symbol, Coupon (%), Yield (%), Maturity, Bond Price as % of face value. Rows include Navient, Service Corporation International, Ball, Dell DBS, HCA, Edgewell Personal Care, Tenet Healthcare, Dell.

†Estimated spread over 2-year, 3-year, 5-year, 10-year or 30-year hot-run Treasury; 100 basis points=one percentage pt.; change in spread shown is for 2-spread. Note: Data are for the most active issue of bonds with maturities of two years or more. Source: MarketAxess

Dividend Changes

Dividend announcements from November 16.

Table with columns: Company, Symbol, Yld % New/Old Frq, Payable/Record. Rows include Increased, Foreign.

KEY: A: annual; M: monthly; Q: quarterly; r: revised; SA: semiannual; S21: stock split and ratio; SP: spin-off.

BIGGEST 1,000 STOCKS

How to Read the Stock Tables
The following explanations apply to NYSE, NASDAQ, NYSE American and Nasdaq Stock Market listed securities.

Table of stock prices for the largest 1,000 companies, including columns for Stock, Sym, Close, Net Chg, and various financial metrics.

Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume.

Boldfaced quotations highlight those issues whose price was changed by 5% or more if their previous closing price was \$2 or higher.

Wall Street Journal stock tables reflect composite regular trading as of 4 p.m. and changes in the closing prices from 4 p.m. the previous day.

Monday, November 16, 2020. Table of stock prices for companies starting with A through Z.

Table of stock prices for companies starting with J through Z.

Table of stock prices for companies starting with X through Z.

Table of stock prices for companies starting with Y through Z.

Table of stock prices for companies starting with Y through Z.

Table of stock prices for companies starting with A through Z.

Table of stock prices for companies starting with J through Z.

Table of stock prices for companies starting with X through Z.

Table of stock prices for companies starting with Y through Z.

Table of stock prices for companies starting with Y through Z.

New Highs and Lows | WSJ.com/newhighs

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities.

Table of stock prices for companies starting with A through Z, highlighting new highs and lows.

Table of stock prices for companies starting with J through Z, highlighting new highs and lows.

Table of stock prices for companies starting with X through Z, highlighting new highs and lows.

Table of stock prices for companies starting with Y through Z, highlighting new highs and lows.

Table of stock prices for companies starting with Y through Z, highlighting new highs and lows.

Mutual Funds

Top 250 mutual-funds listings for Nasdaq-published share classes by net assets.

e-Exchange-Traded; F-Previous day's quotation; F-Notes; x and s apply; F-Notes; x and s apply; F-Notes; x and s apply.

Table of mutual fund performance metrics, including Fund, NAV, Chg, and YTD.

Mutual Funds

Top 250 mutual-funds listings for Nasdaq-published share classes by net assets.

e-Exchange-Traded; F-Previous day's quotation; F-Notes; x and s apply; F-Notes; x and s apply.

Table of mutual fund performance metrics, including Fund, NAV, Chg, and YTD.

Exchange-Traded Portfolios | WSJ.com/ETFResearch

Largest 100 exchange-traded funds, latest session.

Table of exchange-traded fund performance metrics, including ETF, Symbol, Price, and YTD.

Exchange-Traded Portfolios | WSJ.com/ETFResearch

Largest 100 exchange-traded funds, latest session.

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Exchange-Traded Portfolios | WSJ.com/ETFResearch

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Table of exchange-traded fund performance metrics, including ETF, Symbol, Price, and YTD.

MARKETS

More Good Vaccine News Lifts Dow

The Dow Jones Industrial Average surged to a record after a second set of upbeat results from a potential Covid-19 vaccine lifted shares of companies that have been walloped by the pandemic.

By Caitlin McCabe, Mischa Frankl-Duval and Frances Yoon

The index of blue-chip companies gained 470.63 points, or 1.6%, to 29950.44, its first record close since February and within striking distance of the yet-to-be-reached 30000 milestone.

The Dow's rise was driven by a rally among economically sensitive companies, including Boeing and Chevron, both of which surged more than 7%.

Monday's moves came after Moderna said its experimental vaccine was 94.5% effective at protecting people from Covid-19 in an early look at pivotal study results, making it the second vaccine to hit a milestone. Last week, Pfizer and partner BioNTech said its vaccine showed itself in an early analysis to be more than 90% effective.

Gains were wide ranging. Shares of banks, retailers, oil companies and travel stocks rallied, while several megacap technology companies also climbed. That helped lift the Nasdaq Composite 94.84 points, or 0.8%, to 11924.13, its third-highest close.

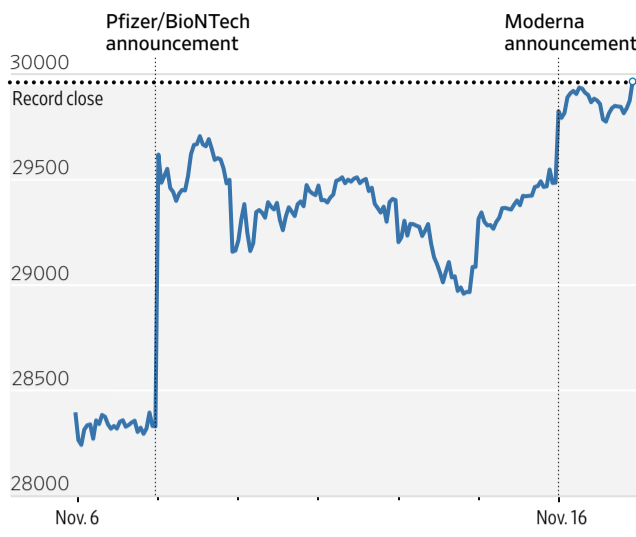
U.S. stocks have been on a tear recently, with the Dow Industrials and the S&P 500 both posting double-digit gains so far this month. Analysts had expected volatility in the weeks following the election, but optimism about a vaccine has turbocharged bets on a faster economic recovery and powered indexes higher.

"2020 is a year we won't ever forget and yet somehow equity markets have completely erased it from their memory," said Seema Shah, chief strategist at Principal Global Investors. "They've managed to reach record highs despite everything that has happened."

Among the biggest gainers Monday were shares of economically sensitive companies that have struggled with people stuck at home. Cruise operator Carnival added 9.7%, while shares of United Airlines Holdings and Exxon Mobil both rose more than 5%. Shares of Moderna, meanwhile, surged 9.6%.

The Russell 2000 index of small-company stocks rose 2.4%

Dow Jones Industrial Average and recent vaccine news



Source: FactSet

to bring its gains for the month to more than 16%. Investors in recent days have bet that a vaccine will boost profits at smaller businesses, which could also benefit from fiscal stimulus in the months ahead.

Yet unlike last week, investors didn't shed shares of some of the highflying technology companies that led markets' rebound from their March lows. Apple rose 0.9%, Facebook added 0.7% and Microsoft gained 0.3%. Some tech companies did decline, including Netflix and Zoom Video Communications.

Investors and analysts said positioning suggests that even amid the recent enthusiasm, some traders may be anticipating some chopiness ahead. If regulators ultimately authorize one or both of the vaccines in the coming weeks, the initial supply is likely to be limited and targeted to certain populations. That could possibly constrain the rapid recovery that investors are eager to see.

"There's a long way to go between Phase III results and a normal economy," said James Athey, a senior investment manager at Aberdeen Standard In-

vestments.

In the meantime, many analysts and investors worry that rapidly rising coronavirus cases threaten to further weigh on corporate profits. Though some epidemiologists have said that total shutdowns may not be necessary, the recent resurgence in cases across the nation has the potential to prompt school closures or pause reopenings.

Still, even with concerns among some investors in the market, movement across other asset classes signaled investors' optimism. The yield on 10-year U.S. Treasury note rose to 0.906% from 0.892% on Friday. Bond yields rise when prices fall.

Commodities also rallied. Copper, considered a bellwether for global growth, jumped to its highest settle value since June 2018. Meanwhile, Brent crude, the international benchmark, rose 2.4% to \$43.82 a barrel.

Overseas, the pan-European Stoxx Europe 600 rose 1.2%, while Asian stocks benefited from the signing of a trade deal that includes China, Japan, South Korea and 12 other countries. The regional bloc covers around a third of global economic output.

Japan's Nikkei 225 rose 2.1% to log its highest closing value since June 1991. Asian markets were flat early Tuesday. U.S. stock futures were down 0.3%.

Chinese Debt Falls On New U.S. Curbs

By Matt Wirz

Selling pressure hit Chinese corporate bonds affected by an executive order President Trump signed late last week barring American investors from holding securities of 31 companies the U.S. says are linked to China's military.

The debt of state-owned agriculture giant China National Chemical Corp. dropped as much as 4% Monday on worries that Mr. Trump's order would force U.S.-domiciled funds to avoid the company's bonds. Chem-

China's debt is widely held by U.S. and European investors because it has a triple-B investment-grade credit rating and is a relatively large component of a popular JPMorgan Chase & Co. emerging-markets bond index, a Hong Kong-based portfolio manager said.

The fertilizer and seed maker borrowed about \$3 billion on international bond markets in September via U.S. investment banks despite having been labeled by the U.S. Defense Department as "Communist Chinese military companies." Mr. Trump's subsequent order would bar purchase or investment in stocks, funds or other financial products from the 31 companies starting Jan. 11. The incoming Biden administration could reverse the ban.

The price of a \$1 billion bond due in 2030 that ChemChina issued in September fell to 96.50 cents on the dollar Monday from 100.878 last week, according to data from BondTicker.

In the U.S. debt market, U.S. Treasury yields jumped after positive news about the potential efficacy of a Moderna Inc. Covid-19 vaccine sparked hopes of a faster economic rebound.

The yield on the benchmark 10-year Treasury note climbed as high as 0.931%, up from a close of 0.892% on Friday but still below the 0.973% high reached last week on news of a similar vaccine from Pfizer Inc. The 10-year yield pared its climb to finish at 0.906% after the release of the Empire State Manufacturing Survey showed lower-than-expected growth. Bond yields rise as prices fall.

Investors sold U.S. government bonds, which typically serve as a haven in times of volatility, and increased exposure to stocks on anticipation that vaccine distribution will hasten a rebound in economic activity. Traders are watching to see when the benchmark bond yield crosses the psychologically important 1% threshold, not exceeded since before the pandemic shut down the U.S. economy in March.

"We could certainly see 10-years go through 1% relatively quickly," said Christopher Sullivan, chief investment officer for the United Nations Federal Credit Union. The benchmark yield could rise as high as 1.25% as further advances in vaccine testing emerge but is unlikely to exceed that level because of pervasive disinflationary pressure in the economy, he said.

The credit union favors holding shorter-term bonds in this environment as their yields are less sensitive to changes in the economic outlook because of the low interest rates set by the Federal Reserve, Mr. Sullivan said. "The entire front end of the curve, even from two years to five years, is not going to move very much."

—Frances Yoon contributed to this article.

Aramco, Needing Cash, to Issue Dollar Bond

By Rory Jones and Summer Said

DUBAI—Saudi Aramco said it aims to issue a U.S. dollar-denominated bond, as the cash-strapped oil giant cuts jobs, considers asset sales and reviews its expansion plans.

Saudi Arabian Oil Co., as the company is officially called, is selling debt even as low oil prices hurt its ability to generate cash for its biggest shareholder, the Saudi government. It is seeking to meet a pledge made last year to pay \$75 billion in annual dividends.

Aramco said it hired Goldman Sachs Group Inc., Citigroup Inc., JPMorgan Chase & Co. and Morgan Stanley, among others, to arrange investor calls on Monday ahead of a debt sale. The oil company, which didn't disclose pricing or how much it will raise, said it plans a multi-tranche bond offering with potential maturities of three, five, 10, 30 and 50 years. The bond issue is likely to raise billions of dollars, and the pricing and size would depend on market conditions, Aramco added.

It could be well-timed. Investors are hopeful of a global economic recovery after Pfizer Inc. last week said its coronavirus vaccine was 90% effective in trials. Oil prices have rallied since then.

Aramco made its debut in the bond markets last year, raising \$12 billion and giving



The oil giant has pledged to pay \$75 billion in annual dividends. The company's Safaniya and Tanajib onshore plants in Fadhili, Saudi Arabia.

global investors access to the world's biggest oil company for the first time. The sale prospectus also opened the books on Aramco's once-secretive financials, showing it was then the world's most profitable company and whetting the appetite for equity investors ahead of the December 2019 share offering.

The company announced the dividend commitment in a bid to lure investors to the initial public offering. But the pledge, combined with low oil prices caused by the pandemic, has forced a restructuring at Aramco and a scramble to raise cash. The IPO also

failed to attract international buyers, many of whom were discouraged by what they perceived to be an expensive valuation.

On top of raising debt, Aramco is now cutting jobs and reviewing plans to expand at home and abroad, The Wall Street Journal has reported. The company is also considering a sale-and-lease-back agreement for some of its pipeline assets in an arrangement that could raise billions of dollars, according to people familiar with the deal. The plan, dubbed "Project Seek," could involve Aramco selling a stake in its infrastructure to

investors who would receive a regular payout from the company as it leases the asset, these people said.

Aramco didn't respond to a request to comment on the project.

This month, Aramco posted a 45% drop in net income for the third quarter, generating free cash flow of only \$12.4 billion, compared with the roughly \$18.75 billion it requires each three months to meet its dividend pledge.

Exxon Mobil Corp. has also held the line on dividends, instead trimming jobs and capital spending. Other big oil companies such as Royal

Dutch Shell PLC and BP PLC have cut payouts to preserve cash amid falling oil demand as a result of the coronavirus.

Since the onset of the pandemic, Aramco's dividend payout has become even more crucial to the Saudi government, which has had to contend with higher costs related to a national lockdown and a stimulus effort to boost the economy. The government owns roughly 98% of the oil company's shares.

Ratings firm Fitch revised its outlook last week on Aramco to negative from stable, after making a similar change for the Saudi government.

E-Commerce Sends Shares Of Payments Firm Higher

By Ben Dummett

Few companies have benefited more from the e-commerce shopping boom sparked by the pandemic than Dutch payments firm Adyen NV.

The best-performing large stock in Europe this year, Adyen is up almost 120%, vaulting its market value to nearly \$60 billion, bigger than some of the region's top banks, including Swiss giant UBS Group AG. Adyen's stock performance has even outpaced PayPal Holdings Inc., another beneficiary of the move toward digital payments, which is up about 70%.

Unlike PayPal, which hundreds of millions of consumers world-wide use to send money and make internet purchases, Adyen sits behind the scenes, providing the technology that merchants use to process credit-card and other types of digital payments. Analysts say that unlike some rivals that rely on in-store transactions for a big chunk of their business, almost 90% of Adyen's transaction volumes come from online sales. That advantage attracted investors to Adyen.

Online payments have held up better than in-store digital payments during the pandemic as people avoid crowds. More merchants are adopting digital-payment technology to service e-commerce as well as in-store purchases.

By the end of this year, the percentage of total transactions globally done with cash is expected to be around 64%, down from 69% in 2019, according to a McKinsey & Co. report in October. That drop "is equivalent to four to five times the annual decrease in cash usage observed over the last few years," the consulting firm said.

Adyen, whose roster of clients includes Uber Technologies Inc., Microsoft Corp. and eBay Inc., reported a 27% increase in net revenue in the first half of 2020.

Its big European rivals have seen less of a windfall. France-based payments company Worldline SA and Italian rival Nexi SpA both saw revenue drop in the first half. Both rely much more on in-person transactions at shops and restaurants. Worldline's online merchant-services revenue is 30% of the total from that

business. Nexi's is around 10%.

Payment stocks, including Adyen's, suffered a short-lived decline last week as part of a broader drop in technology stocks after positive test results from a coronavirus vaccine developed by Pfizer Inc. and partner BioNTech SE gave hope for a return to normalcy.

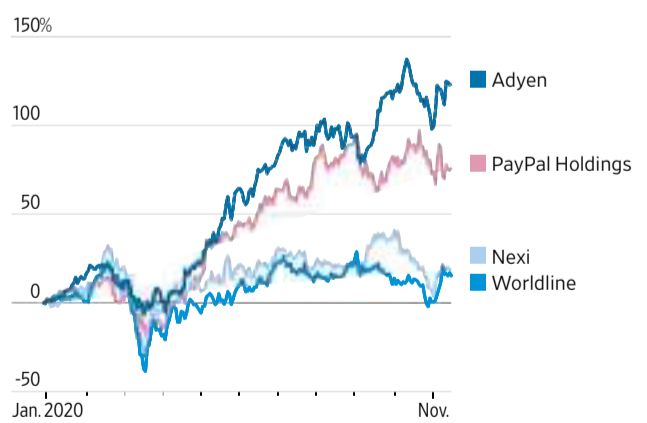
Adyen and other payments processors stand to lose some business once any vaccine is administered widely, giving people more freedom to venture out again and use cash for shopping and entertainment.

However, at least part of the digital-payments sector gains achieved this year will stick, particularly as the trend toward cashless payments was in place before the onset of Covid-19, analysts say.

Adyen has grown organically, steering clear of a frenzy of deals in the payments space. Some of the region's biggest payments processors have struck multibillion-dollar tie-ups, betting the increased scale will give them a competitive edge.

Late Sunday, Nexi finalized an agreement to acquire pan-

Payments companies' share performance, year to date



Note: Stock prices in euros, except PayPal (dollars) Source: FactSet

European payments operator Nets Group for about €6 billion, equivalent to \$7.1 billion, to expand its geographic reach. That came on the heels of Nexi's October deal to acquire fintech rival SIA SpA for about €4.6 billion. Worldline closed its €7.8 billion tie-up with Ingenico Group SA that same month.

Adyen has sat out this deal-making activity. "It's very much by design," said Hemmo Bosscher, a spokesman. The go-it-alone strategy is a bet on its in-house-built technology.

Adyen says its offering is more effective than those of rivals, which have to manage a patchwork of legacy systems accumulated in part through deals. Adyen's single platform,

the company says, helps merchants minimize the number of digital transactions processed that end up failing for reasons such as a customer having insufficient funds, or because the payments are fraudulent.

The technology is "sort of their secret sauce" in part by lowering merchants' overall processing costs, said Sean Horgan, an analyst at Rosenblatt Securities.

Adyen's lofty valuation, however, is a concern for some investors and analysts. The company trades at about 130 times projected earnings, and the stock is rated a hold based on the average of analyst recommendations, according to FactSet, a data provider.

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	\$176,594,714,600	\$169,158,100,700
Accepted bids	\$61,293,256,700	\$57,887,468,400
* noncomp	\$756,055,300	\$501,629,400
* foreign noncomp	\$340,000,000	\$275,000,000
Auction price (rate)	99.97250	99.949444
	(0.090%)	(0.100%)
	0.091%	0.101%
Bids at clearing yield accepted	73.33%	15.51%
	912796408	912796294

Both issues are dated Nov. 19, 2020. The 13-week bills mature on Feb. 18, 2021; the 26-week bills mature on May 20, 2021.

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY



Central banks, such as the U.S.'s Federal Reserve, have taken interest rates down to record lows.

Yields of 0.9% Have Appeal

Treasuries' popularity has more to do with a market knee jerk than rate hopes

Vaccine news is setting off a race to invest in risky assets. And yet, getting paid 0.9% annually to lock money away for 10 years has rarely looked more tempting.

Last week, Pfizer's strong test results pushed a record \$44.5 billion into global equity funds, according to fund tracker EPFR Global. On Monday, early results showing 94.5% effectiveness for Moderna's vaccine led to another rally, particularly for airline and bank shares. The flip side is that money is leaving Treasuries: \$4 billion left U.S. government-bond funds last week. Ten-year yields have risen above 0.9%, having spent recent months hovering around 0.6%. Such returns might seem scant at a time of renewed confidence about the economic recovery. For an ultrasafe asset in 2020, though, this may be a window of opportunity.

The main determinant of value for bonds, especially those without default risk because they are issued by governments in their own currency, is the expected level of interest rates in the period before the money is paid back. Central banks have taken them down to record lows. The Federal Reserve currently

sets them between zero and 0.25%.

Starting in 2015, low unemployment prompted the central bank to nudge up interest rates. Lately, the Fed said inflation will need to stay above target for a while before it takes action. Other major central banks seem set to do the same.

Inflation hasn't reached uncomfortable levels for decades, so investors have become convinced that rates will be stuck at zero even after the economy recovers from Covid-19. The question, then, is why bond yields have risen: Has the recent vaccine news led the market to think that, once growth recovers, central bankers will tighten policy after all?

Probably not. Calculations by the New York Fed suggest that rate expectations remain unchanged, and that the rise in Treasury yields is related to other factors—what analysts dub the "term premium." Derivatives markets also price in a 100% probability of rates staying flat.

Historically, investors demanded a positive premium for locking up money in a bond, rather than enjoying the flexibility of cash. This has changed due to central banks communicating their plans more exhaus-

tively, as well as insatiable demand for long-term assets from insurers and pension funds. This year, fear has pushed the term premium further into negative territory: In July, the 10-year Treasury yield was a full percentage point lower because of it.

At that point, havens like bonds and gold were so stretched that they stopped acting as a cushion for stocks—even casting doubt over the popular investment strategy of keeping 60% of holdings in equities and 40% in fixed income. The U.S. term premium has since pulled back from such extreme lows, with a particular boost last week. While this was to be expected, it once again gives Treasuries room to appreciate in times of turmoil.

Markets may be riding a new wave of optimism, but investors still need a hedge against the massive uncertainties of the months ahead. These include final approval of the experimental vaccines, a complicated rollout and decreasing chances of generous fiscal stimulus. In a world of rates stuck at zero, a risk-free asset that yields 0.9% should be quite appealing.

—Jon Sindreu

Home Depot Needs To Avoid HD Déjà Vu

After newest acquisition, the retailer should make sure it doesn't lose focus

Home Depot parted ways with its wholesale distributor business HD Supply when both were struggling. Now that they are getting back together, the companies' biggest risk could be losing sight of why they split in the first place.

The companies said Monday morning that Home Depot would be acquiring HD Supply for \$56 a share, a 25% premium to the company's last closing price. HD Supply's shares moved up by roughly the same amount after the announcement, while Home Depot's barely budged.

The proposed deal, which is expected to close by early next year, values HD Supply at roughly \$8 billion including net borrowings, representing a multiple over forward earnings before interest, taxes, depreciation and amortization of roughly 15 times before any cost savings related to the merger, according to Evercore ISI. That is roughly in line with Home Depot's own valuation. Home Depot expects the acquisition to add to its earnings starting next fiscal year.

The agreement comes with much less drama compared with the companies' split in 2007, when Home Depot dealt with haggling private-equity buyers, settling for a lower price on the sale of HD Supply. Distress in

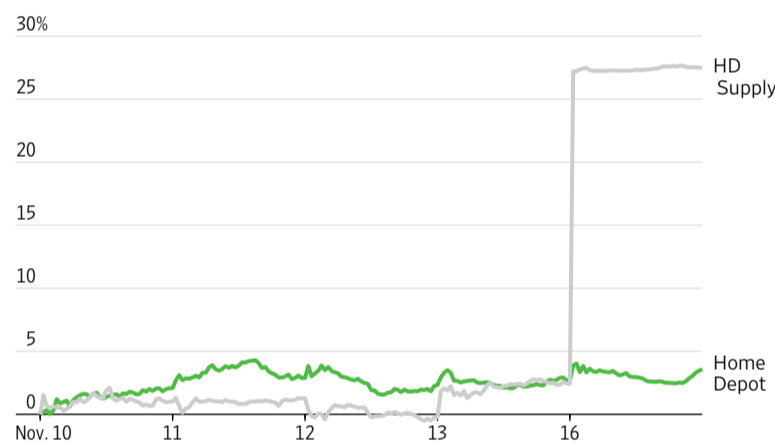
the housing market had weakened Home Depot and HD Supply, and the former needed to seal the deal to help boost its sagging share price through buybacks. At the time, Home Depot management felt owning HD Supply was taking away from the focus it needed to turn around its stores.

Market conditions are different today: Home Depot and HD Supply are thriving and so is the U.S. housing market. Yet both companies arguably emerged stronger precisely because they each became more focused. Home Depot has grown sales per share by 140% since 2009 and HD Supply has been narrowing its focus through well-timed divestments. It will be a shame if that discipline suffers after their reunion.

The acquisition fits well with Home Depot's larger strategy as it has been leaning into the professional segment. HD Supply commands more than 4% of the addressable \$68 billion maintenance, repair and operations market it has identified. That market remains highly fragmented. Getting back together looks much less painful than the split. Now that the companies have found their bearings, the challenge will be to keep them both pointed in the right direction.

—Jinjo Lee

Share-price performance



Source: FactSet

PNC Financial Will Be A Regional No More

PNC Financial Services' acquisition of the BBVA franchise in the U.S. would make its "regional bank" nametag increasingly obsolete. The question is whether that also transforms its profitability.

The \$11.6 billion deal agreement flows from PNC's sale of its stake in BlackRock earlier this year, which pulled in \$11.1 billion after tax. By paying all cash, PNC is in effect swapping out the BlackRock stake, which generated good returns but didn't add much strategically, for a major expansion of its core business.

Some investors may have been dreaming that a bank with \$10 billion to play with could radically rethink the whole concept of banking, perhaps with a huge bet on tech. But many big banks are still finding that core relationship banking and branches, even in a scaled-back form, remain part of the playbook to grow truly profitable customers. That may be particularly so in commercial banking, where PNC will be tilted after the deal.

Instead, investors should think about what PNC is aiming to redefine, which is the "regional bank" appellation. By adding BBVA in places like Texas, the Sun Belt and California to PNC's eastern center of gravity, postdeal the bank would be in 29 of the top 30 U.S. metropolitan statistical areas, up from 22.

So even if it is a different kind of bank, far more "Main Street" than "Wall Street," it is more national in footprint than Citigroup, for example, along some dimensions. It may also be more national than some peers in asset size among "regionals," such as U.S. Bank or Truist that have regional branch gaps on the East Coast or West Coast, respectively.

Given the government scrutiny of every bank deal, there is further logic to such an expansion. For a bank like PNC already well above a key threshold of \$250 billion in assets, its ultimate capital ratio requirements typically depend more on its mix of business than its size. If PNC had added, say, an in-

vestment bank with a big trading desk, it might have ended up facing more stringent capital requirements due to its complexity or riskiness than it would by adding a large amount of the same type of banking in more regions.

PNC is betting that the best way to add returns at a time of historically low rates is to bet on applying its operational know-how, including cost reduction and an improved technology backbone. It estimates that it can generate a 19% internal rate of return on the deal, which is likely better than banks are typically getting on just deploying their capital in lending these days.

PNC estimates about 21% accretion to its earnings-per-share by 2022. Investors may want to keep an eye on return on equity, too. PNC projects a postdeal return on common equity of 10.5% in 2022. That is about what analysts are projecting for this year, at 10.6%, according to Visible Alpha, and shy of last year at over 11%. But it is still much more than analysts were forecasting for 2022, which is under 10%.

So at a time when returns to risk from lending money are low, the returns to taking business risk are relatively better. That may not be radical, but if well-executed it could still be lucrative.

—Telis Demos

Price-to-tangible book value ratio for PNC Financial Services Group versus S&P 500 banks



Source: FactSet

OVERHEARD

Peloton, eat your heart out—and go fix me a martini.

The pandemic has people both drinking and exercising at home, so naturally Hendrick's Gin is selling an exercise bike. Buyers might work up a sweat just getting onto the Hendrick's High Wheel, a stationary version of a penny farthing bicycle popular around the time that distiller William Grant & Sons was established in 1887.

It is "a genuinely effective and fascinating fitness contraption with a charming lack of convenience," says the company. "Pedaling the High Wheel can improve your cardiorespiratory capabilities, tone the thighs and buttock, and



strengthen whichever arm you use to reach for your water bottle."

Although it lacks a screen or even Wi-Fi, the bike does have a book stand, headlight, horn, a patch of artificial grass and, of course, a drink holder. At the curiously specific price of \$2,493.11, the High Wheel is \$199 cheaper than Peloton's Bike+.

It follows on the success of Hendrick's old-school smart-speaker, "Horatio," which sold out all five built. Made of copper, brass, leather and wood, and naturally with a drink holder, the speaker was a reaction to "banal and predictable" voice-activated speakers like Alexa. It requires users to push a button and then gives random answers.

HENDRICK'S GIN

Asia's Trade Deal Is No Big Victory for Beijing

A mammoth Asian trade deal covering about a third of global GDP was signed on Sunday, nearly a decade after it was first mooted. The deal is being presented as a win for the Chinese government—but its weaknesses leave Beijing far short of a leadership position on regional trade.

Seven of the 15 members of the new Regional Comprehensive Economic Partnership are already members of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, which came into force nearly two years ago. Ten are members of the Association of Southeast Asian Nations. Indeed, although RCEP is often discussed as China-led—and Beijing's participation is clearly the most important new element—it was launched by Asean in 2011.

Drill down into the deal and the relative lack of ambition becomes clear. It commits to fewer tariff reductions than the CPTPP does. The Center for Strategic & International Studies notes that the RCEP includes no environmental or labor

rules. And its sections on disputes settlement, competition, services and investment are relatively weak.

When India dropped out last year, Australia and New Zealand lost the only participant with whom they didn't have an existing trade deal. In most cases, the existing web of multilateral and bilateral arrangements offer considerably more liberalized trade than will be facilitated by RCEP.

Where other countries or groups have deeper arrangements already, they will override RCEP's less ambitious rules. As a result, the new bloc seems likely to continue as more of a rule-taker than a rule-maker.

What's more, much of the important negotiating work was done years ago when China's commercial relationships with many of its regional counterparts—Australia in particular—were on far friendlier terms.

There are two genuine advantages to the new deal. One is simply its scale. Bringing China into a deal, even a weakened one, matters because it is the largest trading economy in the world.

But perhaps the biggest upside is exporters will need just one certificate of origin to trade with any and all the other members, a fact emphasized by Peter A. Petri and Michael G. Plummer, writing for the Peterson Institute for International Economics. That flattens the rules in several existing Asian deals, making intra-Asian supply chains more manageable for multinational companies that are already using them and appealing to those considering from where to operate.

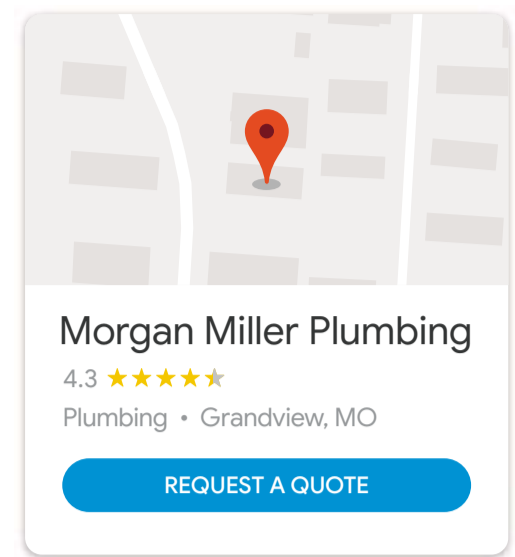
As a result India and the U.S. are the main losers, as was the case with the CPTPP, since they are left out of both the rules of origin arrangement and the decision-making process on everything else.

But when it comes to who's building the architecture, the reality is that China is still more of a laggard than a leader, a hierarchy RCEP practically formalizes. Right now, most of the architecture for Asia's future trading relationships is being drawn up in Tokyo, Canberra, Singapore and Hanoi. Beijing is still some way behind.

—Mike Bird



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