

THE WALL STREET JOURNAL.

What's News

Business & Finance

- ◆ **Decades after** automation began taking and transforming manufacturing jobs, artificial intelligence is coming for the higher-ups in the corporate office, with the list of white-collar layoffs growing almost daily. **A1**
- ◆ **The S&P 500** backed off its record, shedding 0.1% ahead of inflation data and a spate of earnings this week, while the Nasdaq fell 0.3% and the Dow gained 0.3%. **B11**
- ◆ **Carl Icahn** has a nearly 10% stake in JetBlue and may consider pushing for board representation, in one of the billionaire's boldest moves since a short-seller attacked his firm last year. **B1**
- ◆ **The U.S.** is attempting to break China's dominance in solar energy by employing subsidies to help build a solar-manufacturing supply chain almost from scratch. **B1**
- ◆ **California startup** Lilac plans to start construction this summer on a project to extract lithium, obtaining a key element for rechargeable batteries used in electric vehicles. **B1**
- ◆ **CymaBay shares** jumped nearly 25% to hit a record after the clinical-stage biopharmaceutical company agreed to be acquired by Gilead for \$4.3 billion. **B6**
- ◆ **Digital freight broker** CDL 1000 acquired competitor NEXT Trucking in an equity deal that extends consolidation in the business of matching trucks and shipments. **B4**
- ◆ **A consortium of investors** including private-equity company EQT agreed to offer the equivalent of \$1.64 billion for French digital music company Believe. **B4**

World-Wide

- ◆ **Israeli counterterrorism** police and intelligence agents rescued two hostages held in Rafah, on the Gaza Strip's border with Egypt, killing at least three militants as Israeli airstrikes rained down on Hamas operation centers. **A1**
- ◆ **Israel proposed** the creation of sprawling tent cities in Gaza as part of an evacuation plan to be funded by the U.S. and its Arab Gulf partners ahead of an impending invasion of Rafah. **A6**
- ◆ **Trump asked** the Supreme Court to block a recent ruling that denied him blanket immunity for alleged crimes he committed as president, a move that could further delay proceedings on charges he plotted to overturn the 2020 election results. **A3**
- ◆ **Uterine cancer** rates have been increasing by about 1% annually over the past decade, and will kill some 13,250 women in the U.S. this year, the American Cancer Society estimates. **A1**
- ◆ **Two former executives** at FirstEnergy and the former chairman of the Public Utilities Commission of Ohio were indicted on public corruption charges related to a nuclear bribery scandal in the state. **A2**
- ◆ **The U.S. seized** a Venezuelan-owned cargo jet with ties to Iran's Islamic Revolutionary Guard Corps that was grounded in Argentina after its arrival two years ago prompted an investigation into possible terrorism ties. Biden administration officials said. **A16**
- ◆ **The Biden campaign,** ramping up its efforts to reach younger voters, joined TikTok despite national-security concerns over the app. **A4**

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High Fashion Struts Into New York City



CLOSE-UP: Model Irina Shayk presents a creation from the Carolina Herrera Fall/Winter 2024 collection as Vogue Editor-in-Chief Anna Wintour, Demi Moore, Diane Kruger and Becky G attend the show during New York Fashion Week.

Fast-Evolving AI at Work Starts To Threaten White-Collar Jobs

By RAY A. SMITH

Decades after automation began taking and transforming manufacturing jobs, artificial intelligence is coming for the higher-ups in the corporate office.

The list of white-collar layoffs is growing almost daily and include jobs cuts at Google, Duolingo and UPS in recent weeks. While the total number of jobs directly lost to generative AI remains low, some of these companies and others have linked cuts to new productivity-boosting technologies like machine learning

and other AI applications.

Generative AI could soon upend a much bigger share of white-collar jobs, including middle and high-level managers, according to company consultants and executives. Unlike previous waves of automation technology, generative AI doesn't just speed up routine tasks or make predictions by recognizing data patterns. It has the power to create content and synthesize ideas—in essence, the kind of knowledge work millions of people now do behind computers.

That includes managerial roles, many of which might

never come back, the corporate executives and consultants said. They predict the fast-evolving technology will revamp or replace work now done up and down the corporate ladder in industries ranging from technology to chemicals.

"This wave [of technology] is a potential replacement or an enhancement for lots of critical-thinking, white-collar jobs," said Andy Challenger, senior vice president of outplacement firm Challenger, Gray & Christmas.

Some of the job cuts taking place already are a direct result of the changes coming

from AI. Other companies are cutting jobs to spend more money on the promise of AI and under pressure to operate more efficiently.

Meanwhile, business leaders said AI could affect future head counts in other ways. At chemical company Chemours, executives predicted they won't have to recruit as many people in the future.

"As the company grows, we'll need fewer new hires as opposed to having to do a significant retrenchment," Chief Executive Mark E. Newman said.

Since last May, companies

Inside Israel's Daring Hostage Rescue

Elite team stormed building as airstrikes rained down, killing about 70 Palestinians

TEL AVIV—Palestinians in the city of Rafah, on the Gaza Strip's border with Egypt, awoke Monday to the sound of explosions. It was 1:50 a.m., but it looked like daytime outside.

By Chao Deng, Fatima AbdulKarim, Anat Peled and Carrie Keller-Lynn

"I never witnessed such a violent night since the war began," said Hanan Abdulkarim, who said her window was flashing white when she and her 6-year-old son woke up. "I was 100% sure we were going to die at that moment."

Minutes earlier, an elite Israeli team of counterterrorism police and intelligence agents had used explosives to break through a blast door and rush into the second floor of a residential building in the city. They exchanged fire with militants, killing at least three of them.

They quickly surrounded two men—70-year-old Luis Har and 61-year-old Fernando Simon Marman—and attempted to shield them with their bodies. Both men are dual Israeli-Argentinian citizens and had been taken from Kibbutz Nir Yitzhak on Oct. 7. They were thin and weak after 129 days in captivity.

As the rescue at the residential building unfolded, airstrikes rained down on operations.

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◆ **Israel proposes evacuation before attack**..... **A6**

Uterine Cancer Is On the Rise, Survival Rate Isn't

By BRIANNA ABBOTT

Stacy Hernandez always had irregular periods. But when the bleeding wouldn't stop, she got scared.

She said she visited her general practitioner and urgent care at least six times. Doctors changed her birth-control medications, blamed her excess weight and suggested the bleeding would eventually subside.

It didn't. After more than a year, a doctor ordered an ultrasound followed by a test that finally identified the problem: uterine cancer.

"It was surreal," said Hernandez, 31 years old, who is undergoing treatment near her home in Utah. "It's not OK for them to dismiss it like that."

Uterine is the only cancer for which survival has fallen in the past four decades, the American Cancer Society said. The disease will kill some 13,250 women in the U.S. this year, the group estimated, surpassing ovarian cancer to become the deadliest gynecologic cancer.

Case rates have been increasing by about 1% annually over the past decade, with steeper rises for Black and Hispanic women. Rising obesity rates are partly to blame because excess weight increases estrogen levels that can fuel the cancer, researchers said. And fewer women are getting their uteruses removed to treat abnormal

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INSIDE



U.S. NEWS
Kamala Harris, in an interview with the Journal, details her priorities. **A4**



PERSONAL JOURNAL
Parental controls don't work—here's how to keep children safe online. **A9**

These Wedding Venues Give New Twist on Ol' Ball and Chain

Former clinks, such as one that held Al Capone, rent space for your special event

By JOEL MILLMAN

PHILADELPHIA—Christina Spence is already looking forward to her next stint at Eastern State Penitentiary.

The prison (that once held Al Capone and bank robber Willie Sutton) is where she and husband Ricky Scalia eloped in 2021. In 2026, she expects to be back behind those walls—celebrating her fifth wedding anniversary in a venue some might describe as decidedly catchy and anti-fancy.

"My cousin got married in a castle. We wanted to have a unique stress free ceremony," says Spence, the 41-year-old mother of three, about her nuptials to Scalia, a barber. It was the two of them, a pastor

and a photographer. "I dragged my dress past Al Capone's cell and we laughed and danced and had a ball!"

Spence is not solitary in her pursuit.

Eastern State, which operated as a Pennsylvania maximum security penitentiary for 142 years and closed in 1971, today is a historic site, which, like other museums and landmarks, rents its halls and domed chambers to private parties. Couples looking for something different are choosing a stretch behind bars at former prisons for weddings, anniversaries and Valentine's Day dates. Others bunk on cell slabs in Airbnbs that offer stays in former jails from Iowa to New Zealand to

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China's Baby Bust Is Hard to Reverse

Miscalculations 40 years ago led to a lasting one-child mindset

By LIYAN QI

China's baby bust is happening faster than many expected, raising fears of a demographic collapse. And coping with the fallout may now be complicated by miscalculations made more than 40 years ago.

The rapid shift under way today wasn't projected by the architects of China's one-child policy—one of the biggest social experiments in history, instituted in 1980. At the time, governments around the world feared overpopulation would hold back economic growth. A Moscow-trained missile scientist led the push for China's policy, based on tables of calculations that applied mathematical models

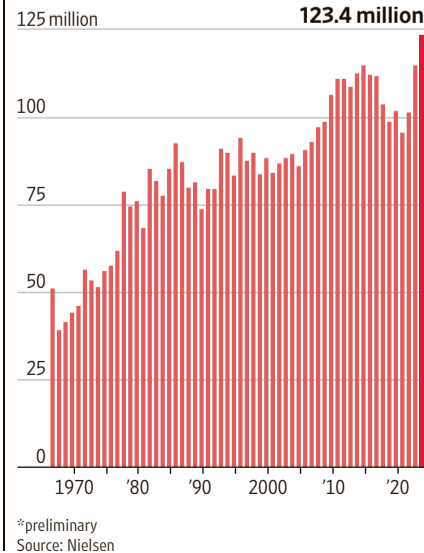
used to calculate rocket trajectories to population growth.

Four decades later, China is aging much earlier in its development than other major economies did. The shift to fewer births and more elderly citizens threatens to hold back economic growth. In a generation that grew up without siblings, young women are increasingly reluctant to have children—and there are fewer of them every year. Beijing is at a loss to change the mindset brought about by the policy.

Births in China fell by more than 500,000 last year, according to recent government data, accelerating a population drop that started in 2022. Officials cited a

Please turn to page A8

Super Bowl viewership



Super Bowl Sets TV Record

Ratings for the Kansas City Chiefs' victory in the Super Bowl on Sunday were the highest for any television program in U.S. history, according to preliminary data, breaking the record of the 2023 Super Bowl that the Chiefs also won. **B3**

U.S. NEWS

One Dead, Five Injured in Subway Shooting

By SURYATAPA BHATTACHARYA

One person was killed and five others were wounded in a shooting on a New York City subway platform, according to police.

The shooting occurred around 4:30 p.m. Monday at the Mount Eden Avenue station in the Bronx, the New York City Police Department said.

No one had been apprehended in connection with the shooting and no weapons had been recovered. Authorities said they were looking for at least one suspect.

Police think the shooting stemmed from a dispute between two groups of teenagers who started fighting while riding the train, according to NYPD Transit Chief Michael Kemper. The shooting started when the train's doors opened, Kemper said. At least one shot was fired in a subway car, and more were fired as passengers fled the train.

A man in his 30s was pronounced dead at a local hospi-



NYPD officers at the Mount Eden Avenue station in the Bronx, where the shooting occurred.

tal. The five other people injured in the shooting—who range in age from 14 to 71 years old—were in stable con-

dition, police said. Some of the victims were bystanders and some were part of the two teen groups,

police said. “To the shooter. You are now NYPD’s most wanted. And you have the greatest de-

tectives in the world looking for you. We suggest you turn yourself in,” said Tarik Sheppard, the NYPD’s deputy commissioner of public information.

There have been several high-profile instances of violent crime on New York City subways in recent years, including a mass shooting on a subway car and platform in April 2022 that injured 10 people.

The NYPD said this month that the city’s transit system saw 222 index crimes in January 2024, compared with 152 in the same period last year. Index crimes are serious offenses that include murder, rape, robbery and aggravated assault.

The department said the transit network accounts for about 2% of all major crime committed in the city.

New York Gov. Kathy Hochul, a Democrat, said in September 2022 that the state planned to install two cameras in each of the city’s subway cars by 2025.

Ex-Chair Of Ohio Utility Regulator Is Indicted

By SABELA OJEA

Two former executives at FirstEnergy and the former chairman of the Public Utilities Commission of Ohio have been indicted on public corruption charges related to a nuclear bribery scandal in the state.

Ohio Attorney General Dave Yost on Monday said Charles Jones, the former chief executive of FirstEnergy; Michael Dowling, the former FirstEnergy senior vice president of external affairs; and PUCO ex-chairman Samuel Randazzo have all been charged with 27 felony counts, which include one count of bribery.

Two companies controlled by Randazzo are also named in the filing.

Neither Jones, Dowling nor Randazzo were available for comment.

Randazzo, PUCO’s chairman from April 2019 to November 2020, allegedly received more than \$4.3 million from FirstEnergy and its affiliates to provide favorable official actions for the company through PUCO proceedings, according to a December indictment filing from the U.S. Attorney’s Office for the Southern District of Ohio.

Last year, former speaker of the Ohio House Larry Householder was convicted in federal court on racketeering conspiracy charges in connection with more than \$60 million paid by FirstEnergy in a scheme to pass House Bill 6, a \$1.3 billion bailout of nuclear and coal power plants.



Charles Jones

U.S. WATCH

TEXAS Motive Sought In Church Shooting

The shooter at a Texas megachurch had a history of mental illness and brought their young son to the attack that was carried out using an AR-style rifle and ended in an exchange of gunfire with two off-duty officers, authorities said Monday.

Houston police identified the shooter as Genesse Ivonne Moreno, 36, who they say wore a trench coat Sunday and carried a backpack upon entering Lakewood Church, led by celebrity pastor Joel Osteen. Moreno used both male and female aliases, but investigators who looked at past police reports found that Moreno identified as female, police Cmdr. Chris Hassig said.

During the shooting, Moreno’s 7-year-old son was shot in the head and remained in critical condition Monday, authorities said. Police said a

57-year-old man who was shot in the hip was discharged from the hospital.

Police and FBI investigators said they haven’t established a motive for the shooting but are looking into a dispute involving Moreno and the family of Moreno’s ex-husband. Hassig and others said Moreno had a history of mental illness.

Investigators also found antisemitic writings by the shooter, and Hassig noted Moreno’s rifle had a “Palestine” sticker on the buttstock. He described Moreno as a “lone wolf” who acted alone.

Police searched Moreno’s residence in Conroe, more than 50 miles north of the church. Court records show that Moreno had prior arrests and was involved in a divorce and child custody battle in 2022, in which Moreno’s ex-mother-in-law indicated she had sought advice from pastoral staff at Lakewood.

—Associated Press

CALIFORNIA Body of Missing Hiker Is Found

A hiker who was missing for days on Southern California’s Mount Baldy was found dead over the weekend, authorities said.

A helicopter crew recovered the body of Lefei Huang, 22, on Sunday morning from the upper San Antonio Creek Falls area of the mountain, the San Bernardino County Sheriff’s Department said.

A drone operator reported possibly spotting her Saturday afternoon, but conditions prevented searchers from immediately hiking to the spot and high winds prevented an aerial search.

Huang, of suburban El Monte, was reported missing shortly before midnight Feb. 4. She had set out on a solo hike at around 2 p.m. and hadn’t been heard from since about 4 p.m. that day.

—Associated Press

INDIANAPOLIS Veteran Officer Named Police Chief

Christopher Bailey, a 25-year veteran of the Indianapolis Metropolitan Police Department, was named police chief Monday.

He succeeds former Chief Randal Taylor, who said in December that after four years as chief he would step down at the end of 2023.

Bailey had served for the past month as acting chief, a period during which Mayor Joe Hogsett tasked him with moving forward with an outside review of the department’s officer-involved shootings.

Bailey served as assistant police chief for the past four years, working closely with Taylor and community leaders to “reform some of the department’s most critical policies,” the mayor’s office said.

—Associated Press

OBITUARY Bob Edwards, Radio Anchor, 76

Bob Edwards, who anchored National Public Radio’s “Morning Edition” for just under 25 years and was the baritone voice who told many Americans what had happened while they slept, has died.

Edwards, who died Saturday, was 76 years old. NPR had no further details.

He became co-host of “All Things Considered” with Susan Stamberg in 1974 shortly after joining NPR, and was the founding anchor of “Morning Edition” in 1979. He left NPR after being replaced on the show in 2004 and he joined SiriusXM satellite radio.

Edwards’ deep, commanding voice gave many listeners the impression that he was older than he was. “His was the voice we woke up to,” Stamberg said.

—Associated Press

Uterine Cancer Is On the Rise

Continued from Page One
bleeding or noncancerous fibroids, leaving them exposed to the risk cancer develops in the organ as they age.

But those factors alone don’t explain the rise. The disease, more common after menopause, is rising across age groups including in women under 50 for reasons that aren’t completely clear.

“This was considered a cancer that had very good survival and was very easy to treat,” said Megan Clarke, a gynecologic cancer researcher at the National Cancer Institute. “But the epidemiology has changed, and I think opinions are starting to change as well.”

Uterine cancer, also called endometrial cancer, comes in two forms. The more common one is slow-growing, linked to elevated estrogen levels, and curable when caught early. The rarer type isn’t hormonal and is harder to treat. Cases of this more aggressive kind are increasing faster and driving rising death rates.

Chemical hair straighteners have been linked to uterine-cancer risk. The Food and Drug Administration plans in July to propose a ban on formaldehyde in hair straightening or smoothing products.

“I don’t think it’s just hair products, sadly,” said Dr. Premal Thaker, a gynecologic surgeon at Siteman Cancer Center in St. Louis. “There’s more diabetes, more obesity, and there’s probably something else that we just don’t know.”

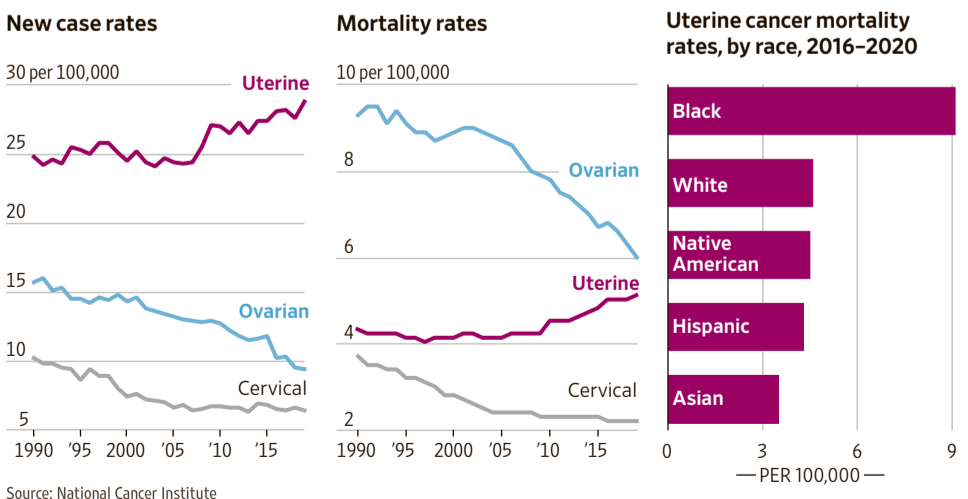
Rose Snow, 69, hadn’t gotten her period for decades when she started bleeding after one of her routine 3-mile walks in 2022. She was soon diagnosed with stage-three uterine cancer. “It was a shocker,” Snow said.

After surgery, radiation and chemotherapy, her latest scan



Stacy Hernandez sought medical help for more than a year before she was diagnosed.

Case and mortality rates are rising for uterine cancer, which is set to surpass ovarian cancer as the deadliest gynecologic cancer in the U.S.



this month was clear. She is back to spending time with her three children, 11 grandchildren and four great-grandchildren.

Abnormal bleeding is the most common sign of uterine cancer, especially after meno-

pause. Slow-moving, common cancers often give doctors time to intervene. But common, noncancerous tumors in the uterus called fibroids or conditions including endometriosis that cause abnormal bleeding can make it harder to

realize something else is wrong. Fibroids and more aggressive, faster-growing cancers that are on the rise are more common among Black women. “The rules we had before don’t apply,” said Dr. Leslie Boyd, a gynecologic oncolo-

gist at NYU Langone’s Perlmutter Cancer Center.

Boyd and her colleagues found that among their patients from 2010 to 2018, white women went to the doctor about three months after symptoms emerged, while for Black women the lag was about eight months.

Delayed diagnoses and higher rates of more aggressive disease contribute to the stark survival gap. Black women are nearly twice as likely to die from uterine cancer as white women. Disparities persist even when they are diagnosed at the same stage. Black and Hispanic women are less likely to get treatment that matches medical guidelines.

Drugs that harness a patient’s immune system, called immunotherapies, are improving the outlook for some advanced uterine cancer patients. Adding targeted drugs might help further extend patient’s lives, research suggests.

“People are living who never lived before. It gives me chills,” said Dr. Kemi Doll, a gynecologic oncologist at the University of Washington. But new treatments are available mainly to wealthier patients at big hospitals, she said: “It is deeply unlikely that this will not exacerbate disparities.”

Stacy Hernandez decided to get a partial hysterectomy after she was diagnosed in 2017. She hoped she might still give birth someday. Her bleeding lessened after surgery. Last summer, the heavy bleeding resumed, accompanied by dizziness that Hernandez attributed to the heat. She didn’t go to the doctor because she didn’t have insurance.

She hurt her back in August and went to the emergency room. Doctors there said her cancer was back. Hernandez started chemotherapy at the University of Utah’s Huntsman Cancer Institute, covered through Medicaid. She will find out this month the next steps for treatment. “I try to just keep a smile on my face,” Hernandez said. “Keep on pushing to get the doctor to do something about it.”

CORRECTIONS & AMPLIFICATIONS

Ubisoft’s shares closed at €22.67 each, equivalent to \$24.43, in France on Friday. A Markets article on Saturday about the French videogame maker incorrectly gave the figures as €23.67, equivalent to \$25.52.

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U.S. NEWS

Trump Wants Supreme Court To Intervene On Immunity

By JESS BRAVIN
AND C. RYAN BARBER

Donald Trump asked the Supreme Court on Monday to block a recent ruling that denied him blanket immunity for alleged crimes he committed as president, a move that could further delay proceedings on charges he plotted to overturn the 2020 election results.

Trump's lawyers argued in a 39-page filing that the absence of such immunity "threatens the very ability of the president to function properly," and said allowing a trial at the height of the election season "will radically disrupt President Trump's ability to campaign against President Biden."

Two lower courts have rejected Trump's immunity claim, in which his lawyers asserted that exposing him to a criminal trial would force future presidents to worry about prosecution for their official actions, hamstringing their resolve to take bold measures in the public interest.

Former President Trump has become citizen Trump, with all of the defenses of any other criminal defendant," a three-judge panel of the U.S. Court of Appeals for the District of Columbia Circuit wrote in an opinion last week. The panel had given Trump a Monday deadline to seek Supreme Court intervention.

Instead of asking the high court to settle the matter now, Trump's lawyers first asked for time to have all the active judges on the D.C. Circuit reconsider the case. Should the circuit court decline, Trump asked that the decision remain on hold while he appealed it to the Supreme Court.

Trump's latest submission comes in the federal case brought in August by special counsel Jack Smith, who accused the former president of engaging in a conspiracy to subvert the 2020 election results that culminated in the Jan. 6, 2021, attack on the Capitol.

It is one of four cases in which Trump is facing felony charges, including a separate federal case Smith filed in

Florida alleging the former president unlawfully kept and concealed sensitive government records after leaving office. A spokesman for Smith declined to comment.

Trump's latest gambit comes days after the Republican presidential front-runner found a receptive audience at the Supreme Court on his appeal of a Colorado decision that struck him from that state's presidential ballot. The state's high court had ruled Trump ineligible under a constitutional provision forbidding individuals who engaged in insurrection from holding public office.

A decision in the Colorado appeal could come before the state's March 5 primary election. But success in that case would provide no benefit to Trump in the immunity appeal, which involves wholly different legal issues.

Monday's filing stems from an early December ruling in which a federal district judge rejected Trump's immunity claims, finding that his former office "does not confer a life-long 'get-out-of-jail-free' pass."

Judge Tanya Chutkan paused the proceedings in December pending Trump's appeal of her ruling, and earlier this month, she called off the scheduled March 4 start of the former president's trial in light of his continuing legal challenge.

The Supreme Court has never before confronted a former president facing felony charges. But in past cases, presidents including Richard Nixon and Bill Clinton have found the Supreme Court skeptical of claims that the chief executive is categorically exempt from the legal process.

Even if Trump's new arguments ultimately fail, he could benefit from the delay it adds to his trial. Should Trump win the election in November before his criminal case is resolved, he is likely to assert that as a president-elect he is immune from prosecution or punishment. If ultimately convicted on federal charges, Trump has suggested he would attempt to pardon himself.

The high court hasn't before confronted an ex-president facing felony charges.

Lincoln Honored on 215th Anniversary of His Birth



SALUTED: A wreath-laying ceremony was held Monday to mark Abraham Lincoln's birthday at his memorial in Washington.

Menendez Seeks a Trial of His Own

By JAMES FANELLI
AND CORINNE RAMEY

Sen. Bob Menendez is heading toward a public-corruption trial that potentially puts him in the position of trying to prove his innocence while unintentionally jeopardizing his wife.

The New Jersey Democrat is charged alongside his spouse, Nadine, and three businessmen in a bribery scheme involving illicit gifts of gold bars, cash and a new Mercedes-Benz convertible in exchange for favors, including ones for foreign governments.

All five have pleaded not guilty and are slated to go to trial together in a New York federal court on May 6. But Menendez and his wife are seeking to split their cases from one another to avoid damaging each other's defense.

Being tried with his wife infringes on his marital rights and potentially pits them against one another, the lawmaker has said.

For example, said former federal prosecutor Howard Master, Menendez could testify that his wife didn't tell him that alleged bribes she received were in exchange for any official action.

"He may want to say at trial, 'Listen, my wife never told me about this,'" said Master. "She could just say she got cash from a friend who knew she had financial troubles."

Prosecutors argue that Menendez and his wife have offered only vague speculation



Bob and Nadine Menendez have both pleaded not guilty.

on the harm, and that multiple trials waste resources.

"It is rare and there isn't very much case law" to guide a judge, Allon Lifshitz, a former federal prosecutor and partner at law firm Cohen & Gresser, said of Menendez's request, in part because few married couples are charged together and most don't go to trial.

Lifshitz, who isn't involved in the case, said judges are reluctant to grant separate trials. However, Menendez appears to have a stronger argument for severance than most defendants, he said, as the law is clear that he has a right to testify, and married couples has legal privileges intended to protect the intimacy and confidences between spouses.

Under the protections, Menendez and his wife each has a right to prohibit the other

from introducing their private communications with one another as evidence. They also have a right not to testify against one another.

A separate trial would allow Menendez to speak freely to a jury without any impact on his wife's case, his lawyers said. The senator would retain the right not to testify at his wife's trial.

Former federal prosecutor Eric Rosen said another advantage to a separate trial is that the optics aren't as bad when a married defendant blames their spouse for any alleged criminal conduct.

"No jury is going to like it if a husband is throwing a wife under the bus, or vice versa," he said. "It's easier if it's an empty chair."

Couples do occasionally get indicted together, but his-and-her trials are rare.

Former Virginia Gov. Robert

McDonnell and his wife were indicted in 2014 on bribery charges and sought separate trials based on marital communications privilege. A federal judge rejected their request. The Supreme Court later tossed their convictions for different reasons, and prosecutors declined to retry them.

In 2019, a federal appeals court vacated the fraud convictions of a husband and wife after the trial court declined to grant them separate trials. The wife, Renita Blunt, testified at their joint trial that her husband, Earl Lafayette Hall III, was the instigator of a scheme to collect unemployment compensation benefits by using the identities of veterans, and at times forced her to participate.

"Blunt should be given the opportunity to exercise her spousal privilege without being forced to choose between said exercise and testifying in her own defense," the appeals court wrote.

Hall was convicted after a second trial; Blunt pleaded guilty to a single conspiracy count and was sentenced to time served.

Separate trials are rare not only for legal reasons but because for many couples they don't make financial sense, said Master, now a partner at investigations firm Nardello & Co.

"If you have two different trials, that means the same family is footing two bills for very expensive federal criminal trials," Master said.

Grifter Played War Hero, Family Oil Man to Rake In Millions

By DAN FROSCH

TYLER, Texas—In a city where reverence for the oil fields and veterans runs deep, Derek Hamm made a powerful impression.

Six-foot-three with a beard, he wore a jacket festooned with combat medals he said were from Green Beret tours in Iraq and Afghanistan, and was always accompanied by a service dog to help ease his PTSD, acquaintances recalled.

Charming and well-spoken, Hamm told people he was the favorite nephew of a pioneer of fracking, Oklahoma oil tycoon Harold Hamm.

Hamm was soon drumming up investments at an exclusive country club and hobnobbing with retired baseball star Mark Teixeira.

The problem was, virtually everything about Derek Hamm was a lie.

Hamm, 40 years old, was actually a grifter with an encyclopedic memory and a string of criminal convictions, according to federal prosecutors. He had spent a year in Iraq as an Army National Guard infantryman but was not decorated Special Forces soldier. He had no relation to Harold Hamm.

Hamm persuaded people to give him at least \$2.28 million for various drilling ventures that never materialized—until the FBI got involved. He pleaded guilty to violating the Stolen Valor Act, which prohibits falsely using military medals to obtain benefits, along with fraud charges.

"The oil and gas industry got away from me," Hamm said at his sentencing in December. "Instead of just being honest with my family about things making a bad turn, I decided to lie."

Texas has drawn a long procession of swindlers who have taken advantage of investors dazzled by promises of easy fortune. But the story of Derek Hamm has left those he preyed upon—and authorities—stunned.

"This is the most extreme case of financial fraud that I have seen in my time on the bench," U.S. District Judge J. Campbell Barker said at Hamm's sentencing.

The following is based on court documents and interviews with prosecutors, victims and Hamm himself.

It was about a decade ago when people started noticing Hamm around Tyler, a city of about 109,000. He drove a Bentley, wore sports coats draped in jewelry and made a show of arriving late to church in sunglasses with his wife and children before heading for the front row.

"He was bigger than life. He would walk in someplace and immediately be at the center of the room," said Taylor White, a financial planner who said he became Hamm's close friend before they fell out several years ago.

Hamm told friends he had moved from Indiana and started a business selling drilling parts. That much was true, authorities say. He told people



Derek Hamm and his dog on a 2018 visit to a school in Tyler, Texas. At bottom, some of the medals seen in a photo featured on a LinkedIn profile attributed to Derek Hamm.

he had earned a Silver Star, Bronze Star, Distinguished Service Cross and Purple Heart during Middle East tours.

He began telling people that his uncle was Harold Hamm and that he and his multibillion-dollar fracking company, Continental Resources, were backing him.

Around 2018 and 2019, someone tipped off Harold Hamm's company that a man claiming to be his nephew was trying to make oil deals in Tyler.

Harold Hamm and Conti-

mental sued Derek Hamm in state district court in Oklahoma City, alleging that Derek Hamm was lying about being related to the drilling baron and falsely claiming that he was a Continental executive.

The suit documented Derek Hamm's prior legal troubles, including convictions for domestic abuse and felony credit-card fraud.

A spokeswoman for Continental declined to comment.

A judge sided with Harold Hamm, ordering Derek Hamm to pay the plaintiffs \$10,000

and to stop falsely representing himself. Continental had a lawyer in Tyler register it in district court there.

It didn't work.

In September 2020, Hamm joined CEOs of various companies and former slugger Teixeira at an exclusive dove hunt on a ranch southwest of San Antonio.

Hamm's bio for the event said he owned 7,000 wells and a refinery and was a majority shareholder in Continental. He had a master's degree in mechanical engineering. He was a "master Airborne soldier" with 258 combat jumps.

None of that was true, federal prosecutors said.

Through a contact from the hunt, Hamm connected with a couple who had just moved to Tyler. He mesmerized them over dinner at his home with a story of being stabbed in the stomach in Afghanistan.

Then, according to Hamm's indictment and interviews corroborated by federal prosecutors, the husband said Hamm took him to his country club. Hamm talked oil with other patrons during lunch, before telling him about 23 wells in nearby Kilgore that could make them a lot of money. The couple invested \$1.4 million to help buy and fix the wells.

But after Hamm couldn't produce ownership deeds and a friend warned that he was likely a fraud, they had their attorney contact an FBI office.

On Jan. 20, 2022, federal prosecutors obtained a 33-count indictment against

Hamm from a grand jury. Four days later, he was taken into federal custody.

Hamm had less than \$10,000 in cash left, authorities say. He blew virtually all of the money he had bilked on expensive jewelry pieces, vehicles and a chartered plane, according to court documents. Investigators also found nearly 50 guns, which he was barred from possessing because of his prior criminal convictions.

At Hamm's sentencing on Dec. 7, Assistant U.S. Attorney Robert Wells said that Hamm would show off his gun collection and lie about people he had killed in combat to intimidate those he swindled from confronting him.

Hamm admitted in his plea agreement to lying about everything from his military history to being Harold Hamm's relative and apologized for betraying the community, saying he never had any malicious intent.

Judge Barker sentenced him to just over 11 years in prison, the maximum penalty.

In an interview from jail this month, Hamm was defiant, saying he had been pressured by prosecutors into the plea deal. He had tried to make the investments work and felt bad for those who had lost money, but the oil and gas industry was famously volatile, he said. People just assumed he was related to Harold Hamm but he never told anyone that, Hamm said.

—Ben Kesling
contributed to this article.

U.S. NEWS



Vice President Kamala Harris on board Air Force Two. She publicly slammed last week's special counsel report on President Biden as politically motivated.

Biden Bids For Youth Vote With TikTok Clip

By ALYSSA LUKPAT

The Biden campaign, ramping up its efforts to reach younger voters, has joined TikTok despite national-security concerns over the app. President Biden's team posted its first video on Sunday night during the Super Bowl. The 26-second clip showed Biden answering questions about which team he was rooting for, his favorite Kelce brother and whether he preferred the game or the halftime show. The video, captioned "lol hey guys," had more than 5 million views Monday afternoon. His account has over 50,000 followers.

The Biden administration has repeatedly expressed concern that the Chinese government could gain access to Americans' user data or influence what Americans see on the app, which is owned by Beijing-based ByteDance.

Still, the app is one of the best ways for the campaign to reach young American voters. More than 170 million Americans use TikTok, the company has said, and many of them are young. The Biden administration has worked with TikTok influencers since before it was an administration, creating campaign content in 2020, campaign advisers said.

TikTok didn't return a request for comment Monday. TikTok has repeatedly said it doesn't share user data with the Chinese government.

Biden's campaign team plans to post regularly on TikTok along with other social-media platforms including Facebook, X and Donald Trump's Truth Social, his campaign advisers said. They said they were taking advanced security precautions.

They released a second TikTok video Monday of different times Trump said he "got rid of Roe v. Wade." Biden's team captioned it "weird brag."

The campaign posted the video days after the release of a special-counsel report that renewed questions about Biden's age, calling him an "elderly man with a poor memory." Biden's being 81 years old has been one of his campaign's biggest liabilities. The investigation into Biden's handling of classified documents yielded no criminal charges.

White House officials disputed the report's characterization of Biden, with the president expressing indignation during a prime-time press conference.

The Biden re-election campaign had stayed away from TikTok for months. Biden's standing with younger voters has been jeopardized by his handling of the war in Gaza and his push for a bipartisan plan restricting migration at the southern border.

Biden drew scrutiny for forgoing a TV interview before the Super Bowl for a second year in a row. The interview had been a tradition.

Instead of answering policy questions on TV, he answered other questions in his first TikTok video. He said he couldn't choose between the Kansas City Chiefs and the San Francisco 49ers, "but if I didn't say I was for the Eagles then I'd be sleeping alone. My wife's a Philly girl."

TikTok users commenting on the video asked how many takes Biden needed to film the video. Others said they were excited to see him on TikTok.

Some Republicans criticized him for joining the app. Sen. Josh Hawley of Missouri wrote on social media, "Biden campaign bragging about using a Chinese spy app even though Biden signed a law banning it on all federal devices."

TikTok has been banned from many government smartphones since December 2022.



President Biden

With Eyes on Biden, Harris Hones Message

Vice president says she is uniquely suited to campaign for abortion rights

By TARINI PARTI

Vice President Kamala Harris was detailing her priorities for the campaign during a flight on Air Force Two early last week when she was asked a delicate question hanging over the Democratic ticket: Do voters' concerns about President Biden's age mean she must convince them she is ready to serve?

"I am ready to serve. There's no question about that," Harris responded bluntly. Everyone who sees her on the job, Harris said, "walks away fully aware of my capacity to lead."

The response during an interview with The Wall Street Journal last Tuesday came two days before a special counsel report on Biden's handling of



Cyrena Martin, executive director of a nonprofit that helps women affected by violence, said Harris's remarks on abortion access were what she and other Black women needed to see.

classified documents amplified concerns about the 81-year-old incumbent's mental acuity. The report said Biden displayed "diminished faculties" in inter-

views and called him an "elderly man with a poor memory."

The report has intensified the scrutiny on Harris, 59, the

first woman and Black vice president, whose tenure has been marked by criticism of her political skills. What had been quiet talk of whether Harris could step into the presidency is now spilling into the open.

"There was always going to be a lot of scrutiny and pressure on her in the 2024 campaign, and that moment's here now," said Jennifer Palmieri, who worked in the Obama and Clinton administrations and for Hillary Clinton's 2016 campaign. "I think that the special counsel's report has sort of accelerated that moment."

In recent months, Harris has become the administration's lead messenger on abortion rights, was put in charge of the White House's new Office of Gun Violence Prevention and is playing a higher-profile role in the administration's handling of the war in Gaza.

Harris, who has joined Biden on calls with Israeli Prime Minister Benjamin Netanyahu and gave a forceful speech in Dubai on the conflict, has pushed the administration to articulate more empathy for Palestinians and to focus on a postconflict Gaza plan.

Shortly after the special counsel report was released, Harris's team was asked by West Wing aides to have her appear on a Sunday news show to defend the president, according to a person familiar with the request. Harris didn't want to wait. At an event on Friday, Harris publicly slammed the report, from a former U.S. attorney appointed by Donald Trump, as politically motivated and gratuitous, defending the president strongly as being "on top of and in front of it all."

There is no serious talk of replacing Biden on this year's presidential ticket, Democratic officials say. In the unlikely circumstance that Biden withdraws as the Democratic nominee, Harris would still have to earn the required delegates to take his place at the party's convention in August. If it were to happen after the convention, a special meeting of the Democratic National Committee would decide the party's presidential ticket.

Allies of Harris say she was poorly utilized by the White House early in her tenure and is now positioned to show her value to the presidential ticket,

especially in turning out key Democratic voters on abortion rights. It is one of the few issues Democrats have an advantage on ahead of the 2024 election, polls show.

Harris points to her experience as a prosecutor on sexual-assault cases dealing with women and children as evidence that she is uniquely suited to champion abortion rights. Harris describes the consequences—at times, in explicit detail—of the Supreme Court's Dobbs decision, which ended federal constitutional protections for abortions.

In public appearances, the vice president has brought up women having miscarriages in toilets and explained the fine-print challenges of state laws that have exceptions for rape and incest because, she said, she wants voters to fully understand what many women are facing. By contrast, Biden, a practicing Catholic, previously opposed federal funding for abortion and voted against giving women access to late-term abortions.

"I do believe that the majority of people have an empathy gene," she said during the interview aboard Air Force Two. "And the more they realize what has actually been happening since the Dobbs decision came down, the more open they are to consider the fundamental point, which is: Should the government be telling a woman what to do?"

Hours before the interview, Harris had described to a crowd of mostly women in Savannah, Ga., how as a former prosecutor she viewed the state's six-week abortion ban, which has exceptions for rape and incest but only with a police report. "I know it's a difficult conversation to have, but we need to face reality," she


told them, walking through what a woman would have to deal with to obtain a police report in such a scenario. She then added, "Please do understand who is to blame: The former president, Donald Trump."


Ahead of the re-election campaign, Democrats privately expressed concerns about Harris's place on the ticket. Her backers maintain that Harris, the daughter of Indian and Jamaican immigrants, has been held to a different standard from past vice presidents, including Biden. Many now acknowledge Harris is on a firmer footing campaigning on abortion access, but they still aren't convinced she should be anointed as the party's future leader.

Cyrena Martin, executive director of a Milwaukee nonprofit that helps women affected by domestic and sexual violence, said Harris's remarks on abortion access in Wisconsin were what she and other Black women needed to see to get excited about voting for Biden.

She also said Harris was "absolutely ready" to serve as president if needed, but her concern is whether others would see that. "It's always been a question whether people would vote for a woman, especially a Black woman," she said. "It's looking like a hard win right now as it is."


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Special Advertising Feature

**Jae Evans**

Global Chief Information Officer
and Executive Vice President,
Oracle

How CIOs Can Leverage Cloud and AI to Drive Growth

New technologies spur the deployment and scaling of workloads to support innovation

Enterprises are accelerating IT modernization, using cloud infrastructure and artificial intelligence to drive innovation and growth. The right cloud platform can allow rapid deployment and scaling of workloads to support business needs. Like its customers, Oracle uses its own Oracle Cloud Infrastructure (OCI) for efficiency and to create new opportunities with technology.

In this interview, Jae Evans, Oracle's global chief information officer and executive vice president, discusses how businesses can use the cloud and AI cost-effectively and securely to create real business value.

Cloud adoption has grown rapidly in recent years. What are some factors driving CIOs to increase their use of the cloud now? What do you believe can help fuel further adoption?

CIOs know that the cloud provides the cost-effective, on-demand agility their businesses need. They're now focusing on integrating best-of-breed cloud solutions to precisely fit their business needs.

Some organizations require more control and privacy. Oracle helps accelerate cloud adoption by supplying deployment options that support hybrid, private or multcloud solutions.

Improving the resilience of IT systems is a priority for many CIOs. How can they boost reliability without slowing other projects?

The cloud is a catalyst for innovation while also improving reliability. When we migrated our on-premises workloads to the cloud, we saw a significant uptick in our performance and reliability metrics. Because we focused on automation and revamping our workflows, we also saw a notable reduction in errors from manual processes and were able to onboard workloads much faster. Now that we run in the cloud, we can rapidly adopt innovative technologies that come first to the cloud, such as AI, to drive new value for the business.

How is generative AI accelerating cloud usage?

The demands of generative AI require extensive investments in infrastructure. These large capital expenditures make it impractical for most companies to develop artificial intelligence capabilities on their own. It's much more cost-effective for businesses to leverage cloud-based generative AI, especially an offering that integrates the technology wherever they need it.

What is a real-world generative AI use case that you have implemented at Oracle?

We've identified and piloted use cases with positive outcomes. One simple example: Anyone who's ever worked in a large company can probably point to a time when they struggled to fix a malfunctioning laptop or application. Using generative AI trained on large amounts of data from various sources, our employees can now pinpoint answers to the most common questions more quickly. This has led to a considerable improvement in response and resolution times.

As CIOs consider generative AI solutions, what are some obstacles, risks and potential issues to look out for?

Your generative AI results will only be as good as the data feeding your model. Human oversight, and a strong understanding of the sources and quality of your data is important. Partnering with a provider that offers a robust data management platform, including curation, analytics and security, helps companies confidently use this technology.

Also, no one should implement tech for tech's sake—CIOs should deploy a technology only after determining that real, demonstrable business benefits will likely result.

Along with data quality, how critical is the security of data in the cloud?

Safeguarding your information should be the highest priority. The threat landscape changes constantly and requires the expertise and vigilance of a cloud partner focused on providing a robust security posture. Having a trusted cloud provider that manages the privacy and security of your data is a top priority and, frankly, one of Oracle's key differentiators. We take a zero-trust approach and benefit from OCI's security-first design principles that make security paramount and foundational to the cloud. By leveraging OCI, we reduce risk from external and internal threats with features like strong identity management and fine-grained access control, as well as automatic threat detection and remediation.

Given the current climate of macroeconomic uncertainty and businesses' related hesitation on spending, how can they be assured that cloud is a cost saver?

Do your research on cost versus performance in evaluating cloud providers. Checking compute and storage rates as well as network ingress/egress charges will help with your selection. Also, model out your usage growth over the next three to five years. What feels small can quickly add up to rather large numbers. When you're paying by the minute, speed matters, so if your cloud is twice as fast you pay half as much.

Like many of our peers, we have sometimes spent more on cloud resources than expected. Using the Oracle Cloud Advisor tool, we now have the transparency needed to optimize the utilization and cost of our OCI resources. The tool pinpoints underutilized compute resources and suggests ways to "right size" them. As an example, it can be used to ensure that you have both the correct number of hosts for your needs and the proper sizing in terms of processors and memory. We cut our compute footprint by 50% with this tool alone. This optimization has allowed us to lower our cloud infrastructure costs, which we pass on to our clients.

Our customers can use Oracle Cloud Advisor free of charge to identify their cloud costs, report on who's spending what and provide an organizational view of spending. Once it finds underutilized resources, it recommends actions to remedy the issue.

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WORLD NEWS

Israel Proposes Evacuation Before Attack

Biden administration warns against the assault without plan to protect civilians

TEL AVIV—Israel is proposing the creation of sprawling tent cities in Gaza as part of an evacuation plan to be funded by the U.S. and its Arab Gulf partners ahead of an impending invasion of a city in the strip's south which Israel says is the last bastion of Hamas.

The proposal, which recently

By Summer Said,
Rory Jones and
Carrie Keller-Lynn

was presented to Egypt, came as the Biden administration warned Israel against going into Rafah without a detailed plan to protect civilians. Israeli officials pushed back, saying they must carry out a ground offensive in Rafah to eradicate Hamas.

The proposal includes establishing 15 campsites of about 25,000 tents each across the southwestern part of the Gaza Strip, Egyptian officials said. Cairo would be in charge of setting up the camps and field hospitals, the officials said.

The plan indicates that Israel is planning an invasion of Rafah, despite U.S. and Egyptian concerns. Cairo has said that it would suspend a 1979 peace treaty with Israel if Palestinians cross the border from Rafah to flee an Israeli offensive, The Wall Street Journal has reported.

The office of Israeli Prime Minister Benjamin Netanyahu declined to comment on the proposal. The Egyptian government couldn't be reached to comment.

President Biden, who was speaking at the White House on Monday after meeting with Jordan's King Abdullah II, said the U.S. is working on a deal between Israel and Hamas that he said could bring an "immediate and sustained period of calm to



Palestinian children walk under the remains of a mosque, which was destroyed in an Israeli bombing on the city of Rafah in the southern Gaza Strip.

Gaza for at least six weeks," during which time they could work toward a more enduring halt in the fighting.

King Abdullah, whose kingdom is home to a large population of Palestinian refugees and their descendants, called for a cease-fire.

"We cannot afford an Israeli attack on Rafah. It is certain to produce another humanitarian catastrophe," he said. "We cannot stand by and let this continue. We need a lasting cease-fire now."

Benny Gantz, a senior Israeli minister in the war cabinet, said there was "no question" about a broad operation in Rafah and that Israel would do what is needed to allow for its

freedom of action there, including evacuating the population.

The camps, which are expected to be funded by the U.S. and its Arab partners, would include medical field clinics. Egypt would decide in coordination with Israel on how wounded Palestinians could exit Gaza, Egyptian officials said.

The outcome in Rafah is important politically for President Biden, who is facing growing criticism domestically for his backing of Israel. He is locked in a fight for re-election against likely Republican candidate Donald Trump, who also vocally supports Israel and could use any shift in U.S. tone or policy to attack the

president.

Even as Biden has broadly backed Israel, his administration has become increasingly critical of Israel's prosecution of the war and a potential operation in Rafah, and is instead pushing for a negotiated settlement. For now, U.S. officials said they don't believe an invasion of Rafah is imminent.

Central Intelligence Agency Director William J. Burns is expected to travel to Cairo on Tuesday to engage in more Hamas hostage talks with senior officials from Egypt, Qatar and Israel, officials said. Officials declined to discuss specific goals for the meeting.

In a phone call with Netanyahu on Sunday, Biden said Is-

rael should only move ahead with a military operation in Rafah with a credible plan to protect civilians.

The U.S. has made it clear that it won't under any circumstances support a plan for such an invasion and that it would prefer to see targeted operations, officials said.

For Netanyahu, too, the stakes are high. He is under pressure to deliver what he can tout as a victory against Hamas after he was at the helm on Oct. 7 when the militant group launched an attack that Israeli authorities say killed at least 1,200 people, mostly civilians. The assault is considered to be Israel's biggest security failure since its founding in 1948, and

the Israeli leader has faced calls to resign.

"You have to dismantle Hamas as a [military] force that controls territory," he said on ABC. "We're well within reach, and we shouldn't stop."

Israeli airstrikes overnight in Gaza killed 164 people, including dozens in Rafah, health authorities in Gaza said Monday. Images and videos posted on social media appeared to show explosions in the strip and Palestinians evacuating civilians to hospitals.

The Israeli military said the strikes focused on Hamas targets that could have disrupted the rescue operation and that it was looking into the deaths of uninvolved civilians.

How Elite Team Freed 2 Hostages

Continued from Page One
tion centers of Hamas, to prevent the group from having a real-time picture of the raid, according to Israeli military spokesman Daniel Hagari.

More than a million Palestinians have crowded into the city of Rafah, seeking refuge from Israel's offensive against Hamas to the north. But the war has been closing in on them. On Sunday, Prime Minister Benjamin Netanyahu vowed on U.S. television that the Israeli military would enter Rafah, which he called the last bastion of Hamas. Israel is proposing setting up sprawling tent cities as part of an evacuation plan for those sheltering in Rafah.

The rescue of two hostages brought a glimmer of hope for Israeli families with loved ones still held captive in Gaza and offered a moment of optimism for the nation.

For Palestinians in Gaza, however, the operation was another reminder of how exposed they are to Israeli military operations.

"I truly believed it was our end," said Hanan Harbi, a doctor's secretary who had sought refuge in Rafah with her five children.

'Diamonds' in hand

Nearly 70 Palestinians were killed in the operation, mostly in airstrikes, according to health authorities in Gaza. The figures don't distinguish between militants and civilians.

As the rescue operation unfolded, many Palestinians in the city said they thought the invasion had begun. They weren't the only ones.

Around 2 a.m., phone alerts went off at the military headquarters in Cairo, Egyptian officials said. Panic ensued among defense officials. They thought Israel had started the offensive, which risked pushing a wave of Palestinians into Egypt, without telling them.

In Israel, Netanyahu had gathered with top officials—

including Defense Minister Yoav Gallant and Ronen Bar, the director of the country's security agency Shin Bet. They watched live footage of the rescue from a Shin Bet special operations room in an undisclosed location.

Netanyahu later said he had watched the rescue team place the explosive charge. Seconds later, he said, the team reached its target. A voice could be heard over the radio: "The diamonds are in our hands."

It was code for the two men.

Time in captivity

The two men—Fernando and Luis—had been taken on Oct. 7, along with Fernando's sisters Clara Marman and Gabriela Leimberg, as well as Gabriela's 17-year-old daughter, Mia. Luis is Clara's partner.

Clara, Gabriela and Mia were released in late November as part of a one-week cease-fire deal between Hamas and Israel.

All five of them were kept in one residential house, Clara Marman told The Wall Street Journal in an interview last month. Luis, who has four children and 10 grandchildren, didn't have his hearing aid or the medication he needed for high blood pressure and diabetes.

They kept track of time by listening to the Muslim call to prayer five times a day. Each prayer had a different tune. Mia and Clara would count the days.

To pass time, the adults in the family told Mia stories about their life on the kibbutz, including how Clara and Luis met when he was working at the kibbutz factory.

Sometimes they heard buzzing outside from what they thought were Israeli drones trying to collect intelligence. When it was possible, they would try to speak louder, in the hope their voices would be detected by the drones.

When the family had to split up as the three women were released in November, their captors gave them only a bit of time to say goodbye. Clara's eyes welled up in tears as she recalled her separation from Fernando and Luis. "They tried to play it cool but I could tell they were devastated," she said.



Luis Har, top left, embraces relatives Monday after being rescued from captivity. Fernando Simon Marman, above right, is reunited with family, in photos released by the Israeli military.

A daring rescue

Before rescuing Fernando and Luis, Israeli forces prepared for a month, the head of the police SWAT team said. The operation was a collaboration between various Israeli forces, including an elite group of police officers, Shin Bet and the Shayetet 13—Israel's equivalent of U.S. Navy SEALs.

"We waited for the right timing and intelligence to move in," Israeli military spokesman Lt. Col. Richard Hecht said on Monday.

The decision to go ahead was made as negotiations to release hostages stalled, said David Tsur, a former com-

mander of the police SWAT unit. "If the deal had progressed, I think they would have canceled the operation," said Tsur.

The rescue team likely spent weeks practicing how they would enter the home and deal with potential complications posed by being in a dense neighborhood, Tsur said. They would have planned the precise timing of each movement and task, he said.

"From the moment you explode the door, you're already exposed," Tsur said. "You have a few seconds to get to the terrorists and eliminate them. Then begins the evacuation operation."

As they were evacuated

from the building early Monday, the two men and their rescuers came under fire as they walked down a narrow road in Rafah, according to aerial video footage released by the Israeli military.

"The forces have started to move along the route," an Israeli officer can be heard saying to his colleague. A tank convoy can be seen moving along the road.

The Israeli military said that it carried out strikes for about one hour as the men were whisked out of Gaza. At nearby Kuwaiti Hospital, the wounded began flowing in.

Musa Masaad, a 21-year-old Palestinian who was staying with relatives in the neighbor-

hood where the raid took place, started checking on his family members after being awakened by deafening blasts. He said he could see bodies outside on the ground.

A bit further away, Ameen Abu Taha, 34, was sleeping in a tent in a neighborhood of Rafah that the Israeli military had designated a safe zone. He held on to his daughter and brother's four children, and urged them to go back to sleep.

"I honestly thought we were going to die," Abu Taha said.

'We love you!'

As the city of Rafah reeled from the strikes, Fernando and Luis were almost out of harm's way.

As they were being taken in a vehicle to a helicopter, they were greeted by members of the Shayetet. "Welcome back. How are you guys? How are you feeling?" they asked the men.

"Shocked, shocked, all right," said one of the men, according to a video released by the Israeli military. They were buckled in and asked whether they wanted a blanket and water. One of the officers offered the men shoes since they were still barefoot. "We love you!" said someone in the crew.

Just after 3 a.m., Fernando and Luis landed at Sheba Medical Center, where they were greeted by family. There were long hugs and tears. Fernando held Gabriela tightly, while Luis embraced his daughter Natali Afgan. A medical staff member in green scrubs smiled on the side.

"I'm still speechless really," said Maayan Sigal-Koren, Fernando's niece. "We're all still shocked here."

"We waited for this. We dreamed about this for a very long time," Gefen Sigal Ilan, Fernando's niece, told Israeli radio on Monday.

—Abeer Ayyoub and Summer Said
contributed to this article.

Watch a Video

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FROM PAGE ONE

Old Prisons Open to Weddings

Continued from Page One

Switzerland. How does one land in prison for a ceremony? After connecting on Tinder, Australians Taylor and Mitchell Moore had their first date at a cinema night at Fremantle Prison, in Western Australia, which closed as a prison in 1991 and is now a U.N. designated World Heritage site.

"He knew that I have a huge interest in true crime so he bought us tickets," recalls Taylor about the event, where they watched a screening of the movie "Con Air"—about a

group of America's deadliest criminals hijacking a prison transport plane—on the grassy Fremantle grounds while munching snacks from a food truck.

When the couple got engaged, they started shopping for venues only to find that many, while lovely, had no special meaning for them. Taylor was intent on a wedding that captured their quirks "rather than it being a typical white wedding." So they inquired with the prison and were impressed by some of the options, including that guests could take a tour of the prison while the wedding party was getting photos.

"We had a brilliant idea of getting married at Fremantle Prison then having the theme of 'til death do us part' and being able to include 'sentenced to life' in our wedding," says Taylor. The couple

tied the knot at Fremantle on Aug. 4, 2023, and say their guests still talk about their one-of-a-kind venue.

Beth Banasik and Martin Ball also looked at many wedding venues for their wedding before choosing Fremantle Prison. "There was something about it that stuck with us. I'm not sure I can aptly describe it," says Banasik. "It may have been the exquisite limestone walls and the contrast of the green grass and trees against them." She also liked the opportunity for guests to enjoy the "highlights tour" of the prison between the ceremony and reception.

"Very practical," she says. "Our guests loved the tour and were talking about it all throughout the reception."

The Cell Block, a former jail in Clifton, Texas, now runs as a bed-and-breakfast, a nice "escape" where one can "relax

in the Prison Yard on the rooftop deck" as the website notes.

Philadelphia's Eastern State Penitentiary doesn't do weddings on Valentine's Day—for the simple reason that it costs so much to heat the space inside its cold walls; it doesn't book rentals before April. That's fine for couples willing to wait for warmer weather—and perhaps for wedding savings, since former prisons generally cost less than a country club.

Lauren Bockmeyer and Eugene Janda, both in their 30s, held a Wednesday night wedding last summer at Philadelphia's Eastern State Penitentiary and said they were charged \$3,600, which Bockmeyer says was a small discount partly because it was a weekday and they live in the neighborhood. (A spokeswoman for Eastern State says

site rental prices vary depending on the specifics of each event.)

The former prison provided chairs and tables for 55 guests and the couple says they brought a food truck (items included Kimchi lettuce wraps and scallion pancakes) onto the yard but couldn't hang decorations as the prison doesn't want to damage the original walls. They used floral decorations instead.

The 200-year-old Shrewsbury Prison in England, which was decommissioned in 2013, says it is a perfect wedding venue for those looking for a place that will be "truly unforgettable for your very special day." It is converting several tiers into a 20-bedroom hotel.

Shrewsbury Prison, now run as a tourist attraction, already accommodates group events and on Valentine's Day will host a nighttime Ghost

Tour. "Your date will definitely need a hand to hold," says marketing manager Uisce Ruocco.

Or take the Ohio State Reformatory in Mansfield. Opened to convicts in 1896, then closed in 1990, it became the film location for 1994 movie "The Shawshank Redemption." This month, Mansfield is launching a \$1-million fundraising campaign to restore the West Cell Block that's deteriorated since Shawshank wrapped.

"Are you looking for an incredibly unique Valentine's gift? Better than a prison tattoo, sponsoring a cell at Shawshank will forever put your loved one's name not only on your heart, but also on a piece of history," was one draft the marketing team considered.

They settled on a simpler Valentine's Day tagline: "Lock-down Your Love."

How China Got to a Baby Bust

Continued from Page One

quickly shrinking number of women of childbearing age—more than three million fewer than a year earlier—and acknowledged "changes in people's thinking about births, postponement of marriage and childbirth."

Some researchers argue the government underestimates the problem, and the population began to shrink even earlier.

Following the data release, researchers from Victoria University in Australia and the Shanghai Academy of Social Sciences predicted that China will have just 525 million people by the end of the century. That's down from their previous forecast of 597 million and a precipitous drop from 1.4 billion now.

"Our forecasts for 2022 and 2023 were already low but the real situation has turned out to be worse," said Xiujian Peng, a senior research fellow at Victoria University who leads the population research in Melbourne.

China's fertility rate is approaching one birth for every woman, less than half the 2.1 replacement rate that keeps a population stable. In the late 1970s, the fertility rate hovered around 3.

At the time, China was coming out of the chaos of the Cultural Revolution and about to embark on economic reforms. The country's leader, Deng Xiaoping, and other officials became alarmed when a group of scientists told them that unless they started restricting births, China would have more than four billion mouths to feed in a hundred years.

An essay by some of the scientists published by the official People's Daily in early 1980 suggested China's search for a response to overpopulation "points to bringing the fertility rate down to 1...each couple having only one child."

That fall, China started enforcing the one-child policy nationwide—but the calculations had missed some crucial factors.

Population fears

China wasn't the only country worried about overpopulation at the time. The rapid rise in the global population in the 1960s and '70s prompted fears that humanity would reproduce faster than food production could rise, an idea argued nearly two centuries earlier by economist Thomas Malthus.

Chinese officials were increasingly reviving scientific research after the Cultural Revolution. While social scientists had been persecuted by Mao's Red Guards, others doing work related to the military had been partly shielded.

The group included Song Jian, a protégé of the father of China's atomic-bomb program and one of China's top scientists working on satellites and rockets. Song had studied in Moscow, where he got advanced degrees in a branch of mathematics known as control theory and in military science. Military officials sent him to a launch site for rockets and satellites in the Gobi Desert to escape the chaos of the Cultural Revolution.

Song, who eventually became China's senior cabinet member heading science and technology, is now 92. He



A woman held a baby in Shenzhen last year. Beijing has said its one-child policy prevented 400 million births.

didn't respond to requests for comment sent to the State Council and the Chinese Academy of Engineering.

In 1975, Song had been part of a Chinese academic delegation visiting the University of Twente in the Netherlands, where he got to know a Dutch mathematician, Geert Jan Olsder. Three years later, the two met a second time, at a conference in Finland.

Olsder, now in his 80s, said he talked about how his research with other mathematicians had been inspired by the warnings about finite global resources and how mathematical models could be applied to birthrates.

Song spoke with the others in fluent English and showed a clear interest in mathematical modeling, Olsder wrote in an email. If the two hadn't met, he said, he's sure that some kind of population policy would have started in China, but perhaps a little later. "I feel like a domino stone in a long series of such stones," he wrote.

Song refined his modeling over the next few years, and with a team of scientists began calculating how different fertility rates could affect China's population size. In late 1979 he began to present officials with reports based on their modeling. He calculated that, at a constant fertility rate of three babies for every woman, China's population would hit 4.26 billion by 2080.

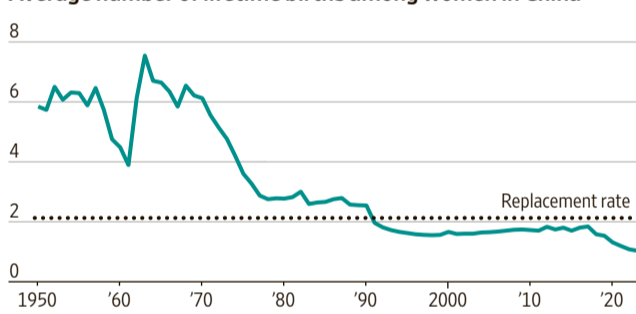
With his computer-assisted mathematical models and political connections, Song caught the attention of top leaders. He argued that rapid population growth would prevent China from becoming a rich, modern country, said Susan Greenhalgh, an anthropologist at Harvard University who has written books about the one-child policy.

"He used a frightening narrative of a coming demographic-economic-ecological crisis to persuade people," she said.

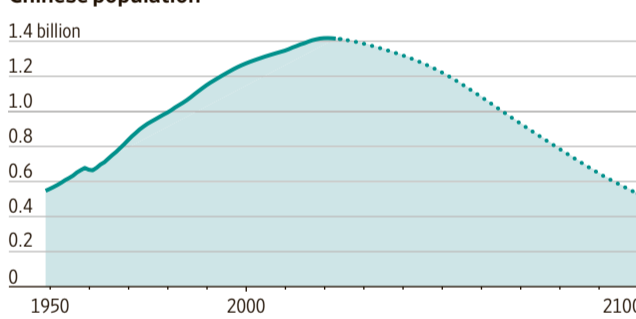
To ward off skepticism, officials said China could switch gears if births dropped too much. "In 30 years, the current problem of especially dreadful population growth may be alleviated and then [we can] adopt different population policies," the Communist Party said in an open letter in 1980.

Within a little more than a decade, the fertility rate had dipped below the replacement rate. The cohort of young women was still massive, which kept the population

Average number of lifetime births among women in China



Chinese population



Sources: United Nations (historical births); Shanghai Academy of Social Sciences and Victoria University, Australia (2023 births forecast, population forecasts); National Bureau of Statistics (historical population data);

growing. But the number of newborn girls was quickly dwindling.

As the decades passed, a growing number of demographers and economists called out the policy as outdated and flawed. China's fertility rate would have gone down on its own as life expectancies rose and economic conditions improved, they say.

Impact

One factor missing from Song's population math was human behavior. The government's sometimes brutal enforcement, including forced abortions and sterilizations, as

well as decadeslong propaganda about the benefits of having a small family, left a lasting one-child mindset. The modeling also failed to take into account the traditional preference for sons. If couples could only have one child, they would prefer to have a boy.

Young women are now at the core of China's demographic dilemma. They are increasingly reluctant to have children—and there are fewer of them every year.

Greenhalgh, the Harvard anthropologist, said that the women growing up under the one-child policy were raised in line with Beijing's goals of a smaller but what it called

"higher-quality" population: well-educated, savvy and independent. "These women are not going to accept going back to the family to be housewives," she said.

Apart from cultural and social changes, Song's model hadn't taken into account economic forces, such as the enormous migration flows to cities unleashed by Deng's reforms, which played a bigger role than anyone had imagined in pushing down fertility rates, researchers have said.

Zuo Xuejin, a retired demographer who is leading the research team at the Shanghai Academy of Social Sciences, sounded alarms about demographic implosion more than a decade ago, saying the conditions that may have warranted birth-restriction measures had all faded away.

"For many years overpopulation was China's major concern. It was difficult to convince the government and the public that China will have the problem of fast decline and aging of the population," Zuo wrote in an email.

Song has said he believed it had been a good call. China had successfully defused the bomb that could have led to a "population explosion," he wrote in a 2010 essay published by the University of Jinan, his alma mater. "Zero growth [in population] is the destiny of modern mankind and an urgent task for contemporary China," Song wrote. He estimated China's population wouldn't start shrinking until after 2035. He was off by more than a decade, with official data showing the drop starting in 2022.



A billboard in Chengdu promoted China's one-child policy in 1985.

Beijing has said the policy prevented 400 million births, a claim it has often put forth as a kind of Chinese gift to the world, including at the 2009 climate summit in Copenhagen. Demographers have disputed the figure, saying China's fertility rate would have gone down on its own as economic conditions improved.

Even when Beijing dropped the one-child policy in 2015, leaders didn't abolish birth restrictions altogether. Instead, it just pivoted to a two-child policy. Now, Beijing is urging people to have three, trumpeting the need to return to a "birth-friendly culture."

Entrepreneurs, economists and demographers have tried to convey the idea that China needs more babies.

James Liang, co-founder and chairman of travel service provider Trip.com Group and a research professor of economics at Peking University, co-founded YuWa Population Research Institute, a private think tank focused on demographic and public policy analysis.

Liang estimated that China needs to devote 5% of its gross domestic product—roughly equivalent to its education spending—on direct subsidies to promote births and lower the costs of raising children in order for the fertility rate to recover to 1.4, the average rate of advanced economies. His company gives its long-term employees an annual cash bonus of 10,000 yuan (\$1,406) for each of their children until they are 5 years old.

Catching up

Demographers are trying to catch up on the rapidly falling births. The United Nations' population predictions for China, which were based on the country's 2020 census and assumed a fertility rate of 1.19, are already out of step with reality.

Patrick Gerland, head of the U.N.'s population estimates and projection section, said their computing tries to capture long-term trends and isn't made for rapid changes. He agrees with other researchers that put China's fertility rate closer to 1.0.

"In the case of a country like China where the fertility from one year to the next year has been changing so fast, we'll have smaller population [projections] than what we had expected two years ago," he said. The U.N. plans to update its forecasts in July.

Yi Fuxian, a senior scientist in obstetrics and gynecology at the University of Wisconsin-Madison and a critic of China's birth restrictions, has long argued the situation is even worse than official data suggests. Yi believes China's population actually started shrinking years ago, based on birth estimates pieced together from other available data, such as school enrollment and the number of vaccines for newborns. "All of China's population policies for decades have been based on erroneous projections," Yi said. "China's demographic crisis is beyond the imagination of Chinese officials and the international community."

Once a generation of young people has made up their minds, it's hard to change them, said Cai Yong, a sociologist at the University of North Carolina at Chapel Hill.

It's possible fertility rates could now increase with official messages and policies promoting bigger families to a newer generation, said Cai, but "if it's going to happen, it's not going to happen in the short term."



Parental Controls Don't Work. How to Keep Teens Safe Online.

Companies should protect kids—and parents should teach teens how to defend themselves



FAMILY & TECH
JULIE JARGON

Parental controls have failed—and it's not parents' fault.

For years, I've written about the tools that tech companies offer up when parents and lawmakers complain that their apps aren't safe for children. In the past five years or so, the major players have rolled out software to give parents more say over when kids can use devices and services and what shows up on their screens.

But these tools are optional and often buried, and sometimes broken. Most parents don't use them, according to a poll conducted last year by the market research firm Ipsos.

Do parents just need more awareness about the tools? Or should tech companies take on more responsibility to protect young people? Facing political

pressure, the social-media platforms are building in protections for underage users, and they should continue doing more. Parents need to look to conversations, not controls, to ensure their kids aren't meeting harm online.

It's time to reframe the discussion—and why I won't be recommending parental controls going forward.

What went wrong?

Think about this: Tech companies expect parents to have the time and skills to dig into their kids' apps. Every app the child uses has different controls and defaults, so it can be confusing and cumbersome. **Apple** promised a one-stop-shop solution with its Screen Time settings, but that has proved unreliable. When setting time limits and restricting apps and adult content, there have been problems syncing changes across devices. Apple has said it's working to fix these.

Young people have been harmed by social media in a variety of ways. In addition to the self-harm and eating-disorder content that

has gotten a lot of attention in recent Senate hearings and in *The Wall Street Journal*, there are new dangers cropping up all the time: Criminals posing as young girls online are now extorting money from teenage boys.

Mark Zuckerberg—who, as co-founder of Facebook and the man atop **Meta Platforms**, rules over a swath of the social landscape—apologized in person to parents of social-media abuse victims at a January hearing. He told senators that Meta has introduced more than 30 different tools and features to help parents and teens. On Instagram, for instance, comments and messages that contain triggering words and phrases can be hidden.

As a Meta spokeswoman confirmed, the company also has added default protections to provide age-appropriate experiences.

It's true, platforms *without* parental controls can present even more dangers to young users. But when kids get older, it's more important to educate them about the realities out there. "When they become teens, parental controls be-

come ineffective," says Stephen Balkam, founder of the nonprofit Family Online Safety Institute.

What tech companies should do

Social-media feeds don't have age-based ratings like movies or video-games. And there's no equivalent of the built-in parental consent that comes with buying a movie ticket or a game download. Some social-media companies have brought default protections to teen accounts—"teen" denoted by the stated birth date of the account holder.

Meta last month said it plans to automatically restrict teen Instagram and Facebook accounts from seeing harmful content, including videos and posts about suicide, graphic violence and eating disorders.

Also last month, Instagram turned off teens' ability to receive direct messages from people they

don't know or have no connection to on the app. Since 2021, it has blocked direct messages from people ages 20 and older whom teens don't follow, so this adds protection from other strangers—either fellow teens or people who created accounts to pose as teens.

TikTok, which doesn't allow direct messaging for users under 16, last year added a tool to help parents filter out videos containing words or hashtags they don't want their kids to see.

Even though no one under 13 is permitted to have a social-media account, it's an honor code, and it isn't policed. Several states have proposed or passed laws requiring social-media companies to verify users' ages and get parental permission to create accounts. But there isn't currently a system that can do so without raising privacy concerns.

What parents should do

Parents can't expect teens to set their own safety settings: Many teens don't know where to begin. In a late-2021 survey of teens and young adults by FOSI, only 56% of respondents said they knew about the settings social-media apps had to offer; the rest weren't aware of any safety tools.

Balkam recommends shifting from helicopter parenting to what he calls "co-pilot parenting."

Sitting with your teens and going over the safety settings on their apps help them anticipate the dangers they might face. Balkam adds that when parents and teens work together to devise a set of tech rules—and the consequences for breaking them—teens are more likely to abide by them.

The American Academy of Pediatrics recommends a similar approach. It says parental restrictions and monitoring stifle teens' ability to solve problems. A number of studies have shown that using parental controls can undermine teen autonomy and harm the parent-child relationship.

The AAP suggests parents and teens work together to define family guidelines for tech use and to develop strategies for what to do when they encounter disturbing

content. The organization offers a customizable family media plan to help you get started.

In my house, we have one major rule: No devices in bedrooms at night.

Teaching good tech habits requires repetition—and allowing kids to learn

the natural consequences of their actions. If I go to bed earlier than my 13-year-old son, I remind him to get off the screens and go to bed at a decent hour (translation: no later than 10 p.m.). On the few weeknights he stayed up too late, he woke up groggy and had to struggle through the school day.

Teaching good tech habits to teenagers requires repetition.

No Holding Back on Celebrity Affection

BY LAURA NEILSON

The end of the Super Bowl Sunday night played out more like a rom-com finale.

When Taylor Swift and Travis Kelce reunited on the field after the Kansas City Chiefs beat the San Francisco 49ers in overtime, they fell into each other's arms and kissed at least five times. This was after the singer's dramatic arrival off a 5,700-mile flight from Tokyo to make it to the game on time.

Celebrity PDA—public display of affection—has spiked to feverish levels off the football field, too. We're awash in starry-eyed stars kissing and nuzzling or, if the couple is Kourtney Kardashian and Travis Barker, full-on making out on the Emmys red carpet. At this year's Golden Globes, Kylie Jenner and Timothée Chalamet repeatedly locked lips at their table, while Bill Hader and Ali Wong engaged in a lingering on-camera kiss after Wong won the award for best actress in a limited series. Kieran Culkin used his acceptance speech after winning best actor in a drama series to ask his wife for another child. "I want more," he said. "You said 'maybe' if I win! I love you so much."

Connell Barrett, a New York dating coach, said that

he believes this PDA comes from a sincere, swept-away place, and that, as born performers, celebrities can't help wanting to show off their love stories. "They're playing the role of genuine, affectionate partners, but they're also inhabiting their role as celebrities and public figures who are giving the people what they want," Barrett said. "They're like smitten gladiators saying, 'Are you not entertained?'"

Swift and Kelce have also kissed and hugged on the field following the Chiefs's Super-Bowl-clinching victory against the Ravens (while Swift was wearing a diamond tennis bracelet decorated with the letters "TNT"). In another playoff game, Kelce directed a "heart hands" gesture up toward Swift in a stadium suite as 50 million viewers watched.

Meanwhile, Selena Gomez and her new beau, music producer Benny



◀ Travis Kelce and Taylor Swift kissed at least five times on the field after the Kansas City Chiefs won the Super Bowl on Sunday.

dian David Letterman, who's better known for his snarky wit than sentimental declarations, posted a video of himself on Instagram in which he proclaimed his enthusiasm over their romance. "This is such a lovely thing," he went on: "It's something positive and happy for the world."

Onlookers can be turned off by PDA that's too overt, proclaiming that the relationship might be more of a showman than real love. Swift and Kelce have been subject to scrutiny around the legitimacy of their relationship.

Body language expert Blanca Cobb cites Kelce's viral heart-hands gesture as proof the relationship is genuine, believing it was too spontaneous to be otherwise. "It all happened so quickly," she said. "Think about it—when you've just made a touchdown, so much is happening. You feel on top of the world. Everyone is excited for you. The coach is happy, the fans are going nuts. But your mind is still on your partner who's watching from up in a box."

Celeb PDA might also influence the public's willingness to reach for their own non-famous partners while others are watching. "When we see other couples engaging in that behavior, it normalizes it for everybody else, particularly if we like the behavior that we're seeing," Cobb said. "It's like, well this couple is doing it, and look at the response—look how it brings them closer together. You can't help but want that for yourself."

While the Super Bowl marks the end of the NFL season, the odds of celebrity PDA receding seem slim. Valentine's Day is Wednesday, and the Oscars are next month.

Blanco, have become perpetual cuddlers, seen everywhere from awards shows to courtside at NBA games, as well as in cozy snapshots posted in Gomez's Instagram stories. A recent photo of Gomez snuggling in Kelce directed a "heart hands" gesture up toward Swift in a stadium suite as 50 million viewers watched.

Our tolerance for this kind of entertainment may have increased. In the late 1990s, Tommy Lee and

Pamela Anderson publicly licking each other's tongues was derided for being cringey. Ditto for Ben Affleck's derriere-rubbing cameo in Jennifer Lopez's 2002 "Jenny From the Block" video. Nowadays, Kardashian and Barker's many red-carpet spit-swapping sessions made fans root for the pair, while their three weddings became the subject of a TV special, "Til Death Do Us Part: Kourtney & Travis."

"We've all gotten so used to having access to others' private lives, with reality dating shows and even kiss cams at sporting events, that it's really become so normalized," said Patrice Le Goy, a Los Angeles-based family and marriage therapist.

Of Swift and Kelce, come-



◀ Selena Gomez and her new beau, music producer Benny Blanco, have become perpetual cuddlers, from awards shows to courtside at NBA games.

▶ Kylie Jenner and Timothée Chalamet have been spotted locking lips at tennis matches and awards shows.



PERSONAL JOURNAL.

By BEN EISEN

WORK & LIFE

Bosses Are Expected to Deliver Critical Job Reviews This Year

Companies want to squeeze more productivity from workers in their push for greater efficiency

Chances are your boss will give you some brutal feedback this year. That's not necessarily a bad thing.

This moment in workplaces is all about efficiency, and corporate leaders want employees operating at full capacity. Trimming costs where they can, they're not fretting if an underperformer walks away.

Long gone is the pandemic era of work, when managers gave performance issues a pass. Back then, hiring, not firing, was the order of the day, and companies feared tough love would drive away stressed-out talent.

Businesses' mantra now is: "Make sure every seat is filled by the right person," says Dave Carhart, people-strategy adviser at human-resources software company **Lattice**. In fact, performance management, as it's known in HR speak, is the priority for nearly 40% of HR professionals this year, the highest share in recent years, survey data from Lattice show.

McKinsey, for example, recently put about 3,000 staffers on notice with unsatisfactory performance ratings, according to people familiar with the matter.

All of which means your review may sting a bit more than usual this year. Or sap your esteem or enthusiasm.

You can bounce back from a bad review, and even parlay it into an opportunity to demonstrate your problem-solving powers. What's important is to keep your defensive impulses in check and come up with a clear-eyed response plan.

Once you walk it off, a negative review could be the reality check you need to get your job back on track—or to find a new one that is more fulfilling.

Open your eyes

Erik Post says he was blindsided a few years ago with a review that said he met, but didn't exceed, expectations. In the months before, the senior customer success manager had been getting face time with top executives at his automotive software company. They were telling him he was doing great things.

He asked his boss why that wasn't enough to be considered an outperformer. He was surprised to learn that despite impressive work at times, he was inconsistent on the more mundane parts of his job, like helping or sharing information he'd gleaned from clients with his co-workers.

"I just kind of let myself rest on those laurels," says Post, now 38 years old.

Painful as the criticism was, it made him realize he needed to get better at the day-to-day of being a team player, he says. He began passing on to colleagues more of the tools he learned from client calls. He also realized he had fallen into a rut. He changed jobs internally, and then moved to another industry altogether.

These days, he is the one setting up meetings with his bosses to figure



out how he can improve, he says.

To avoid a nasty shock, take a cold-eyed inventory of your performance beforehand. Ask yourself what you did well and not so well in recent months, and make a list of your most valuable contributions. Seek out honest feedback from colleagues, too. Supervisors are often lousy at delivering candid feedback in the normal course of the job, making it easy to be lulled into thinking you're doing well enough, company executives and career coaches say.

Among employees who received the worst grade in their reviews last year, 38% had rated them-

▼ **Following his performance review, Erik Post realized he needed to improve at being a team player.**



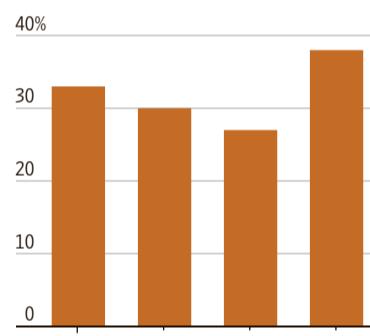
selves as highly valued, according to data from BambooHR, a software company that provides performance-review systems to employers. That's a higher share of unsuspecting underperformers than prepandemic, according to the analysis of nearly two million assessments that BambooHR conducted on behalf of The Wall Street Journal.

"New managers, especially, will shy away from having the hard conversations," says Gianna Driver, HR chief at cybersecurity company **Exabeam**, which uses role-playing exercises to train managers in delivering tough feedback.

But criticism is being doled out more liberally than in the recent past. Some employers, like education technology nonprofit **Khan Academy**, are increasing the frequency of performance check-ins so staff can more readily see how they're tracking against their goals. (The number of Khan Academy employees on performance-improvement plans more than doubled in 2023 from 2022, according to Regina Ross, chief people officer.)

Others, like compliance-training company **Ethna**, are making tough feedback harder to ignore. The company overhauled its reviews about a year and a half ago, attaching colors to each piece of critical feedback to make it clear how severe it is. Yellow signifies a nice-to-have improvement. Orange means failure to act could limit their trajectory at the company. Red sug-

HR professionals who say performance management is their top 2024 priority



Source: Lattice online surveys, most recent of 1,052 U.S. and global HR professionals conducted July 18-Aug. 26, 2023; margin of error: +/-3.2 pct. pts.

gests the person's job is at risk.

Ethna managers overused yellow at first, says Melanie Naranjo, the company's HR chief, but they came around to pulling out orange, and even red when necessary.

Call time out

Overly blunt feedback can be jarring to get, but you don't have to deliver a fully formed response on the spot, says Alisa Cohn, an executive coach. Especially if you feel your face getting red or another physical reaction, "that is a sign for you that you are having a bad moment and you should probably take a timeout," she says.

Try saying: "This is a lot to take in. Would you mind if we stop now and have a follow-up meeting to continue this discussion once I

have time to digest this?"

What definitely not to do: Blame other people, especially your boss.

It's ultimately up to you to rebrand yourself as someone who tops expectations, says Cohn. When a client of hers was told a lack of strategic thinking was holding him back, he identified people at the company known for their strategic acumen. He noticed they were experts in the broader industry and thinking long-term. He developed those same skills—and took pains to say so. He was promoted nine months later.

Ask your boss to be specific about improvements to make, but tread lightly. Some managers can't quite express themselves, and pressing for too many examples might sound confrontational. Instead, signal good intentions, which might mean using extra words to soften the message. Try: "Thank you for this input. I can't grow if I don't understand what I need to improve, so I really appreciate that you tried to give me constructive feedback. It would be really helpful for me to get specific examples."

And don't forget, sometimes bad feedback signals that it's time to pack your bags, says Susan Peppercorn, an executive coach.

"If the manager seems very distant and doesn't seem interested or invested in your career," she says, "then you have to really think about is this a place I want to work?"

—Chip Cutter contributed to this article.

AI Threatens White-Collar Employment

Continued from Page One

have attributed more than 4,600 job cuts to AI, particularly in media and tech, according to Challenger's count. The firm estimated the full tally of AI-related job cuts is likely higher, since many companies haven't explicitly linked cuts to AI adoption in layoff announcements.

Meanwhile, the number of professionals who now use generative AI in their daily work lives has surged. A majority of more than 15,000 workers in fields ranging from financial services to marketing analytics and professional services said they were using the technology at least once a week in late 2023, a sharp jump from May, according to Oliver Wyman Forum, the research arm of management-consulting group Oliver Wyman, which conducted the survey.

Nearly two-thirds of those white-collar workers said their productivity had improved as a result, compared with 54% of blue-collar workers who had incorporated generative AI into their jobs.

► **Google last month laid off hundreds of employees as it reins in costs and shifts more investments into AI development.**

Google laid off hundreds of employees last month in business areas including hardware and internal-software tools as it reins in costs and shifts more investments into AI development. The language-learning software company Duolingo said in the same week that it had cut 10% of its contractors and that AI would replace some of the content creation they had handled.

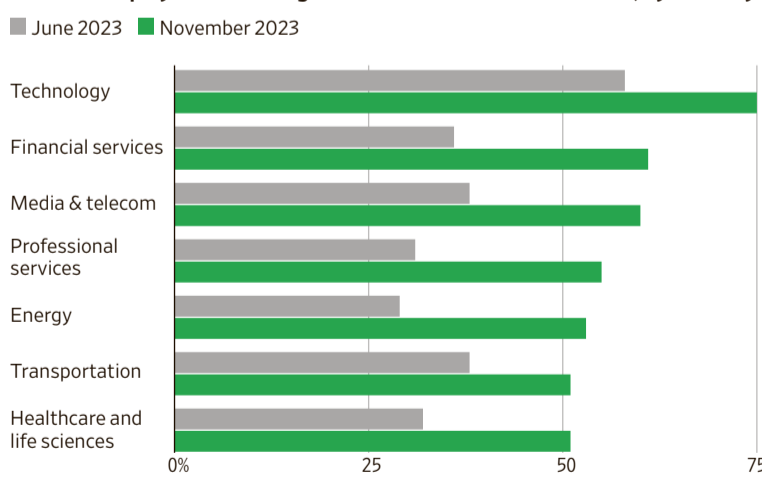
Disappearing jobs

Companies beyond the tech sector have embarked on similar AI transitions.

UPS said that it would cut 12,000 jobs—primarily those of management staff and some contract workers—and that those positions weren't likely to return even when the package-shipping business picks up again. The company has ramped up its use of machine learning in processes such as determining what to charge customers for shipments. As a result,



Share of employees who use generative AI at least once a week, by industry



Source: Oliver Wyman Forum surveys, most recent includes 15,277 participants from 16 countries conducted October-November 2023

the company's pricing department has needed fewer people.

The use of generative AI and related technologies is also changing some jobs at UPS "by reducing repetitive tasks and physical stress," UPS spokesperson Glenn Zaccara said.

As AI adoption grows, it is likely to reconfigure management hierarchies, the Oliver Wyman study projects. Entry-level workers are

likely to bear the initial brunt as more of their duties are automated away. In turn, future entry-level work will look more like first-level management roles.

The cascading effect could flatten layers of middle management, the staging ground for senior leadership roles, according to the analysis.

More than half of senior white-collar managers surveyed in the study said they thought their jobs could be automated by generative AI, compared with 43% of middle managers and 38% of first-line managers.

Still, business leaders across the economy said they expect the new technology will augment and elevate some white-collar roles, giving em-

ployees and managers the means to do more meaningful work—both for their companies and in their careers.

At **Prosus**, a global technology-investment group based in the Netherlands, executives said that is already happening as AI automates more of its workforce's tasks.

'A seniority boost'

"Engineers, software developers and so on can do the work twice as fast," said Euro Beinat, Prosus' global head of AI and data science. "One of the side effects is that a lot of these employees can do more and do slightly different things than we were doing before."

Prosus' web designers, for instance, used to ask software developers to do the coding. Now they can do it themselves, Beinat said. Meanwhile software developers can focus more on design and complex code. It is "a seniority boost," he said.

At **Chemours**, a **DuPont** spinoff, the company has trained close to 1,000 office and lab workers in AI applications during the past three years. As a result, finance professionals who used to prepare certain reports with a lot of copying and pasting between systems and spreadsheets now do it much faster because of their training with no-code analytic tools, said Matt Abbott, chief enterprise transformation officer at Chemours.

"The finance team is now able to use their time on other business-critical projects rather than constantly running system queries," Abbott said.

ARTS IN REVIEW

MUSIC REVIEW | MARK RICHARDSON

A Fumbling R&B Return

Usher's new album is clumsy and uneven, but it has a few highlights

Though he released his first two albums in the 1990s, Usher Raymond, star of Sunday's Super Bowl LVIII's halftime show, sits squarely at the center of R&B in this century. The genre has been a playground for innovation over the past 25 years, often blurring into rap and splintering into multiple offshoots, from sleek electronic club music to indie-informed singer-songwriter confessionals. But Usher is the master of R&B essentials, a singer steeped in history who has the smarts, flexibility and sheer vocal talent to adapt to shifting trends without losing his identity. He's the king of bedroom-ready slow-jams and understands the language of romantic drama, and he sprinkles in enough dancefloor-ready hits and hip-hop swagger to give his music an edge when needed.

But Usher went through a period of diminished relevance as the 2010s wound down. He aged out of being a chart-focused hitmaker and hadn't quite embraced his status as one of the genre's elder statesmen. A successful Las Vegas residency that concluded late last year after 18 months and 100 shows changed that, affirming that he's still performing at the highest level and that his catalog can stand toe-to-toe with any number of R&B greats. Given his resurgence and the gargantuan platform afforded by the Super Bowl, it was the perfect time for him to put out a new album and build the next phase of his legacy. "Coming Home" (Mega/Gamma), his ninth LP, came out two days before the game. It's decidedly uneven, with a handful of awkward moments and dull patches, but its best songs remind you how Usher attained his stature in R&B.

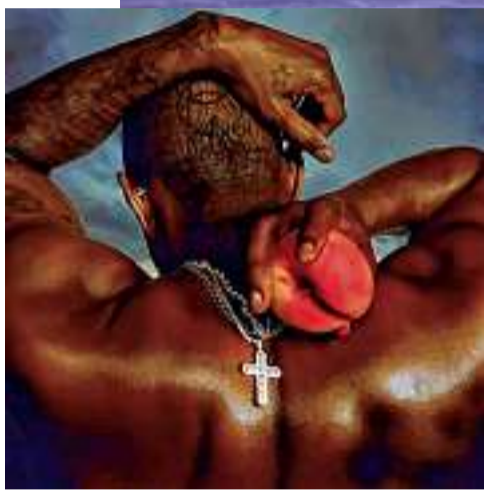
"Coming Home" is a lengthy release—20 tracks that together run over an hour—and the sequencing of the record inhibits its momentum. It's a weirdly choppy listen in which the guest-heavy numbers are concentrated in the front half. Nigerian singer Burna Boy is featured on the opening title track, and his style—gruff, whispered and flecked with digital processing—serves as an interesting contrast to Usher's more traditional croon, though the song itself is not especially memorable, a problem that becomes more of an issue later in the LP.

Much better is the following "Good Good," one of the LP's strongest cuts. It finds Usher with two very different artists—singer Summer Walker, whose half-spoken cadence draws heavily from hip-hop, and rapper 21 Savage, whose wide emotional range includes the tender side on display here. It has the trio meeting in the middle, exchanging lines about relationships in the shadow of a brilliant chorus hook. The fifth track, "Kissing Strangers," the record's first without a feature, is another highlight, with an exceptional vocal arrangement of Usher's swirling harmonies undergirded by a minimal beat to go with a clever and efficient lyrical conceit: "How'd we go from strangers kissing to kissing strangers?"

But for every winner, there's an underwritten vocal showcase or a slightly clumsy stab at humor. The third track, "A-Town Girl," bor-



Usher performing at the Super Bowl, above; his new album, 'Coming Home,' is out now.



rows its melody from Billy Joel's "Uptown Girl." While Mr. Joel's radio hits have become a common reference point in pop these past few years, the gesture here feels halfhearted, as if the most obvious choice arrived first during the songwriting process and Usher and the producers just went with it. "Bop," which appears almost halfway through the record, is one of several songs where the lyrics are intentionally light and a little silly, walking a line between a wink and a groan. "I still can't ac-

cept that loss like Mike Tyson," goes one of its many lines about heartbreak, some of which are amusing if they catch you in the right mood. The pulsing electro number "BIG" is even less charming, with cheap-sounding horns and sex-drenched lyrics that are supposed to be funny but are ultimately too goofy to be effective. "When I was a kid I would go to McDonald's / I would never order the small," goes one clunky line that is repeated several times.

If these tracks are distractingly corny, too many in the album's second half don't do enough to draw attention to themselves. "I Am the Party" and "Please U" are plug-and-play numbers that frame Usher's voice and do little else—they're just not very engaging on a songwriting level. But the penultimate track, "One of Them Ones," is warm and big-hearted—like the earlier "On the Side," it gives Usher an opportunity to show his gifts as a storyteller, someone who can sing a love story and carry the listener through every plot twist.

The record closes with Usher's remix of "Standing Next to You," a single by K-Pop superstar Jung Kook of BTS. It features a lush and slinky disco beat that stands out for being richer than almost anything else on "Coming Home," and one can't help but wish there was a bit more of such sophisticated production on the rest of the LP. Still, though "Coming Home" is far from a great album, it has a little of everything Usher does well and will help him to make the most of this moment.

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

ARTS CALENDAR

HAPPENINGS FOR THE WEEK OF FEBRUARY 13

By WSJ Arts in Review Staff

Film

"Madame Web" (Feb. 14)
The latest Marvel offering hopes to lure viewers in with Dakota Johnson's titular clairvoyant who struggles to use her powers to protect a trio of women from a dark, deadly force. Sydney Sweeney, Celeste O'Connor, Isabela Merced and Tahar Rahim also star.

"Players" (Netflix, Feb. 14)

Just in time for Valentine's Day and NBA All-Star Weekend: A sportswriter falls for a casual hookup in this rom-com featuring Gina Rodriguez, Damon Wayans Jr. and Tom Ellis.

"The Dynasty: New England Patriots" (Apple TV+, Feb. 16)

Pats haters who thought that the team would be out

funk duo returns with its first record in six years, a 15-track collection that member Dave 1 called "a meditation on modern, mature relationships."

Jennifer Lopez, "This Is Me . . . Now" (Feb. 16)

Inspired in part by the superstar's reignited romance with Ben Affleck, this album—her first in a decade—drops the same day that a film about the singer streams on Prime Video.

Art

"Klimt Landscapes" (Neue Galerie New York, Feb. 15-May 6)

A major show of the Austrian painter's landscapes, drawn from the museum's own holdings and international loans from institutions including MoMA and the Wien Museum, highlights significant works created during the artist's summer holidays in the countryside.

Videogames

"Skull and Bones" (Amazon Luna, Epic Games, Ubisoft Connect, PC, PlayStation 5, Xbox Series X/S, Feb. 16)

Set sail with this open-world adventure game that takes place during the Golden Age of Piracy. Players can customize their ships and dive into a single-player campaign, or battle against other players in team-based naval combat.

Last Call

"Matthew Wong: The Realm of Appearances" (MFA Boston, through Feb. 14)

Painter Matthew Wong was a rising star when he died at the tragically young age of 35 in 2019. His first museum retrospective gathers roughly 40 works, from lesser-known early efforts to later iconic pieces, by the self-taught artist who created colorful, Fauvist-inspired canvases.

For additional Arts Calendar listings visit wsj.com. Write to brian.kelly@wsj.com



Kingsley Ben-Adir in 'Bob Marley: One Love.'

"Bob Marley: One Love" (Feb. 14)

The reggae legend who comforted us that "every little thing is gonna be all right" and encouraged the world to "get together and feel all right" gets a musical biopic. Kingsley Ben-Adir stars as the Rasta icon and Reinaldo Marcus Green ("King Richard") directs.

TV

"The New Look" (Apple TV+, Feb. 14)

Ben Mendelsohn stars as Christian Dior in this series from Todd A. Kessler ("Bloodline") that explores the famed couturier, his trendsetting contemporaries—Coco Chanel, Pierre Balmain and Cristóbal Balenciaga—and the emergence of modern fashion amid World War II. Juliette Binoche, Maisie Williams, John Malkovich, Emily Mortimer and Claes Bang also star.

of the spotlight with its 4-13 season, Tom Brady's retirement and Bill Belichick's departure should steer clear of this 10-part series. Both the GOAT and his coach—along with Robert Kraft and other New England players—recap an impressive two-decade period of the franchise's history.

Theater

"The Apiary" (Tony Kiser Theater, New York, Feb. 13-March 3)

Kate Whoriskey directs Kate Douglas's new play about lab assistants in the near future who are looking to change humanity with the help of volunteers and some honeybees. Stephanie Crousillat, Carmen M. Herlihy, April Matthis, Taylor Schilling and Nimene Wureh star.

Music

Chromeo, "Adult Contemporary" (Feb. 16)

The Canadian electro-

The WSJ Daily Crossword | Edited by Mike Shenk

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- 34 Club on a diamond
- 36 Prestige picture, perhaps
- 37 Yonder folks
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- 40 Christopher Robin's friend
- 41 Holds
- 44 Objectives of Hail Marys: Abbr.
- 46 Ernie Banks moniker
- 48 Parsley units
- 50 Gentle touch
- 51 Highly competitive
- 52 Bobby in the Indianapolis Motor Speedway Hall of Fame
- 53 In pieces
- 54 Object of Versailles cheers
- 55 Touches up
- 60 Fictional governess Jane
- 61 Storage structure
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- 65 Poorly lit

KNOCK KNOCK | By Bill Thompson

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1 Buddy	31 Debt reminders	62 Early stage of a clinical trial	7 Basil-based sauce
4 "Right away!"	32 Hotel room amenity	64 Knock former Indiana senator Evan?	8 Musical set at Rydell High
8 Without charge	35 Honks from horns	66 Livestock identifier	9 Republican stronghold
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15 Fashion	40 Knock tennis great Arthur?	68 Furious feeling	11 Indian percussion instrument
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17 Knock "Homeland" star Claire?	43 Handle	70 Basic beliefs	13 Iron output
19 Like shiitake mushrooms, but not death caps	45 "At Last" singer James	71 Lasso in England	18 Subway car features
20 Held back, as a news story	46 Hosted, informally	Down	22 Up-to-the-minute news
21 Mapmaker's book	47 Prescribed amount	1 Running back's protection	26 Med. plan option
23 Anaheim ball club, on scoreboards	49 Skeddaddles	2 1998 Sarah McLachlan hit	
24 New England catch	51 Knock war reporter Ernie?	3 It's hopeless	
25 Knock soccer legend Mia?	56 Like this ans.	4 Seyfried of "Mamma Mia!"	
27 Sacred beetle	57 Jabber	5 Shem, to Noah	
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Previous Puzzle's Solution

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POBLANO	ELOISE			
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SAINT	LEWD	NEMO		
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► Solve this puzzle online and discuss it at WSJ.com/Puzzles.

SPORTS

The Inevitability of Patrick Mahomes

What happens when the Chiefs quarterback gets the ball with the game on the line is beginning to feel like a formality

By JOSHUA ROBINSON
AND ANDREW BEATON

Las Vegas

Patrick Mahomes took over the ball in overtime of the Super Bowl knowing that he had to cobble together a scoring drive or go home. He looked around at his teammates, 75 yards from the end zone, and the identity of the Kansas City Chiefs' most dangerous weapon was obvious to him.

It was Patrick Mahomes. And over the next eight minutes, he delivered yet another drive for the ages, one that will stand as a signature moment in his glittering career. Each time he needed a solution, he knew precisely where to find it. Even with the Chiefs' season one play from ending as he faced a fourth-and-1, down 22-19 to the San Francisco 49ers, Mahomes trusted himself to dash for a first down. He later ran for another 19 yards, as part of a sequence when his singular wizardry was on full display.

On the 13-play, 75-yard drive he completed every single one of his passes. The last of them ended up in Mecole Hardman's hands for a Super Bowl-winning touchdown.

"How much confidence is there in the world?" Hardman said. "Whatever that is, that's what we have in him. The man has done it time and time again."

It's been enough for the entire Chiefs' locker room to take Mahomes's ability to rescue them as an article of faith.

"I've known we're in every single game I've ever played with him," tight end Travis Kelce said of Mahomes. "That guy's got magic in his right arm. He found ways to propel us."

Mahomes also propelled himself into the rarefied air of the game's all-time great quarterbacks. He's now only the fifth to win at least three titles, and the first since Tom Brady's New England Patriots 19 years ago to claim back-to-back championships. Now Mahomes only trails Brady, Terry Bradshaw and Joe Montana—the latter of whom was on hand to watch Mahomes topple the team he led to four Super Bowl victories.

And while Mahomes still has some way to go to match Brady's seven rings, the opening act to his career is now completely unprecedented: In his six years as a



Patrick Mahomes led the Chiefs on a 13-play, 75-yard touchdown drive in overtime to win the Super Bowl.

starter, the Chiefs' season has never ended before the AFC Championship.

The Chiefs can be sure that as long as they can put the ball back in Mahomes's hands, they're always alive—not that this is news to anyone inside the organization. Back in 2020, Kansas City handed him a 10-year deal worth up to \$500 million, the richest contract in NFL history. Head coach Andy Reid was also prepared to build the team's entire offense around Mahomes's unique set of skills. The kid who was also drafted to play professional baseball can throw off balance, release the ball from strange angles, and scamper out of trouble when he needs to. That kind of versatility was too precious for Reid to change.

"He brings out the best in me, because he lets me be me," Ma-

homes said. "I don't think I'd be the quarterback I am if I didn't have Coach Reid."

What made this Super Bowl triumph even more remarkable was that Mahomes didn't only have to survive one of the hardest roads to a title in NFL history, he also needed to overcome his own team's roster-building strategy. Two offseasons ago, the Chiefs traded away his best receiver in Tyreek Hill. And their offensive acquisitions since then haven't been quite up to the same standard. Before he caught Sunday's winning touchdown, Hardman was cast off by the Jets midway through this season and joined a receiving corps that had repeatedly failed Mahomes.

But that hardly mattered to him once this Super Bowl spilled into overtime. From the moment the

Chiefs got the ball following a 49ers field goal, Mahomes turned to his teammates and told them what was about to happen.

"Come on," he said. "We're gonna go score."

When Mahomes makes a promise like that, the players who have witnessed so many of his miracles before have a tendency to believe him.

"Never a doubt in my mind, baby. Never a doubt in my mind," Kelce said. "We've got the best quarterback in the league, we've got the best offensive mind in the league."

This was a peculiar season for the Chiefs. Throughout Mahomes's entire career, he had always found a way to move the chains with breathtaking plays, no matter who surrounded him. Even when he lost Hill, Kansas City's offense led

the league in both yards and points in 2022. But that completely changed this season, when the Kansas City attack went through spurts when it looked completely broken.

It wasn't difficult to identify one of the reasons why. The Chiefs led the NFL in a statistic no team wants to be first in: dropped passes.

So when the Chiefs fell behind 10-0 on Sunday and repeatedly stalled on offense early in this Super Bowl, it wasn't out of the norm. The big mistakes—such as when running back Isiah Pacheco fumbled the ball right after Mahomes hit Hardman on a perfectly placed 52-yard strike—had been there all season.

But just as he had over the course of the postseason, Mahomes kept doing what he does best: putting his teammates in position to succeed. In the second half of Kansas City's 27-24 divisional round win over the Buffalo Bills, he hit Marquez Valdes-Scantling with beautiful tosses on key drives. Valdes-Scantling, during the regular season, had been one of the team's main problems—he notably let a potentially game-winning bomb fall through his arms late in a loss to the Philadelphia Eagles.

The next week, in the AFC Championship, Mahomes did it again. Facing third-and-9 against the Baltimore Ravens late in the fourth quarter, he hit Valdes-Scantling on a 32-yard strike to ice the 17-10 victory.

Then, late in the Super Bowl, Mahomes continued with the same mindset: if he kept on making plays, it would eventually all work out.

"To have the ball in our hands," wide receiver Rashee Rice said, "we just knew we were in control."

Even the final play, when Hardman appeared wide open, contained a subtle stroke of brilliance from Mahomes. To help his receiver, who had just 14 catches in six regular season games for Kansas City, Mahomes moved the defense with his eyes before rolling to his right and hitting Hardman for the score.

"That's a little risky always," Mahomes said afterward.

The gamble paid off. Seconds later, confetti was flying all over the field—and Mahomes had won his third Super Bowl.

JASON GAY

Cranky Chiefs Get Their Storybook Ending In the Super Bowl



Las Vegas

As written, it turns out.

America's tin foil paranoiacs warned us that this NFL season was being covertly scripted toward a high-profile finish—the Kansas City Chiefs defending as Super Bowl champions, Patrick Mahomes and Travis Kelce winning their third rings as government plant Taylor Swift joined the celebration in a moment the deep state would milk to tilt democracy.

This suspicion sounded hilariously legit—right up there with a Hollywood-filmed moon landing and an 89-year-old Elvis running a small bait shop near Lake Erie.

And yet here we are, under a crescent moon in Las Vegas, a tumultuous Kansas City season climaxing in a storybook comeback ending, the Chiefs overtime winners over San Francisco, 25-22.

Kansas City are back-to-back Super Bowl champs, winners of three of the last five, a sturdy entry among the NFL's shortlist of dynasties. Mahomes earned that third ring, as well as a third Super Bowl MVP, and there was Kelce, waiting until after the ceremony to plant an Alfred Eisenstaedt Times Square kiss upon the world's biggest pop star.

Score one for the tin foil paranoiacs! (I'll check back later about democracy.)

This sluggish Super Bowl played out like Kansas City's season in miniature—inconsistent, irritable, veering on implosion, and then, somehow, ending in joy.

It was a game marked by the miscues of a tormented champion which didn't wake up until late, when it mattered.

It was a game in which Mahomes feuded with an agitated teammate, a nervous Swift

chugged and slammed a drink on the jumbotron camera, and an angry Kelce lashed out on the sideline at Kansas City head coach Andy Reid, nearly toppling him over—the kind of tantrum that usually gets a player benched, maybe for the season.

"I was just telling him I loved him," Kelce joked later, after hugging it out with his longtime coach.

"He caught me off balance, I wasn't watching—it was a cheap shot," a gracious Reid said, cleaning up the ugly lowlight for his fiery tight end. "He was really coming over to go 'Just put me in, I'll score, I'll score.' That's really what it was."

It had been that kind of year. A month and a half ago, on Christmas Day, the Chiefs suffered a mortifying home loss to a Raiders team which had fired its head coach midseason. Mahomes was beset by dropped passes, Kelce chucked a helmet in frustration, and the ragged Chiefs looked nowhere near competent, much less repeat champs.

Slotted as underdogs, they rallied. Kansas City handled Miami in the notorious wild-card "Peacock" game, then knocked off Buffalo and Baltimore in successive week-ends on the road. The mistakes and the dropsies started disappearing and all that playoff experience took over. Amateur air-traffic controllers rushed to explain the concept of time zones and how Swift could return from touring Japan to reach Vegas.

Our best tin foil hats assembled. Was it all preordained?

I say: Let 'em have the moment. Enjoy the conspiracy! When they get a chance, please tell me where Bigfoot is hiding, if the moon is made of green mozzarella and whether or not the NBA utilized a frozen envelope in the 1985 draft



Chiefs head coach Andy Reid is splashed after Kansas City's 25-22 overtime win over the San Francisco 49ers.

lottery.

In the meantime, let's dig into the historic stuff, the legacy debate, the What It All Means—because this is now the ritual, having to deliver an immediate ranking to every human endeavor, instead of slowly absorbing what we all just watched.

Are the Chiefs a dynasty? By any standard NFL definition, absolutely. Kansas City has played in four of the last five Super Bowls, and won three. Only four franchises have won three titles in a half decade—the peak '70s Steelers, the '90s Cowboys, and the New England Patriots twice (early stage Tom Brady, late stage Tom Brady).

Kansas City is not yet in New England's airspace, and they don't claim to be. But they are a repeat champion with a durable genius in Reid, and a 28-year-old quarterback who was already making noise about going for a Super Bowl "three-peat" (copyright Pat Riley, or he calls, angry).

This whole deal runs through Mahomes, as long as he goes. At 28, the former major leaguer's son has already locked up a gold Hall

of Fame blazer—all that's ahead is Brady (seven rings), Joe Montana and Terry Bradshaw (four rings), and honestly, no one else. Mahomes is the modern quarterback defined: capable of brilliant highlights and a ferocious competitor who invariably finds a way.

And yet this season put Mahomes to an unprecedented test. At several points in the year, he looked ready to blow a gasket—at his teammates, at those dropped passes, at the officials he chastised at the end of a narrow early December loss to Buffalo. This wasn't the composed Mahomes, full of derring-do. This was Melt-down Mahomes: A guy who looked ready for a big frozen margarita on the beach.

Of course, he wasn't. He's Patrick Mahomes, a preternatural star who, like Brady, considers anything less than a title to be a failure. This was an NFL season in which rivals like Lamar Jackson and Josh Allen assembled shinier statistics, but Mahomes stubbornly figured he'd have a chance, so long as this wobbly Kansas City team could get there.

He won Sunday's game by turn-

ing to his legs (a crucial fourth-down run in overtime) and making the right choices late. He got the cranky Kelce going, as well as rookie Rashee Rice, with whom Mahomes had argued on the sideline. For the third time, he brought Kansas City back from a double-digit Super Bowl deficit. He kept the Chiefs in a game they looked ready to lose, and the 49ers did the one thing everyone in the NFL knows you're not supposed to do.

They gave Mahomes a chance.

It wasn't Mahomes's best statistical year, or close to copacetic, but the quarterback said the adversity may make it his favorite. "I think it means more," the quarterback said of this title, in which the Chiefs played as underdogs and used it to motivate themselves as disrespected.

That's a bit absurd, of course. Nobody counts out the Mahomes-era Chiefs, and no one will count them out again.

Kansas City is a Super Bowl champion once more. Taylor Swift hit the celebration party. It's the storybook ending, an ideal NFL finale—but you couldn't make it up if you tried.

OPINION

Joe Biden's Smartest Decision



MAIN STREET
By William McGurn

In the days since Joe Biden's angry press conference confirmed all the special counsel's observations about the president's diminished mental facilities, Democrats have been blasting Robert Hur for mentioning Mr. Biden's frailty in his report. In private, though, many are freaking out about what happens in November if Mr. Biden stays atop the ticket. Having Kamala Harris as Mr. Biden's running mate now looks like a serious Democratic liability, given polls showing the vice president is more unpopular than he is.

In reality the selection of Ms. Harris is turning out to be the best thing Mr. Biden has ever done—for himself, if not for the Democratic Party. So long as she's in the West Wing, he isn't going anywhere. All that talk about invoking Section 4 of the 25th Amendment to remove him from office is fantasy.

Democrats who want to replace Mr. Biden fear that if he is on the ticket they'll lose to Donald Trump. But they further calculate that for all the president's problems, Ms. Harris would be easier for Mr. Trump to defeat.

Not to mention two other big impediments to removal. First, invoking Section 4 has never been done before. Second, it is only a temporary measure and doesn't authorize the president's removal

from office. It provides that the vice president and a majority of the cabinet may declare the president "unable to discharge the powers and duties of his office," whereupon the vice president would "assume" those powers and duties. If Mr. Biden declares that he is able to perform his duties, he resumes them after 21 days unless two-thirds of both houses of Congress back the declaration of disability. Even in that event, he can declare himself able again, and keep going through the cycle until he gains the support of the vice president, a cabinet majority, or one-third of either congressional chamber, whereupon he would resume his duties.

The other option is less contentious. Mr. Biden could do what Lyndon B. Johnson did in 1968 after nearly losing the New Hampshire primary: gracefully bow out. By leaving it up to an open convention to choose the Democratic presidential nominee (it's too late for the primaries), Mr. Biden would allow delegates to choose a candidate not now running, such as California Gov. Gavin Newsom or Michigan Gov. Gretchen Whitmer.

The sticking point is that it would depend on Mr. Biden's accepting that he's not mentally fit enough to serve. Did anyone who watched the rant that was Thursday night's press conference come away with the idea that Mr. Biden is open to this idea?

It doesn't help that those likeliest to call on Mr. Biden to withdraw are from the Obama camp. In his memoir

"Promise Me, Dad," Mr. Biden relayed how Barack Obama backed Hillary Clinton for the Democratic nominee over his loyal vice president. The unspoken truth was worse: The Obama White House often treated Mr. Biden as the doddering uncle who always blurts out something offensive at Thanksgiving.

So long as Kamala Harris keeps her job, the president will be on the 2024 ticket.

Remember the Politico report on Mr. Obama's assessment on the eve of Mr. Biden's 2020 nomination? "Don't underestimate Joe's ability to f— things up." You can bet Joe hasn't forgotten.

Nor does he see his record the way others do. This is a man who thought calling his economic program Bidenomics was a selling point, that the withdrawal from Afghanistan was a success, and that the failures at the border are because of Mr. Trump, not his own policies. Meanwhile an ABC News/Ipsos poll released Sunday reports that 86% of Americans believe the 81-year-old president is too old to serve a second term.

So how did the president describe himself at the press conference? "I'm the most qualified person in this country to be president of the United States," "I know what the hell I'm doing," and "I put this country back on its feet."

These aren't the words of a man open to hearing that he should step aside for the good of his party and his country.

When Mr. Biden announced Ms. Harris as his running mate in 2020, it was a logical choice. She checked the right diversity boxes and represented a large state. The only knock against her was from the first debate of the Democratic primaries, when she put Mr. Biden on the defensive by bringing up his opposition to busing and his fond memories of working with segregationists. But that was quickly forgotten in the larger cause of defeating Mr. Trump.

Now it's different. If Mr. Biden were to drop out and free his delegates to choose someone other than Ms. Harris, would black Democrats stand for it? In Saturday's New York Times, Ross Douthat put it this way: "If he drops out and doesn't endorse his own number two, he'd be opening himself to a narrative of identitarian betrayal—aging white president knives first woman-of-color veep—and setting his party up for months of bloodletting and betrayal, a constant churn of personal and ideological drama."

However inadvertent it may have been, Joe Biden's choice of Kamala Harris was the most brilliant strategic move of his long political life. Because the Democratic fear of a Kamala-for-president disaster in November means that no one will force Mr. Biden to step down if he doesn't want to. Maybe the Obama people were too quick to dismiss old Joe's smarts.

Write to mcgurn@wsj.com.

BOOKSHELF | By Daniel Akst

Independent, Skeptical, Banned

Spinoza: Freedom's Messiah

By Ian Buruma
Yale, 216 pages, \$26

In 1656, long before anyone spoke of "cancel culture," a young Jewish iconoclast had so antagonized the leaders of Amsterdam's close-knit Sephardic community that on July 27 of that plague-ravaged summer they banished him. "No one should communicate with him orally or in writing," the merciless order dictates, "nor provide him any favor, nor be with him under the same roof, nor be within four cubits of him, nor read any paper composed or written by him." Even his siblings were required to stay away.

The ban remains in effect, yet by any reasonable standard it backfired colossally, for its target has outlasted his enemies and his ideas have grown in importance across the ages. "What greater evil," he asks, "can be imagined for the Republic than that honest men should be exiled as wicked because they hold different opinions and don't know how to pretend to be what they're not?"

Baruch de Spinoza was only 23 at the time of his banishment and hadn't yet published any of his subversive notions. But merely speaking of his ideas about God and religion, as he surely had, was enough to get him canceled, a fate that, in turn, influenced his intellectual development—in particular his radical preoccupation with freedom of thought and expression.

This theme is at the center of Ian Buruma's "Spinoza: Freedom's Messiah," a brief but forceful entry in Yale's sprawling Jewish Lives series. A towering figure in Western philosophy and a pioneering secular Jewish intellectual, Spinoza is already the subject of major biographies by Steven Nadler and Jonathan Israel, and many additional works strive to unravel his ideas. Why another Spinoza book now?

"Few people in liberal democracies end up in prison for saying what they think," Mr. Buruma writes. Yet free thought is under attack "by bigoted reactionaries as well as by progressives who believe there can be no deviation from their chosen paths to justice." Revisiting Spinoza's life and milieu "could help us come to grips with our own censorious time."

Although not a professional philosopher, Mr. Buruma is an accomplished intellectual with some pertinent qualifications. Like Spinoza, he was born in the Netherlands, where he grew up marinated in Dutch history. Two of his grandparents were Jews and another was a Protestant dissenter. Mr. Buruma himself had an ugly brush with cancel culture in 2018, when he was ousted as editor of the New York Review of Books for publishing an essay by a Canadian celebrity who'd been accused of sexual assault.

Even so, Spinoza is not an easy subject for any biographer. He lived, in Mr. Buruma's words, "a short life full of unknowns," and in a complicated time and place. Iberian Jews, forced to become Christians in Spain and Portugal, reverted to the faith of their forebears after emigrating to the relatively tolerant Dutch Republic. But such freedoms as it offered were hotly contested by orthodox Calvinists and their friends in the House of Orange. Spinoza's philosophical writings are dense, and people had to be careful what they published or wrote to one another. After his death friends evidently destroyed any of his letters they felt to be too personal.

Given the brevity of Jewish Lives biographies, Mr. Buruma succeeds admirably in capturing the man as well as the essentials of his thought. Rather than unhappy and isolated, as he's sometimes been depicted, the stoic Spinoza portrayed here practically glows with serenity and grace, accepting his ban with equanimity and leaving Amsterdam to live among a circle of freethinking friends.

Spinoza's views on God and biblical truth caused him to be denounced—and to plead for freedom of thought and expression.

His heresies included denying the Judeo-Christian God, the Bible as Holy Writ, and the chosenness of the Jews. He considered God to be synonymous with nature and all things as one in an amoral universe. Of course, yesterday's heresy is today's orthodoxy. "Seen by many people, Christians as well as Jews, as Satan's disciple during his lifetime," Mr. Buruma writes, "Spinoza has been regarded by many after his death as a saint."

He certainly embodies many traditional ideals of sainthood, including celibacy, asceticism, persecution at the hands of benighted religious authorities, and early death (at 44). But modern canonizers will find encouragement as well. The son of immigrants, Spinoza belonged to an oppressed minority, and his complex identity is apparent from his names. His parents chose to call him Baruch ("blessed" in Hebrew), but he came to prefer Benedictus, which meant the same thing in the Latin lingua franca of European intellectual life. To intimate, though, he was always Bento, a Portuguese nickname suitable, perhaps, for someone so given to thinking outside the box.

Spinoza's life, moreover, was an extended encounter with the very modern problems of loneliness, deracination and lost religious faith. Today's seekers will have no trouble embracing his repudiation of traditional Western theologies in favor of the broadest possible vision of community—one in which we are all joined in some nature-centered divinity rather than divided into brawling sects clinging to pointless rituals and mutual hostility.

The leveling mysticism implicit in this outlook appeals to the anxious egalitarianism of our times. And Spinoza's denial of free will, though it undermines his ethics (and ours), is in keeping with our loss of faith in personal agency. As a bonus, his metaphysics equitably grants immortality to all by virtue of our oneness with the eternal. Moderns in search of tranquility (and inclined to Buddhism) will find much to like here, though one doubts that there are many Spinozans in foxholes.

Having been under fire himself, however metaphorically, Mr. Buruma in this book fires back, noting that even scientists can get in trouble nowadays if their findings contradict social-justice orthodoxy. "Freedom of thought," he asserts, "is under threat from secular theologies, which insist, much like the church once did, on ideological conformity. There is no room for reasoned argument when views that don't conform to strict moral codes are regarded not just as untrue, but as sinful."

Mr. Akst writes the Journal's news quiz.

India's Elite Worries About America



GLOBAL VIEW
By Walter Russell Mead

New Delhi I spoke at the Global Business Summit, a conference organized here by an Indian media group, and spent several days talking to Indian business leaders, journalists and senior government officials. Most were very optimistic about the country's prospects. India's economic growth is trending at about 7% a year, and a massive infrastructure push is transforming the country. The flight of foreign (and Chinese) capital from China is driving investment to India, with companies such as Apple moving electronics production here.

From the standpoint of government officials and many in the business world, there's more. The Bharatiya Janata Party government is heavily favored in parliamentary elections this spring. With an approval rating of 78%, Prime Minister Narendra Modi remains the most popular leader in the democratic world and appears headed for a third term. Businesses like certainty, and even corporate chieftains who don't share the BJP's Hindu nationalism support a strong, stable and reasonably pro-business government in New Delhi.

All this good news is a

heady brew, but the officials I spoke with were anything but triumphalist. What sowers them is the gathering storm on the international horizon. The near-closure of the Red Sea by the Iranian-backed Houthi militia is a direct threat to Indian trade with Europe and North America. Upheavals across the Middle East threaten the economic corridor through the United Arab Emirates, Saudi Arabia and Israel—a corridor that New Delhi hopes will boost trade and investment. Western efforts to isolate Russia have, in New Delhi's view, driven it into China's arms, creating serious problems for India.

China casts a long shadow across the region. India's neighbor and would-be rival Pakistan has moved steadily into China's orbit. Beijing's debt-trap diplomacy has given it leverage in Sri Lanka. China has tightened its links with Maldives. The civil war in Myanmar offers China opportunities to increase its influence in that resource-rich country. Chinese businesses and diplomats are working to solidify their influence across Africa.

At the end of the day, though, what worries India's leaders most isn't China. It's the U.S. India's security and prosperity are closely tied to the U.S. and the international system Americans have done so much to build. Does the U.S. have the will and wisdom

to keep the system afloat? Is America still ready to do what it takes to keep the peace in the Middle East and the Indo-Pacific? Is the American political system still capable of producing leaders who can navigate rough global seas?

Indians read the American news. They know that a special counsel appointed by President Biden's attorney general issued a report saying that the president appeared

Leaders in Delhi wonder if the U.S. is up to keeping the global system intact.

too elderly to remember basic facts. They also know that Mr. Biden's leading political rival threatened to blow up the North Atlantic Treaty Organization over some members' unwillingness to honor their commitments to contribute to the common defense. They know that Mr. Biden's national security adviser boasted last year that the Middle East was calmer than it had been in decades, days before Hamas's Oct. 7 attacks touched off a crisis that the U.S. still struggles to manage.

India wants to reform the existing international system (among other things, to gain a permanent seat on the United Nations Security Council), but it needs that system to work.

The safety of sea lanes like the Red Sea, stable access to reasonably priced fossil fuels from the Persian Gulf, opportunities for Indian exports around the world—these are necessary for India to prosper.

As that system has come under attack, Indian diplomacy has shifted into high gear. One focus is the Persian Gulf. After speaking at the Global Business Summit, Prime Minister Modi will travel this week to inaugurate a Hindu temple in the U.A.E. Indians meanwhile celebrated the release of eight Indian naval officers who had been sentenced to death by Qatar on charges of spying for a "third country," widely assumed to be Israel.

As the prime minister prepared to fly west, External Affairs Minister Subrahmanya Jaishankar was at the Indian Ocean Conference in Perth, Australia. He warned participants of "conflict, threats to maritime traffic, piracy and terrorism" on one side of the Indian Ocean and challenges to international law and the freedom of navigation on the other.

Mr. Modi and his cabinet understand how closely Indian and American interests converge. They are asking whether Washington can still summon the intellectual coherence and political energy to do what needs to be done.

It is a question many of America's friends are asking. I wish I knew the answer.

I May Give Up Scrolling for Lent

By Nicholas Tomaino

I learned much of what I know about the recent social-media hearings on Capitol Hill by reading about them on Twitter. I saw a few clips of the colloquies on Instagram and links to essays about them on Facebook. The digital dependence is something from which I've long hoped to be delivered, and it shouldn't be that difficult. Time to buck up.

Lent, the penitential season before Easter, begins Feb. 14 and, with it, some personal sacrifice. That offering—a resolution—is meant to be bold, to help train our appetites and attentions higher. Last year I gave up my accounts and also committed to go to daily Mass. The latter was time well-spent, and the former a fruitful privation. Yet by Pentecost I was back online, more detached but still scrolling.

What to offer up this year? I might try turning the clock back to 1996 and em-

bracing the flip phone.

The idea may sound silly, imprudent, disruptive. It might be. But my uncle Michael, 59, attests that it isn't impossible. His Manhattan-based law firm made him phase out his BlackBerry in 2022 and replaced it with an iPhone. It's too much, he says,

The flip phone, simple and inexpensive, can help us train our attention to God.

"more than I need." Save the occasional email, he's mostly consigned it to the coat pocket or dresser.

His Kyocera, which he bought instead, gets the job done. Michael can call, text, and even snap photos—all three of which have the effect of transporting observers back in time. He treated our family to a demo, and a sweet

dose of nostalgia, after Christmas Eve dinner by opening the phone and snapping it shut. The device can reach the internet if you must, but the 2½-inch display makes it awkward. That means no mobile social networking, but he's already covered on the news: He gets the Journal delivered in print.

There's something to be said for the change. I work on a laptop, on which I can email, receive phone calls, write and edit. I'm dexterous but I much prefer to chat by speaking aloud. I've set a reading goal for this year, a book a week, which is quickly getting away from me. My phone can be useful but it's mostly a distraction. I'm fascinated by learning the number of steps I walk in a day but could go without it. The same with following interecine debates online—fascinating but a waste of time.

Technology can be a blessing, but I'd quite like those minutes back. They could be

put to good use, say, in spontaneous conversation or contemplative silence. How fitting during this season too. As Cardinal Robert Sarah observed: "Christ lived for 30 years in silence. Then, during his public life, he withdrew to the desert to listen to and speak with his Father. The world vitally needs those who go off into the desert."

The Verizon store on my block aided that prince of the church's advice by supplying a comparative analysis: The iPhone 15 retails at \$829.99; the TCL Flip Pro for \$79.99. The difference is far more than I need to cover my reading list, not to mention alms giving, one of the three pillars of Lenten practice alongside prayer and fasting. An economical way to help reduce the noise and raise the mind? I'm sold. If you need me, I'm only a call away.

Mr. Tomaino is an assistant editorial features editor at the Journal.

OPINION

REVIEW & OUTLOOK

The Story Behind Biden's Trade Failure

When the World Trade Organization meets this month in Abu Dhabi, will anyone from the Biden Administration stand up for U.S. economic interests? It's a fair question now that Federal Trade Commission Chair Lina Khan and leftwing groups are hijacking U.S. trade policy.

Emails show how Lina Khan and the left co-opted Katherine Tai.

U.S. Trade Representative Katherine Tai this month explained the Administration's new anti-trade agenda at a conference on antitrust regulation in Brussels. She said previous Administrations were wrong to promote trade policies that would aid U.S. businesses and consumers by making markets more efficient.

"If we're only pursuing policies to benefit people as consumers, and those policies are actually impoverishing those people as workers, the entire system doesn't work," she lamented. No longer does Washington aim to lower trade barriers and expand American access to foreign markets. It wants trade share and production regulated by governments.

* * *

Ms. Tai last autumn withdrew support for digital trade principles being negotiated at the WTO that would protect cross-border data flows and source code and bar discrimination against U.S. companies. Ms. Tai also shelved digital trade protections in negotiations over the Indo-Pacific Economic Framework trade deal.

Her stated reason? "To provide enough policy space" for debates over tech regulation to unfold in the U.S. That echoed a memo Lori Wallach, director of Rethink Trade, sent to Ms. Tai on Jan. 19, 2023. Rethink Trade is an arm of the leftwing American Economic Liberties Project, which has led the revival of the anti-consumer antitrust movement.

"Officials negotiating the Indo-Pacific Economic Framework (IPEF) and other pacts must not set binding proscription rules that could conflict with domestic policies now being created and thus must seek terms that maximize domestic policy space," Ms. Wallach wrote.

The U.S. Chamber of Commerce obtained correspondence between USTR and outside groups via a Freedom of Information Act request. The emails show that USTR officials have regularly consulted with Rethink Trade, the Open Markets Institute, and Public Citizen about the Biden digital trade agenda.

Ms. Wallach criticized the U.S.-Mexico-Canada trade agreement for barring foreign governments from requiring that data be stored on local servers. She also took issue with prohibit-

ing governments from mandating disclosure of source code and algorithms. Authoritarian regimes including China have sought to do both.

In her view, such digital trade provisions conflict with President Biden's antitrust agenda and efforts to regulate artificial intelligence. Forbidding restrictions on cross-border data flows, she wrote, would also enable "digital offshoring" of call center and back-office work.

Not really. The purpose is to protect intellectual property and make digital data flows more efficient. This benefits small businesses in industries such as auto-making, aviation, accounting, medical diagnostics, healthcare and agriculture. More than half of U.S. service exports in 2022 involved digital trade.

Businesses that use the cloud to store and transmit data don't want to rent space on servers in each country where they have customers. They also don't want to hand over their code to foreign governments, which could hand it to a domestic competitor.

Ms. Tai's senior adviser Elizabeth Baltzan explained USTR's trade illogic last winter in a speech at the Wilson Center: "The focus on 'efficiency'—which is really a euphemism for the lowest possible cost—is precisely what facilitates the kind of arbitrage that puts downward pressure on labor and environmental regulation and enforcement." Just what the world needs: more inefficiency.

Ms. Baltzan forwarded her remarks to an individual at the Open Markets Institute whose name was redacted. Ms. Baltzan once worked at the Open Markets Institute, which Federal Trade Commission Chair Lina Khan helped launch. And who do you suppose was also lobbying USTR against digital trade protection?

The House Oversight Committee last autumn obtained a partly redacted March 22, 2023, letter from Ms. Khan and Justice Department antitrust chief Jonathan Kanter. "While we appreciate your partnership in advancing the Administration's agenda with respect to competition policy, we believe we can and should do more to ensure our agencies execute on that vision," they wrote. "We plan to have senior staff in both antitrust agencies participate in all future IPEF negotiating sessions."

Ms. Khan and her sidekicks torpedoed freer digital trade because they want to make it easier for foreign governments to impose their anti-trade agenda on U.S. businesses. Since they can't pass their agenda in Congress, they are leaning on foreign governments to do it for them.

A Vote for President Harris

Vice President Kamala Harris is reassuring everyone that she's up to the job of succeeding her boss if the moment arrives, and the timing is no accident. The evident mental decline of the 81-year-old President Biden means that a vote for Mr. Biden this year is also really a vote for President Harris sometime in a second Biden term.

"I am ready to serve. There's no question about that," Ms. Harris told the Wall Street Journal in an interview last week, before the release of Robert Hur's report highlighting Mr. Biden's failing memory. Everyone who sees her on the job, Ms. Harris said, "walks away fully aware of my capacity to lead."

Readers no doubt have their own view of Ms. Harris's capacity. She hasn't demonstrated it much as Vice President, notably in her assigned task of securing the border. Her main contribution to that debate was to blame poverty and lawlessness in Central America, though those have long existed. Her main job in the last 18 months or so has been as Mr. Biden's emissary to the Democratic left on voting rights, abortion rights, and more.

Ms. Harris has also provided political secu-

urity to Mr. Biden because so many Democrats believe she would be a disaster as their presidential nominee if Mr. Biden chose not to run.

But that's a false sense of political security.

For one thing, Democrats wouldn't have to nominate Ms. Harris if Mr. Biden stood down and the nomination were decided at the Democratic convention in August. Other candidates would run, and their relative appeal would be tested.

Our guess is that Ms. Harris's polling would be bad enough that Democratic pros would rally behind someone else, despite the identity-politics complications of opposing a minority woman. Democrats are bloodier-minded about power than are GOP primary voters.

Democrats also won't be able to escape the problem of Ms. Harris even if Mr. Biden stays in the race. Republicans are sure to make Ms. Harris a central issue, and they should because chances are high that Mr. Biden wouldn't serve out his term through age 86. That might scare more swing voters even than Mr. Biden's mental frailty or Donald Trump's daily diatribes. It's another good reason for Democrats to rethink their entire ticket.

The Vice President wants you to know she's ready to be President.

Georgia Rethinks Easy Bail

States are rethinking failed experiments in criminal-justice reform, and better late than never. Georgia is the latest to reverse a soft-on-crime policy by restoring cash bail for dozens of crimes, after dropping the requirement helped stoke a crime wave.

The Georgia General Assembly passed a bill this month to mandate cash bail for 30 crimes, including certain types of domestic violence, rioting and drug dealing. The change limits the power of judges to return arrested suspects to the streets without a pretrial deposit. The bill awaits a signature from GOP Gov. Brian Kemp, who began an anticrime campaign last year by tightening sentences for gang-related offenses.

The new bail law is a quick reversal for Atlanta lawmakers, who in 2018 granted judges the power to release people arrested for most misdemeanors. Dispensing with bail was part of a package of reforms enacted under former GOP Gov. Nathan Deal, which also included tripling the threshold for felony theft. The GOP-controlled Legislature whooped these reforms through amid the relatively low-crime 2010s.

By 2019 Atlanta police were raising the alarm about the number of crimes committed by defendants out on bail, and Judge Robert McBur-

ney described a "revolving door" of offenders. Atlanta convened its Repeat Offender Commission of law-enforcement officials to report on

how to curb the trend, only to see crime surge along with the rest of the nation after the summer 2020 riots.

The new law would also restrict the charitable bail funds that raise money to post on defendants' behalf. The funds prevent accused criminals from having skin in the game. The Bail Project has helped release more than 1,500 people in Georgia. Under the new restrictions, funds would have to register as bondsmen to bail out more than three people in a year.

Reasserting the importance of bail has outraged progressives, who in recent years have made a civil-rights cause out of freeing defendants with no strings attached. The American Civil Liberties Union complained in a statement that any bail requirement treats poor people unequally, and it threatened to sue if the bill becomes law. That critique overlooks that the new law would still let judges set bail at a minimal level for needy defendants.

The movement to eliminate bail was always misguided and has jeopardized public safety in many big cities. Let's hope more states and cities follow Georgia's lead.

The state reverses policies that put suspects back on the street.

LETTERS TO THE EDITOR

'The White House Can't Handle the Truth'

Regarding your editorial "Biden's Doddering Document Defense" (Feb. 9): I enjoy reading the media's attempt to differentiate President Biden's classified documents case from President Trump's. Though both took classified documents after their time in office, the press is quick to point out that Mr. Biden and his team cooperated with the National Archives and returned the documents immediately on their discovery.

By all accounts, it seems he was cooperative and immediately turned over the documents—more than four years after the documents were initially retained by him, after having shared the information contained in the documents with third parties, all while being aware of their existence and classified nature.

It isn't hard to imagine why so many Americans are convinced our Justice Department follows separate rulebooks depending on the subject of their investigations.

ROBERT CARSON
Jersey City, N.J.

Special counsel Robert Hur's report confirms what most of us have witnessed regarding the president's cognitive decline. In February 2023, after Mr. Biden's annual physical exam, his doctor gave him a clean bill of health

except for minor gait and neuropathy issues. The records released, however, notably lacked a detailed neurological exam and brain-imaging reports, even though in 1988 Mr. Biden had two surgeries to clip brain aneurysms. Any new evaluations must include detailed neurologic exams to properly assess Mr. Biden's cognitive impairments before the voters go to the polls this fall.

ELIZABETH KAMENAR, M.D.
Fairlawn, Ohio

If we are to believe Mr. Biden that his memory is fine and he is a vigorous elderly man, doesn't that directly contradict the reasons that the Justice Department wouldn't charge him, even if he were out of office? The president should demand to have his day in court after he leaves office.

MARK KOHN
McLean, Va.

Special counsel Robert Hur has pulled a Jim Comey. He has handed Donald Trump a second term.

PATRICK MORRIS
Atlanta

Mr. Biden saying, "My memory is fine" reminds me of President Richard Nixon saying, "I'm not a crook."

KENNETH R. OPPENHEIMER
Longmont, Colo.

Cease-Fire Won't Bring Peace to the Mideast

Regarding "A Cease-Fire Would Outpace Mideast Strikes" (World News, Feb. 5): Just as an American surrender after Pearl Harbor might have ended the shooting but not the larger issue, a cease-fire in Gaza wouldn't halt the region's underlying problem that led to U.S. strikes: Iran's 20-year advance. Rather, a cease-fire would accelerate that advance.

Iran and its surrogates have long been posing this choice to the U.S. and its partners: "Stop opposing us, and you can have calm for a bit. The United Nations will stop complaining and we will infiltrate deeper into yet another Arab territory." That's how, since 2003, Iran through its proxies has gained control over Yemen, Lebanon, Iraq and Gaza, and is embedding deeper in Syria. Israel's Gaza operation and U.S. strikes are defending the regional order, not toppling it.

JAMES F. JEFFREY
Alexandria, Va.

Iran intends these attacks on U.S. forces to achieve concrete objectives it has pursued for years. An end to the war in the Gaza Strip could momentarily stop attacks, but it won't stop Iran's determination to achieve its stated goals, by force if necessary.

Iran will generate and use future crises to advance its objectives by again attacking U.S. forces in the region. The Biden administration must re-establish deterrence with Iran, separate and apart from Gaza. The U.S. can't afford merely to degrade the capabilities of Iran's proxies and partners temporarily, to rely on sending signals to Tehran or to ignore this decades-old issue for short-term political expediency. Above all, the Biden administration must not fool itself into believing that a Gaza cease-fire will end Iranian attacks.

BRIAN CARTER
American Enterprise Institute
Washington

Children's Books and Two Kinds of Censorship

Jonah Winter's "Cancel Culture Dominates Children's Literature" (op-ed, Feb. 6) is a warning to us all, but particularly to progressives. After being canceled and told he wasn't the right identity, Mr. Winter writes, "It is mind-blowing that this happened to me," because he had fought for all the right causes. DEI thrives on division, not diversity, and it will turn on its own. It is a tragedy that a distinguished author like Mr. Winter is targeted. We are all forewarned.

ROBERT PORTER
Cave Creek, Ariz.

Mr. Winter took the words right out of my mouth. As a writer, I applaud his defense of our freedom to write outside our own experiences. As a volunteer at my local library, I have seen books with certain ideologies hidden in hard-to-reach places to prevent people from checking them out. I applaud that Mr. Winter sees all book bans for what they are. Censorship is censorship, no matter who's pulling the books from the shelves.

BRIGHAM LARSON
Gilbert, Ariz.

Two cheers for Mr. Winter's op-ed. He has experienced the pernicious effects of the illiberal online mobs and

had the courage to write about it. Where he fails is in missing the difference between what he terms "right wing" and "left wing" activists. His right-wing activists are what I would call concerned parents. They want some books removed from school libraries solely based on whether the content is age-appropriate.

This group is in no way "eerily similar" to the cancel-culture mobs. The former cares about content, the latter only about immutable characteristics. Needless to say, one can argue content, not so immutable characteristics.

KEVIN CONNORS
Easton, Md.

Caution on Confronting Iran

Walter Russell Mead makes use of the movie "Master and Commander" as well as J.R.R. Tolkien's "The Lord of the Rings" to urge President Biden to take stronger military measures against Iran ("Make Iran Fear America Again," Global View, Feb. 6). He states, "Until the president realizes he needs to gain the weather gage in the contest with Iran, the awakening process is only half complete."

I would suggest that the president consider a cautionary warning from "One Thousand and One Nights," a collection of folk tales that came to include "Aladdin and his Magic Lamp." Once the genie is let out of the bottle, it can't be put back in.

JOHN A. VITERITTI
Laurel, N.Y.

Pepper ... And Salt

THE WALL STREET JOURNAL



"I've done the numbers and we'll be richer if we stay single, employed, healthy, childless, living in the same house."

Letters intended for publication should be emailed to wsj.letters@wsj.com. Please include your city, state and telephone number. All letters are subject to editing, and unpublished letters cannot be acknowledged.

OPINION

Climateers Neuter an Energy Watchdog

By Robert McNally

The U.S. and other oil-importing countries established the International Energy Agency in 1974, a year after the disruptions of the Arab oil embargo. The IEA's founders intended to create a multinational organization that would bolster energy security by providing authoritative data and analysis; scrutinizing energy markets, policies and geopolitics; and orchestrating responses to emergencies. But today the IEA looks more like a climate-obsessed nongovernmental organization. As IEA members gather this week in Paris, they should consider several steps to restore the agency's reputation and bolster energy security.

The International Energy Agency once provided solid information. Its reports can no longer be trusted.

For most of the past five decades, the IEA fulfilled its watchdog duties. It became the gold standard for timely data, impartial analysis and forecasts devoid of political bias. The agency navigated energy crises, providing data and policy coordination during the two Gulf Wars, the 2019 Iranian attack on Saudi Arabia's Abqaiq oil facility, and various

natural disasters affecting energy supply and basic energy trends.

Unfortunately, in recent years, the IEA has succumbed to politicization and strayed from its security mission. In 2020 the IEA bowed to enormous pressure from climate activists and ceased publication of oil and gas demand forecasts that didn't show demand for those fuels would soon peak because of imaginary future climate policies. Green groups had been angry over IEA baseline forecasts showing what the activists regarded as too much oil and gas demand. This was because these baseline forecasts assumed only the laws currently on the books and didn't engage in conjecture about future green policies. As a result, IEA's influential demand forecasts now reflect wishful thinking about the timing and cost of a peak in oil and gas consumption.

IEA's capitulation to political pressure transcends mere technical debates among energy-forecasting experts. Bullying the world's respected energy authority to mislead the world into thinking that oil and gas demand will soon peak might align with the preferences of certain governments and activists. But the distortion and politicization of the IEA's once-respected forecasts pose significant risks.

Skewing forecasts to signal a near-term peak in fossil-fuel demand perpetuates the myth that there's no need for further investment in new oil and gas fields. The IEA has announced that under its imaginary



The IEA's Fatih Birol listens as John Kerry speaks at COP28 in Dubai.

scenario, in which the world marches toward "net zero" emissions, new investments in oil and gas won't be required—and therefore none will be permitted. The media and activists have gleefully interpreted the IEA's observation as a plea by the world's energy authority to ban new oil and gas investment, with little clarifying pushback from the IEA. In the past few weeks, the Biden administration has jumped on the IEA's forecast for a near-term peak in natural-gas demand, using it as a key rationale for halting the processing of applications for new liquefied natural gas projects.

Basing decisions to limit or prohibit investments in oil and gas on official forecasts influenced by polit-

ical agendas undermines energy security and borders on energy self-sabotage. Fossil fuels lifted humanity from millennia of squalor, darkness and immobility. For decades fossil fuels have accounted for 80% of global energy consumption. While renewables are growing strongly from a small base, oil and gas will continue to power modern society. By encouraging calls to ban oil and gas supply, an agency established to protect consumers against painful energy crises is helping to ensure the next one takes place.

The IEA's cave-in to zealous green censors presents another significant risk: Without unbiased, policy-neutral baseline forecasts, elected officials can't evaluate the

trade-offs, costs and benefits of energy and climate proposals. Pulling the wool over officials' eyes is especially dangerous as policymakers propose radical and potentially exorbitant climate measures. President Biden wants to ban natural gas and coal, which account for 60% of the nation's power generation, in all electric plants by 2035. That's the same year some states plan to outlaw the sale of new gasoline-powered vehicles.

The world has enough climate NGOs. What it needs in a time of energy-roiling conflicts in Europe and the Middle East is an impartial and respected energy security agency. The U.S. and other IEA members should urge the agency to resume producing unbiased, policy-neutral forecasts. The IEA should also clarify that it opposes any disastrous halt in new oil and gas supply. And it should follow the example of the U.S. Energy Information Administration and make all taxpayer-financed IEA data, assumptions, and methodologies available to the public.

The world's energy-security watchdog has gone missing. With energy risks and challenges aplenty, all IEA members must restore the agency's credibility and walk it back to its vital security mission.

Mr. McNally is an energy consultant and author of "Crude Volatility: The History and the Future of Boom-Bust Oil Prices." He served as a special assistant to the president on the National Economic Council, 2001-03.

'My Memory Is Fine': Another Unforgettable Denial of Reality



FREE
EXPRESSION
By Gerard Baker

"I am not a crook." "There is no Soviet domination of Eastern Europe." "I did not have sexual relations with that woman."

A president denying reality is nothing new. Sometimes it's a self-protective lie. Sometimes it's a mangled emanation from the brain of a tired leader. Sometimes it's a contorted verbal formula to convince the rest of us that our perception of obvious truths is somehow false. It rarely works. On each of these occasions, the incumbent president failed to convince anyone, and in each case the political plight that prompted the denial in the first place helped ensure that his party lost the next presidential election.

"My memory is fine" looks set to join these presidential protestations as verbal monuments to futility. The intensity of the denials by the White House and its allies of last week's devastatingly succinct description of the president as a "well-meaning, el-

derly man with a poor memory" by special counsel Robert Hur is proof that they know it's true.

The surest testimony to the accuracy of Mr. Hur's assessment is that they reserved their greatest ire not for the description itself, but for his temerity in writing it. Bob Bauer, the president's personal lawyer, told CBS on Sunday that the special counsel's 388-page report was a "really shabby work product and completely out of bounds for a prosecutor."

Mr. Biden joins the long list of presidents or presidential candidates flayed by a federally authorized criminal investigator. Richard Nixon probably deserved it; opinions will differ about whether Ronald Reagan, George H.W. Bush, Bill Clinton, George W. Bush, Hillary Clinton, Donald Trump and Mr. Biden did. But whatever your politics, you might wonder whether this favored political trick has outlived its utility.

For all the talk of the "weaponization of justice" we hear of late, this has been a reality of our politics now for decades—a ruse whereby we give a patina of neutrality to a process that is inevitably political. Each side likes to pretend

its special counsel or other investigator is Caesar's wife. Each investigator turns out to be merely another little Caesar. In the ultimate irony, even when they apparently find no case for prosecution, as James Comey did with Mrs. Clinton, Robert Mueller with Mr. Trump, or Mr. Hur with Mr. Biden, they still find a way to inflict potentially ruinous damage.

Biden aides' fury with special counsel Robert Hur proves that they know his observations hit the mark.

But for political purposes, whether Mr. Hur took liberties with his brief by waxing about Mr. Biden's mental faculties is immaterial. The president's handlers make clear by their behavior that they know it to be true as well as the public does.

Mr. Biden has held fewer press conferences and given fewer interviews than any president since Reagan. For the second year in a row he skipped the traditional Super Bowl

interview, usually a soft pass tossed this way so he can spike the ball in the end zone in front of more than 100 million Americans.

The leader of the free world is a fragile ornament, wrapped in cotton wool, protected by aides from falls and gaffes, sheltered by staff (and in Mr. Biden's case by much of the media) from accountability, gently cooed from the risk of doing or saying anything he can't control.

This amounts to a fraud on the American public. But it's an inescapable feature of reality denial that once you've started, you can't stop. Mr. Biden may not be able to remember names of foreign leaders dead or alive or place important countries on the right continent, but, like everyone who has ever run for the office, he still thinks he's the right man for the job. "The only known cure for presidential ambition is embalming fluid," the late Sen. John McCain used to say. It is a disturbing truth that we are closer than we have ever been to actually testing that proposition.

Then there is his vice-presidential problem. Does anyone doubt that if the president had a second-in-command who inspired confidence

within his own party, there would now be a loud chorus of calls from Democrats urging Mr. Biden to stand aside?

What will they do even if he does step away? It's already too late for a genuine primary contest. Ambitious would-be successors might relish the prospect of an open convention, but the risks of throwing open the contest to a fractious party, in Chicago of all places, must make serious Democrats blanch.

And who could be the Democrats' savior? If Kamala Harris is unfit, who is fit? Does the current state of California inspire you so much that you think its governor deserves immediate translation to the White House? Polling offers some indication that Gavs. Gretchen Whitmer of Michigan and Josh Shapiro of Pennsylvania might be popular. But is that a risk the party wants to take? It would be a high-wire act to drop a presidential nominee on the voting public 11 weeks before Election Day. Democrats would be asking many Americans to choose someone nominated two months before they vote.

No, the reality denial will have to continue for another nine months. And then, four more years.

Robert Hur's Report Is the Work of a Consummate Professional

By John Sciortino

President Biden's defenders have called special counsel

Robert Hur's report a partisan hit job. Mr. Hur wrote that he wouldn't bring charges for improper retention of classified information, in part because "Mr. Biden would likely present himself to a jury, as he did during our interview of him, as a sympathetic, well-meaning, elderly man with a poor memory."

President Obama's former chief of staff Jim Messina characterized Mr. Hur as "a lifelong Republican and creature of DC" who "didn't have a case against Biden, but he knew exactly how his swipes could hurt Biden politically." MSNBC's Joe Scarborough opined that Mr. Hur "couldn't indict Biden legally, so he tried to indict Biden politically."

But the report is no hit job. To the contrary, its contents—including the parts documenting Mr. Biden's memory lapses—were necessary and appropriate given the Justice Department's rules, with which special counsels and all other federal prosecutors must comply. This policy is in the Justice Manual, formerly known as the United

States Attorneys' Manual.

Unlike state bar rules, under the Justice Manual probable cause to believe that the would-be defendant committed the crime isn't enough to bring charges. Section 9-27.220 adds the requirement that the prosecutor determine that "the admissible evidence will probably be sufficient to

Justice Department rules require prosecutors to take stock of whether they can convince a jury of guilt.

obtain and sustain a conviction." In other words, the Justice Manual insists on an analysis of not only whether the person is factually guilty of a crime, but also whether a jury is likely to convict at a trial in which the burden of proof is beyond reasonable doubt, the strictest standard in American law.

In my career as an assistant U.S. attorney in two federal jurisdictions, the question of whether admissible evidence would be sufficient to obtain and sustain a conviction was always a

threshold that every proposed indictment rightly had to get past. Later, when I worked in the Justice Department's Office of Professional Responsibility—the internal-affairs office for federal prosecutorial misconduct—I saw at least two cases in which a federal prosecutor was investigated and disciplined for failure to take section 9-27.220 seriously enough when bringing charges.

Mr. Biden's advanced age, memory impairment and general mental befuddlement were also relevant to the question of whether he committed the crime of unauthorized retention of national-defense information. Proving that charge requires proof beyond a reasonable doubt of the defendant's mental state—that he actually knew and recalled that some documents he possessed were classified, then willfully retained them.

Other parts of the report are also inconsistent with any partisanship.

Even after properly noting that "it is not our role to assess the criminal charges pending against Mr. Trump," the report has a lengthy paragraph listing how the conduct for which Donald Trump is charged—including allegedly refusing to turn over the classified documents at issue when requested, and obstruction of justice—was significantly worse than what Mr. Biden had done. The report also expressly weighed in its non-prosecution recommendation President Biden's "nearly fifty years" of public service as a senator, vice president and now president.

When Attorney General Merrick Garland appointed the special counsel in January 2023, he noted Mr. Hur's "long and distinguished career as a prosecutor" and said the selection would "underscore for the public the Department's commitment to both independence and accountability in particularly sensitive

matters, and to making decisions indisputably guided only by the facts and the law." There doesn't seem to have been any hint of improper partisanship in Mr. Hur's career. In 2017 the Senate unanimously confirmed him to succeed the similarly respected Rod Rosenstein as U.S. attorney for Maryland. In just over a year, Mr. Hur and his team produced a report that appears to be exhaustively researched, objective, and analytically sound, and in which the attorney general and the public can have confidence. His findings aren't partisan, but the attacks on him are.

Mr. Sciortino is a lawyer practicing in Washington. He served as an attorney in the Justice Department's Office of Professional Responsibility (2011-20) and an assistant U.S. attorney in Jacksonville, Fla., and Fresno, Calif. (1998-2008).

Notable & Quotable: 'I Will . . . Destroy You'

Sen. James Lankford (R., Okla.) in a floor speech Feb. 7. The Senate subsequently voted not to bring Mr. Lankford's border-security package to the floor:

I've listened to a lot of my colleagues in the last several days, as well I should, and I've listened for months. Some people legitimately want more time to read the bill. I tell you, it's 370 pages. It's incredibly technical and I've had—several colleagues said, "I've started reading it, and it makes my head hurt to read it." Because immigration law is very complicated. So they're going through it and they've said, "Hey, I'm interested in supporting this. I just need more time." Some of those folks are folks are going to vote "no" today because they legitimately just need more time. I completely understand that.

There are some folks that are vot-

ing "no" today because they have policy differences on the bill. We have asylum officers that are empowered to make decisions; they want immigration judges to make it. OK, well, that's a policy difference on it. Some folks don't like that we have visas that are in this, that increases legal immigration—not illegal, legal immigration—in the country. There are some folks that don't want any immigration of any type. Well, fine, we can have that policy difference. I don't mind legal immigration. I just don't want illegal immigration. Some of them may have policy differences.

Some of them have been very clear with me, they have political differences with the bill. They say it's the wrong time to solve the problem or let the presidential election solve this problem. In fact, I had a popular commentator, four weeks ago, that I talked to that told

me flat out, before they knew any of the contents of the bill—any of the content, nothing was out at that point—that told me flat out, "If you try to move a bill that solves the border crisis during this presidential year, I will do whatever I can to destroy you, because I do not want you to solve this during the presidential election." By the way, they have been faithful to their promise and have done everything they can to destroy me in the past several weeks. . . .

I've had a few folks that have said, "If I can't get everything, I want nothing." I don't find most Americans are that way just in their day-to-day life. . . . What I hear from most Oklahomans is, "Do something. Don't just sit there, do something. Make progress, but don't allow this to keep going. Stop it where you can." . . . Our asylum law is weak. Everyone knows it.

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WORLD NEWS

Zelensky's Move Ties Him to Battlefield

Decision to replace Ukraine's top general comes as army struggles to win

By Isabel Coles and Oksana Pryozhok

KYIV, Ukraine—Ukrainian President Volodymyr Zelensky's decision to replace his top general last week was arguably his most consequential choice since opting to stay in Kyiv rather than flee in the early days of Russia's 2022 invasion.

After weeks of speculation, Zelensky dismissed Gen. Valeriy Zaluzhnyi as commander in chief of the armed forces in the most significant shake-up of the country's leadership in nearly two years of fighting.

The move is aimed at rebooting the country's war effort, Zelensky said, as Ukrainian forces struggle to hold the line against Russia. But replacing a figure as popular as Zaluzhnyi with Col. Gen. Oleksandr Syrskiy, who is seen as closer to the president, will bind Zelensky more tightly to battlefield decisions, making him more accountable for any failure, analysts said.

"Zelensky took responsibility for everything now—both the political and military side," said independent Ukrainian political analyst Mykola Davydiuk.

Earlier this month, Zelensky named a former deputy defense minister to succeed Syrskiy as commander of Ukraine's ground forces after making five senior military appointments to fill out his new team.

It is a fraught moment for the actor-turned-politician who rallied the nation to resist



Ukrainian President Volodymyr Zelensky, front right, visited an air-defense training center earlier this month.

Russia's onslaught, winning plaudits and billions of dollars in aid from the West. After successfully fending off Russia's initial attempt to take Kyiv and reversing some of Moscow's gains, Zelensky and Ukraine's other wartime leaders had a tougher time in 2023.

The failure to break through Russian defenses in a costly counteroffensive last summer increased pressure on Zelensky as deliveries of military equipment from Western allies began to falter. Along the front

lines, Ukrainian forces are facing acute shortages of ammunition as Congress stalls on a \$60 billion aid package, and Russia is taking advantage to inch forward in a handful of places.

On the streets of Kyiv, some received the move to oust Zaluzhnyi with dismay. Olha Venediktova, 36 years old, described it as "the worst decision" to be taken by Ukraine's leadership. A small group of people gathered in Kyiv's Independence Square on Friday to protest Zelensky's decision,

chanting for his ouster.

While some soldiers were disappointed, they said the change wouldn't alter the battlefield situation. A 31-year-old sergeant said he had felt shock and anger at the removal of Zaluzhnyi, whom he cited as a reason behind his decision to join the armed forces.

On the front line, some soldiers were sanguine. "What exactly will change for me from now having a different commander in chief? Absolutely nothing," said Maksym

Skubenko from the 5th Separate Assault Brigade. "I see where the enemy is. I know what to do with him."

Zaluzhnyi's dismissal came after months of speculation over tensions between Zelensky and Zaluzhnyi, who enjoys popularity among the military and the wider public.

Friction grew as political imperatives increasingly clashed with the realities of the war. While Zelensky sought to remain upbeat, Zaluzhnyi painted a more somber

picture of Ukraine's prospects. In an essay for the Economist after Ukraine's failed counteroffensive last year, Zaluzhnyi described the war as a stalemate, and said a major upgrade to the country's military capabilities would be needed to make further gains.

Zelensky publicly rebuked him for that assessment and questioned his call to mobilize hundreds of thousands more troops—a move that would be politically unpopular. Zaluzhnyi hit back in a commentary for CNN, saying it is the government's responsibility to mobilize people.

But Zelensky's tone shifted notably on Thursday as he announced the dismissal in a video address, saying urgent changes were needed to overhaul the military.

Many of the problems he cited, including the lack of Western aid and manpower, can't be solved by the commander in chief. But the appointment of Syrskiy may help result in a more effective working relationship.

Mykhailo Podolyak, an adviser to Zelensky, said change was necessary to prevent a stalemate on the front that would negatively affect the public mood. The decision to remove Zaluzhnyi was driven by the need to review tactics that failed to achieve a breakthrough last year, he said.

"In a country at war, the president needs to be lashed up to the top military commander," said Charles Kupchan, a senior fellow at the Council on Foreign Relations, a Washington, D.C.-based think tank. "From what we gathered there wasn't a lot of face time between Zelensky and Zaluzhnyi."

U.S., China Jostle Over Africa Bases

By Michael M. Phillips

In August, Ali Bongo, then-president of the Central African nation of Gabon, made a startling revelation to a top White House aide: During a meeting at his presidential palace, Bongo admitted he had secretly promised Chinese leader Xi Jinping that Beijing could station military forces on Gabon's Atlantic Ocean coast.

Alarmed, U.S. principal deputy national security adviser Jon Finer urged Bongo to retract the offer, according to an American national security official. The U.S. considers the Atlantic its strategic front yard and sees a permanent Chinese military presence there as a threat to American security.

"Any time the Chinese start nosing around a coastal African country, we get anxious," a senior U.S. official said.

The charged exchange between Bongo and Finer in Libreville, Gabon's capital, was just one skirmish in the great-power maneuvering between the U.S. and China in Africa. China is conducting a back-room campaign to secure a naval base on the continent's western shores, American officials say. And the U.S. has been running a parallel effort to persuade African leaders to deny the People's Liberation Army Navy a port in Atlantic waters.

Beijing didn't reply to a request for comment. The Foreign Ministry said it was unaware of



U.S. envoys regrouped after a military coup in Libreville, Gabon, last summer to press new authorities to rebuff China.

the government's military plans on Africa's Atlantic coast.

Within weeks of his meeting with Finer, Bongo was overthrown by his own presidential guard, and the U.S. was forced to start again, trying to persuade the new Gabonese junta leader to shun Chinese overtures.

It is a battle U.S. officials say they are winning. So far, no African nation with an Atlantic coastline has signed a deal with China, U.S. officials say.

Next door, in Equatorial Guinea, where U.S. officials previously flagged Chinese efforts to open a base, Washington has seen no signs of military construction at a Chinese-built, deep-water commercial port in the city of Bata, said the national security official.

Authorities in Equatorial Guinea, a repressive, family-run oil state, have "consis-

tently assured us that they will not have the P.R.C. construct a base," the official said.

Chinese navy ships freely transit international waters. And Chinese companies have built roughly 100 commercial ports in Africa since 2000, from Mauritania in the far west to Kenya on the Indian Ocean, according to Beijing.

Only one African port, however, serves as a permanent base for Chinese ships and troops: The P.L.A.'s seven-year-old facility in Djibouti, which overlooks the strategic Red Sea where the U.S. and its allies are defending shipping routes against attacks from Iran-backed Houthi rebels from Yemen. The Chinese base sits a short drive from the largest American base in Africa, Camp Lemonnier, a hub for the U.S. campaign against al-Shabaab, the virulent al Qaeda affiliate

operating in Somalia.

The August military coup in Gabon has triggered U.S. laws that restrict security assistance to military regimes, limiting American diplomats' ability to supplement sticks with carrots.

The palace uprising took place just hours after election authorities announced that Bongo, whose family had run Gabon since 1967, had won a third term in office. Gen. Brice Oligui Nguema, head of the powerful Republican Guard, was named transitional president by rebellious officers who declared the election void. Bongo was put under house arrest.

American diplomats had to regroup to persuade the new Gabonese authorities to rebuff Chinese approaches. Finer met with Oligui on the sidelines of the United Nations General Assembly in September. The National Security Council's top Africa hand, Judd Devermont, and Deputy Assistant Secretary of State Melanie Higgins visited Gabon the following month.

Oligui said Bongo had a handshake agreement with President Xi, but that there was no written deal.

The president's office in Libreville referred questions to Noël Nelson Messone, Gabon's ambassador in Washington, who said he wasn't privy to any discussions about a possible Chinese base.

Iranian-Linked Cargo Jet Is Seized by Washington

By Ryan Dube

The U.S. seized a Venezuelan-owned cargo jet with ties to Iran's Islamic Revolutionary Guard Corps that was grounded in Argentina after its arrival two years ago prompted an investigation into possible terrorism ties, said Biden administration officials.

The Boeing 747, owned by Venezuelan state airline Emtrasur, arrived in Florida on Monday, the Justice Department said. The plane had been sold to Emtrasur by Iran's Mahan Air, a transaction that the Justice Department said violated U.S. sanctions levied against the private Iranian carrier. Mahan has been blacklisted by the U.S. Treasury for alleged arms trafficking.

"Mahan Air, known to ferry weapons and fighters for the Islamic Revolutionary Guard Corps and Hezbollah, violated our export restrictions by selling this airplane to a Venezuelan cargo airline," Matthew Axelrod, the U.S. assistant secretary of export enforcement, said. "Now, it's property of the United States government." The U.S. designates both the Iranian guards and the Lebanese militant group as terrorist organizations.

On Monday, Venezuelan Foreign Minister Yvan Gil called the seizure "shameless robbery." Venezuela "will give a

forceful, direct and proportional response to this attack," the ministry said.

The plane was grounded in June 2022 at the Ezeiza International Airport outside Buenos Aires after neighboring Uruguay denied the crew's request to stop over for refueling. The crew said it was transporting auto parts from Mexico. However, some opposition politicians in Argentina said that was a cover for an intelligence operation in their country. The U.S. issued a seizure warrant for the aircraft shortly after it touched down in Argentina.

The 19-member crew of Venezuelans and Iranians included a pilot who U.S. and Latin American law-enforcement officials said is a high-ranking member of Iran's IRGC. The five Iranian men on board claimed to be training the Venezuelans to fly the jet. A previous Argentine judge released the crew in October 2022.

An Argentine court's decision last month to hand over the plane to the U.S. came after the change in government in Buenos Aires. President Javier Milei, a sharp critic of Venezuela and other authoritarian regimes, took office in December, pledging to forge close ties with the U.S. and Israel. Milei's leftist predecessor, Alberto Fernández, was an ally of Venezuela.

PAKISTAN Premier Defends Vote-Release Delay

Pakistan's caretaker prime minister on Monday defended the widely criticized delay in announcing the results of last week's parliamentary election, saying authorities took only 36 hours to count more than 60 million votes while handling militant attacks.

Anwaarul-Haq-Kakar insisted that a "level playing field" was available to all political parties, including that of imprisoned former Prime Minister Imran Khan. Khan's party, Pakistan Tehreek-e-Insaf, won more seats than any other in Thursday's vote, but only because its candidates ran as independents after the party was expelled from the vote.

The election was overshadowed by allegations of vote-rigging and an unprecedented cellphone shutdown. The Election Commission denied the rigging claims.

—Associated Press

INDONESIA Two Suspects Named in Blast

Indonesian police on Monday named two Chinese nationals as suspects in the explosion of a smelting furnace at a Chinese-owned nickel plant on Sulawesi Island that killed 21 workers and injured dozens of others in December.

Police have enough evidence to designate the two Chinese nationals, identified only by their initials, ZG and Z, as suspects, said a police spokesman. He said police will bring a criminal charge of negligence leading to death or serious injury.

The probe showed the furnace was under maintenance and not operating at the time of the blast, which was triggered by fire from "residual slag in the furnace" that flowed out. The blast erupted when the fire came into contact with nearby oxygen cylinders used for welding, he said.

—Associated Press

ARGENTINA Pope, Milei Hold Warm Meeting

Despite their rocky start, Argentina's President Javier Milei and Pope Francis appeared to have hit it off as they held their first meeting Monday amid speculation that the Argentine pontiff might finally visit home this year.

The Vatican said the two met for an hour and 10 minutes, an unusually long audience by Francis' standards.

Milei, who once called the pope an "imbecile," gave Francis some of his favorite Argentine cookies. Francis presented him with the documents of his papacy and a medallion. The Vatican later made no mention of a possible visit.

"One of the things that I've come to understand, among other things, is that the pope is the Argentine who is the most important person in the country," Milei said in an interview being broadcast by Italian TV.

—Associated Press

WORLDWATCH



Argentine President Javier Milei and Pope Francis, who is from Argentina, met for the first time Monday at the Vatican. The pope hasn't visited Argentina since his 2013 election.

BUSINESS & FINANCE

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THE WALL STREET JOURNAL.

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Distressed Real Estate Lures Buyers

With many owners unable to extend loans, investors are starting to pounce

By PETER GRANT

Turmoil in commercial real estate is sending jitters through regional banks and other lenders. But one group is pleased with the turbulence: investors sitting on piles of cash they raised to scoop up

distressed properties.

Many of these investors have been stockpiling funds since early in the pandemic. They have been frustrated because most property owners haven't agreed to sell at big-enough markdowns, in large part because lenders have been willing to offer loan extensions and modifications.

That is starting to change. Lenders are stepping up the pressure on owners of office buildings crippled by remote work. They are getting tougher

on hotel owners who have neglected repairs. They are calling in loans to apartment-building owners who fell behind on construction schedules owing to supply-chain shortages.

Soaring interest rates are the main reason. Property owners who used floating-rate debt or bought properties before the rate shock began in 2022 are struggling to cover debt-service costs that are often more than 4 percentage points higher.

Investors with cash on

hand have begun to snap up these properties or provide rescue capital to struggling owners in exchange for preferred returns. Recent activity includes deals by a venture of investment giant Ares Management and New York office landlord RXR. The venture is buying discounted interests in 3 million square feet of office space and made offers on more than \$500 million of senior debt, according to a person familiar with the matter.

"We're in a period of time

where it's great to have dry powder," said Rich Banjo, co-president of Artemis Real Estate Partners, which has been buying distressed properties through a \$2.2 billion fund it closed last year.

Overall, global real-estate funds operated by private-equity firms were sitting on \$544 billion in cash as of the second quarter of last year—a record level and up from \$457 billion at the end of 2022, according to data firm Preqin. *Please turn to page B2*

B. Riley's Bet on Firm Has Investors Worried

By JONATHAN WEIL

History is littered with financial companies that were undone by one bad bet. Investors are worried that **B. Riley Financial** will be one of them.

B. Riley's bet was on an unremarkable buyout of a company with an uninspiring name, Franchise Group. What made it toxic was the involvement of a hedge-fund manager who has links to a failed investment firm that prosecutors called a fraud.

Investors are anxious because B. Riley was a key funder of the deal and has extensive ties to the hedge-fund manager. New details of loans by B. Riley to the hedge-fund manager show a longer and closer relationship than previously known. They also raise questions about whether Franchise Group should have disclosed more details about some of the loans years ago, when its board included two B. Riley executives.

B. Riley's shares are down around 60% since August, the month the buyout closed, and it has been forced to defend its involvement. In January, the hedge-fund manager, Brian Kahn, resigned as chief executive officer of Franchise Group after a wave of news stories and social-media posts linking him to the failed investment firm.

B. Riley took a \$281 million equity stake in Franchise Group, which owns Vitamin Shoppe and Sylvan Learning tutoring centers, as part of the deal. It later disclosed that it lent \$201 million to Kahn's investment firm, which pledged its Franchise Group shares as collateral. Combined, the stated value of the loan and the equity stake exceeds B. Riley's shareholder equity.

B. Riley's loans to Kahn date back longer than previously known. It made at least 10 different loans to Kahn and entities he controlled from 2018 through 2023, according to data from Preqin. *Please turn to page B11*

China's Grip On Solar Looks Hard to Break

By PHRED DVORAK AND ANDREW MOLLICA

China has come to dominate every step of the long, complex manufacturing process for solar panels.

Part of the reason for that dominance, built over two decades, is that the cost of everything from electricity to labor is much cheaper there than in places such as the U.S. or Europe. More recently, the massive scale of China's solar-manufacturing operations has become an advantage, as it attracts talent, research money and ecosystems of suppliers.

Now, as demand for renewable energy explodes, the U.S. is trying to build its own solar-manufacturing supply chain almost from scratch and supporting the effort with sizable subsidies.

Here's what that will entail, and why it is so tough to go up against China.

chemicals on glass. Still, more than three-quarters of solar panels installed in the U.S. in 2022 were made from polysilicon.

Making that silicon is the first big step in the solar manufacturing process. It is the most energy- and capital-intensive piece because of the high temperatures and expensive equipment used in refining.

Semiconductors are also made of silicon, purified to an even higher grade. But solar panels are much bigger than computer chips. And these days, the solar industry uses far more polysilicon than the chip industry.

Until around 2005, polysilicon manufacturing was dominated by companies from the U.S., Europe and Japan. With China's huge expansion and investment into solar, that has flipped. In 2023, roughly 91% of the polysilicon for solar panels was produced in China.

Cornering a market

The primary building block for some 97% of the world's solar panels is high-purity silicon, or polysilicon. In the U.S., that share is smaller because of the popularity of another type of panel made by spreading a thin film of

Cheaper in China

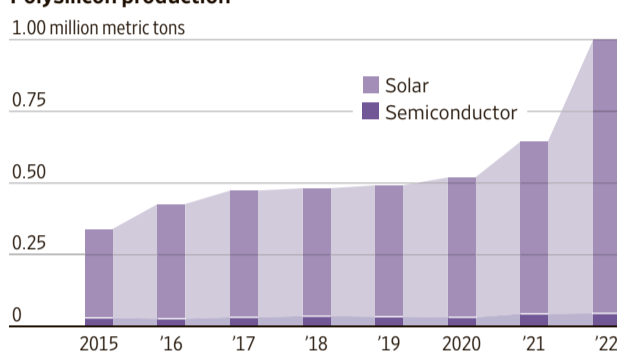
China's cost savings extend throughout the production process. The U.S. is trying to *Please turn to page B2*

◆ **Heard on the Street: Home solar faces crucial year B12**

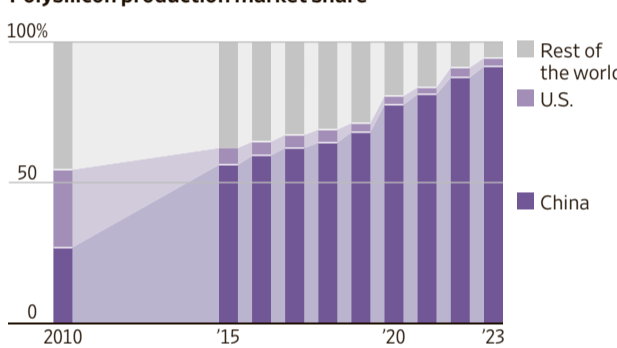
Market share of solar panels in 2022



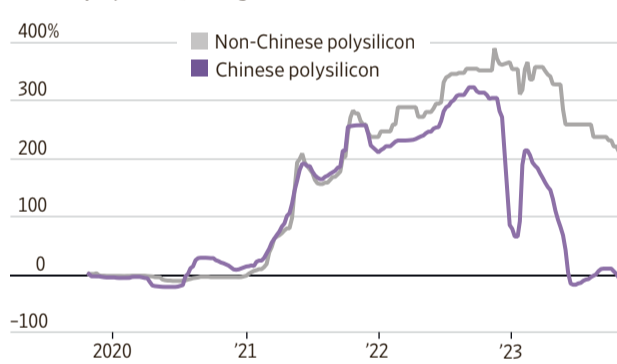
Polysilicon production



Polysilicon production market share*



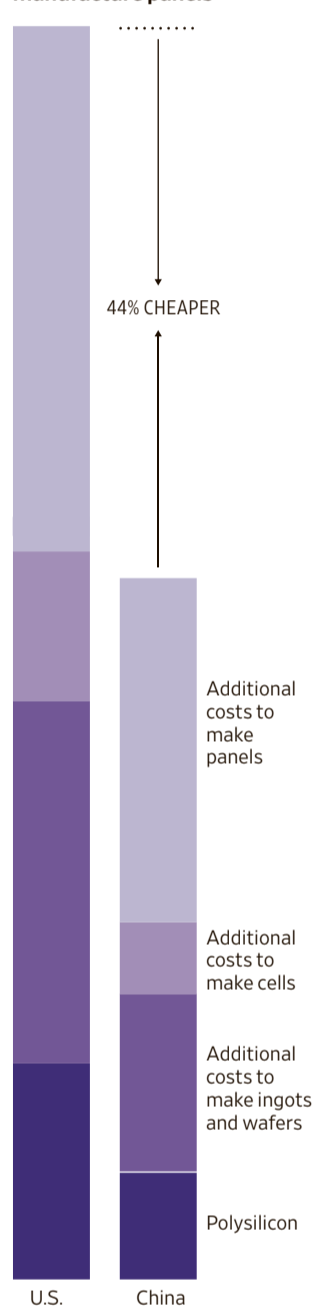
Price of polysilicon, change from October 2019



*2023 figures are estimates

Sources: National Renewable Energy Laboratory (solar panel market share); RTC Corporation (polysilicon production); International Energy Agency (polysilicon market share); OPIS (price); S&P Global Commodity Insights (cost)

Estimated cost to manufacture panels



Icahn Acquires Nearly 10% Of JetBlue

By ALISON SIDER AND CARA LOMBARDO

Activist investor Carl Icahn has a nearly 10% stake in **JetBlue Airways** and may consider pushing for board representation, in one of the billionaire's boldest moves since a short-seller attacked his firm last year.

JetBlue's shares rose 16% in postmarket trading Monday after Icahn revealed his stake in a regulatory filing. JetBlue had a market value of around \$2 billion as of Monday's close.

Icahn said in the filing the airline's shares are undervalued and represent "an attractive investment opportunity." Icahn and the associated parties said they have had and plan to continue holding discussions with JetBlue management and directors about potential board representation.

JetBlue has been losing money and its operation has faltered in recent years. Incoming Chief Executive Joanna Geraghty, who took the helm Monday, has pledged "aggressive action" to get the carrier back on track.

JetBlue said that it is always open to "constructive dialogue" with investors.

For Icahn, the JetBlue stake *Please turn to page B11*



The Lilac Solutions method for extracting lithium from brine forgoes commonly used evaporation ponds, which drain scarce water resources and can leave deposits of toxic residues.

Startup Eyes Great Salt Lake To Power Electric Vehicles

By SCOTT PATTERSON

America's biggest saltwater lake may hold a key to the country's energy future.

This summer, a California startup plans to start construction on a project to suck up water from the Great Salt Lake to extract one of its many valuable minerals: lithium, a critical ingredient in the rechargeable batteries used in electric vehicles. The water will then be injected back into the lake, which Lilac Solutions says addresses concerns about the damaging effects of mineral extraction.

At its peak, Lilac says it will pump up 80,000 gallons of

water a minute. The company plans to eventually produce up to 20,000 tons of battery-grade lithium a year at its site among fields of cattle and pickleweed in northern Utah.

With adoption of electric vehicles expected to boom as part of the country's transition to cleaner energy, the effort is one of dozens of projects across the U.S. racing to build up a domestic supply of lithium and other battery minerals. The Biden administration is dedicating billions of dollars to strengthening the U.S. battery supply chain and reducing reliance on China, which dominates the global production of battery minerals.

The challenge: finding ways to efficiently extract the mineral from rocks and water with minimal environmental damage.

"Lithium resources in the U.S. are very large in scale, but the chemistry is very challenging," said Lilac founder and Chief Executive Dave Snyder.

Lithium extraction has been around for decades, but Lilac says its process will have less impact on the region's environment than other methods.

One common extraction method pumps briny underground water into vast man-made ponds, where evaporation separates lithium from *Please turn to page B2*

Cash Alone Won't Fulfill Altman Microchip Plan

By ASA FITCH AND KEACH HAGEY

OpenAI Chief Executive Sam Altman's plan to reshape the global semiconductor industry envisions pouring vast sums into a challenge that is far more complicated than money.

Manufacturing chips is enormously capital-intensive. It is also one of the most intricately complex industries in the world, with a history of sharp cyclical swings that have made companies wary of radical expansion.

It took decades for the world's most advanced chip makers to reach their current heights. Some chip companies faltered during one of the industry's notorious downturns, like in the early and middle 2010s. Others stopped developing cutting-edge chips along

the way, wary of high costs and the high risk of failure.

There are now only three companies in the world capable of making the most cutting-edge chips—including the processors used to power AI systems—in large volumes: **Taiwan Semiconductor Manufacturing Co., Samsung Electronics and Intel.**

Altman has held discussions with chip makers about joining with them and using trillions of dollars to build and operate new factories, along with investments in energy and other AI infrastructure. Many of the world's largest chip companies, including Nvidia, design their chips but outsource their production to companies such as TSMC.

Building a cutting-edge *Please turn to page B4*

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Why China Holds Grip On Solar

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close the gap with big production incentives tied to each major stage of that process.

Manufacturers say those subsidies, offered through the Inflation Reduction Act that was passed in 2022, are for the first time making factories in the U.S. financially feasible. But not all parts of the supply chain qualify for support, and companies say that inflation and ballooning capital costs, combined with a crash in Chinese solar prices, are widening the cost gap again.

Distressed Real Estate Draws Deals

Continued from page B1
The largest increase was in so-called opportunistic funds, which often search for distressed opportunities.

In some cases, property owners have to replace construction loans obtained from regional banks. These lenders are coming under scrutiny after **New York Community Bancorp** slashed its dividend. In the past, regional banks often provided loan extensions to developers of completed projects even if they were behind schedule in leasing up. But these days, regulators are warning these lenders that they need to reduce real-estate exposure, and regional banks are pulling back. Take the case of Harbor Group International, which has spent more than \$600 million over the past year on seven apartment-building developments—including Pine Ridge and Locklyn West Palm, both in West Palm Beach, Fla. Some of the properties it purchased weren't leasing up as quickly as expected. "Given the pressure on regional banks, those extension options were not necessarily

available to developers," said Richard Litton, president of Harbor Group, which is based in Norfolk, Va. As of the end of 2023, commercial-property distress, including financially troubled assets and those taken over by lenders, totaled \$85.8 billion, according to data provider MSCI Real Assets. That is up from \$56.9 billion at the end of 2022 and the highest level since the third quarter of 2013, MSCI said. Analysts expect that distress will keep rising in the years ahead as more owners need to refinance. More than \$2.2 trillion in commercial mortgages are scheduled to mature between now and the end of 2027, according to data firm Trepp. "At some point, that avalanche is going to hit," said Lonnie Hendry, Trepp's chief product officer. The rise in distressed sales promises to help stabilize the commercial-property market at a time when sales volume has plummeted owing to higher borrowing rates, and weaker cash flows for some property types. That decline has made it much more difficult to determine current values. But as distressed deal activity increases, new values

will emerge, albeit at lower levels. Big names are getting into the distressed game by making loans to troubled landlords or injecting fresh equity. **SL Green Realty**, New York's largest office landlord, said last month that it planned to raise a \$1 billion opportunistic debt fund focusing on the city. Some of the early distressed deals have involved properties whose pandemic-related problems were compounded by higher interest rates. With a \$1 billion fund it closed at the end of last year, Atlanta-based Noble Investment Group has purchased 25 hotels, many of them hit by the one-two punch of deferred maintenance during the pandemic and higher rates, according to Mit Shah, Noble's chief executive. In one of the largest distressed deals, the Federal Deposit Insurance Corp. in December agreed to sell \$17 billion of loans seized from the failed Signature Bank to a venture including Blackstone Real Estate Income Trust in a deal that valued the portfolio at roughly \$12 billion. The group is now marketing loans in the package to other investors, according to a person familiar with the matter.

Commercial-property pain is still far from the levels of the 2008-9 financial crisis. In the second quarter of 2010, the industry was swamped with a record \$194.8 billion in distress, \$109 billion more than at the end of 2023, according to MSCI. Moreover, there is more capital available from funds and other sources to buy distressed assets or provide new loans or preferred equity. Many owners are also reaching into their own pockets to salvage their deals. Largely because of this available capital, special servicers of troubled commercial mortgages that were converted into securities were able to work out \$11.2 billion of loans last year, up from \$5.2 billion in 2022, according to Trepp. During the financial crisis, "loans came into special servicing but they didn't leave," said Alex Killick, managing director at CWC Capital Asset Management, one of the largest special servicers. "The difference this time is that loans are definitely coming in, but they're going back out as well." Still, if higher interest rates persist, many owners struggling to hang on might eventually have to capitulate. "Just because you can secure some equity or you can get an extension, doesn't change the underlying dynamics," said Hendry. "At some point, the math is just the math."

'At some point, that avalanche is going to hit,' said Trepp's Lonnie Hendry.

Golf Legend Woods Unveils Apparel Line, 'Sun Day Red'

By Andrew Beaton

When Tiger Woods split with Nike last month, it meant that the golfing legend was set to wear a new brand for the first time in his professional career. It turns out Woods will be wearing a brand of his own. In partnership with TaylorMade, Woods on Monday unveiled a lifestyle brand called "Sun Day Red," a name that

alludes to his look of wearing a red shirt during the final rounds of tournaments. Woods will debut the line when he tees off at this week's Genesis Invitational at Riviera Country Club in Los Angeles. "I have learned so much over the years and have a lifetime of experience adjusting my apparel and footwear to help me play better based on the way it was constructed,"

the 48-year-old Woods said. "There are things that I could tell you that no one knew I was doing over the years. I'm ready to share those secrets with the world." For TaylorMade, an American golf equipment manufacturer that is primarily known for making clubs, balls and other gear, the move signals the company's increased push into clothing. While the sight of Woods

stepping into the tee box at Augusta National wearing something other than a swoosh on his shirt will be a jarring sight for golf fans, his relationship with TaylorMade isn't entirely new. Woods has used the company's clubs since 2017, a switch he made after Nike got out of the golf-equipment business. Sun Day Red's logo features a tiger composed of 15

stripes—one for each major championship Woods has won. David Abeles, TaylorMade's chief executive officer, said Woods was intimately involved in the design process of the products but was left with a nagging question about the logo's durability. "What are we going to do when I win my 16th major?" Woods asked. "The answer was," Abeles said, "we'll add a stripe to

the tiger." Sales for some lines of Sun Day Red gear will launch on May 1, and the company describes its clothing as premium apparel. Abeles said polos will cost from \$115 to \$135, while shoes will eventually cost north of \$200. Woods missed most of last season after undergoing ankle surgery but recently returned and offered a more optimistic appraisal of his health.

Startup Sees Lake Full Of Lithium

Continued from page B1
other elements over 18 months or more. Mining companies in Chile and elsewhere have used the approach, which drains scarce water resources and can leave deposits of toxic residues. Lilac says its technology is much faster, taking a matter of hours from the time of extraction, while preserving water levels. Its method deploys reusable ceramic "beads" that attach to lithium atoms to separate them from the brine. Snyder says the company has spent more than 500,000 hours testing the technology on more than 70 brine samples around the world. Lilac plans to announce this week that it raised \$145 million from investors including Bill Gates's Breakthrough Energy Ventures and **Mitsubishi**, the Japanese industrial conglomerate, to help fund the project. Lilac is also in discussions with large battery manufacturers and automakers interested in securing a domestic supply of battery-grade lithium, Snyder said. It is also working on a pilot project in Chile, he said. Briny water is among the most promising resources for lithium in the U.S. **Exxon Mobil** is drilling for lithium-laden



Lilac uses reusable ceramic 'beads' that attach to lithium atoms to free them from the brine.

brines deep underground in Arkansas's Smackover region. Other companies are working to extract lithium from brines in California's Salton Sea. At the Great Salt Lake, mineral extraction is nothing new. The lake has been shrinking for decades because of agricultural, industrial and other diversions of its feed waters. Extraction of minerals accounts for about 13% of its water diversion, according to a 2019 study. The lake has become an evermore concentrated soup of minerals, since it doesn't have an outlet that lets it discharge the ones that flow into it.

A bill passed last year by the Utah legislature presses companies to minimize use of the lake's water. Mineral producer **Compass Minerals** said last week that it had terminated a lithium project there, citing heightened regulatory risks. Snyder said Lilac's process is different, and that it has received a positive response from local regulators. "We're able to eliminate evaporation ponds entirely," he said. The company's efforts are being closely watched since a crash in prices for lithium and other battery minerals in 2023 prompted mining companies

to slow expansions of projects and put new ones on hold. The delays threaten to slow the country's push to develop its battery supply chain, even as lithium demand surges. Snyder said it would take about two years for Lilac to build its plant, which will include a refinery to concentrate the lithium into a battery-grade material. Watch a Video Scan this code for a video on a California lake that could supply lithium.

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BUSINESS NEWS

Super Bowl Sets Ratings Record, Surpassing '23

Kansas City victory was watched by an audience of 123 million, data show

By JOE FLINT

Some 123.4 million viewers watched the Kansas City Chiefs beat the San Francisco 49ers in the Super Bowl, according to preliminary data from Nielsen and Adobe analytics, which made it the most-watched television program of all time in the U.S.

Sunday's game benefited from a confluence of factors: an attractive matchup, an overtime comeback victory and increased fan interest surrounding the relationship between singer Taylor Swift and Chiefs tight end Travis Kelce.

The previous record had been set just a year ago, when 115.1 million viewers watched the Chiefs beat the Philadelphia Eagles.

The traditionally huge audience for the Super Bowl, where commercials were costing roughly \$7 million for 30 seconds this year, is evidence of the value of live sports at a time when television viewership has fragmented. A broadcast show getting north of 10 million viewers is considered a success given all the alternatives consumers have with streaming platforms.

The game had both a thrilling ending—it was the second Super Bowl ever to go to overtime—and star appeal, with frequent shots of Swift cheering on her beau from a luxury box. Swift was also accompanied by her posse of famous friends including singer Ice Spice and actress Blake Lively.

The halftime show was headlined by Usher, who was joined by a star-packed roster of guests including Ludacris, Alicia Keys, will.i.am, Lil Jon and H.E.R.

Besides CBS, the game was also available on parent com-



Fans watched the Super Bowl from a pool on top of the Circa Resort and Casino in Las Vegas.

pany **Paramount Global's** streaming service Paramount+ and its children's cable channel Nickelodeon, which aired its own coverage of the game aimed at children and featuring goofy special effects.

Other live events haven't

been as consistent in the ratings as the Super Bowl. Awards shows including the Oscars and Emmys have been in a decline for the past few years. This year's Emmy Awards were the least-watched ever. The Grammy Awards earlier this month did

see some ratings growth from the previous year thanks to performances from Miley Cyrus, Billy Joel, Billie Eilish and Joni Mitchell.

Sunday's victory cemented Kansas City's status as one of the great dynasties in the sport's history. By winning a

third title in five seasons, they joined a club of era-defining teams that includes the Pittsburgh Steelers of the mid-1970s, the Dallas Cowboys of the mid-1990s, and two recent generations of the New England Patriots led by Tom Brady.

Bud's Clydesdales Are Advertising Pros

By KATIE DEIGHTON

They are pampered to the max, never travel coach and demand 60 pounds of hay a day. But advertising directors are dying to work with them.

"I've had actors that are more trouble," says Greg Popp, a commercial director for the famous Budweiser Clydesdale horses.

The eminent equines, most recently seen in a Super Bowl ad Sunday, are fan favorites who have starred in nearly 50 commercials for brewer Anheuser-Busch.

Less known is their reputation as perhaps the most consummate professionals on the advertising circuit. Industry veterans who shoot commercials consider working with the horses a career pinnacle, like a movie director who finally gets to direct Meryl Streep.

Clydesdale scuttlebutt includes remarkably few tales of horseplay or haughty hoof stomping. They arrive on time, take direction and rarely miss their mark.

"They are less like child actors and more like famous athletes," says Michael Aimette, the chief creative officer at the advertising agency FCB New York, which worked on this year's Super Bowl spot.

The ad showed the Clydesdales coming to the rescue when a snowstorm prevented a beer-delivery truck from reaching a small town. The sturdy horses heroically pulled the beer in.

Their journey to the Super Bowl screen began in October, when executives at FCB had just wrapped their pitch presentation. Kyle Norrington, Anheuser-Busch's chief commercial officer, slammed his hand on the table and said, "We've got something good here. Let's get Robin on the line."

Thus began a well-oiled chain of events to turn a storyboard in Manhattan into a 30-second film of equine prowess watched by millions of people. Directors are called, ad space is bought—and on a ranch about 70 miles east of Jackson, Wyo., horse trainer Robin Wiltshire gets a call.

Wiltshire, a 60-plus Australian who was drawn across the world by the romance of Hollywood's Old Wild West, is the man responsible for turning this herd into stars. He has worked with Budweiser more than 25 years.

"Robin's a genius," says Zack Snyder, the Hollywood auteur behind films "Justice League" and "Dawn of the Dead," who early in his career directed ads for Budweiser through the production company Believe Media.

"You'll be saying, 'OK, I want them to walk up, line up, and stop and look at each other,' but you'll be thinking, 'How are they going to be able to do that?' And he'll say, 'Oh yeah, sure.'"

"And sure enough," Snyder adds, "on the day they just do what they were asked."

Here's how it usually works: The ad agency sends the script and storyboard to Wiltshire, who works with Budweiser Clydesdale Operations to calculate how many horses are required.

The chosen Clydesdales travel to Wiltshire's Wyoming ranch riding in 65-foot custom horse trailers designed for their comfort.

Once training begins, the key, Wiltshire says, is to "make sure I'm there for feedings,

and greet them morning and night, so they know my voice."

It is similar to school, he says. Each Clydesdale must first learn to go to a mark with confidence before he adds the "horse actions" required to develop the story.

Wiltshire relies on sounds, praise and preparation to get the horses to act. "When they really perform I stand and give them a big applause," he says. "They really pick up on happy faces."

Wiltshire's skills combined with special effects mean directors often aren't constrained by what the Clydesdales can do naturally. In the world of advertising they can dodge "streaking" sheep and play fetch with a giant log.

Yet, "you don't want them to become too cartoony," says John Hayes, another creative director who worked on Clydesdale ads. "Other animals can be goofy. The Clydesdales have to be majestic."

Cameras occasionally have been sacrificed, such as in the shoot for the popular 1996 Super Bowl "Football" spot that showed the horses playing football.

A Clydesdale was tasked with using its front leg to hike a ball. On hand as director of photography for the production was the late Conrad Hall, an Academy Award-winning cinematographer—who became part of the action.

"My horse hikes the ball, it hits the lens in the camera, bowls Conrad completely over and he says 'I got it!'" Wiltshire recalls.

Among the most difficult

commercials to make was the 2002 Super Bowl ad "Respect," which followed a hitch of Clydesdales from snowy farmland through small towns and over the Brooklyn Bridge to pause and kneel before a lower Manhattan that had been shattered by the 9/11 terrorist attacks just five months earlier.

Wiltshire had to train the Clydesdales to bow their heads in unison, a task that began in New England in winter. "It would rain and my hat would turn to ice," he recalls.

In the prep for this year's Super Bowl ad, Wiltshire used a multitude of headwear in having Simon the Clydesdale practice the trick of knocking a hat off someone's head, as the producers hadn't yet said what type of hat the horse would be presented with.

Once ready, the Clydesdales and their entourage head to the set, and then the mane stars go to the spa—or rather, the spa goes to them.

On average it will take a team of seven people up to five hours to wash and groom the horses, according to Budweiser Clydesdale handler Chris Wiegert.

"I walked past once and one of the handlers was clipping their nose hairs," says director Joe Pytko. "That's how looked-after they are."

Pytko directed the 1996 movie "Space Jam" and at least eight Budweiser Clydesdale ads. Known for his imposing stature, long white hair and booming voice, Pytko softened when it came to Wiltshire and the horses, say people who worked with them on set.

"I never needed more than one or two takes," Pytko says of working with the Clydesdales. "Frankly, it was painful."

—Suzanne Vranica contributed to this article.

The horses arrive on time, take direction and rarely miss their mark.



This year's Super Bowl ad shows the Clydesdales heroically pulling a load of beer after a snowstorm stops a delivery truck.



A State Farm ad with Arnold Schwarzenegger proved popular.

Celebrity-Packed Spots Win Game Within Game

By PATRICK COFFEY

Early analysis of this year's Super Bowl ads hints at why more marketers each year fill their commercials' casts with famous faces: The formula works.

The winner of USA Today's annual, panel-based Super Bowl Ad Meter was an ad for **State Farm** that starred Arnold Schwarzenegger and Danny DeVito, followed by Dunkin's musical number featuring Ben Affleck and Jennifer Lopez plus a supporting cast that ranged from football great Tom Brady to rapper Fat Joe.

"We saw so many celebrities. We saw ensemble casts. We saw a couple different celebrities, like Tom Brady and Usher, you know, they're in two different commercials for different brands," said USA Today video journalist Ralphie Aversa.

Relying on faces people will recognize makes sense, because familiarity is key when advertisers want to break through, Aversa said. Celebrity-driven ads from **Uber Eats**, **Verizon** and **BMW** also landed in USA Today's top 10.

Another postgame analysis reinforced the takeaway even if some individual results differed.

BMW was the game's top-ranked ad for likability, according to Ace Metrix, a unit of TV ad measurement firm iSpot.tv. State Farm's commercial and celebrity-studded ads for Doritos, Nerds and Popeyes also made the top 10.

Familiar faces didn't guarantee Super Bowl success, however. A TurboTax ad featuring "Abbott Elementary" star and creator Quinta Brunson and a commercial for PepsiCo's Starry soda featuring rapper Ice Spice were among the game's least popular ads, according to both Ace Metrix and USA Today.

Super Bowl advertisers' growing reliance on celebrities threatens to overshadow the brands themselves, at least in the short term, according to Moran Cerf, professor of marketing at Columbia Business School.

Many of Cerf's students after the game recalled Beyoncé's announcement of a new album, news that came during Verizon's ad, as well as Christopher Walken's role in the commercial for BMW. But the students were far less likely to remember the names of the advertisers themselves, he said.

Verizon was the most-discussed brand on social platforms on Sunday night, with nearly 53,000 mentions and 453,000 engagements consisting of likes, shares and comments, according to social-media-management software provider Sprout Social. Beyoncé herself attracted 1.4 million engagements, however, Sprout Social said.

The lowest-ranked commercial of the 59 ads included in USA Today's Super Bowl poll came from a super PAC supporting the presidential campaign of Robert F. Kennedy Jr., adapted from a 1960 campaign commercial for his uncle John F. Kennedy.

Super Bowl viewers simply don't respond well to political messages, said USA Today's Aversa. Ads promoting the 2020 presidential campaigns of billionaire Michael Bloomberg and then-President Donald Trump ranked third to last and dead last, respectively, in that year's USA Today survey, he said.

Some brands are happy just to get attention, be it positive or negative. **Temu**, the Chinese e-commerce giant that ran the same animated ad multiple times during the game, beat out brands like Doritos and FanDuel in terms of total social-media mentions, particularly on Reddit and X, according to data from Brandwatch, which sells social-media-management software.

But many of these comments were negative, according to Brandwatch.

Temu still achieved its goal of increasing awareness by pushing itself in front of millions of viewers, according to Cerf. Now it will have to work to turn that conversation more positive, he said.

TECHNOLOGY

WSJ.com/Tech

CDL 1000 Acquires Digital Freight Rival Next

The deal extends consolidation in the struggling logistics technology field

By PAUL BERGER

Digital freight broker CDL 1000 acquired competitor Next Trucking in an equity deal that extends consolidation in the struggling, technology-focused business of matching trucks and shipments.

The agreement combines Chicago-based CDL 1000's business, which manages loads on short-haul routes between seaports and warehouses, with similar services at Long Beach, Calif.-based Next Trucking focused on the nation's busiest container port complex at Los Angeles and Long Beach in Southern California.

CDL 1000 didn't reveal terms of the deal. Andrew Sobko, the company's founder and chief executive, said the acquisition as well as the November purchase of Hickory Transportation Services, a Jacksonville-Fla.-based freight broker focused on the U.S. Southeast, will expand the company's services and boost



Next Trucking focuses on the nation's busiest port complex, at Los Angeles and Long Beach.

its nationwide reach. "CDL 1000 was present in 18 major ports, but never had any major market share in L.A.," Sobko said. "Now, through the Next Trucking ac-

quisition we are one of the top three trucking players in L.A. and Long Beach." Freight startups looking to use developing technology to simplify shipping operations

have been struggling for almost two years because of a prolonged downturn in the logistics industry. Seattle-based Convoy, an eight-year-old digital startup

that counted early backing from Amazon.com founder Jeff Bezos and Microsoft co-founder Bill Gates, shut down last fall after reaching a \$3.8 billion valuation the year be-

fore. Uber Technologies' Freight unit reported a \$14 million loss in the fourth quarter of 2023 as revenue fell 17% to \$1.28 billion.

The strains have been particularly hard on venture-backed digital freight brokers because high interest rates are limiting new rounds of funding. New York-based Transfix in 2022 canceled plans to go public through a merger with a special-purpose acquisition company and instead raised a smaller amount via a private funding round.

Next Trucking was founded in 2015. It raised \$273 million before its acquisition and was valued in July 2023 at \$196 million, according to PitchBook Data.

CDL 1000 said its deal was financed by Brookfield Growth and Mucker Capital, both former backers of Next Trucking, as well as others including SVB Capital.

Nicholas Sammut, managing director at Brookfield Growth, said the venture arm of Brookfield Asset Management believes CDL 1000 is on course for more acquisitions "that will drive the digital transformation of legacy operators and assets."

French Digital Music Firm Gets \$1.64 Billion Bid

By DOMINIC CHOPPING

A consortium of investors including private-equity company EQT have agreed to make a €1.52 billion (\$1.64 billion) takeover bid for French digital music company Believe.

The consortium, which also includes investment firm TCV and Believe's founder and chief executive, Denis Ladegaillerie, said Monday that they will pay €15 a share and have already agreed to buy 71.92% of the company from certain existing shareholders.

Completion of the stake buy is expected to take place during

the second quarter, and the consortium will then launch a tender offer for the remaining shares.

The bid represents a 21% premium to Believe's closing price on Friday of €12.40.

"Since being a public company, Believe has systematically outperformed its objectives, delivering its IPO plan two years ahead of schedule," Believe CEO Denis Ladegaillerie said in a statement. "However the strength of its operational performance has not been reflected in the share price evolution. Believe has a significant opportunity ahead to consolidate the

independent music market."

Believe said it provides over 1.3 million independent artists with marketing, artist development, production, publishing, branding, live and financing solutions in over 50 countries and across more than 150 digital streaming providers, including Spotify, YouTube, Apple Music, and Amazon.

The consortium said Believe is benefiting from the rapid growth of paid streaming, particularly in the fastest growing regions of Asia, Europe and emerging markets, where it has established leadership market positions.

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Denis Ladegaillerie of Believe

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BANKRUPTCIES

ATTENTION DIRECT AND INDIRECT HOLDERS OF AND PROSPECTIVE HOLDERS OF STOCK ISSUED BY CANO HEALTH, INC.
Upon the motion, dated February 5, 2024 (the "Motion") of Cano Health, Inc. and certain of its subsidiaries, as debtors and debtors in possession in the chapter 11 cases (collectively, the "Debtors") captioned as In re Cano Health, Inc., et al., No. 24-10164 (KB) (the "Chapter 11 Cases"), on February 7, 2024, the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"), having jurisdiction over the Chapter 11 Cases, entered an interim order establishing procedures (the "Stock Procedures") with respect to transfers in the beneficial ownership (including directly or indirectly) of shares of Class A common stock of Cano Health, Inc. ("Common Stock") and options to acquire beneficial ownership of Common Stock, and scheduling a hearing on a final order with respect to such Stock Procedures.

Chip Plan Needs More Than Cash

Continued from page B1
chip factory typically costs at least \$10 billion. But even with that, the scale Altman is discussing is extreme: Stacy Rasgon, an analyst at Bernstein Research, estimates that a little more than \$1 trillion has been spent on chip-manufacturing equipment in the entire history of the industry.

Money, however, isn't the only ingredient needed to succeed in one of the most complex forms of manufacturing in existence.

There are uncertainties about finding the engineers to operate a rash of new factories, obtaining the machinery to fill the plants and securing enough orders to justify them, industry executives say. China's government poured capital for decades into building a chip industry, but its progress was hindered by some of those other factors.

"The semiconductor industry doesn't lack funding," said Jimmy Goodrich, a semicon-

ductor-industry expert and senior adviser to Rand Corp. "Look at China—they've thrown over \$150 billion at their industry, and it hasn't worked. The fundamental challenge is that this technology is incredibly hard."

Even if a large number of new chip factories were built, it wouldn't necessarily solve Altman's nearer-term problem—a shortage of AI chips needed to produce systems such as OpenAI's ChatGPT. The biggest bottleneck in the production of Nvidia's AI chips has been in packaging, a manufacturing step that comes after the circuits are imprinted on silicon.

Altman has also complained about the cost of Nvidia's chips—another problem Raymond James analyst Srinu Pajjuri said more chip factories might not solve.

"For AI chip prices to come down, we need more competition to Nvidia," he said.

More factories are under construction. All of the biggest chip makers are spending tens of billions of dollars on them, pacing their expansions with expectations that global chip sales will surpass \$1 trillion by 2030. TSMC has ramped up from about 10 million silicon wafers a year in 2016 to 16 million last year.

If Altman's plan were suc-

cessful, insiders say it would likely oversupply the market, driving prices down and leading companies to run factories significantly under their manufacturing capacity, a financial death knell in the industry because of its high fixed costs.

"Now they are investing, and as it comes online demand goes away," said Bernstein's Rasgon, explaining how the industry grows in spurts. "It always happens because quite often it turns out the demand you are building for wasn't real in the first place. Hence the endless cycle."

The industry's current spurt is being aided by govern-

ments across the globe that are pitching in, recognizing the importance of chips to their technological, economic and military supremacy. The U.S. is plowing \$39 billion of grants into new plants following the passage of the Chips Act two years ago, seeking to rebuild an industry that decamped for Asia in recent decades.

The scale of funding Altman is contemplating would dwarf the incentives being put

forth in the U.S. and elsewhere, including in China, Taiwan, South Korea and Japan.

Altman has met in recent weeks with U.S. Commerce Secretary Gina Raimondo and other U.S. officials to discuss his ambitions, according to people familiar with the discussions. Raimondo is over-seeing the distribution of grants under the Chips Act.

After a flurry of recent interactions with chip companies, Altman is set to appear at an event later this month for Intel's contract chip-making business. Intel is expected to be a recipient of Chips Act grant money to be awarded in the coming weeks.

It is unclear how Altman would find the talent to staff dozens of new factories. The Semiconductor Industry Association expects 115,000 jobs to be created by the end of the decade, 58% of which risk going unfilled. And it is uncertain that he could source enough manufacturing equipment in a reasonable time frame. Lead times on some chip-making equipment are around two years.

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Taiwan Semiconductor, Samsung and Intel are the key makers of chips needed for AI systems. An Intel display in Shanghai.

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BUSINESS & FINANCE



The deal boosts Gilead's liver portfolio, adding seladelpar, CymaBay's lead product candidate. Above, Gilead headquarters.

Gilead to Pay \$4.3 Billion For CymaBay Therapeutics

By COLIN KELLAHER

CymaBay Therapeutics shares jumped nearly 25% and hit a record in early trading on Monday after the clinical-stage biopharmaceutical company agreed to be acquired by **Gilead Sciences** for \$4.3 billion.

Gilead is paying \$32.50 a share in cash for CymaBay, a roughly 27% premium to Friday's closing price of \$25.69 and well above CymaBay's prior record high of \$26.35

reached during Friday's session.

Shares of Newark, Calif.-based CymaBay closed Monday up 25% at \$32.21, while shares of Foster City, Calif., biopharmaceutical company Gilead edged up 1% to \$74.45.

The deal, slated to close in the current quarter, bolsters Gilead's liver portfolio with the addition of seladelpar, CymaBay's lead product candidate, for the chronic and progressive liver disease primary biliary cholangitis.

Gilead's liver-disease portfolio, which includes the hepatitis drug Vemlidy, generated sales of \$2.8 billion last year.

CymaBay on Monday said that the U.S. Food and Drug Administration granted priority review to its application seeking approval of seladelpar for the management of primary biliary cholangitis including pruritus in adults without cirrhosis or with compensated cirrhosis who are inadequate responders or intolerant to ursodeoxycholic

acid.

The FDA grants priority review to medicines that have the potential to provide significant improvements in the treatment of a serious disease.

The designation shortens the review period.

CymaBay said the FDA set a target action date of Aug. 14 for the application, adding that the agency isn't currently planning to hold an advisory committee meeting to discuss the application.

Michelin Posts Flat 2023 Profit, Sets Buyback

By PIERRE BERTRAND

Michelin said it would buy back shares after it reported mostly flat earnings for 2023.

The French tiremaker said it made €1.98 billion, equivalent to about \$2.14 billion, in net profit for the year, compared with €2 billion in the prior year. Sales declined by nearly 1% year-to-year to €28.34 billion.

The results compare with expectations of €1.98 billion in net profit and €28.51 billion in sales, according to a Visible Alpha consensus.

Michelin's 2023 operating income came to €2.65 billion, a 12% decrease compared with a year ago.

The company said that its mix and prices offset unfavorable market conditions, and that non-tire sales grew by 10%.

For 2024, Michelin said that it was targeting more than €3.5 billion in segment operating income at constant exchange rates and more than €1.5 billion in reported cash flow before acquisitions.

The company added that it would initiate a share buyback that it said could be valued at up to €1 billion over the 2024-2026 period.

The company also declared a €1.35 dividend for the year, an increase of 8% compared with 2022.

€1B

Potential value of the French tiremaker's planned share buyback



Michelin said its mix and prices offset unfavorable market conditions. The company's non-tire sales grew 10%.

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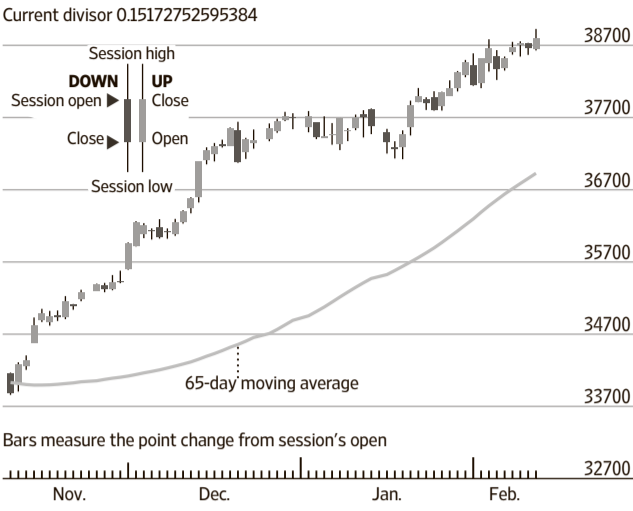


MARKETS DIGEST

EQUITIES

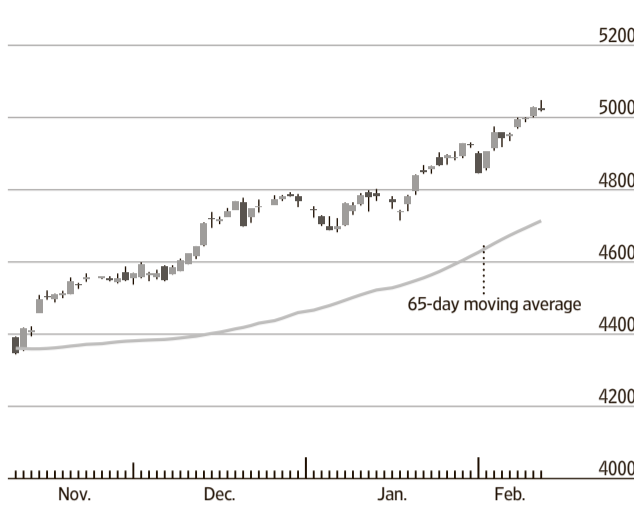
Dow Jones Industrial Average

38797.38 ▲125.69, or 0.33%
High, low, open and close for each trading day of the past three months.



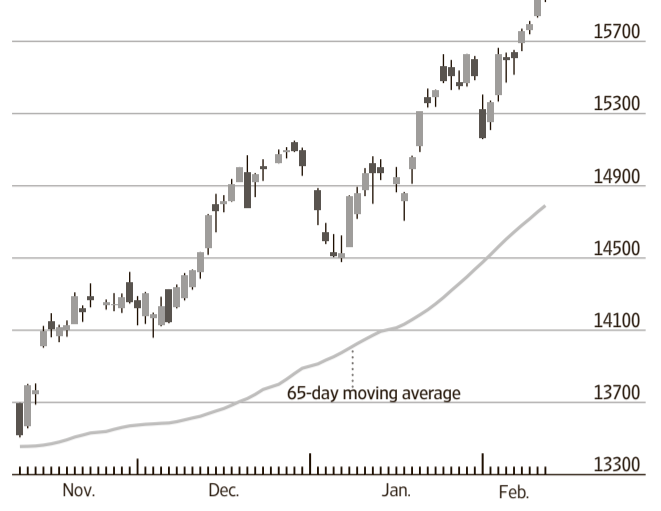
S&P 500 Index

5021.84 ▼4.77, or 0.09%
High, low, open and close for each trading day of the past three months.



Nasdaq Composite Index

15942.55 ▼48.12, or 0.30%
High, low, open and close for each trading day of the past three months.



Major U.S. Stock-Market Indexes

Table with columns for Index Name, High, Low, Close, Net chg, %chg, 52-Week High, Low, %chg, YTD, and 3-yr. ann. Includes Dow Jones, Nasdaq Stock Market, S&P, and Other Indexes.

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...

Most-active issues in late trading

Table listing companies like Intel, SPDR S&P 500 ETF Trust, Snap, Grab Holdings, Marathon Oil, Zoominfo Technologies, Cisco Systems, and Ezoopen Parent with their trading details.

Percentage gainers...

Table listing percentage gainers such as Zoominfo Technologies, JetBlue Airways, Tripadvisor, Aspen Aerogels, and Sana Biotechnology.

...And losers

Table listing percentage losers such as G1 Therapeutics, Express, Teradata, Cadence Design Systems, and Arista Networks.

Trading Diary

Volume, Advancers, Decliners

Table showing trading volume, advancers, decliners, and issues traded for NYSE and NYSE Arca.

International Stock Indexes

Table listing international stock indexes by region/country, including MSCI ACWI, Euro STOXX, Nikkei 225, etc.

Percentage Gainers...

Table listing percentage gainers in international markets, including Beamr Imaging, CymaBay Therapeutics, and others.

Most Active Stocks

Table listing most active stocks like Beamr Imaging, Direxion Dly Semi 3 Bear, and Tesla.

Percentage Losers

Table listing percentage losers in international markets, including AN2 Therapeutics, TOP Financial Group, and others.

Volume Movers

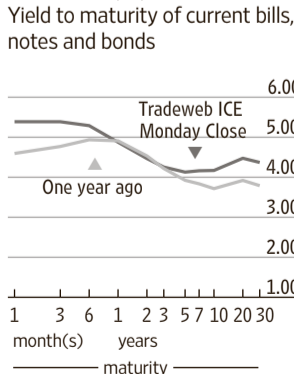
Table listing volume movers such as AllianzIM US LC Bf10 Jun, CymaBay Therapeutics, and others.

CREDIT MARKETS

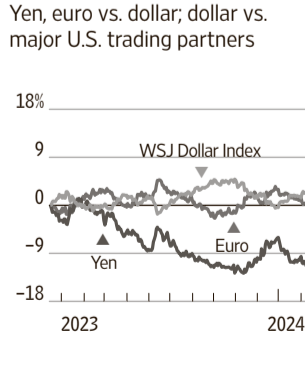
Consumer Rates and Returns to Investor

Table showing consumer rates (Federal-funds target, Prime rate, SOFR) and returns to investor (5-year CDs, Bankrate.com avg, etc.).

Treasury yield curve



Forex Race



Corporate Borrowing Rates and Yields

Table showing corporate borrowing rates and yields for U.S. Treasury, Aggregate, and Muni Master.

CURRENCIES & COMMODITIES

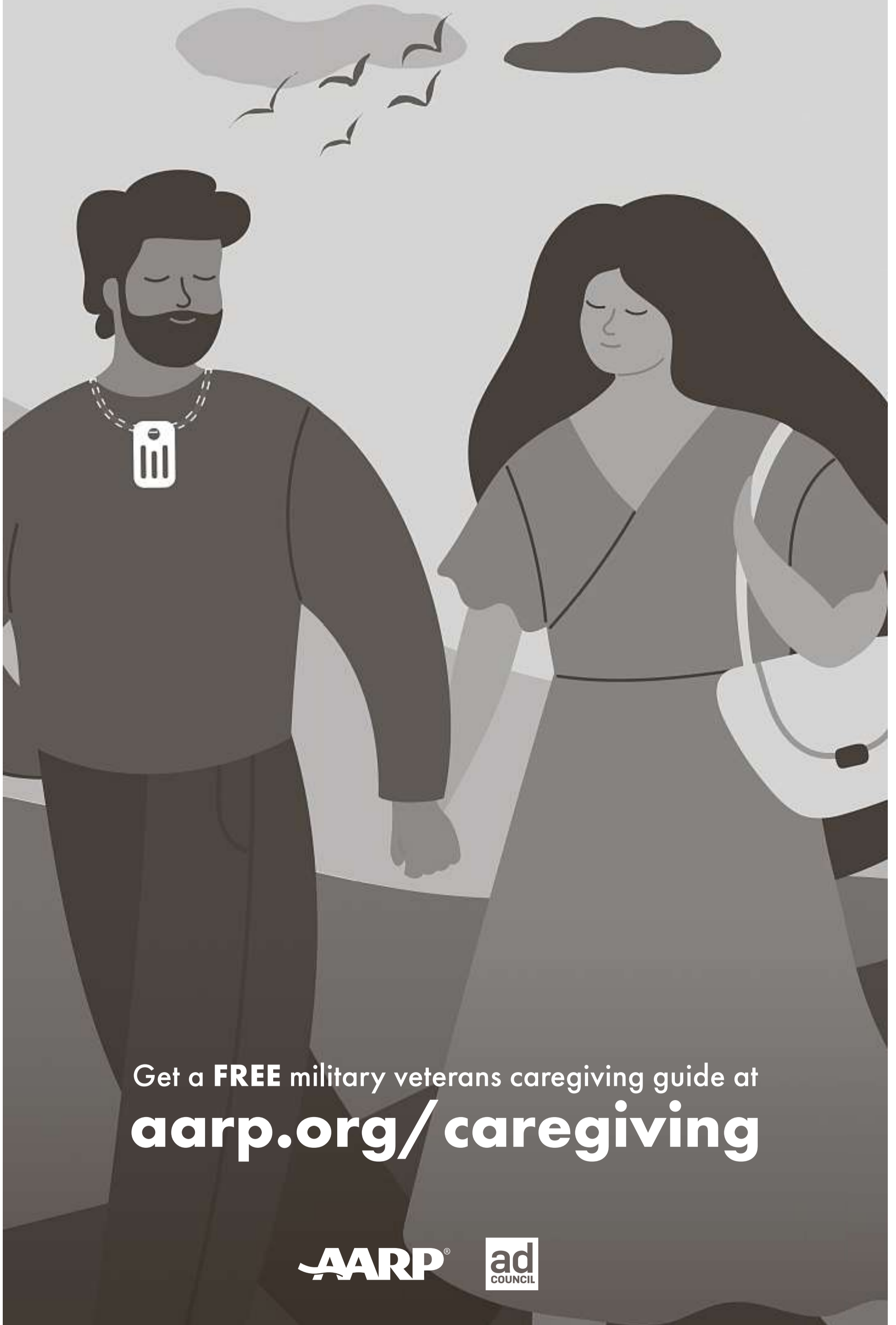
Currencies

Table showing U.S.-dollar foreign-exchange rates for various countries and currencies.

Commodities

Table showing commodity prices for DJ Commodity, Crude oil, Natural gas, and Gold.

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FINANCE & MARKETS



Coca-Cola is among a slew of companies scheduled to report their quarterly earnings results on Tuesday.

S&P Slips but Stays Above 5000 Ahead of CPI Report

By JACK PITCHER

The S&P 500 backed off its record ahead of inflation data and a spate of earnings this week.

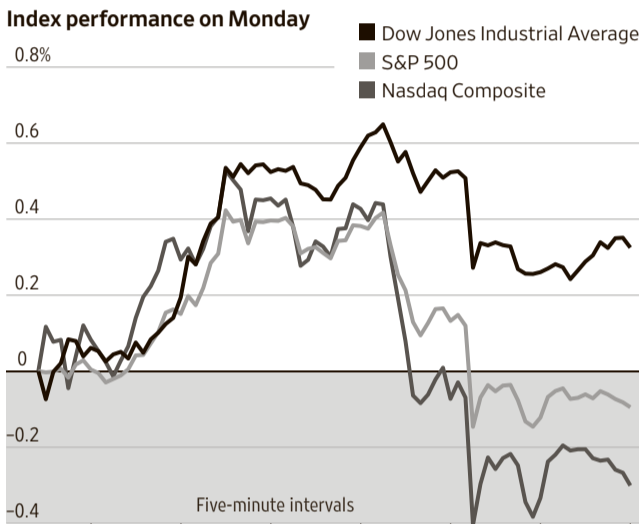
The benchmark index shed 0.1% to 5021.84, after setting multiple records last week and closing above 5000 for the first time Friday. The Dow Jones Industrial Average added 0.3% to hit a record 38797.38, while the Nasdaq Composite was 0.3% lower.

Strong economic data, encouraging corporate earnings and the rally in technology shares have continued to power U.S. stocks in 2024. Despite the S&P 500's slip on Monday, a big day for small-caps—the Russell 2000 added 1.8%—had some investors optimistic that the index's gains can expand further beyond big tech and be sustained.

The Russell 2000 has outperformed the S&P 500 over the past two weeks after badly lagging behind in 2023.

Stock-market gains have been unusually concentrated in seven large tech stocks since the beginning of last year.

Some analysts find encouragement in stocks holding up even as Wall Street has pared back its expectations for inter-



Source: FactSet

est-rate cuts this year. For the year, the S&P 500 is up 5.3%, after adding 24% in 2023.

Treasury yields edged lower, with the yield on the 10-year note dropping to 4.170% from 4.186% on Friday.

Investors will get their latest look at inflation data on Tuesday morning, when the consumer-price index for January is released. Price pressures have been easing, leading to expectations that the Federal Reserve will start cutting interest rates this year. A lower-

than-expected CPI reading would bolster the case for cuts sooner rather than later.

A flurry of major earnings are also due starting Tuesday, including from Coca-Cola, Kraft-Heinz, Airbnb and Marriott International. Results from S&P 500 companies so far have been encouraging, with more companies beating expectations than expected and corporate profits growing in the fourth quarter from a year earlier.

Diamondback Energy was among the S&P 500's best per-

formers Monday, jumping 9.4% after announcing a merger with closely held rival Endeavor Energy Resources, a deal that will create an oil-and-gas behemoth valued at more than \$50 billion.

Airbnb added 4.2% ahead of its earnings release Tuesday, while VF Corp., owner of brands including the North Face, jumped 14% after a report that an activist investor was gaining support.

Bitcoin rose above \$50,000 on Monday afternoon to trade at the highest level since late 2021. Oil gave up some of last week's gains, with Brent crude, the international benchmark, slipping 0.2% to \$82 a barrel.

At midday Tuesday, Japan's Nikkei 225 was up 2.4%. Much of Asia is still closed for Lunar New Year. S&P futures fell 0.1%.

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.

Table with columns for Applications, Accepted bids, Auction price (rate), and Bids at clearing yield accepted for 13-Week and 26-Week Treasury bills.

Both issues are dated Feb. 15, 2024. The 13-week bills mature on May 16, 2024; the 26-week bills mature on Aug. 15, 2024.

B. Riley Bet Worries Investors

Continued from page B1 to financing statements filed with state agencies in Nevada, Delaware and Florida, known as Uniform Commercial Code filings. The UCC filings don't show the amounts borrowed.

Some of B. Riley's loans to Kahn were made or in place while two B. Riley senior executives were on Franchise Group's board, where they served from 2018 to 2020. Franchise Group didn't disclose them as related-party transactions in its proxy statements. A possible explanation for the lack of disclosure is it may not have been required, because Franchise Group itself wasn't a participant in the transactions.

A July 2023 slide presentation by the investment bank Nomura, which provided financing to B. Riley as part of the Franchise Group buyout,

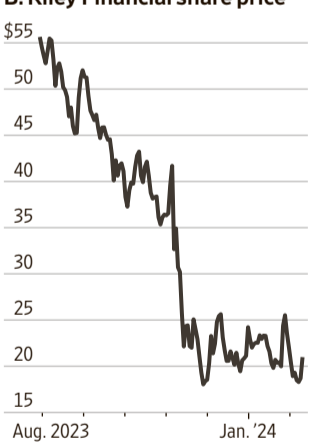
included information about B. Riley's loans over the years to Kahn. The earliest one it listed was a \$37 million loan in July 2019, and by mid-2023 the principal balance on Kahn's loans was \$154 million.

The current drama has its roots in the collapse of Prophecy Asset Management, which claimed it was overseeing almost \$400 million of assets when it failed in March 2020. Prosecutors have called Prophecy a fraud that hid its trading losses. Kahn, as an outside adviser hired by Prophecy, managed most of its money and appears to have generated most of its losses.

Prophecy's former president and chief compliance officer, John Hughes, pleaded guilty in November to conspiracy to commit securities fraud and is cooperating with prosecutors. Hughes's attorney declined to comment. Kahn, 50 years old, is one of two people referred to as unnamed co-conspirators in the case, according to people familiar with the matter.

Prophecy clients in a now-resolved lawsuit alleged that Kahn secretly diverted Prophecy money to help build his

B. Riley Financial share price



Source: FactSet

controlling stake in Franchise Group. He used his stake to help take Franchise Group private in the B. Riley-financed deal last year, which valued the company at \$1 billion.

Kahn declined to comment. He hasn't been charged, and he has denied wrongdoing. In a statement last month to Bloomberg, Kahn's lawyer, Douglas Brooks, said, "Mr. Kahn categorically denies any knowledge of wrongdoing perpetrated by the managers of Prophecy." He said that Prophecy defrauded Kahn out of

tens of millions of dollars and that neither B. Riley nor Franchise Group had any dealings with Prophecy.

Referring to the Franchise Group investment, a B. Riley spokeswoman, Jo Anne McCusker, said, "We remain confident in the investment proposition and believe this will turn out to be a value-enhancing transaction for our investors." She said B. Riley has secured its rights to the shares backing its loan to Kahn and has first priority over other creditors.

Whether B. Riley does have first priority is crucial. Kahn at one point pledged his Franchise Group stock to Prophecy, according to a Securities and Exchange Commission lawsuit that referred to him as "Individual 2." The SEC said Prophecy counted the amount—then worth almost \$200 million—in its net asset value shortly before its failed IPO. It is unclear whether Kahn pledged the same shares twice—to both Prophecy and B. Riley.

Franchise Group itself had been struggling. It reported combined net losses of \$228 million during its last six quarters as a public company,

Icahn Buys 10% Stake In JetBlue

Continued from page B1

marks his first potential public activist campaign since a short-seller attack last year shaved billions of dollars from his net worth and curtailed his ability to make big new bets. Hindenburg Research had argued his publicly traded firm, Icahn Enterprises, was overvalued and held assets at inflated prices.

Throughout the saga, Icahn continued to agitate at gene-sequencing company Illumina, which he had criticized for purchasing blood-test maker Grail, which it is now in the process of divesting itself of.

On Monday, utility company AEP said it had reached a settlement with Icahn to add two of his representatives to the board.

Icahn has a turbulent past in the airline industry. As a corporate raider in the 1980s, he took control of struggling TWA in 1985 and sold assets. He clashed with the airline's unions and it continued to flounder, spending much of the 1990s in bankruptcy court. TWA was acquired by American Airlines in 2001.

JetBlue is plotting a new course after its plan to acquire Spirit Airlines was blocked by a federal judge last month. JetBlue battled for a year and a half to buy its no-frills rival, arguing that a merger would fuel its growth ambitions and allow it to compete more ef-

fectively with the big airlines that dominate the U.S. market. But U.S. District Judge William Young sided with anti-trust enforcers who had argued the deal would suppress competition and had sued to prevent it from going through.

JetBlue and Spirit are appealing the decision, but industry observers are skeptical it will be overturned. JetBlue shares have climbed since the deal was blocked, and some analysts and investors have said JetBlue might be better off avoiding the \$3.8 billion price tag to buy Spirit.

JetBlue has warned Spirit that it believes some of the deal conditions may not be met in time and it may scrap the tie-up.

JetBlue's challenges go beyond a failed deal, however.

The carrier pioneered passenger amenities such as free in-flight TV and Wi-Fi. But it hasn't turned a profit since 2019, even as larger rivals have rebounded from the Covid-19 pandemic. Its operation has struggled with lackluster reliability, which the carrier has attributed in large part to the crowded, tricky skies above New York City, where it is based.

The carrier last month outlined a number of measures aimed at bringing down stubbornly high costs and boosting revenue. It plans to delay some aircraft deliveries and shift away from money-losing routes to focus on more lucrative leisure flying. Still, the airline's "key strategic challenge" remains its small size in an industry dominated by four behemoths, Geraghty said.

—Ben Glickman contributed to this article.

Carl Icahn has a turbulent past as a corporate raider with the defunct TWA.



JetBlue has been losing money and is plotting a new course after its plan to acquire Spirit Airlines was blocked.

New Highs and Lows

Table listing various stocks with their 52-week high and low prices, and percentage changes. Includes columns for Stock, 52-Wk % High/Low, and % Change.

HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

Videogame Makers Bank on Distant Draws

New Switch and 'Grand Theft Auto VI' are on the horizon, but Electronic Arts and Take-Two are expected to see modest growth

Videogamers aren't exactly known for their patience. They have little choice at the moment, and neither do investors in the industry.

Major videogame developments are on the horizon. Rockstar Games finally confirmed in December that it is working on "Grand Theft Auto VI," which would be the first sequel to its blockbuster franchise in more than a decade and follows a predecessor that is now ranked as the third-best-selling individual game ever.

Nintendo is widely believed to be working on a successor to its Switch console, which has sold more than 139 million units to become the company's second-best-selling console ever, surpassing the mega-popular Wii.

And this past week, Disney made a \$1.5 billion investment in Epic Games. That deal will lead to the creation of "an all-new games and entertainment universe" connected to Epic's popular "Fortnite" game, the companies said in their joint statement. And Microsoft now owns Activision Blizzard, which paves the way for blockbuster franchises such as "Call of Duty" to be distributed through subscription-based services that could lower the entry price for players and help upend the industry's long-established business model of selling such games on a per-unit basis.

None of these next big things are on the near-term horizon though. And the outlook for much of the industry for this year is muted at best. Electronic Arts and Take-Two Interactive, the two



A scene from the trailer for 'Grand Theft Auto VI,' the sequel Rockstar Games confirmed in December.

largest independent publishers left in the business after Microsoft's takeover of Activision, are expected to see low- to mid-single-digit growth in net bookings for calendar 2024, according to consensus projections from FactSet. Both are decelerations from the net bookings growth logged by the two publishers for 2023.

As a result, both are trying to get investors to focus further down the road. In its fiscal third-quarter call on Jan. 30, EA Chief Financial Officer Stuart Canfield

warned of a "lighter release slate year" for the fiscal year ending in March 2025, but added that net bookings growth will accelerate over the couple of years beyond that, helped in part by new releases from the company's popular Battlefield and Sims franchises.

And in its own fiscal third-quarter call on Thursday, Take-Two lowered its net bookings forecast for the current fiscal year due in part to a delayed game release, while noting that it now expects net bookings for the fiscal year

ending March 2025 to be "a little above" \$7 billion—effectively \$1 billion lower than the projection the company was giving six months ago. Take-Two owns Rockstar and thus controls the "Grand Theft Auto" franchise, and the move had analysts speculating whether the new sequel will release later in the calendar year compared with the March-quarter launch many had been anticipating. Take-Two's shares slid nearly 9% on Friday after the report.

There remains little doubt that

"Grand Theft Auto VI" will be a huge hit whenever it comes out. And the well-regarded Battlefield franchise will be overdue for a strong sequel. The last one hit in 2021 and generated disappointing sales because of mixed reviews and technical issues at the launch. But the prospect of a lackluster year ahead has diminished investor enthusiasm. Take-Two and EA shares are up 6% and 7%, respectively, over the past three months, badly lagging behind the S&P 500 and Nasdaq Composite.

A new Switch console from Nintendo could be a nearer-term prospect. The company has given no official indication of a launch or how the new device will be designed. But the first one turns seven years old next month, which is a longer span than Nintendo has gone between its last four home-console launches. Investors seem convinced it is on the horizon; Nintendo shares jumped 22% over the past three months, handily outperforming other game publishers and even rival console maker Sony.

The rub there is that Nintendo consoles tend to disproportionately benefit Nintendo's own games; only three of the top-20-selling games in the U.S. for the Switch in 2023 were non-Nintendo titles, according to data from market-research firm Circana that covered the year through November. That could limit the halo effect a new Switch could cast on the overall game sector. But for players, it could provide a nice alternative to the industry's current waiting game.

—Dan Gallagher

Residential Solar Faces Crucial Year

After years of fast and expensive growth, America's residential-solar companies are wilting under high interest rates and less favorable state incentives. Is it darkest before dawn for the survivors?

Sunlight Financial, a financing provider for rooftop solar systems, declared bankruptcy in October. SunPower, a rooftop solar and storage provider, in a December filing flagged the risk of defaulting on some of its debt and said there was "substantial doubt" about its ability to continue as a going concern. Last month, the company said it adopted a restructuring plan to cut operating costs, citing slower sales driven in part by interest rates. Solar micro-inverter company Enphase Energy said in a December filing that it will lay off about 10% of its workforce and stop manufacturing at certain locations to reduce operating costs. SolarEdge Technologies, another inverter provider, said last month that it would reduce its head count by 16% to "align its cost structure to current market dynamics."

High rates have been a double whammy for the rooftop solar business: Not only do solar companies rely on debt to fund their installations, but customers tend to finance their purchases. The average quoted rate on consumer solar loans is 6.58% so far this year, a steep climb from 2.45% in the first quarter of 2022, according to EnergySage, a marketplace that connects consumers with installers.

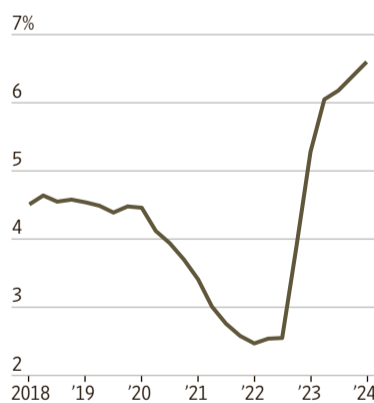
Making matters worse, California, the biggest market for home solar, last year reduced the amount that rooftop-solar systems can get for selling excess electricity back to the grid. That effectively cut the value of solar export credits by about 75% on average, which means it now takes consumers 8 to 10 years to break even on a solar panel. That is about four years longer than it used to take, according to Zoë Gaston, solar analyst at Wood Mackenzie. While California's new rules do shorten the payback period on solar-plus-storage systems, industry analysts said that market will take time to grow because batteries exceed many consumers' budgets.

Conditions haven't looked this dim for the sector in a while. Wood Mackenzie expects there to be 12% fewer U.S. residential solar installations in 2024 than 2023—the first annual contraction since 2017. BloombergNEF expects a slight uptick this year compared with 2023, but expects U.S. home solar installations to rise by just 5% a year between 2023 and

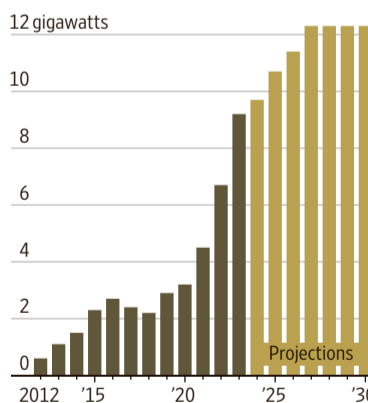


A SunPower technician on a residence's roof in Pasadena, Calif.

Average quoted solar loan interest rate, quarterly



U.S. residential solar capacity additions*



*Direct current capacity. 2023 capacity values are based on preliminary data from the Energy Information Administration. Sources: EnergySage (solar loan interest rate); BloombergNEF (solar capacity additions)

2030—a substantial slowdown from the 32% annual growth the sector saw on average between 2019 and 2022. Solar stocks are reflecting a lot of pessimism: Installers Sunrun and Sunnova Energy slumped about 30% over the past 12 months, while SunPower is down 77%. Solar inverter providers Enphase and SolarEdge are down 42% and 74%, respectively.

Is it time to go bargain hunting? While industrywide challenges can be a boon for survivors, the path to winner-takes-all success isn't as obvious in this sector. Scale has indeed helped companies bring down their financing costs—for example, by enabling them to bundle loans and sell them to investors as asset-backed securities.

But other costs, such as door-to-door marketing and maintaining local maintenance fleets, are by their nature local and sticky. Sunrun, the top installer by market share, saw its installation costs per watt rise 13% from 2017 to 2022. Its sales and marketing costs per watt more than doubled over that period.

Pol Lezcano, solar-industry analyst at BloombergNEF, said he

thinks the industry needs to evolve to a market more similar to the one in Germany, where a typical residential solar system cost about \$1.90 a watt in 2023, compared with \$3 a watt in the U.S. In Germany, installers tend to be local contractors—say, electricians—that have relatively low overheads and don't require steep marketing costs because they have a Rolodex of local customers, Lezcano said.

Absent some dramatic casualties, the more likely scenario is that companies and their investors will reset their growth expectations. Installers probably need to "take a page from the oil and gas handbook" and start prioritizing cash flows instead of growth, according to Jordan Levy, equity analyst at Truist Securities. Wall Street analysts expect large installers such as Sunrun and Sunnova to burn cash well into the future, while expecting SunPower to generate moderate free cash flow this year.

Until these companies start delivering on those cash flows, it is difficult to see the rainbow at the end of this storm for rooftop solar.

—Jinjo Lee

Mortgage Bonds Give Clues to Office Meltdown

Bank ructions caused by bad U.S. office loans are only getting started, if one corner of the lending market is anything to go by.

Banks issue about half of all commercial real-estate loans in the U.S. They don't always give much detail about the health of the loans or the buildings until it is too late. The first investors hear of problems may be when lenders set aside hundreds of millions of dollars as provisions for likely losses, as happened recently at New York Community Bancorp and Japan's Aozora Bank. The lenders' shares tanked 53% and 34%, respectively, since they revealed souring U.S. office loans in recent weeks.

There is an indirect way to get a picture of the pressures building on some banks' loan books. Commercial mortgage-backed securities account for 14% of U.S. commercial real-estate lending and are a good proxy. Helpfully, the CMBS market spews monthly data about default rates and the latest building valuations.

What happened to the billions of dollars of office CMBS debt that matured last year, which property watchers are so worried about? According to CRED IQ, a real-estate data provider, 26% of the \$35.8 billion of office CMBS loans that matured in 2023 was paid off in full, as borrowers struggled to get refinancing or to sell their properties.

Some maturing mortgages were extended, others were transferred to a special servicer—a third party who tries to find the best outcome for the debt, which may include an extension, renegotiated terms or foreclosure. More than 1,000 CMBS office loans with a total value of \$14.8 billion are with a special servicer.

The pool of troubled loans is growing, with 10.5% of CMBS office debt in distress by the end of January. Distressed loans are those that

are more than 30 days late paying or were transferred to a servicer. This is more than triple the rate seen a year ago and is likely to rise as an additional \$46.6 billion of CMBS office loans come due through 2025, CRED IQ data shows.

The office-valuation data from the CMBS market looks grim. When loans are transferred to a special servicer, the buildings get an up-to-date appraisal to determine their fair market price. Of a list of 220 troubled loans that have recent re-appraisal data, the average valuation decline for offices is 40%, according to CRED IQ. Buildings that were revalued in 2023 plunged almost 50%.

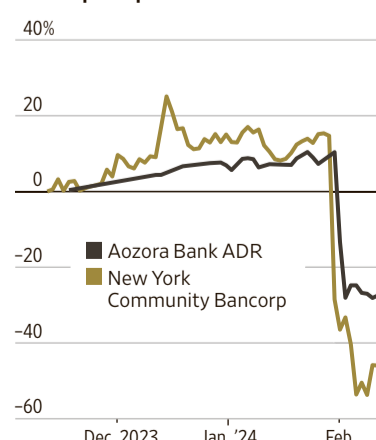
The loans on banks' books might not be quite as bad as this. Banks have probably been more conservative with their loan-to-value ratios and they have wiggle room to negotiate with borrowers behind closed doors. Also, as CMBS loans are non-recourse, it is easier for landlords to hand back the keys if the debt is worth more than the building itself. Bank borrowers have more on the line if they have personally guaranteed the loan. But loan maturities will still trigger unpleasant surprises for bank shareholders. And the trickle of office buildings selling at steep discounts makes it harder for banks to "pretend and extend."

Identifying where the next problem might blow up is tricky. Detailed disclosure about who owns loans on a property-by-property basis isn't great, according to Rich Hill, senior vice president at real-estate investment firm Cohen & Steers.

Listed office real-estate investment trusts have already faced the music: The S&P 500 Office REITs Sub-Industry Index has roughly halved in value since before the pandemic. The reality check for banks is just beginning.

—Carol Ryan

Share-price performance



Sources: FactSet (performance); CRED IQ (maturities)

CMBS maturities by property type

