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Business & Finance

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◆ **Armenia and Azerbaijan**
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◆ **A TikTok executive** pushed
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◆ **Britain's royal family**
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Zelensky Visits Liberated Region, Seeks New Aid From West



ON THE GROUND: Ukrainian President Volodymyr Zelensky on Wednesday visited the town of Izyum, part of the Kharkiv region recaptured from Russian forces. Kyiv is highlighting its battlefield gains to encourage more backing from the West. **A8**

EU Proposes Energy Firms Give \$140 Billion to Users

BRUSSELS—The European Union outlined a plan to redistribute about \$140 billion from energy companies to consumers and businesses in a bid to cushion the blow of high

*By Kim Mackrael,
Paul Hannon
and Matthew Dalton*

prices stoked by Russia's punishing assault on the continent's economy.

The plan is among the broadest maneuvers Brussels has orchestrated in response to economic pain Russia has

inflicted on Europe in the standoff following Russia's invasion of Ukraine. Western powers have levied an array of sanctions against Russia to punish and deter Moscow.

Russia, in response, has squeezed European energy supplies, curtailing natural-gas shipments. That has pushed factories to reduce or shut down production, triggered emergency plans by governments to ration gas if necessary this winter and threatened economic recession.

European Union data out on Wednesday showed eurozone

factory output dropped 2.3% in July from a month earlier, the first decline since March, partly reflecting cutbacks in energy-intensive sectors.

The EU plan is intended to redirect some energy companies' windfall profit and revenue to ease consumers' burden. It marks one of the bloc's most significant market interventions since the global financial crisis more than a decade ago.

It comes as Kyiv's forces have won back swaths of the country's northeast in a withering counteroffensive. Those battlefield gains could provide

Brussels officials more leverage in the economic sphere if they bolster support among politicians and voters for the war as the economic pain from the conflict is starting to become more acute.

"In these times it is wrong to receive extraordinary, record revenues and profits benefiting from war and on the back of our consumers," European Commission President Ursula von der Leyen said on Wednesday. She said the money captured from companies' inflated profit and revenue should be

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Strike Threat Triggers Supply Concerns

Freight-rail operators, unions negotiate as Amtrak suspends long-distance services

Biden administration officials huddled Wednesday with union and freight-rail company representatives trying to avert a strike that threatened to shut down a crucial vein of the U.S. economy and put fresh pressure on prices at a time when inflation is hovering near four-decade highs.

*By Austen Hufford,
Andrew Restuccia
and Esther Fung*

As negotiations between the railroads and labor unions approach a Friday deadline, passenger-rail provider Amtrak said it would suspend all long-distance train services starting Thursday to avoid disruptions caused by a potential strike by freight workers. While the negotiations don't involve Amtrak workers, Amtrak's long-distance trains operate on freight lines, and the company said it wanted to avoid passenger disruptions in the event of a strike.

In a setback, one of the unions representing U.S. railroad workers said its members rejected a tentative agreement its leaders had reached. The International Association of Machinists and Aerospace Workers, or IAM, said its 4,900 members had voted to reject a deal reached with the biggest U.S. freight railroads as part of

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◆ **Supplier inflation remains elevated**..... **A2**
◆ **James Mackintosh: Markets keep making same mistake**. **B1**

Amazon Hit With California Antitrust Lawsuit

**BY CHRISTINE MAI-DUC
AND DANA MATTIOLI**

California sued Amazon.com Inc., the state attorney general said, alleging the online retailer's contracts with third-party sellers and wholesalers inflate prices, stifle competition and violate the state's antitrust and unfair competition laws.

Attorney General Rob Bonta said on Wednesday his office had filed a lawsuit in San Francisco Superior Court seeking to halt Amazon policies he said prevent merchants from offering lower prices through competitors' websites. The suit is the result of an investigation that began in early 2020, Mr. Bonta said.

The suit asks the court to block Amazon from continuing those policies and to appoint a monitor to ensure the company's compliance, according to a copy viewed by The Wall Street Journal. It seeks unspecified damages for harm to the state economy and \$2,500 for each violation of the state's civil and professional code proved at trial.

Amazon denied the claims. The lawsuit represents the biggest legal challenge to date in the U.S. for Amazon, which was sued by the District of Columbia and is being investigated by the Federal Trade Commission, the European Union and a congressional

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PERSONAL JOURNAL
Joanna Stern puts the new iPhone 14 and iPhone 14 Pro to the test. **A13**



BUSINESS & FINANCE
Ford rolls out strict new rules for U.S. dealers looking to sell its electric vehicles. **B1**

Old Rock Band T-Shirts Are in Fashion—Never Mind the Music

* * *

Teens take to Rolling Stones, Nirvana logos, even if they can't name any songs

BY REBECCA PICCIOTTO

Like many 17-year-old high-school students today, Sarah Jenkins doesn't listen to the Rolling Stones. Her closet tells a different story.

In seventh grade, Ms. Jenkins decided to buy the shirt that everyone was wearing, she said—a crop top with the Rolling Stones' signature logo of red lips with a tongue sticking out. The next morning, she came downstairs sporting her new T-shirt. For Ms. Jenkins, in Highlands Ranch, Colo., the shirt was just a hot new style trend. For her father, 50-year-old Scott Jenkins, it was a flash-

back to junior high.

"Hey, that was my music back when I was your age," Mr. Jenkins told his daughter. "Do you even know that music?" In jest, he asked her to name a couple of Rolling Stones songs.

"Obviously, I couldn't tell him any as I've never listened to the band before," said Ms. Jenkins. She still wears it regularly, along with a more recently acquired Metallica T-shirt, which is "even more of my generation," said her father. Ms. Jenkins can't name a song from Metallica, either. What is now a running joke in the Jenkins family has become a broader trend in the

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SoftBank Weighs New Vision Fund

**BY ELIOT BROWN
AND JULIE STEINBERG**

Global tech investor SoftBank Group Corp. is considering the launch of a new giant startup fund after ill-timed bets and massive losses weighed down two earlier attempts to dominate startup investing, according to people familiar with discussions at the company.

The Tokyo-based tech conglomerate, by far the world's largest startup investor in recent years, would likely use its own cash for what would be the third SoftBank Vision Fund

if it moves ahead with the plan, some of the people said.

The company is also considering putting additional money into Vision Fund 2, its main investment fund for the past few years, instead of starting a new fund, one of the people said. Vision Fund 2 is currently worth less than the investment that went into it. Those losses significantly reduce the pay for SoftBank staff working on the fund—a factor in its decision making. The company expects to make a decision in the coming months, the people said.

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Latino Voters Split On Economic Lines

Working-class voters in particular move toward the Republican Party

**BY AARON ZITNER
AND BRYAN MENA**

LAS VEGAS—A few miles from the Las Vegas Strip, in a working-class neighborhood of one-story homes and scattered palm trees, Vania Oronoz is pushing her husband to give up his habit of voting for Democrats.

Mrs. Oronoz and many of her neighbors are shifting toward the Republican Party, a pattern that's being replicated across the country. The move has been especially pronounced among working-class Latinos, whose votes have the potential to reshape the political parties in the same way that the

movement of white, working-class voters has made them a pillar of the Republican Party.

Mrs. Oronoz, a 44-year-old immigrant from Mexico, runs a taco business with her husband and backed President Joe Biden in 2020 when she cast her first vote as a U.S. citizen. She said she has become disenchanted with Democrats over the state of inflation and school quality, as well as the party's failure to approve a pathway to citizenship for undocumented immigrants. Instead she is putting her support behind GOP candidates in this fall's election,

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U.S. NEWS

CAPITAL ACCOUNT | By Greg Ip

In U.S. Chip-Making Push, Wall Street Shrugs



Intel Corp.'s Patrick Gelsinger might be Washington's favorite CEO right now.

At the groundbreaking for a \$20 billion-plus semiconductor-fabrication plant in Ohio on Friday, he was joined by politicians from both parties, Ohio Gov. Mike DeWine, a Republican, and President Biden, a Democrat.

"We're going to build the most advanced stuff in the world, right here, in Ohio," Mr. Gelsinger declared. "We put our chips on the table, to help the U.S. regain its manufacturing heart, as well as unquestioned technology leadership."

Those words are music to the ears of U.S. lawmakers. The reception on Wall Street to Mr. Gelsinger's plans, which include spending up to \$100 billion in coming years on semiconductor-fabrication plants, or fabs, globally, has been cooler. Intel's stock price is down about 50% since Mr. Gelsinger took the company's helm in February 2021. Its market value has fallen below that of **Advanced Micro Devices** Inc., which has long lagged behind Intel in selling advanced microprocessors.

The share price is suffering from Intel's failure to keep up with rivals in adopting the most advanced manufacturing

processes (which it is rushing to correct), slumping PC sales and recession fears. But a deeper tension is at work: that the growing bipartisan consensus in Washington that key technology, from chips to electric-vehicle batteries, must be made in the U.S. instead of in Asia, in particular China, might be at odds with what shareholders want.

In the U.S., private markets allocate capital to where returns are highest. That used to be advanced manufacturing. For a long time, Intel designed the world's most popular processors in fabs unmatched in scale and efficiency.

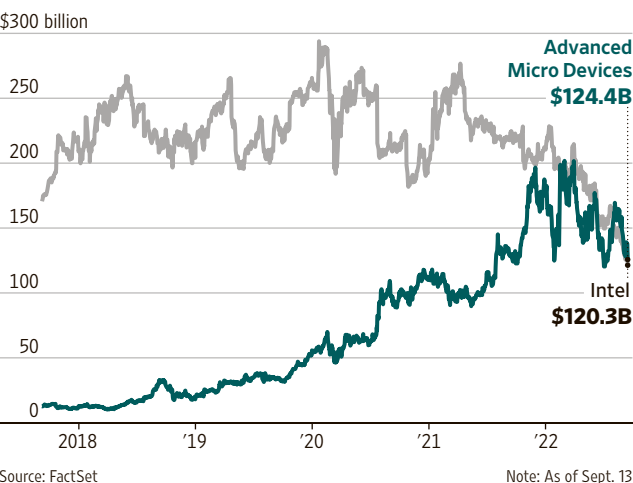
Starting over a decade ago, necessary economies of scale became overwhelming; the price of a fab now tops \$10 billion. All but the largest manufacturers lacked the scale to generate satisfactory return on capital.

AMD, much smaller than Intel, struggled to shoulder the cost. In 2009, it went "fabless," spinning off its factories while outsourcing chip fabrication, mostly to Taiwan Semiconductor Manufacturing Co. Had AMD stuck with fabs, "they would have gone down the drain—and they very nearly did," said Gus Richard, an analyst at Northland Capital Markets.

The fabless trend dovetails

Reversal of Roles

Market value



Source: FactSet

Note: As of Sept. 13

with Wall Street's embrace of asset-light companies whose intellectual property, brands or multimillion-user platforms can offer spectacular returns on minimal capital. Conversely, valuations of companies reliant on tangible assets have suffered, said Jason Thomas, chief economist at private-equity manager Carlyle Group Inc. Tangible assets, he said, aren't "reversible—you can't sell half a factory you don't need," and their value would be even more depressed in situations when the owner is most desperate to sell it.

Management gurus like Clayton Christensen chal-

lenged the wisdom of prioritizing return on capital, and some Asian companies agreed. "There is capital everywhere," TSMC's founder and CEO, Morris Chang, told Mr. Christensen in 2009. "And it is cheap. So why are Americans so afraid of using capital?" (Ironically, TSMC today is the world's most valuable chip company.)

Japanese, Taiwanese and Korean companies could long focus less on return on capital, earnings and stock price than U.S. counterparts because founding families, allied companies or the government were dominant shareholders. As in many industries, chip

manufacturing migrated to Asia, where labor and capital were plentiful and heavily subsidized. Meanwhile, U.S. companies excelled where intellectual content mattered most: chip designers like Nvidia Corp., AMD, Qualcomm Inc., and for some products, Apple Inc.; makers of chip-design software like Cadence Design Systems Inc. and Synopsys Inc.; as well as makers of chip-making equipment such as Applied Materials Corp. and Lam Research Corp.

For a long time, American leaders saw this as a demonstration of mutually beneficial comparative advantage. But pandemic supply-chain disruptions and the belligerent behavior of Russia and China have awakened them to the strategic risk of importing vital products from Asia. Mr. Biden said Friday that it was no longer enough for advanced technology to be invented in America—it must be manufactured here.

Mr. Gelsinger has positioned Intel as a company that does both. In 2020, it faced pressure to go fabless, but after assuming the CEO position last year, Mr. Gelsinger doubled down on manufacturing. Intel is "the only company in the United States that can do both leading-edge design and manufacturing in-house," he told Congress in

March. But, he warned, it was fighting a 30% to 50% cost disadvantage against Asia.

Lobbying by chip makers helped persuade Congress to pass the Chips and Science Act in July, extending nearly \$53 billion in subsidies to build or expand fabs in the U.S. For Intel, it helps, but it isn't enough: The company needs to finance both new fabs, revamped manufacturing processes at existing fabs, and its dividend, all while margins are pressured. To conserve capital, it enlisted Brookfield Asset Management Inc. as a co-investor, and it will build the factory structures first and equip them only when demand materializes. Intel also benefits from U.S. restrictions on the supply of vital technology to Chinese chip companies.

"The more important part of their strategy is to regain dominance in process technology, and I think they can do that—it's just going to take two or three years," Northland's Mr. Richard said.

Yet, even if a meaningful share of semiconductor manufacturing returns to the U.S., that might be of limited applicability for the U.S.'s wider effort to reshore manufacturing. Countless other companies face the same intense pressure to maximize shareholder returns, without Washington's helping hand.

Sides Work To Avert Rail Strike

Continued from Page One broader negotiations. A central dispute is over attendance policies and unscheduled days off if workers or a family member gets sick, an IAM union official said. Two labor unions that haven't reached any tentative agreements—the Brotherhood of Locomotive Engineers and Trainmen, and SMART-Transportation Division—have also raised the issue and are seeking to include changes to attendance policies in the talks.

Business leaders have warned that a work stoppage would disrupt the flow of goods that feed industries across the U.S. economy.

"Our railroads are a critical capillary of our economic system, and a strike that shuts down our railways will have cascading effects across the country," said Joshua Bolten, chief executive of the Business Roundtable, a lobbying association of business leaders. "It's not just the occasional Amazon box showing up two days later than it should, these are also critical materials. There are manufacturing plants around the country that likely have to shut down."

President Biden, a Democrat who has cast himself as a champion of unions and touted the importance of collective bargaining during a speech in Detroit on Wednesday, has said little publicly about the negotiations. But he has personally made calls to rail and union officials in recent days, according to White House officials, and his labor secretary, Marty Walsh, met with union and rail company leaders on Wednesday to encourage them to reach an agreement.

As the negotiations drag out, administration officials have drawn up contingency plans to keep goods moving in case there is a rail shutdown, reaching out to ocean-shipping, trucking and air-freight companies. The White House has said it would prioritize



A Kansas City, Kan., rail yard. Talks carried on between the largest freight railroads and their unions.

food, energy and public health-related products.

The economic impact of any disruption would depend on how long any strike lasts. Congress could also intervene to delay or stop any strike. But so far, White House officials have been reluctant to call on Congress to step in to extend the deadline for the negotiations or force a resolution to the dispute.

"This is an issue that can and should be worked out by the rail companies and the unions, not by Congress," White House spokeswoman Karine Jean-Pierre said on Wednesday.

Stopping the country's 7,000 long-distance freight trains could reduce economic output by more than \$2 billion every day, the Association of American Railroads said in a recent report. Some of that economic activity could be delayed until after the strike ends, rather than be lost forever.

U.S. economic output last year was \$23 trillion, or an average of \$63 billion a day.

The country's rail network is used by manufacturers to get parts and move goods as well as by retailers to get products from ports. Many items end up on multiple forms of transportation as they make their way across the U.S. and around the world.

Business groups said it would be difficult and costly to find alternative methods of transportation, typically trucks, because there aren't enough trucks and drivers to go around. If a strike takes place, the railroad economic report estimates, there would be a need for an additional 467,000 long-haul trucks immediately, above the 2.8 million truck tractors that are already in operation.

"Supply networks are at risk of disruption once again if rail-

for companies.

The Labor Department on Tuesday said its consumer-price index rose 8.3% in August from a year before after an 8.5% increase in July and a 9.1% rise in June. So-called core CPI, which excludes energy and food prices, increased 6.3% in August from a year earlier, up from the 5.9% rate in both June and July.

A potential train disruption could reignite supply-chain issues that were easing. The Federal Reserve Bank of New York has said that global supply-chain constraints in August were at their lowest in more than a year. The port of Los Angeles said there was currently a backup of 10 container ships, down from more than 100 in January.

Some rail operators have stopped accepting new loads of hazardous goods, like certain chemicals, so they aren't left unattended. Scott Jensen, the director for issue communications at the American Chemistry Council, said a rail stoppage would raise costs for manufacturers and reduce output.

"Even though there hasn't been a strike, the potential of a strike is having an impact," he said.

—Paul Page, Bryan Mena and Katy Stech Ferek contributed to this article.

Supplier Inflation Remains Elevated

By GABRIEL T. RUBIN

U.S. suppliers cut prices for a second straight month in August, underscoring the turbulent inflation backdrop that is leaving investors and policy makers uncertain about whether price pressures are losing steam or getting worse.

The producer-price index, which measures what suppliers are charging businesses and other customers, fell 0.1% in August from July, after a decline of 0.4% in July from June, the Labor Department said Wednesday.

On an annual basis, that left the PPI 8.7% higher in August than a year earlier, down from annual increases of 9.8% in July and 11.2% in June.

The PPI report came a day after the Labor Department said its so-called core consumer-price index, which excludes volatile food and energy items, increased sharply in August from July, highlighting that households are still facing rising bills for many goods and services.

Stocks plunged Tuesday after the consumer price data showed underlying price pressures building last month, dashed investors' hopes that inflation would cool and prompt the Federal Reserve to slow its interest-rate increases.

"These times are anything but ordinary: The job market is very strong, inflation is way above target, and forecast errors for inflation have been much higher than historical averages over the past year," said Bill Adams, chief economist of Comerica Bank. "The longer measured inflation stays high, the more the Fed will raise rates, and the more likely they are to push the economy into a recession."

Fed officials are wary of being caught out of step again. Price increases slowed briefly a year ago, but later picked up again. In a speech last week, Fed governor Christopher Waller said that episode led the central bank to delay plans to withdraw stimulus.

"The consequences of being fooled by a temporary softening in inflation could be even greater now if another misjudgment damages the Fed's credibility," Mr. Waller said.

The so-called core PPI—which excludes the volatile categories of food, energy and supplier margins—rose 0.2% in August from July, up from a 0.1% increase in July from June. Investors and policy makers follow core inflation closely as a reflection of broad, underlying inflation and as a predictor of future inflation.

The increase in core PPI "was not quite as steep as what we

saw with CPI, but core prices continue to rise at a considerable pace," said Stephen Stanley, chief economist of Amherst Pierpont. Even in areas where there has been some improvement, such as food prices, there is no guarantee of continued moderation, he said.

"We might be seeing some relief, but it's too early to have much confidence," Mr. Stanley said.

Producers' energy prices dropped 6% in August from July, the second straight month of steep declines. Energy prices have declined for weeks after spiking because of Russia's invasion of Ukraine.

The PPI report showed that food prices were unchanged last month from July, contrasting with continued increases in those paid by consumers.

Continued easing of producer price pressures could lead to cooling in consumer inflation as costs pass from producers to consumers.

The acceleration in consumer inflation last month, however, clinched the case for the Fed to lift interest rates by at least 0.75 percentage point at its meeting next week and raises the prospect of hefty increases continuing in coming months.

The Fed uses a separate gauge, the personal-consumption expenditures price index, as its preferred inflation measure. While the August PCE report won't be released until Sept. 30, economists can reliably predict the report based on the recent CPI and PPI data.

The recent figures suggest the core PCE index was up 0.5% in August from July, according to Omair Sharif, head of the advisory firm Inflation Insights. That would mark a notable increase from the 0.1% gain in July from June, bringing the 12-month reading to 4.8% in August from 4.6% in July.

U.S. producer-price index, change from a year ago



Source: Labor Department

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CORRECTIONS & AMPLIFICATIONS
The name of the Indian state of Telangana was misspelled as Teluganga in a Page One article on Wednesday about the South Indian film industry.
Prince William and Prince Harry greeted crowds outside Windsor Castle over the weekend. A World News article on Tuesday about the British royal family incorrectly said the princes were outside Balmoral Castle.
An exhibition by artist Olafur Eliasson in Florence, Italy, includes 23 works. An Icons column in Saturday's Review section incorrectly said that it includes 40 works.
Readers can alert The Wall Street Journal to any errors in news articles by emailing wsjcontact@wsj.com or by calling 888-410-2667.

U.S. NEWS

U.S. Mulls Sanctions After Rushdie Attack

The Biden administration is considering sanctions targeting entities linked to Iran for encouraging attacks on Salman

By *Benoit Faucon in Dubai and Ian Talley in Washington*

Rushdie, people familiar with the matter said, after the acclaimed novelist was stabbed last month at a New York event. The sanctions under consideration include restricting the access of these entities to the global financial system, according to these people. Some of them have offered rewards to kill Mr. Rushdie, which the U.S. believes motivates such attacks, these people said.

Mr. Rushdie, who spent years under police protection after Iranian leaders called for his execution over the 1988 book “The Satanic Verses,” was stabbed multiple times before a planned lecture in New York’s Chautauqua Institution on Aug. 12. Federal authorities are investigating what motivated the suspected attacker, Hadi Matar, a New Jersey man of Lebanese descent.

Mr. Matar’s lawyer in New York, Nathaniel Barone, entered a plea of not guilty last month. U.S. officials say elements

of the Iranian regime are liable because of their support for the fatwa, or Islamic edict, issued by the country’s then Supreme Leader Ayatollah Ruhollah Khomeini in 1989 demanding Mr. Rushdie’s death over “The Satanic Verses.” The novel, which fictionalized elements of the Prophet Muhammad’s life, caused uproar among some Muslims, who called it blasphemous.

No decision has been made on the sanctions yet.

The 15th Khordad Foundation in Iran is a charitable organization operating under the supervision of the Office of the Supreme Leader. It put a bounty of about \$2.5 million on Mr. Rushdie’s head in 1997, raising it to \$2.8 million in late 1998 and then again to \$3.3 million in 2012. The organization has been silent since the author was attacked this summer. It didn’t return a request for comment.

Iranian media organizations, including the semi-official Fars news agency, have also publicly pledged to contribute to the bounty. In 2016, 40 Iranian state-run news outlets added \$600,000 to the bounty for the killing of Mr. Rushdie, the organizer of a digital technology exhibition



Author Salman Rushdie, shown in 2018 in Jackson, Miss.

at which the money was announced said in a statement on its website. That amount included the equivalent of \$30,000 from Fars, which published a list of the news outlets. Fars didn’t return a request for comment.

U.S. sanctions would complicate the international dealings of the organizations they

target, from receiving donations to sending funds and investing abroad. While broader Iran sanctions limit the impact of targeting organizations inside Iran, potential black-listings of former Iranian officials, especially those who reside outside the country, could help silence those advocates of the fatwa, according

Iranians Charged in Ransomware Strike

U.S. prosecutors accused three Iranian men allegedly linked to the country’s Islamic Revolutionary Guard Corps of attacking electric utilities, local governments and others in the U.S. with ransomware, in what officials described as a scatter-shot, hack-for-profit campaign that also included victims in Iran.

The Treasury Department imposed sanctions on the alleged hackers and others saying the group had tried to breach U.S. and Middle Eastern defense, diplomatic and government personnel, and was responsible for an attempted breach of Boston Children’s Hospital last summer.

The hackers were thwarted before they could damage the operations of critical infrastructure, but some of the victims did pay ransom to regain access to their systems, officials said.

The three alleged hackers who face charges, Mansour Ahmadi, Ahmad Khatibi and Amir Nickaein, breached the networks of a municipality in New Jersey, power companies in Mississippi and Indiana, a domestic violence shelter in Pennsylvania and a state Bar Association, among others, since October 2020, according to an indictment, dated Aug. 10 and unsealed Wednesday.

The men are believed to be in Iran and couldn’t be reached for comment. It is unlikely they will ever face an American courtroom.

—Aruna Viswanatha



Law-enforcement responding after a staffer at Boston’s Northeastern University said he was hurt when a package exploded Tuesday.

Officials Suspect Explosion Was Staged

Officials are investigating whether a Northeastern University staff member who said he was injured when a pack-

By *Melissa Korn, Sadie Gurman And Jon Kamp*

age exploded Tuesday night may have staged the incident, law-enforcement officials familiar with the matter said.

The package contained no gunpowder or explosive materials, the officials said.

The item found at a Northeastern University building in Boston was accompanied by a rambling note railing against virtual reality, the metaverse and Meta Platforms Inc. CEO Mark Zuckerberg, according

to law-enforcement officials familiar with the matter.

Law-enforcement officials said the package, described as a protective, hard-sided case, came with a printed letter. The note threatened to send an explosive to one of the university’s labs, one of the officials said.

The staff member who was injured while opening the container, a 45-year-old man who hasn’t been publicly identified by law enforcement, had minor hand injuries and was transported to a local hospital for treatment, Boston police said.

Efforts to reach the staff member for comment earlier Wednesday were unsuccessful.

Investigators’ primary focus now is on whether the incident was staged; they are trying to pinpoint a motive, the officials said.

One official said investigators were trying to determine whether the employee put the package there himself, as it didn’t appear to be sent through the mail.

A representative for Meta didn’t respond to requests for comment.

The address police provided as the location of the detonation, which occurred around 7:15 p.m. Tuesday, is that of Holmes Hall, a building that according to the university’s website includes a writing center and a program on women’s, gender and sexu-

ality studies. A number of other academic buildings are nearby, including Northeastern’s Immersive Media Labs Suite, which has technology for augmented and virtual reality.

The detonation prompted an evacuation and alerts from police at other colleges in the Boston area, where campuses have recently filled with returning students.

The school said in a message to students, faculty and staff Wednesday that campus activities have resumed.

Boston police said Wednesday morning that the case remains an active and ongoing investigation.

—Suryatapa Bhattacharya contributed to this article.

Prosecutors Request Retrial in ‘Serial’ Case

By *TALAL ANSARI*

Prosecutors in Baltimore asked a judge to vacate Adnan Syed’s conviction for the 1999 murder of Hae Min Lee, a case that was turned into the hit first season of the podcast “Serial.”

The state’s attorney for Baltimore City said in a motion filed Wednesday in circuit court that a nearly yearlong investigation, conducted with the defense, found new evidence, including information concerning the possible involvement of two alternative suspects.

Prosecutors requested that Mr. Syed be given a new trial. They said they weren’t asserting that Mr. Syed is innocent. “However, for all the reasons set forth below, the State no longer has confidence in the integrity of the conviction,” said the office of Baltimore State’s Attorney Marilyn Mosby, which is overseeing the reinvestigation.

The office is recommending Mr. Syed be released on his own recognizance pending the continuing investigation.

Mr. Syed, a Baltimore native, has been serving a life sentence after he was convicted in 2000 of strangling Ms. Lee, his ex-girlfriend. He was 17 years old at the time of the crime.

Mr. Syed has maintained he

is innocent, and both the 2014 “Serial” podcast and a later HBO documentary raised questions about his conviction. In 2018, a special appeals court ruled Mr. Syed deserved a new trial, but that decision was reversed almost a year later by Maryland’s highest court.

In March, attorneys for Mr. Syed approached Baltimore’s Sentencing Review Unit about a new review of the case.

Prosecutors said in the court filing Wednesday there is evidence suggesting there are two suspects who may have been involved, either separately or together. The suspects were known at the time of the first investigation but not properly ruled out, prosecutors said.

References to the suspects were mentioned throughout the motion but prosecutors didn’t delineate which suspect they were referring to.

In their reinvestigation, prosecutors found a document in the state’s trial file detailing one person’s statement, saying that one of the suspects had motive to kill Ms. Lee and had threatened her in the presence of another person.

That, along with some other information, was never given to the defense, the filing said. Prosecutors are required by law to give defense counsel exculpatory evidence upon request.

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GOP Senators Balk at Marriage Bill

By NATALIE ANDREWS

WASHINGTON—Bipartisan backers of a bill to codify same-sex marriage into law haven't lined up enough Republicans to pass the measure after weeks of lobbying, potentially delaying Democrats' plan to hold a vote on the proposal.

Senators from both parties advocating for the legislation had expected to turn to the bill on Thursday, with the first procedural vote as soon as next week after some changes were made to the text. But the legislation needs 60 votes to advance under Senate rules, and there aren't 10 Republicans on board to join with all 50 members of the Democratic caucus, according to aides.

"Democrats are ready to make it happen, and willing to debate reasonable compromises on the specifics," Senate Majority Leader Chuck Schumer (D., N.Y.) said Wednesday.

Same-sex couples have a constitutional right to marry under a 2015 Supreme Court ruling, but Democrats have argued that legislation is needed because a recent conservative shift in the court could put that precedent in jeopardy. GOP critics have said Democrats are trying to score political points

with votes on rights that aren't at risk. Still, many Republicans have remained open to backing a bill protecting gay marriage, which now has broad support among voters.

Conversations to pull in support are continuing, but because senators are at work for only a short time before the November elections, a lack of support could push a vote off for weeks or months.

Three Republican senators have firmly backed the bill, with a handful of others signaling they could support the legislation if there are changes. The bill easily passed the House in July with 47 Republicans backing it, a level of support that surprised some lawmakers.

The Respect for Marriage Act, if signed into law, would codify the ability for same-sex as well as interracial couples to get married and require states to recognize the marriage. It would also repeal the 1996 Defense of Marriage Act, which defines marriage as between a man and a woman and is no longer in force.

The issue has divided Republicans, who count the evangelical right as one of their most ardent constituencies. With eight weeks to go until the midterms, some Republi-

cans might be reluctant to give Democrats a victory, one GOP aide said, adding that some Democrats might be hoping the vote fails because at this point they would rather have an issue to run on than a new law.

Many Republicans are holding off on taking a position on the bill until they see changes to the House legislation. Sen. Susan Collins (R., Maine), who supports same-sex marriage, said the amended bill would ex-

Three Republicans firmly back the bill; a handful of others could support it.

licitly ban polygamy, and she wants to make sure that the bill is "not interfering with religious liberties or churches' tax-exempt status."

A group of Republicans huddled on Monday night to discuss the amendment. Republican senators, such as Senate Minority Leader Mitch McConnell of Kentucky, Sen. Todd Young of Indiana and Sen. Mitt Romney of Utah, have said they want to see how the House leg-

islation is amended.

Some GOP senators, including Josh Hawley of Missouri and Ted Cruz of Texas, said they disagreed with the Supreme Court's decision to legalize same-sex marriage.

As the vote approaches, Republicans who support and oppose same-sex marriage have been pushing senators to take their side.

Former Republican National Committee Chairman Ken Mehlman, who is gay, is part of a group called Centerline Action that has been meeting with Republican senators and presenting opinion surveys from Alaska, Indiana, Iowa, Missouri, North Carolina, Utah, West Virginia and Wyoming. The polls, viewed by The Wall Street Journal, show that voters in those states largely support same-sex marriage, or wouldn't punish a lawmaker for voting for such a bill. Should GOP senators from those states back the legislation, it would pass, though not all are expected to.

"I don't see how reaffirming that loving couples, whether they be same sex or opposite sex couples, maintain the right to marry the person they love...isn't both the right thing to do and consistent with smart politics heading into an elec-

tion," Mr. Mehlman said.

Nationally, more than 2 out of 3 Americans support same-sex marriage, according to Gallup polling, after steady increases in backing over several decades.

More than 400 current and former Republican officials have signed a letter backing the legislation. The list includes Massachusetts Gov. Charlie Baker and David Urban, an adviser to the Trump campaign, as well as two Republican Senate candidates: Mehmet Oz from Pennsylvania and Joe O'Dea from Colorado.

The push for a marriage law grew out of the Supreme Court's ruling earlier this year that ended a federal right to an abortion. Justice Clarence Thomas in his concurring opinion overturning Roe v. Wade referred specifically to three cases that he considered to be on what he saw as the same shaky constitutional footing as Roe: Griswold v. Connecticut (1965), which established the right of married couples to use contraception; Lawrence v. Texas (2003), which protects the right to same-sex romantic relationships; and Obergefell v. Hodges (2015), which establishes the right to same-sex marriage.



Republican Don Bolduc

Bolduc Wins New Hampshire Primary

By JOSHUA JAMERSON

Republican Don Bolduc, a retired Army general, won his party's nomination to face New Hampshire Democrat Sen. Maggie Hassan this fall, a matchup that will help determine control of the Senate.

Mr. Bolduc defeated the establishment pick, New Hampshire Senate President Chuck Morse, and a slate of other candidates, the Associated Press projected. With 90% of the vote counted Wednesday afternoon, Mr. Bolduc had a roughly 1-point edge over Mr. Morse.

The nonpartisan Cook Political Report currently rates Ms. Hassan's re-election chances as leaning in her favor. Republicans in Washington have long sought to make New Hampshire a top-tier pickup opportunity and last year encouraged Republican Gov. Chris Sununu to join the race. He declined.

Mr. Bolduc has echoed former President Donald Trump's false claim that he won the 2020 presidential election. Mr. Trump didn't make an endorsement in the race but has praised Mr. Bolduc. Corey Lewandowski, a New Hampshire Republican and former campaign manager for Mr. Trump, has said Mr. Bolduc would have difficulty winning the seat in November.

In New Hampshire's first congressional district, the AP projects Karoline Leavitt, a former aide to Rep. Elise Stefanik (R., N.Y.) and in the Trump White House, defeated Matt Mowers, a former State Department official who was the Republican 2020 nominee in the district. Ms. Leavitt will face Rep. Chris Pappas (D., N.H.) in November.

In the second congressional district, former local GOP official Bob Burns defeated several challengers to take on Democratic Rep. Annie Kuster, the AP projected. George Hansel, the pro-choice Republican mayor of Keene, N.H., had the endorsement of Mr. Sununu and campaigned from the center.

TikTok Executive Says U.S. Deal to Protect Data

By MEGHAN BOBROWSKY

A top TikTok executive pushed back against senators grilling the company over its links to China, expressing confidence a deal with the U.S. government would safeguard American users' data.

The popular short-form video platform owned by Beijing-based ByteDance Ltd. has been under scrutiny in Washington over some of its data practices.

At a nearly three-hour Senate Homeland Security and Governmental Affairs Committee hearing Wednesday, Democrat and Republican lawmakers pressed the company over issues of access that Chinese employees have to U.S. user data and whether any employees had ties to the Chinese Communist Party.

"We think that all data collected related to Americans and then accessed in China is a problem," Sen. Rob Portman, a Republican from Ohio, said during the hearing. Sen. Kyrsten Sinema, a Democrat from Arizona, said, "There's a real risk that TikTok could alter its algorithm to promote or censor content on Beijing's behalf."

TikTok Chief Operating Officer Vanessa Pappas said at the hearing that the company is committed to the security of its U.S. users and is working to reach an agreement with the Committee on Foreign Invest-



TikTok's chief operating officer, Vanessa Pappas, testified Wednesday during the Senate hearing.

ment in the U.S., known as Cfius, a federal panel that oversees cross-border mergers and acquisitions, that has been looking into the company.

"Our final agreement with the U.S. government will satisfy all national security concerns," she said. "As it relates to access and controls, we are going to go above and beyond."

Ms. Pappas declined to spell out details of the agreement, citing sensitivity of the Cfius process. TikTok didn't respond to a request for comment on the statements made by Ms.

Pappas, who didn't address when the Cfius deal might be finalized. The Treasury Department, which oversees the interagency Cfius process, didn't comment.

To help address U.S. concerns about its data, TikTok decided to use Oracle Corp. as its cloud infrastructure partner to handle traffic for all U.S. user data.

During the hearing, executives from Meta Platforms Inc., Twitter Inc. and YouTube, owned by Alphabet Inc., also faced rounds of questions

about how they handle extremist and inappropriate content on their platform, underscoring the concerns lawmakers have over how the big social-media platforms operate.

On Tuesday, lawmakers voiced similar concerns when a different Senate committee heard testimony from Twitter whistleblower Peiter Zatkó, who alleged that the social-media company misled regulators about security failures. Mr. Zatkó, Twitter's former security chief who was fired by the company, said executives gave

priority to profit over security. During that hearing, Sen. Richard Blumenthal (D., Conn.) suggested he may push for a new agency to police some of the privacy and security problems around user data.

Over the summer, a bill that would limit how businesses collect and use consumer data received bipartisan support in the House Energy and Commerce Committee. The bill, called the American Data Privacy and Protection Act, hasn't advanced to the House.

Action to regulate the social-media companies has gone beyond the federal level. The California legislature last month passed a bill that would—for the first time in the U.S.—require companies that make social-media platforms to consider the physical and mental health of children when designing their products. Gov. Gavin Newsom hasn't yet signed the bill.

TikTok has been under scrutiny in Washington for some time. Two years ago, the Trump administration said it would ban downloads and use of the app, only to backtrack after talks to have a slew of U.S. companies including Oracle take a stake in TikTok's U.S. operations. That plan was shelved indefinitely by President Biden last year as the administration launched its own review of how to handle the platform.

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U.S. WATCH

CHICAGO

R. Kelly Convicted On Several Counts

A federal jury on Wednesday convicted R. Kelly of several child pornography and sex abuse charges in his hometown of Chicago, delivering another legal blow to a singer who used to be one of the biggest R&B stars in the world.

Mr. Kelly, 55 years old, was found guilty on three counts of child pornography and three counts of child enticement.

The jury acquitted him on a fourth pornography count and other charges. His two co-defendants were found not guilty on all charges.

Mr. Kelly has already been convicted of racketeering and sex trafficking in New York and sentenced to 30 years in prison. In Chicago, a conviction of just one count of child pornography carries a mandatory minimum sentence of 10 years.

—Associated Press

ILLINOIS

Emergency Declared In Busing of Migrants

Illinois Gov. J.B. Pritzker declared an emergency and called up 75 members of the Illinois National Guard to marshal resources to cope with an influx of asylum seekers bused to Chicago and other cities by Texas Gov. Greg Abbott.

About 500 migrants have arrived in Chicago since the first busload on Aug. 31, and more continue to arrive without any advance notice from Texas, officials said.

"The state of Illinois is doing everything in its power to support local jurisdictions to help ensure that the right tools and supports are in place as we move forward with this humanitarian response," Mr. Pritzker said Wednesday.

Mr. Pritzker criticized Mr. Abbott's effort to ship migrants to Democratic-run cities that have declared themselves open to migrants, calling it "a stunt playing games with people's lives."

Mr. Abbott, a Republican, took to Twitter to defend his policies earlier in the day, saying that "we will continue bus-

ing migrants until Biden secures the border."

—Joe Barrett

FLORIDA

Cruz Defense Rests, Surprising the Court

Attorneys for Nikolas Cruz, accused of the Parkland school shooting four years ago, suddenly and surprisingly rested their case Wednesday after calling only a fraction of their expected witnesses, leading to a shouting match after the judge accused them of a lack of professionalism.

Mr. Cruz's attorneys had told the judge and prosecutors they would be calling 80 witnesses but rested after calling only about 25.

The sudden announcement led to a heated exchange between the lead defense attorney and Circuit Judge Elizabeth Scherer, who called the decision without warning to her or the prosecution "the most uncalled for, unprofessional way to try a case."

—Associated Press

CAPITOL RIOT

Former Town Official Enters a Guilty Plea

A former Massachusetts town official pleaded guilty on Wednesday to joining a mob in storming the U.S. Capitol after she organized a bus trip to Washington, D.C., for fellow members of a right-wing group called "Super Happy Fun America."

Before her guilty plea, Suzanne Ianni had argued in February that federal authorities had selectively targeted her for prosecution based on her political beliefs. Prosecutors said her political views played no role in charging her with crimes for her conduct at the Capitol on Jan. 6, 2021.

A judge didn't rule on Ms. Ianni's request to dismiss the case before she pleaded guilty.

Ms. Ianni, 60 years old, of Natick, Mass., faces a maximum sentence of six months of jail and five years of probation after pleading guilty to disorderly conduct in a Capitol building, a misdemeanor.

—Associated Press

CLEANUP: Heavy machinery cleared the aftermath of a slow-moving river of sludge in Oak Glen, Calif., Wednesday. The mud flows and flash flooding occurred in parts of the San Bernardino Mountains where there is little vegetation to hold the soil.

AMY TAVIN/ASSOCIATED PRESS

U.S. NEWS

Law Will Spark Market in Tax Credits

New legislation marks shift in strategy to draw capital to renewable energy

By RICHARD RUBIN

WASHINGTON—A brand-new market for green tax credits is taking shape as bankers and advisers figure out how to funnel tax breaks from energy companies that generate them to profitable corporations eager for smaller tax bills.

The market is forming because Congress last month expanded renewable-energy tax credits and made them transferable in the law known as the Inflation Reduction Act, which also lowers prescription drug prices and imposes new taxes on large corporations.

The tax-credit sales mark a shift in the U.S. strategy for attracting public and private capital to renewable-energy projects, and they will happen alongside existing climate-finance markets such as carbon offset purchases. The deals won't start in earnest until 2023, but lawyers and financiers are already structuring transactions. They are discussing arrangements in which credits would be sold at discounts from face value, and they are determining how to cushion tax-credit buyers against potential risks.

"The market making is happening right now," said Nicholas Knapp, senior managing director at CohnReznick Capital in New York.

Within a year or two, it could be easy for a corporation with no direct renewable-energy investment—a profitable retailer, pharmaceutical maker or high-tech company—to purchase tax credits. Because of the expected discounts, companies could earn an instant profit, paying \$90



Workers installed solar panels in Massapequa, N.Y. Congress is providing subsidies for solar energy and other power sources.

or \$95 for a \$100 coupon off their income-tax liability.

These transferable credits, however, expose a potential dilemma for Democrats. The party aimed to raise corporate tax bills and prevent large, profitable companies from paying too little. But the tax-credit transfers open a new avenue for many of those same companies to pay less.

"They can basically purchase the tax credits, advance their ESG goals and get certain economics from the credits without taking any construction or operational risk of the project," said Hagai Zaifman, a partner at Sidley Austin LLP in New York who helps structure renewable-energy deals.

These transferable tax credits break with policy makers' longstanding reluctance to create anything like a liquid market in tax breaks.

Lawmakers designed transferable climate credits to deal with a problem inherent in the generous subsidies Congress is providing for wind and solar energy as well as carbon sequestration, nuclear power, certain advanced manufacturing and other technologies.

Companies in those industries typically don't have enough profit and thus tax liability to use all of the tax credits they generate, so tax credits alone don't work well as an incentive.

Initially, many Democrats and renewable-energy advocates wanted a different approach called direct pay, where companies generating tax credits would get checks from the government after they zeroed out their income-tax liability. But Sen. Joe Manchin (D., W.Va.) blocked that idea and Democrats pivoted.

They relented on objections to transferring credits and added some safeguards, said a Senate Democratic aide.

The final version of the law limits direct pay to publicly owned power companies and other tax-exempt entities. Direct pay is available temporarily and more broadly for some tax credits, including those for hydrogen and carbon capture.

For everyone else, there is transferability. The tax-credit transfers will happen alongside a pre-existing \$20 billion annual tax-equity market dominated by large banks, including JPMorgan Chase & Co. and Bank of America Corp. Those banks form partnerships with energy companies, then use the tax credits and depreciation deductions to lower their tax bills, and before last month's law, such investments were the prime way to get tax credits from non-tax-

payers to taxpayers.

The new transferability of credits provides "a bit of a relief valve on that constraint," said Ty Daul, CEO of Primergy Solar, which builds solar-energy projects. "It's not perfect, and it's going to take a year or two to see how these structures evolve."

The law includes several features designed to spark the credit-trading market and attract corporate interest. Credits can be transferred up until the date a tax return is filed and they can be carried back to three prior years. That means corporations will know with near certainty how much tax liability they will have before they buy credits, and they will be able to examine how much energy production or investment occurred to be sure that the projects will qualify for the tax credits.

Offshore Leases Awarded For Oil, Gas Fields

By TIMOTHY PUKO

The Biden administration awarded \$190 million of offshore oil-and-gas leases on Wednesday, completing a sale of 1.7 million acres in the Gulf of Mexico, as part of a compromise in this summer's tax-and-climate spending package.

The move concludes what had been the federal government's largest oil-and-gas lease offering in history, resolving nearly a year of conflict, after the sale originally happened last November and triggered months of court and political wrangling. The administration initially delayed the sale due to environmental concerns, a decision that was then challenged by several states with deep ties to the oil-and-gas industry.

The top successful bidders were subsidiaries of **Chevron** Corp., which spent \$47 million in total for the leases. **Occidental Petroleum** Corp. spent \$39 million, and **BP PLC** spent \$29 million, according to federal data.

The move marks a dramatic shift for the Biden administration, which has been overseeing an unprecedented slowdown in federal oil-and-gas leasing as it promotes a transition to cleaner energy.

In the first 19 months of his administration, President Biden had set a 70-year low for federal oil-and-gas leasing, awarding just 126,228 total acres, according to a recent Wall Street Journal analysis. Including Wednesday's 1.7 million acres would still leave him far behind his recent predecessors and put him roughly on par with former presidents Lyndon Johnson and Richard Nixon.

That slowdown frustrated Sen. Joe Manchin (D., W.Va.), a pivotal vote in Congress who argued the administration should be doing more leasing to support U.S. oil companies and ensure the country's energy supplies. He pushed environmentalists in Congress to include legal language in their climate bill to mandate that this sale be revived and that the administration hold several more.

Under the new law, dubbed the Inflation Reduction Act, the Biden administration had 30 days to take this action, a deadline approaching this week.

"The Inflation Reduction Act is a historic and transformational investment toward achieving President Biden's ambitious goals to tackle the climate crisis," the Bureau of Ocean Energy Management, which manages offshore energy leasing, said in announcing the action. "We are committed to implementing the law, including direction regarding the federal oil and gas programs."

Lower-Income Enrollment Falls Below Target

By MELISSA KORN

Dozens of the nation's top universities are falling short on their goals to enroll more lower-income students—and many are actually losing ground, despite major investments in financial aid, recruiting and academic support, according to a recent report detailing enrollment trends.

More than 125 colleges, including all eight members of the Ivy League, the University of Michigan and the University of Texas at Austin, have signed on to the American Talent Initiative, a campaign that aims to increase by 50,000 the number of lower-income students who enroll at high-performing schools by 2025.

They added just 7,713 such students between 2015 and 2021, the initiative's progress report found, with early gains partly wiped out during the pandemic, when overall enrollment declined nationwide.

In the 2021-22 school year, the 127 schools that provided



Pell Grant recipients enrolled at UCLA fell 18% from 2017 to 2021, according to school figures.

data enrolled 292,367 undergraduates who received federal need-based Pell Grants, which serve as a common proxy to measure lower-income student enrollment. That was down by about 500 from the prior year, and off the

2018 peak of 299,084.

The recent decline "is just a testament to how challenging the last two years have been, especially for economically vulnerable communities," said Tania LaViolet, a director at Aspen Institute's College Ex-

cellence Program who co-leads the ATI program.

Family budgets tightened during the pandemic, while colleges focused on safely reopening, sometimes shelving other projects. Uncertainty over near-future endowment returns

are exacerbating the challenges for schools trying to finance affordability initiatives, say university officials and academics who study higher education.

The American Talent Initiative is backed by Bloomberg Philanthropies, the Aspen Institute and nonprofit advisory firm Ithaka S+R and gathers college presidents to share ideas about what is working, conducts research on new recruiting and enrollment efforts and provides grants for schools to pursue promising approaches to boost enrollment by lower-income students. Its aim to enroll 50,000 more such students targets roughly 340 colleges with consistent graduation rates above 70%, though not all are members of the initiative.

Using Education Department data, the American Talent Initiative report said the 200-plus nonmember schools with high graduation rates gained about 800 Pell recipients between 2015 and 2019; figures for the most recent two years weren't available.

Justices Let Order Stand for LGBT Club at Yeshiva University

By JESS BRAVIN

The Supreme Court on Wednesday denied Yeshiva University's emergency request to block New York state court orders requiring it to recognize an LGBT student club, but left room for the Orthodox Jewish institution to object again in future proceedings.

The YU Pride Alliance and

several students sued the university in state court last year after administrators refused to recognize the undergraduate group as an official student club.

A trial judge, finding Yeshiva's position violated New York City's Human Rights Law, ordered it to recognize the Pride Alliance on the same terms as other student clubs.

After state appellate courts declined to block the ruling's implementation while the university appealed, Yeshiva filed an emergency motion asking the Supreme Court to intervene.

Last Friday, Justice Sonia Sotomayor granted a temporary stay while the justices weighed the request.

The Supreme Court, on a 5-4 vote, lifted that stay and

said in an order that Yeshiva had yet to exhaust its options in the state court system.

"If applicants seek and receive neither expedited review nor interim relief from the New York courts, they may return to this Court," the order said. Chief Justice John Roberts and Justices Sotomayor, Elena Kagan, Brett Kavanaugh and Ketanji Brown Jackson

were in the majority.

Yeshiva University didn't respond to a request for comment.

"We are confident that we will continue to overcome the administration's aggressive litigation strategies against its own LGBTQ+ students, who choose to attend Yeshiva University because they are committed to the school's mis-

sion," said Katie Rosenfeld, a lawyer for the student group.

In dissent, Justice Samuel Alito said the majority was allowing New York to overrule Yeshiva's interpretation of Jewish scripture. He called the state's stance "a shocking development" in a dissent joined by Justices Clarence Thomas, Neil Gorsuch and Amy Coney Barrett.

SoftBank Weighs New Fund

Continued from Page One

SoftBank, led by Chief Executive Officer Masayoshi Son, has been hit particularly hard by the rout in tech valuations that began last fall, posting a record \$23 billion loss in the three months ended in June.

Much of that red ink is a product of its first two Vision Funds, the startup investment unit that Mr. Son formed in 2017 in a bid to dominate the

venture sector. The \$100 billion initial Vision Fund, which raised \$60 billion from Saudi and Emirati wealth funds, was beset by giant soured bets on companies including WeWork Inc. and Didi Global Inc., leading to meager gains over five years.

The successor Vision Fund 2, funded by SoftBank and intended to be more cautious, is now worth 19% less than the \$49 billion it invested, after accelerating its spending just as valuations peaked on companies including fintech Klarna Holdings AB.

Mr. Son told investors in August he was "quite embarrassed and remorseful" after having gotten caught up in the frenzy, and he has substantially cut back spending on startups. Still,

he has said he is committed to the startup and tech sector long term and eventually plans to increase spending again.

Mr. Son and SoftBank have tried to chart a new path after the market turned against unprofitable tech investments. He has also faced a string of departures of top staff. In July, the company said Rajeev Misra, who led the Vision Fund since it was created in 2017, would step back from his role as he starts his own fund.

Despite the misses, SoftBank expects to have more cash coming in over the next year, from a public listing of its chip maker Arm. Its Japanese telecom holdings also generate cash.

Still, analysts and investors said the company's options are

more limited than in the past. Mr. Son has been selling down SoftBank's stake in Alibaba Group Holding Ltd. and its telecom holdings, and funding a large stock-buyback pro-

The first Vision Fund made soured bets on companies such as WeWork.

gram. The result has been an increasingly concentrated bet on startups, where results have been disappointing.

Among those pushing for a new fund are some Vision Fund

employees. A new fund would be a way to reset their compensation, which is partly based on profits at the fund and its investments, a person familiar with discussions said. The current fund would require making back large losses before employees could get those bonuses. A new fund would put profits closer in reach.

The size of the new fund couldn't be determined.

Mr. Son personally takes a hit with Vision Fund 2 in the red because of a \$2.6 billion personal commitment he made. Based on the terms of the investment, Mr. Son didn't put up the money himself but owes SoftBank if the fund ends up performing poorly.

The unusual investment has

been criticized by some investors and analysts who say it could skew Mr. Son's motivations given a structure that could make him more focused on Vision Fund 2 than on other investments. Mr. Son, who owns over one-fourth of SoftBank, has said the structure better aligns him with the investment fund.

SoftBank structured its arrangement in a way that allows the company to get repaid on most of its investment before Mr. Son. About \$33 billion of its commitment to Vision Fund 2 is in preferred equity. While that structure would have led to outside profits for Mr. Son if Vision Fund 2 did well, today it means particularly large losses because the fund is underwater.

WORLD NEWS

Russian City Is on Edge as People Flee War

Pro-Kremlin Ukrainians, soldiers regroup in border town after retreat from Ukraine

By EVAN GERSHKOVICH

BELGOROD, Russia—When the Russians swept into the northeastern Ukraine region of Kharkiv in late February, Russian troops occupying the towns there promised locals they would stay forever. Instead, Ukrainian forces drove Russian troops out of most of the region this month, retaking about 3,500 square miles of territory in days. The lightning advance left Russian troops scrambling to retreat, pro-Kremlin Ukrainians fleeing across the border into Russia, and Russians seeking answers after Ukraine recaptured territory along the shared border.

The retreat, one of Moscow's largest setbacks since Russian troops failed to take the capital of Kyiv early in the war, poses stiff political and military challenges to the Kremlin as the conflict drags into a seventh month. Moscow had spent lives and resources over weeks capturing the territory in a plodding offensive before losing, in a matter of days, more than 10% of the territory it secured since invading Ukraine.

In interviews in Belgorod, a Russian city about 25 miles north of the Ukrainian border, a half-dozen Ukrainians, as well as local residents offering them humanitarian aid, said many of those who streamed into Russia initially welcomed the Russian takeover. Some got Russian passports; others, looking for a regular income, took jobs at state hospitals and schools. Some were stunned by the Russian retreat. At a clothing bank, a Ukrainian woman said she had taken a job in the accounting department of the Russian-installed government



Belgorod, a city across the border from Ukraine, has seen an influx of retreating Russian soldiers.

in Kupyansk, Ukraine. She left everything behind on Saturday as fighting reached the city, fearing she would have been prosecuted for collaborating with the Russians.

Under Ukrainian law, those found guilty of collaborating with the Russians face 10 to 15 years behind bars.

“People ask us how we feel about the ‘special operation,’” she said, using the Kremlin’s euphemism for its war. “We feel uncertainty and now don’t understand why it’s taking place at all.” She said she feared for the safety of relatives still in Kupyansk, about 60 miles from the Russian border.

Hundreds of residents of the Russian-occupied territory fled into the greater Belgorod region, according to local authorities. Videos shared by media outlets last weekend showed a column of cars lined up at the Russian-Ukrainian

border. Nearly 1,300 Ukrainians who fled have been housed in the region since, said its governor, Vyacheslav Gladkov.

“People believed the Russian troops when they said, ‘We won’t leave you,’” said a man who left the city of Balakliya last week as Ukrainian forces swept in. His parents remain in the city. “We ourselves don’t understand what happened.”

The Kremlin has been silent on the retreat. The Defense Ministry has said only that it pulled troops back toward parts of Donetsk in eastern Ukraine that Russia has controlled since the conflict began in 2014 when it annexed the Crimean Peninsula.

The Kremlin and the Russian Embassy in Washington didn’t respond to requests for comment. Russian state media has minimized coverage of the setback.

In interviews, most Belgorod residents said they trust the

Kremlin’s plan and stand by Moscow. But some questioned whether the military operation is being executed effectively.

“There needs to be an investigation to determine whether there was sabotage, negligence or incompetence,” said Andrei Borzikh, a local bankruptcy lawyer. “There were clearly some miscalculations.”

In Belgorod, one resident said he purchased an armored van and spent the past few months ferrying medicine into Kupyansk and the city of Vovchansk, crossing into Ukraine with the awareness of Russian border guards. The residents there were left without water and electricity for months, he said. They told him they initially welcomed the takeover but grew disillusioned with Russian rule.

“People lived in fear,” he said. “First of all, there was no connection. People can’t communicate, talk to relatives. Second,

there was desperation, poverty.”

“I believe this is one of the failures of the Russian army,” he said. “They didn’t return things to a normal condition, and so these residents quickly accepted the Ukrainians when they came back. They didn’t get enough love.”

In a market in central Belgorod, Russian soldiers who said they had just retreated from the Kharkiv region milled about stalls that sold military gear. The soldiers were trying on leather army boots and warm headwear, selecting cushions used for sitting on frozen ground, and purchasing basic kitchen items like frying pans.

The soldiers had received last-minute directives to fall back from their positions and have since been told that they would be redeploying to man the border in the coming days, three soldiers said.

“We would have been sur-

rounded if we didn’t leave when we did,” one soldier said. “The Ukrainians have a lot more equipment now.”

One soldier said the retreat presented his first break since invading Ukraine in late February. Some soldiers strolling in Belgorod’s city center were visibly inebriated in recent days.

Another soldier projected confidence that the invasion would finish as planned.

“We would’ve won a long time ago if we weren’t fighting against America,” he said. “But we’ll still win.”

The pullback also has left many residents of Belgorod, a city of nearly 400,000 people where air defense systems are regularly activated, on edge about what will come next in the war.

Mr. Borzikh, the lawyer, keeps a bulletproof vest and helmet in his car, while Denis Katin, a local businessman, built a bomb shelter in his backyard after the invasion began. His business partner bought plywood for their restaurant in the city center in case its windows are blown out.

This week, Mr. Gladkov, the Belgorod governor, urged residents of several border villages to evacuate after he said they were hit by shelling.

At a central market one afternoon this week, two explosions could be heard rumbling in the distance in quick succession, which shoppers identified as Belgorod’s air-defense missile systems at work.

One shopkeeper who, since March, has been selling camouflage gear and patches featuring “Z” and “V”—pro-Russian symbols in support of the invasion—said the fault for the setback lies with the upper echelons of the Russian leadership.

Still, she said, she supports Mr. Putin’s decision to invade.

“It can’t be in vain that so many of our guys have died,” she said. “It just can’t be that all of this was in vain.”

Zelensky Visits Recaptured Region in Northeast

By IAN LOVETT

Ukrainian President Volodymyr Zelensky made his first trip to the Kharkiv region since Ukrainian forces recently recaptured thousands of square miles of territory there, and Russia later struck water infrastructure in his hometown with cruise missiles.

The missile strike Wednesday on the water system in the city of Kryviy Rih, in central Ukraine, appeared to be an attempt to flood the city or leave it without water, Ukrainian officials said.

Officials didn’t give the exact location for the strike, citing the need for secrecy, but an adviser to Mr. Zelensky said a significant volume of water was causing the Inhulets River, which flows through the city, to rise. The adviser, Kyrylo Tymoshenko, said there was a risk of flooding in some districts.

The strike, involving seven or more missiles, marked the second time since Ukraine’s rout of Russian forces in Kharkiv last week that Moscow hit crucial civilian infrastructure inside Ukraine.

Though Moscow has struck civilian infrastructure throughout the war, the attacks raised the specter of power and water outages going into the Ukrainian winter.

Mr. Zelensky, who hails from Kryviy Rih, an industrial



‘You definitely cannot occupy the Ukrainian people,’ said President Zelensky during a visit to Izyum.

city of some 650,000 inhabitants, accused Russia of waging war against civilians. The head of Kryviy Rih’s military administration, Oleksandr Vilkul, appealed for calm and said the situation was under control.

“All the occupiers can do is sow panic, create an emergency situation, try to leave people without light, heat, water and food,” Mr. Zelensky said in a post on social media.

Ukrainians, he said, wouldn’t be cowed. “Can it break us? Not at all,” he wrote.

Earlier in the day, Mr. Zelensky attended a flag-raising ceremony in the city of Izyum, which served as a hub for Russian troops and weapons.

“Our blue-yellow flag is already flying in the de-occupied Izyum. And it will be so in every Ukrainian city and village,” Mr. Zelensky wrote on Telegram on Wednesday. He also noted the devastation in Izyum, which had been occupied for six months and endured as much shelling as almost anywhere in the country.

“You can temporarily occupy the territory of our state. But you definitely cannot occupy the Ukrainian people.”

In visiting the retaken areas, Mr. Zelensky is seeking to highlight the country’s battlefield gains, which Ukrainian officials hope will help encourage its Western backers to send more military and financial aid.

Kyiv had been under pressure to show tangible signs of progress before the onset of cooler temperatures, when dwindling supplies of Russian natural gas

will test Europe’s economy and political unity. Now, having won more than 3,000 square miles back from Russia in just a few days, Ukraine is pushing the case that it can oust the Russians from the country—even Crimea, which Moscow seized in 2014—if enough arms from the West arrive.

While Mr. Zelensky was in Izyum on Wednesday, Ursula von der Leyen, president of the European Commission, pledged more support for the reconstruction of Ukraine.

“I am announcing that we will work with the first lady [Olena Zelenska] to support the rehabilitation of damaged Ukrainian schools,” she said. “And that is why we will provide 100 million euros. Because the future of Ukraine begins in its schools.”

Russian officials, meanwhile, continued to warn the West against further help for Kyiv. On Wednesday, Kremlin spokesman Dmitry Peskov said Ukraine’s demand for security guarantees from Western partners meant Kyiv was persevering on its course to join North Atlantic Treaty Organization, which is a threat to Russia, and showed the necessity of continuing the military operation in the country.

Some in Moscow are calling for a more open acknowledgment of the war in an attempt to galvanize support among a largely disengaged Russian public.

U.S. to Name New Envoy to Russia

The Biden administration is planning to nominate Lynne Tracy, a career diplomat, as the next ambassador to Russia, according to two people familiar with the matter.

If her nomination is formally announced and confirmed by the Senate, Ms. Tracy, currently the U.S. ambassador to Armenia, would replace John Sullivan, who was appointed under the Trump administration and left this month.

The U.S. has submitted her as a possible nominee to officials in Russia, which hasn’t objected, said one of the people familiar with the matter. The second person familiar with the situation said her nomination hasn’t been finalized.

The U.S. wants to maintain a solid diplomatic presence in Russia, which is involved in numerous international issues, and would be crucial to any future talks on ending the war in Ukraine.

Ms. Tracy has served as the deputy chief of mission in Moscow and the senior adviser for Russia at the State Department’s bureau covering European and Eurasian affairs.

—William Mauldin contributed to this article.

EU to Aid Energy Customers

Continued from Page One

channeled to those who need it most, such as households and small businesses.

The commission wants to impose a cap of €180, the equivalent of \$179, per megawatt hour on revenue earned by lower-cost nongas producers of electricity. Those firms have earned exceptionally high revenue because prices for electricity in Europe are determined by the most-expensive source of power generation, which is currently natural gas.

A cap at that level would allow producers to cover their costs and shouldn’t be a barrier to investment in new capacity, the commission said. It said it expects national governments to collect €117 billion from the measure, channeling the funds back to consumers.

Companies with big portfolios of wind, solar and hydropower generation in Europe, such as Italy’s Enel SpA, along with nuclear-energy producers, are likely to fall under the cap’s provisions. Enel didn’t respond to a request for comment.

WindEurope, which represents the wind-power industry, said it supports the goal of cushioning the impact of high electricity prices for families and businesses. But the group said it is concerned that individual member states could be

allowed under the plan to set a revenue cap that is lower than the €180-per-megawatt-hour level proposed by the EU.

National caps at different levels “would create a patchwork that would undermine investments in renewables,” WindEurope said.

The impact on France’s EDF SA, the world’s biggest owner of nuclear-power plants, is unclear. The company is selling a big chunk of its output to competitors at a capped price of €42 per megawatt hour, as part of a settlement it reached with the commission in 2012 to encourage competition on the French market. EDF didn’t respond to a request for comment.

The French government also forced EDF this year to sell more power—around 20 terawatt hours—to competitors at a price of €46.2 per megawatt

hour, as part of a plan to cap retail electricity prices. That forced the company to buy electricity on the wholesale market at a much higher price, more than €200 per megawatt hour.

In Germany, the government could take a majority stake in embattled energy supplier Uniper SE, the company said on Wednesday. The state has already pledged to take a 30% stake in Uniper and extended credit lines as part of a bailout package agreed on in July.

The commission also wants to skim the profit of fossil-fuel companies that aren’t covered by the revenue cap. The plan aims to raise €25 billion by demanding companies involved in oil, gas, coal and refinery activities fork over a third or more of the money the commission deems excess profit. The proposal defines

excess profit as taxable profit that surpasses a 20% increase on average profit from the previous three years. Revenue from this part of the plan could be used to help vulnerable households, companies and energy-intensive industries, the commission said.

Oil-and-gas giants that pay taxes in the EU stand to take a hit from the measure, including major producers such as France’s Total SA and Italy’s ENI SpA. Companies that don’t pay taxes in the EU wouldn’t be affected.

Total and ENI didn’t respond to a request for comment. A spokesperson for BP PLC declined to comment.

A Shell PLC spokesman said the company wants to see more details on the commission’s proposal. “We support the need for temporary, emer-

gency policy and other action to alleviate the energy-price crisis in Europe and elsewhere to protect households and businesses,” the spokesman said.

The commission also wants to introduce a binding requirement for member countries to cut electricity consumption by at least 5% during selected hours of peak use, when prices are highest. Governments should also set plans for lowering overall electricity demand by at least 10% over the winter months, the commission said.

The EU proposals will need to be approved by member countries. Energy ministers previously backed the interventions the commission is proposing at an emergency meeting last week and will meet again on Sept. 30.

—Georgi Kantchev contributed to this article.

WORLD NEWS

Seoul Hits Platforms For Breach Of Privacy

By JIYOUNG SOHN

SEOUL—South Korea is levying more than \$70 million in fines against **Alphabet Inc.’s Google** and Facebook parent **Meta Platforms Inc.** over alleged digital-privacy violations, the latest government action scrutinizing the tech industry’s collection of personal data.

Google will be fined 69.2 billion won, equivalent to \$49.6 million, and Meta 30.8 billion won, equivalent to \$22.1 million, according to a Wednesday ruling by South Korea’s Personal Information Protection Commission. The alleged violations include collecting and using personal information without users’ consent for targeted advertising and other purposes.

The South Korean commission also ordered the two companies to ensure that users can “easily and clearly” understand and exercise their rights to their personal information.

Google and Meta expressed disagreement with the commission’s findings. A Google spokeswoman said the company has always demonstrated a commitment to giving users control and transparency through continuing updates. A Meta spokeswoman said the company is confident it has operated in a “legally compliant way that meets the processes required by local regulations.”

The South Korean penalties continue a string of regulatory efforts to assert users’ rights to digital privacy against tech giants’ use of individual’s data for advertising and other services.

Earlier this month, Ireland’s Data Protection Commission issued the European Union’s second-largest privacy fine, €405 million, against Meta’s Instagram for alleged mishandling of data about children. Meta said it planned to appeal the amount and that the decision related to settings it had updated more than a year ago.

In the U.S., the Federal Trade Commission last month said it would consider adopting rules that could bar some data collection and handling practices.

South Korean regulators on Wednesday cited similar French and German rulings from 2019 that fined or imposed restrictions on Google and Facebook for data collection used for targeted advertising.

Google failed to properly inform South Korean users about how their personal information is collected on its new account sign-up page, the South Korean privacy commission contended. The full range of options for personal-data storage and usage was concealed and the default option for consent was set to “agree” since at least June 2016, the privacy commission said.

And since at least July 2018, the commission alleged, Facebook’s new-account sign-up page failed to properly disclose how a person’s data can be used, as mandated by local privacy laws, and to obtain user consent. Facebook provided only a lengthy page of information about its policies in a way that is difficult for users to comprehend, the commission said.

EU Upholds \$4 Billion Google Fine

By SAM SCHECHNER AND KIM MACKRAEL

BRUSSELS—**Alphabet Inc.’s** Google suffered legal blows on two continents this week, a significant setback in the company’s efforts to fight allegations that it is abusing its dominance in digital advertising and on mobile phones.

The EU’s General Court in Luxembourg on Wednesday largely upheld a 2018 decision by the EU competition regulator that fined Google \$4.33 billion for allegedly abusing the market dominance of its Android operating system for mobile phones to promote and entrench its Google search engine and Chrome browser on mobile devices.

The decision came shortly after a federal judge in the U.S. District Court for the Southern District of New York on Tuesday denied the bulk of Google’s motion to dismiss the claims brought by a coalition of states led by Texas alleging Google abused its dominance in digital advertising tools, allowing the case to proceed to the discovery stage and ultimately toward trial.

The EU ruling means Google will very likely continue applying some of the changes it has made since to comply with the 2018 decision, including offering users in the EU a choice screen of different search engines. The Android case was the biggest of three antitrust fines totaling more than \$8 billion that the EU has levied against Google since 2017—and it focused on mobile phones, one of the company’s fastest growth areas.

The ruling is also a vote of confidence for the European Commission, the bloc’s antitrust enforcer, which has been aggressive in targeting big U.S. tech companies and other firms over concerns about anticompetitive behavior. Last week, the Commission blocked



Google was accused of abusing its market dominance. A Google exhibit at the Viva Technology conference in Paris in June.

Illumina Inc.’s \$7.1 billion merger with cancer-test developer Grail Inc., two U.S. companies.

In the U.S., Judge P. Kevin Castel’s decision was closely watched because the Justice Department has been preparing a similar antitrust case against Google over its position in the advertising technology industry.

In both cases, Google did score some partial victories.

In the EU, the court annulled one element of the decision that alleged Google had broken competition laws by making revenue-sharing payments to manufacturers to exclusively pre-install only Google Search, not competing search engines. As a result, the court reduced the overall fine by about 5% to €4.13 billion, about the same in dollars.

“We are disappointed that

the court did not annul the decision in full,” a Google spokesman said, adding that Android has created more competition in the mobile phone industry. The company has previously said it should be able to recoup the money it spends developing Android by encouraging manufacturers to install Google Search.

The court’s decision can still be appealed to the EU’s top court, the Court of Justice. Google said it would review the decision before deciding whether to appeal.

In the U.S., the judge tossed out claims pertaining to Google’s “Jedi Blue” ad agreement with rival Facebook—now known as Meta Platforms Inc. The plaintiffs alleged the deal was part of a plan to “kill” an alternative ad technology called header bidding that Google executives feared

would harm its business. He also knocked down the plaintiffs’ claim that Google’s Accelerated Mobile Pages, or AMP, technology was part of an anticompetitive plot to curtail header bidding, among several other claims from the plaintiffs.

In a blog post Tuesday in response to the U.S. decision, Google called the Jedi Blue allegations the “centerpiece” of Texas’s case, and cited the various allegations that were tossed out as evidence that the case was “deeply flawed.”

On Wednesday, Texas Attorney General Ken Paxton applauded the judge’s decision, calling it “a major step in the right direction to make our free market truly free.”

The 2018 EU Android case has been significant because it focused on Google’s efforts to increase its mobile business,

but also because it underscored Google detractors’ arguments that antitrust enforcement takes too long. By the time the commission had issued its decision, those detractors said Android had already helped make Google Search as dominant on mobile devices as it had been on desktops.

Shortening the time it takes to force companies to make changes in the market was a major reason that the EU pursued new digital-competition legislation called the Digital Markets Act, passed earlier this year. The new law will eventually make it illegal for Google and other very large tech companies to engage in a range of practices that the bloc considers to be anticompetitive, including some of the practices the commission has previously issued fines for.

U.S. to Transfer Afghan Assets to Swiss Fund

By JESSICA DONATI AND IAN TALLEY

WASHINGTON—The Biden administration said it would transfer billions of dollars of Afghanistan’s frozen assets to a fund in Switzerland, effectively shelving talks on recapitalizing the central bank under Taliban rule.

About \$7 billion in Afghan central bank assets are frozen in the U.S., and under the plan, half the sum will be transferred to the Bank for International Settlements for safekeeping. A board will be responsible for approving limited transactions to support the country’s economy, such as paying arrears owed to international institutions to allow aid flows to continue, the administration said.

The U.S. has said the Afghan central bank must meet several requirements for it to be recapitalized, including instituting standards to fight money laundering and terror financing and appointing a third-party monitor. The Taliban deny supporting terrorist groups.

“The Afghan Fund will hold these reserves until such a time that they can be responsibly returned to Afghanistan,” Deputy Treasury Secretary Adele Adeyemo wrote in a let-



Afghanistan's central bank must meet several requirements for it to be recapitalized, the U.S. says.

ter to senior Afghan central bank officials viewed by The Wall Street Journal.

The U.S. and the Taliban have wrestled over the money for months, while the Afghan economy struggles. Inflation is soaring, the banking system is hobbled and foreign companies are widely avoiding transactions with Afghanistan for fear of running afoul of international sanctions that target the Taliban leadership.

“The frozen assets are Afghanistan’s economic backbone and there should be no

conditions for releasing the assets since this asset belongs to the people of Afghanistan,” said Bilal Karimi, a Taliban deputy spokesman.

The Journal previously reported that U.S. officials had ruled out recapitalizing the Afghan central bank in the near term, following the U.S. drone strike that killed al Qaeda’s leader, Ayman al-Zawahiri, in central Kabul.

This year, President Biden reserved the remaining \$3.5 billion in assets for victims of terrorism, pending litigation

by groups including relatives of victims of the Sept. 11, 2001, terrorist attacks. Many Afghans, including opponents of the Taliban, have said depriving the Afghan population of those funds was unfair.

The Taliban have called on the U.S. to unfreeze the central bank assets to allow the government to resume functions needed to stabilize the plummeting Afghan currency, pay for imports and restore the banking system.

U.S. officials on Wednesday said the Taliban would only

mismanage the money and that releasing the reserves back to the bank would fail to resolve the crisis facing the economy. Chief among their concerns: the risk that money could be diverted to terrorist groups or other illegal financing.

The Afghan central bank declined to comment.

U.S. officials said the Afghan fund wouldn’t provide disbursements to pay for humanitarian aid, an idea previously considered by the White House. It could, however, cover limited critical imports such as electricity.

The Biden administration hopes availability of the funds for such critical foreign-currency payments can help ease the economic suffering of the Afghan population and potentially provide a channel to unlock and protect other central bank reserves now frozen outside the country, the administration said.

“The fund’s effectiveness will depend a lot on its governance and mandate while operating in a very high-risk environment,” said Alex Zerden, a former U.S. Treasury attaché in Afghanistan now at the Center for a New American Security, a nonpartisan think tank in Washington.

FROM PAGE ONE

California Files Suit On Amazon

Continued from Page One

committee. Because California is the nation’s most populous state and biggest economy, its business regulations have long swayed how companies operate across the country.

Third-party merchants that offer their products on Amazon’s marketplace make up the majority of the company’s product sales, according to the complaint. California alleges Amazon requires them to sign agreements that penalize them for offering their products at cheaper prices on competing sites such as Walmart or Target. Those who don’t comply

may get pushed lower in Amazon’s search results or be disqualified from being featured in the site’s “buy box,” the suit alleges, and might even be suspended or removed.

According to the complaint, Amazon forces wholesalers into agreements that penalize them if Amazon lowers its prices to match those of competitors and its profit margin falls below a specified minimum. In some cases, the complaint says, Amazon demands wholesalers compensate it if competing retailers lower prices on their products.

The company’s dominance in the online retail space leaves third-party sellers and wholesalers with little choice but to agree, the suit alleges. According to Mr. Bonta, a Democrat, Amazon has engaged in illegal practices since at least 2012.

The complaint says that Amazon misled investigators about its pricing practices,

claiming it had changed its behavior, but then engaging in different conduct with the same purpose and effect.

“Amazon has stifled its competition for years not by successfully competing, but by blocking competition on price. As a result, California families

The complaint says that Amazon misled investigators about its pricing practices.

paid more,” Mr. Bonta said at a news conference on Wednesday. “With today’s lawsuit, we are sending a message not only to Amazon, but to every corporation in the country.” Amazon countered that in fact sellers determine what prices they offer on its website. “Amazon takes pride in the

fact that we offer low prices across the broadest selection, and like any store we reserve the right not to highlight offers to customers that are not priced competitively,” a spokesman said in a statement. “The relief the AG seeks would force Amazon to feature higher prices to customers, oddly going against core objectives of antitrust law.”

The spokesman said Amazon hopes a California judge will reach the same conclusion as a Superior Court Judge in the District of Columbia, who in March tossed that case based on Amazon’s motion to dismiss. The D.C. attorney general filed a notice of appeal last month.

Mr. Bonta said California has gathered more evidence than in any previous case brought against Amazon and he was confident his suit would succeed where D.C.’s has not, despite similarities in their allegations.

“For one, we are bringing this lawsuit in California court under California law,” he said. “We wouldn’t bring this case unless we were confident in its likelihood of success on the merits.”

He said his office discussed the investigation with Amazon representatives in recent days, but hasn’t deposed company executives.

Jason Boyce, who previously sold sports and home recreational equipment on Amazon for more than a decade and now runs a consultancy for other third-party merchants, said the allegations in California’s suit match his experience working with the company.

“Sellers have known about this awful practice of Buy Box suppression and price controls for a long time,” he said.

In 2020, the Journal reported California began an investigation into the way Amazon treats its third-party

sellers. The investigation was opened under then-Attorney General Xavier Becerra, who is now the U.S. secretary of health and human services.

Last year, the Journal reported Connecticut was investigating how Amazon sells and distributes digital books.

Earlier this year, Democratic and Republican members of the House Judiciary Committee sent a letter to Attorney General Merrick Garland recommending the Justice Department investigate Amazon and some of its executives for what the lawmakers said was possible criminal obstruction of Congress related to a separate investigation into Amazon and other big tech companies.

Mr. Bonta declined to say whether he discussed California’s case with the FTC or attorneys general in other states.

Congress hasn’t passed proposed legislation that would outlaw some of the conduct targeted in the California suit.

WORLD NEWS



A juice vendor prepares a drink in the West Bank, where temperatures have regularly topped 100 degrees Fahrenheit of late.

Intensifying Heat Plagues Mideast

By ERIC NILLER

A populous region encompassing the Middle East and the Eastern Mediterranean has become a climate hot spot, with temperatures in recent years rising almost twice as fast as the global average, according to a new analysis of historical climate data and current observations.

The sun-scorched region, which spans more than a dozen countries with a collective population exceeding 400 million, has warmed at a rate of 0.81 degree Fahrenheit each decade since 1981, the analysis showed. The per-decade global average rose 0.49 degree in the same time frame. Temperatures in the region have risen faster than in Europe, North America and other highly populous parts of the globe.

“A hot and arid region is getting even more arid and more hot, and that has big consequences,” said Jos Lelieveld, director of atmospheric chemistry at the Max Planck Institute for Chemistry in Germany and the leader of

the 21-member team of researchers who conducted the analysis.

The analysis, which blamed the rising temperatures in part on the region’s barren landscape and its high carbon emissions, was published in June in the peer-reviewed journal *Reviews of Geophysics*.

Along with high humidity, extreme high temperatures in summer are now common in the region, which encompasses Bahrain, Cyprus, Egypt, Greece, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, the Palestinian Authority, Qatar, Saudi Arabia, Syria, Turkey and the United Arab Emirates. In June, Kuwait, Iraq and Iran experienced temperatures above 120 degrees. In September 2020, a Kuwaiti city reached 127 degrees.

Dr. Lelieveld said if the current trend continues, extreme heat and humidity, dust storms, flash floods and other heat-related weather phenomena could by midcentury render parts of the region uninhabitable during summer months for those who lack ac-

cess to air conditioning.

“They already have short periods in which the survivability threshold has been approached, and that will become more frequent,” said Tapio Schneider, professor of environmental science and engineering at the California Institute of Technology. He

In September 2020, a Kuwaiti city reached 127 degrees Fahrenheit.

wasn’t involved in the new research.

If global carbon emissions continue to rise at the current rate, the analysis indicated, the region’s average temperature will rise nine degrees by 2100. But Dr. Lelieveld acknowledged some uncertainty in the emission trends as well as the climate models used to make the projection. “We cannot predict the future,” he

said. “We assume a scenario and project the outcome.”

Extreme heat and humidity are a particularly dangerous combination. The bodies of humans exposed to high temperatures cool when sweat on the skin evaporates, but that process slows when the air holds lots of moisture. Outdoor work becomes nearly impossible when the wet-bulb temperature—a scale that measures heat and humidity as well as cloud cover and other meteorological conditions—reaches 90 degrees, according to a 2020 study by researchers at Purdue University.

Since 2005, the wet-bulb temperature in the Persian Gulf region has reached 95 degrees nine times, according to a 2020 NASA study.

“When temperatures are getting close to the body temperature and the humidity is high, then the body cannot basically cool down,” Dr. Lelieveld said. “The only way out for people is to get into air-conditioned buildings and structures.”

Oil-Rich Gulf States Aid Neighbors in Bid To Influence Region

By CHELSEY DULANEY AND RORY JONES

Saudi Arabia and other Gulf states flush with oil revenue are coming to the rescue of crisis-racked neighbors such as Egypt, Pakistan and Turkey, doubling down on a diplomatic tool they long used to build influence throughout the region.

Saudi Arabia, Qatar, and the United Arab Emirates have pledged more than \$22 billion this year to Egypt as the country seeks to stave off default.

The trio of oil-rich nations promised about \$10 billion in August alone to Pakistan, where economic misery is being compounded by devastating flooding. Turkey, facing one of the world’s highest inflation rates, has received billions in investment pledges and foreign-exchange aid from its one time rival U.A.E.

The aid represents a turnaround from a few years ago, when low oil prices forced Gulf states to rethink their financial support for poorer countries in the region. It also reflects recent geopolitical shifts in the Middle East, spurred on by ripple effects from Russia’s war in Ukraine.

Higher oil prices are expected to bring in an extra \$1.3 trillion in revenue over the next four years for energy exporters in the Middle East and North Africa, according to the International Monetary Fund.

“They have massive surpluses,” said David Butter, an analyst for the region at U.K. think tank Chatham House. “It’s not a real hardship to allocate some funds to their needy regional allies.”

The windfall for oil producers coincides with a period of historic stress for low-income countries. The war in Ukraine turbocharged already soaring energy and food prices and stoked inflation globally, leading to a surge in borrowing costs and the strongest U.S.

dollar in a generation.

Pakistan, Egypt and Tunisia are among the countries that have gone to the International Monetary Fund for bailouts, and more are expected to follow.

“Countries that were already vulnerable because of a slow-building debt increase are all of a sudden facing external shocks the likes of which we haven’t seen in a long time,” said Patrick Curran, a senior economist at research firm Tellimer. “They are having to scramble to find alternative ways to meet their funding needs.”

Gulf financial pledges fill the gap between what countries need and the amount the IMF can provide, said Jihad Azour, director of the International Monetary Fund’s Middle East and Central Asia Department. A package of Gulf money helped Pakistan secure a \$4 billion IMF loan last month, and will be crucial to Egypt’s bailout, still being negotiated.

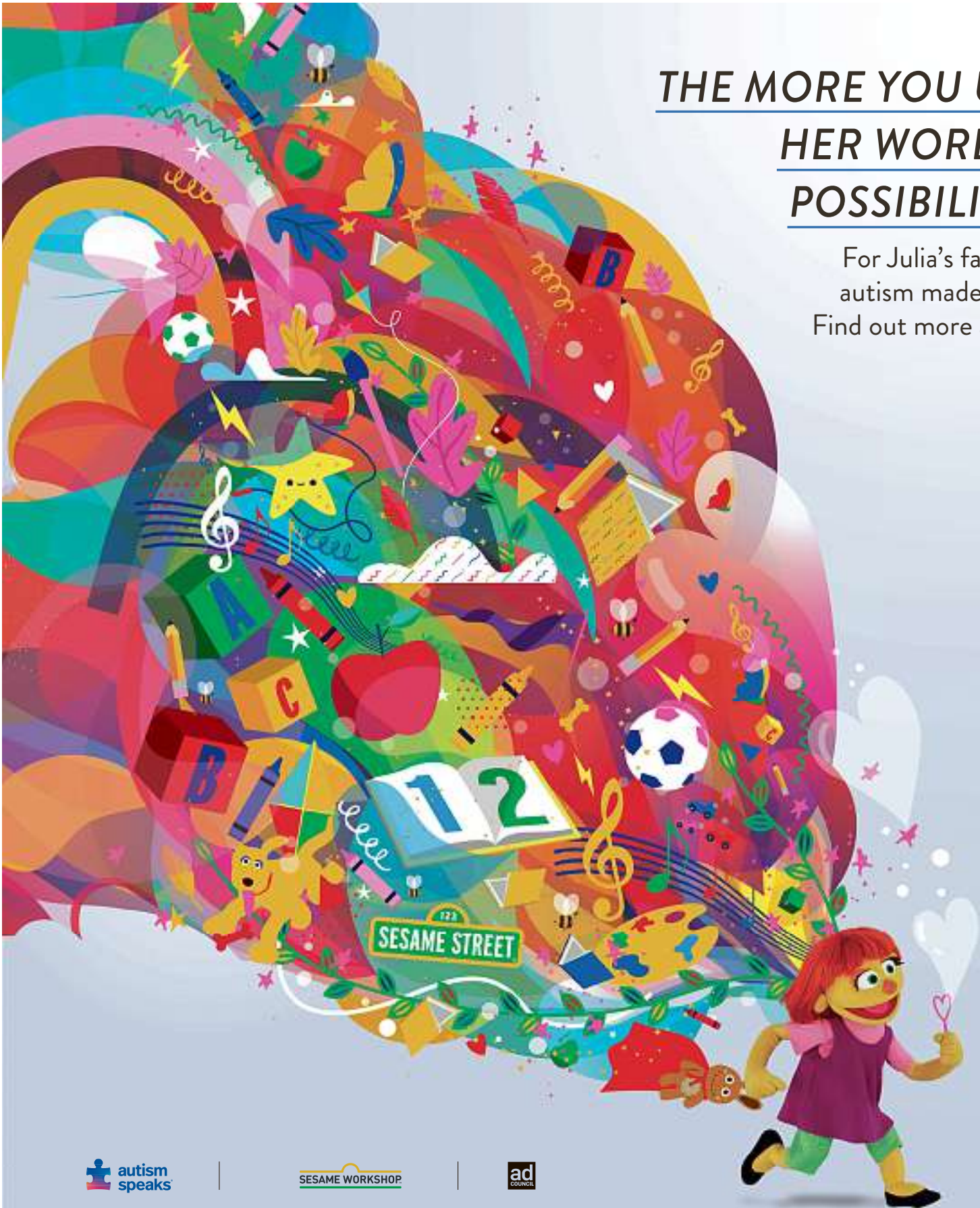
Support from the Gulf—along with debt relief from China and IMF programs—have helped draw investors back into beaten-down markets.

Pakistan’s currency rose nearly 10% in August against the U.S. dollar after posting its worst monthly loss in 50 years a month earlier. Egypt’s U.S. dollar bonds also have rebounded. The yield on a dollar-denominated bond maturing in 2024 has fallen below 10%, according to Tradeweb, from above 16% in late July when fears the country would default on its foreign debt peaked.

Egypt’s importance is both economic and geopolitical, as it controls the Suez Canal and has one of the largest standing armies in the Arab world. “The Saudis came to the aid of Egypt because they think the stability of Egypt and the survival of the regime is important to them,” said Yasmine Farouk, a nonresident scholar at the Carnegie Endowment for International Peace.

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WORLD NEWS

Opposition Wins Elections in Sweden

Close national vote gives anti-immigration bloc a chance to form a new government

By DOMINIC CHOPPING

Sweden’s prime minister conceded defeat after close-run national elections, handing a right-wing opposition bloc the first shot at forming a new government.

The victory was powered largely by support for the anti-immigration Sweden Democrats, a far-right group with roots in the neo-Nazi movement, which won its biggest-ever share of the vote.

Weeks of negotiating over the composition of the next government are expected to follow as Sweden’s politicians assess the consequences of the rise in support for the far-right party. Prime Minister Magdalena Andersson said Wednesday that the opposition bloc secured a one- or two-seat advantage in parliament, and said she would ask the speaker of parliament to relieve her of her duties.

“It’s a thin majority, but it’s a majority,” she said.

The Sweden Democrats’



Prime Minister Magdalena Andersson says she will ask parliament’s speaker to relieve her of her duties.

leader, Jimmie Åkesson, has worked to present the party as more mainstream in recent years, distancing it from some of its more extreme supporters or describing them as exceptions, while campaigning to limit immigration. His group is the single largest party in the right-wing bloc with 73 of the 349 seats in parliament, but it is unclear what role he would

play in a new government.

The lengthy succession process is more likely to elevate Ulf Kristersson, leader of the conservative Moderates Party, who is regarded as a more acceptable figure than other prospective coalition members, political analysts say.

The outcome of Sunday’s election—completed Wednesday after early and overseas

votes were counted—is a blow to Ms. Andersson’s Social Democrats, despite increasing its share of the vote to secure 107 seats, with 99% of the ballot counted. During her 12 months in power, Ms. Andersson, the country’s first female leader, guided Sweden into the North Atlantic Treaty Organization after Russia’s invasion of Ukraine.

The developments reward Mr. Kristersson’s gamble in breaking with tradition by opening up an alliance with the Sweden Democrats. Far-right members consistently were treated as pariahs by other parties until they found common ground on energy issues and law and order.

Mr. Kristersson’s Moderates had hoped to boost their share of the vote and remain the largest party in the bloc, aiming to form a government with the Christian Democrats and Liberals, and only relying on the Sweden Democrats for support in parliament.

Still, negotiating the final form of the government could prove difficult after the Sweden Democrats overtook Mr. Kristersson’s party as the largest player on the right. Parliamentary procedures also mean the earliest date a new prime minister could be installed is Sept. 30.

Some in the right-wing bloc are still wary of Mr. Åkesson’s party, including the Liberals, which have objected to its inclusion in the government.

Mr. Åkesson has said that while he would prefer to be in government, it wouldn’t be a demand, as long as other parties in the bloc implemented

policies that he agreed with.

After the last election in 2018, it took more than four months to form a new government. A drawn-out negotiation this time would be unwelcome as the country grapples with surging inflation, rising interest rates and an energy crunch prompting an increase in electricity prices.

“A weak government could imply difficulties in responding to these challenges in a timely manner,” Gustav Helgesson, an economic analyst at Scandinavian bank Nordea, said after the election.

The agenda for a right-wing government probably would be characterized by stricter immigration laws and law enforcement, along with investments in nuclear power and lower taxes. Sweden’s public finances are strong and provide important security in an uncertain political landscape, Mr. Helgesson said.

The final outcome likely will have little if any impact on Sweden’s decision to apply for NATO membership. A longtime opponent of membership, the Sweden Democrats changed tack following Russia’s invasion of Ukraine and now supports NATO membership.

Private Sector Struggles to Mark Monarch’s Death

By DENISE ROLAND

The sequence of events following the death of Queen Elizabeth II has been meticulously planned by officials. Everyone else is improvising.

While the government and royal family are relying on centuries-old rituals to bid farewell to Britain’s longest-reigning monarch, the private sector and everyone else have no blueprint for an event the like of which last took place in 1952, when Elizabeth’s father, King George VI, died.

That has left companies, grocery stores and even the central bank grappling with how to respond within the modern trappings of branding, large-scale events and social media. Some corporate moves to mark the royal death have been met with both derision and ridicule.

Soccer matches were postponed even as cricket resumed. Britain’s Meteorological Office said it would pause “nonoperational” chitchat on its Twitter feed, leading to a national outcry in a country where the weather is a leading topic of conversation. A national governing body for cycling caused bafflement and outrage with advice—later retracted—to refrain from riding a bicycle for the duration of the queen’s funeral.

And even as Britain faces its highest rate of inflation in

boat-race event in Cambridge on Saturday. “There was a lot of panic at the beginning,” said Ms. Mierzejewska, a director at NewWave Events, which plans charity boat races and corporate team-building events.

After consulting a Facebook group comprising other event planning professionals for advice, Ms. Mierzejewska and the other organizers decided to go ahead, in part because it would be too tricky to rearrange. As a mark of respect for the queen, there was a one-minute silence before the races began.

Of the 34 teams participating in the races, just two pulled out. One of those was a team of equine veterinarians who didn’t think it was appropriate to join because of the queen’s well-known love of horses, said Ms. Mierzejewska. The event went well and created a “sense of spirit and community,” she said.

A cheese festival in the town of Sturminster Newton in the south of England also went ahead, with organizers reasoning that the event would “celebrate her life.”

Some organizers, though, opted to postpone. A charity sale of nonfungible token collectibles in memory of the British glam-rock icon David Bowie scheduled to take place on Tuesday was postponed “out of respect for the people of the U.K. and Queen Elizabeth II,” according to a statement by the organizers.

Negroni Week has also been postponed in the U.K., with booze maker Davide Campari-Milano NV saying it would be “inappropriate to celebrate” the drink at this time. The annual event typically sees thousands of venues around the world mix classic and innovative versions of the Italian cocktail to raise money for charitable causes.

The government has said there is no obligation to suspend business during the period of mourning.

“Depending on the nature and location of their business and the tone of planned events, some businesses may wish to consider closing or postponing events, especially on the day of the State Funeral, however this is at the discretion of individual businesses,” it said the day after the queen’s death.

Some corporate expressions of mourning have been met with ridicule. Twitter users lampooned a tribute by lingerie retailer Ann Summers on its online store for displaying the somber message above images promoting its sometimes racy products.

“As a female-founded British high street business, we wanted to pay our respects to Her Majesty, The Queen,” said a spokeswoman for Ann Summers. “It was never our intention to cause offence.”

Royal Family Escorts Queen’s Coffin to Public Viewing



LONDON—The royal family united in procession Wednesday as Queen Elizabeth II’s coffin left her home at Buckingham Palace for the last time, taken atop a gun carriage in a somber ceremonial march to Westminster Hall, where it began a four-day period of lying in state before her state funeral.

King Charles III was joined by his sons, Prince William and Prince Harry, and the wider royal family in what a senior aide described as the coffin’s transition “from family to state”—from lying in Balmoral and Buckingham Palace surrounded by family to lying in Westminster Hall for the public to mourn.

The period of national mourning is moving toward its final denouement Monday, when the state funeral is expected to draw a million people and heads of state from around the world.

At Westminster Hall, a building that dates to 1097, the coffin was placed on a raised platform called a catafalque, along with a 24-hour vigil by soldiers. After a short service, the doors opened and the first members of the public began to shuffle through and pay their respects.

The line to enter Westminster Hall was nearly 3 miles long by the time the building was opened to the public.

“I will stay here, however long it is,” said Jo Maxwell, 53, from London as she stood in line.

Earlier, a large crowd gathered outside Buckingham Palace and along the route from the palace, watching in silence as the procession, led by drummers beating at 75 steps a minute, made its way down the Mall, through Whitehall, Parliament Square and into Westminster Hall. The procession lasted 38 minutes, with Big Ben tolling every minute.

The coffin, carried on a gun carriage that also carried Queen Elizabeth’s father and grandfather’s coffins, was draped in the royal flag and adorned with the imperial state crown on a purple velvet cushion and flowers, including foliage from royal residences in Balmoral and Windsor.

In a show of unity, King Charles’s children, Prince Harry and Prince William, joined his siblings Prince Andrew, Princess Anne and Prince Edward to accompany the procession on foot.

The ceremony marks a period of conciliation among a strained family. Prince William fell out with his brother after the latter quit royal duties and moved to the U.S. with his wife Meghan, the Duchess of Sussex. Prince Andrew was barred from royal duties by the queen after he settled a sex-abuse lawsuit.

—Max Colchester

‘No one is given a list of dos or don’ts,’ the head of a school of etiquette said.

■ four decades, the Bank of England postponed a key decision on interest rates, citing the period of national mourning.

■ “No one is given a list of dos or don’ts, or the steering on how to handle such a momentous, huge situation as this one,” said Philip Sykes, principal of the British School of Excellence, which offers etiquette-training courses. “It knocks everyone to the ground.”

■ Grocery chain Morrisons has switched off its music and public-address systems, and lowered the volume on its checkout beeps. One shopper took to Reddit to complain of longer lines at self-service checkouts because people couldn’t tell whether they’d successfully scanned their items.

■ “Do you think Liz would be upset over a self service beep?” said the user, who goes by Willyamss.

■ Following news of the queen’s death on Thursday evening, Alicja Mierzejewska had only hours to decide whether to go ahead with a large Chinese dragon-themed

ARMENIA-AZERBAIJAN Countries Agree To a Cease-Fire

Armenia and Azerbaijan negotiated a cease-fire to end a flare-up of fighting that has killed 155 soldiers from both sides, a senior Armenian official said early Thursday.

Armen Grigoryan, the secretary of Armenia’s Security Council, announced the truce in televised remarks, saying it took effect hours earlier, at 8 p.m. Wednesday.

There was no immediate comment from Azerbaijan’s government.

The cease-fire declaration followed two days of heavy fighting that marked the largest outbreak of hostilities between the two longtime adversaries in nearly two years.

Late Wednesday, thousands of protesters took to the streets of Armenia’s capital accusing Prime Minister Nikol Pashinyan of betraying his country by trying to appease Azerbaijan and demanding his resignation.

The ex-Soviet countries have been locked in a decades-old conflict over Nagorno-Karabakh, which is part of Azerbaijan but has been under the control of ethnic Armenian forces backed by Armenia since a separatist



WILD WEATHER: Typhoon Muifa whipped up waves Wednesday night off Lianyungang in eastern China’s Jiangsu Province.

war there ended in 1994.

During a six-week war in 2020, Azerbaijan reclaimed swaths of Nagorno-Karabakh and adjacent territories held by Armenian forces.

—Associated Press

EGYPT

U.S. to Withhold \$130 Million in Aid

The Biden administration will withhold \$130 million in foreign security assistance to Egypt for a second time, symbolically penalizing Cairo for its human-rights record while aiming to

maintain diplomatic ties with this Middle Eastern ally.

The decision comes as some of President Biden’s closest Democratic allies in Congress have called for tougher measures against the government of President Abdel Fattah el-Sisi including a full suspension of aid to Egypt.

After temporarily freezing financial aid to Egypt last year for a review, Washington announced in January that it would “reprogram” \$130 million in security assistance to Egypt—a fraction of an estimated \$1.3 billion in aid the United States generally gives Egypt each year.

—Vivian Salama

HAITI Fuel-Price Increases Lead to Protests

Haiti announced steep increases in fuel prices on Wednesday despite fears the move would crush an already frail economy, push even more people to flee the country and unleash the sort of protests that have often paralyzed the capital.

The government-set price of a gallon of gasoline is to increase from 250 gourdes (\$2) to 570 gourdes (\$4.78), while diesel will go from 353 gourdes (\$3) to 670 gourdes (\$5.60) and kerosene from 352 gourdes (\$3) to 665 gourdes (\$5.57). The government said prices are rising because it can no longer afford to heavily subsidize fuel.

Protesters against the price hike blocked roads throughout Port-au-Prince on Wednesday with rocks, burning tires and metal gates, leaving the capital void of traffic. Schools and businesses including banks also shut down as columns of black smoke rose across the city.

The government didn’t say when the new fuel prices would go into effect, but tweeted that “prices in Haiti are significantly lower than those on the international market.”

—Associated Press

FROM PAGE ONE

Latino Voters Shift Right

Continued from Page One including the Republican trying to defeat Democratic Sen. Catherine Cortez Masto, the only Latina ever elected to the Senate.

Democrats “promise a lot of things that never happen,” Mrs. Oronoz said. Her husband, Humberto Oronoz, said he is hesitant to vote Republican in part because of harsh remarks former President Donald Trump has made about immigrants, but he’s open to the idea.

“If there’s a Republican that has good ideas that benefit me, I’m going to vote for that guy,” said Mr. Oronoz, 39, who delivers groceries for Uber.

Latino voters are among the fastest-growing groups in the electorate, accounting for some 16 million voters in 2020—or more than 10% of the voter pool. Once a solidly Democratic bloc, Latino voters are emerging as a swing group available to both parties, with its voting preferences splitting along economic and class lines.

In 2020, Latino voters who backed one of the two major candidates gave Mr. Biden 63% of their vote, according to a detailed analysis by Catalyst, a Democratic voter-data firm. That was 8 percentage points lower than Mr. Biden’s party had won four years earlier.

The movement away from Mr. Biden’s party was even larger—some 11 points—among Latinos who are working class, commonly defined as those without a four-year college degree.

New perception

Voters and analysts say the economic boom during much of Mr. Trump’s presidency, as well as today’s high inflation under Mr. Biden, have continued to lead to a more favorable view of the Republican Party and helped change the perception in many families that it’s socially unacceptable to consider backing GOP candidates.

Both parties are watching this year’s midterms for a continued shift, an especially important question in Nevada. Nonpartisan analysts say that nearly every major race in the state is a tossup or highly competitive, including the elections for U.S. Senate, for governor and for three of the state’s four House seats.

Some 16% of the state’s voters in 2020 were Latino—the largest share of any minority group—up from 11% in 2008, Catalyst found.

“The feeling that the Democratic Party almost by default is going to have the Hispanic vote—it’s not like that anymore,” said Ally Magalhaes, a Brazilian immigrant and aesthetician who until recently ran a spa a few miles from the Oronoz family’s home. She backed Mr. Trump in 2020 after previously voting for Democrats Barack Obama and Hillary Clinton.

Ms. Magalhaes said faith and family were important to her—areas where she feels more aligned with Republicans. “The Republican Party is the one that represents that strongly, and that’s who we are going to be sticking with, if the Democratic Party continues to impose their progressive agenda,” she said. She moved her two children to a charter school after local leaders considered adopting a sex-education plan that she found too explicit.

In the cluster of heavily Hispanic neighborhoods around Las Vegas, including where the Oronoz family lives, many



Vania Oronoz, with her family, says she is now supporting Republicans.



Ally Magalhaes says faith and family are important in her voting decisions.

workers hold blue-collar jobs in the nearby casinos and hotels. In much of the area, well over half of households have annual income under \$50,000, and college degrees are scarce.

In those neighborhoods where Latino residents account for 70% or more of the population, President Biden carried 75% of the vote, according to a Wall Street Journal analysis of election results at the census-tract level. That was 7 percentage points less than Democrats had won in 2016.

Edgar Flores, a Democratic state assemblyman whose district includes many of the heavily Hispanic neighborhoods that shifted toward Mr. Trump, said Democrats haven’t made a succinct economic pitch that resonates with Latino voters. “I sincerely think that we’ve taken the community for granted politically,” Mr. Flores said. “We have a responsibility as a party to do better.”

Narrowing lead

A Wall Street Journal survey conducted in late August found that Latino voters would pick a Democratic candidate for Congress over a Republican by 11 percentage points. That’s a narrower lead than the 34-point advantage Democrats held in 2018, according to AP VoteCast.

The Journal poll also found that working-class Latino voters are more open to backing Republican candidates this fall than are those with college de-

grees. Latino voters without a four-year degree picked a Democratic candidate over a Republican by 6 percentage points, while Democrats led by 26 points among Latino voters with college degrees.

If the vote shift proves durable, it could undermine Democrats’ belief that the nation’s growing racial and ethnic diversity, along with the party’s gains among white voters with college degrees, would propel it to dominance in national politics. For Republicans, big gains among Latino voters could help them accomplish a goal that many in the party came to embrace during Mr. Trump’s presidency: becoming a multiracial party of the working class.

Republican support among Latino voters reached a high-water mark in recent decades during President George W. Bush’s re-election in 2004, with 40% or more of the vote. Mr. Bush had won the governor’s office in Texas in part by reaching out to Hispanic voters, and he continued that outreach on the national stage with steps such as arguing for eased immigration rules.

By 2012, both parties believed that Latino voters were on course to be a big and growing part of the Democratic coalition. Exit polls that year found that Mitt Romney won only 27% of the Latino vote. A panel of the Republican National Committee urged the party to present a more welcoming face to Latino and

other minority voters and to support “comprehensive immigration reform,” a phrase that often implied backing liberalized citizenship rules for undocumented residents.

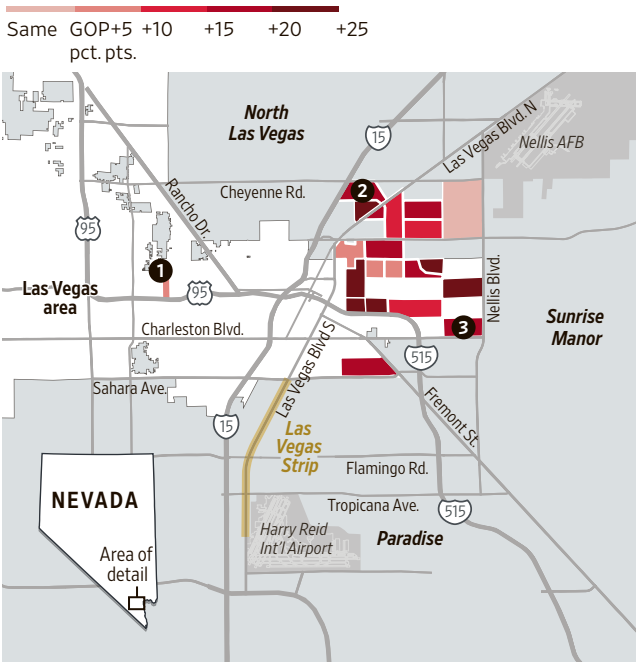
The surprise to some in the Republican Party has been that it hasn’t had to embrace liberalized immigration laws to draw more Latino voters. In interviews, many Latino voters said they support the party’s call for tougher border security, which they said would reduce human trafficking and the movement of drugs and unac-

‘I sincerely think that we’ve taken the community for granted politically.’

panied minors across the border. Some Latino voters who want to grant legal status to undocumented immigrants say they are frustrated with Democrats’ efforts to do so and have grown cynical about the political system’s ability to deal with the issue at all.

Rosemary Flores, a 57-year-old community activist and former casino waitress, said she was a lifelong Democrat until 2016, when she decided that her support for stronger border security, opposition to abortion and belief in economic self-reliance meant her values aligned

Change in presidential votes by party from 2016 to 2020 in heavily Hispanic census tracts*



Hispanic population	Income below \$50,000	Attained bachelor's degree or higher
1 75.7%	1 72.2%	1 7.5%
2 80.0	2 54.7	2 1.4
3 74.5	3 63.3	3 5.4
NEV. 28.7	NEV. 41.6	NEV. 24.7

*Tracts with a Hispanic population of 70% or more
Source: U.S. Census American Community Survey 5-Year Data

with the Republican Party. “Latino are always told that they’re Democrats,” she said. “I finally said to myself that I’m a conservative, and so are other Latinos.”

She said that she believes the Republican Party supports immigrants. When Mr. Trump in 2016 called some who crossed from Mexico “rapists” and “thugs,” she said, “He meant the cartels. He meant the people hurting immigrants through human trafficking.”

This year, the two parties in Nevada are trying to cement their connection to working-class Latino voters. In the state’s marquee race, Ms. Cortez Masto, the Democratic senator, has been reminding voters she is the granddaughter of a Mexican immigrant. Her TV ads feature construction and hotel workers talking about her help in passing infrastructure spending for the state and federal loans that helped businesses pay workers during Covid.

Ms. Cortez Masto, who declined an interview request, has said her Republican opponent, former Attorney General Adam Laxalt, hurt the Latino community by opposing a higher state minimum wage and by joining other states, when he was Nevada’s top legal officer, in an effort to block protections for Dreamers, people who have lived in the U.S. illegally after coming to the country as children and would meet requirements spelled out in the Dream Act to gain permanent resi-

dency status.

Mr. Laxalt said Democratic leaders hurt workers by shutting down the economy during the pandemic and with policies that he said exacerbated inflation.

“I’ve been consistent from the beginning of the race that we are the campaign that stands for the American dream,” Mr. Laxalt said in an interview. “We stand for secure borders. We stand for law and order. We stand for trying to get kids back into schools and trying to get indoctrination out.” He has said that a higher minimum wage prompts businesses to reduce hiring, and that then-President Obama overstepped his authority by moving to protect Dreamers from deportation.

‘Alienated’

Mike Madrid, a Sacramento-based Republican political consultant who specializes in Hispanic outreach, said Latino voters today are acting like the white, working-class voters known as Reagan Democrats, who shifted toward the GOP in the 1980s when they thought Democrats had abandoned their economic needs.

“There’s a working-class culture that’s feeling alienated from the college-educated, white progressives that are dominating the Democratic Party,” Mr. Madrid said. “They’re voting on economic issues and on the cultural drift of the Democratic Party.”

Carlos Odio, co-founder of Equis Research, a Democratic-aligned firm that focuses on Latino voters, said Democrats were winning too big a share of the working-class Latino vote to conclude that the party would see a big exodus. The pandemic shutdowns might have prompted anger at the party in 2020, he said, but he expected it to be fleeting.

Still, he said, he sees little sign that Democrats regained ground. Democrats should worry that Latino voters find it more socially acceptable to consider Republican candidates, he added.

“It’s actually the thing that should really give Democrats the most pause here,” he said. “If the barrier has truly gone down and stays down, then a wider realignment is possible.”

Old Band T-Shirts Are Back

Continued from Page One cyclical world of fashion, with boys and girls of younger generations wearing old rock band T-shirts despite having never listened to the music.

Jacob Gillick, a 28-year-old teacher in St. Louis, Mo., who described himself as a “teenage metal-head growing up,” said that during the last school year, he would see five to six middle-school students a day wearing a T-shirt of a rock band he recognized from

his own adolescence. “It’s a huge letdown when you realize they don’t actually listen to it,” he said.

Major fashion retailers like PacSun and Urban Outfitters offer products like Nirvana tees and The Who pullovers. In a survey last year by online retail company RushOrder-Tees, the top nine music T-shirts owned by respondents were all artists from the 1990s or earlier, with AC/DC taking the top spot. (Ariana Grande came in at No. 10.)

Some attribute the surging demand to social media, which can expedite aesthetic trends without bringing the music fandom along.

Rockabilia, an online seller of rock music merchandise, had a supply of 300 T-shirts for Static-X, a heavy metal

band that formed in the ’90s, sitting around for years. Suddenly, all the shirts sold out in less than 24 hours. Messages filled Rockabilia’s email inbox and phone lines, seemingly from young teenagers, asking when it would restock the Static-X shirts.

“We were kind of curious so we asked, ‘Are you a fan of the band?’ And they had no idea what it even was,” said Frankie Blydenburgh, a co-owner of Rockabilia. He and his team later discovered that a TikTok in which someone who happened to be wearing a Static-X shirt had gone viral.

Tony Campos, the bassist for Static-X, doesn’t mind if people wear the band’s shirts without listening to the music. “I used to be more of a purist,” said Mr. Campos. “But to

me, that’s just closed-mindedness....A big part of bands’ income these days is merchandise sales. So the more you can get out there, the more you’re going to be able to make a living.”

Brian Ebejer, who goes by the stage name Edsel Dope and is the lead singer of the heavy metal band Dope, formed in 1997, echoed the sentiment. “Honestly, I’d rather a kid buy my merchandise than listen to my music, because I make more money from a shirt than him listening to my music for free on Spotify,” he said.

Some rock-band-shirt-wearing teenagers are actually fans of the music. Ben England, 18, and Luka Owen, 19, became best friends over a mutual love of rock music. They are

also friends with Ms. Jenkins, and they noticed all the merchandise worn by their fellow students.

“Whether it is Rolling Stones, Nirvana, Led Zeppelin, or Sublime, it seems like you can’t go a day at school without seeing one of these shirts,” they wrote for their student newspaper last March.

With band shirts now a purely aesthetic choice, they have found themselves misidentified as nonfans. Mr. Owen recalled wearing one of his Led Zeppelin shirts while out shopping. At the counter, the cashier asked if he could name five Led Zeppelin songs.

He certainly could. “I own every album that they’ve ever produced,” Mr. Owen said. The cashier gave him his items for

free after finding out he was actually a fan.

Merchandise for Cannibal Corpse, a death metal band from the ’90s, found new popularity after Kourtney Kardashian Barker was pictured last year wearing the band’s shirt, borrowed from her husband, Blink-182 drummer Travis Barker.

After her fashion choice received backlash from Cannibal Corpse fans, Mr. Barker publicly jumped to her defense. Even though she isn’t a hardcore fan, he said, why not allow her to celebrate the music? The couple didn’t respond to a request for comment.

“Since then, it’s become a fashion statement. Now Cannibal Corpse merch is more popular than ever before,” said Rockabilia’s Mr. Blydenburgh.

PERSONAL JOURNAL.

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THE WALL STREET JOURNAL.

Thursday, September 15, 2022 | **A13**



GABBY JONES FOR THE WALL STREET JOURNAL

The ‘dynamic island’ on the iPhone 14 Pro and Pro Max adds a new way to jump between apps.

great at taking photos in good lighting, which is why Apple is focusing on low light, boasting that the 14’s main camera can capture 49% (not 50%!) more light than the iPhone 13.

Yet when I shared a group of photos with colleagues without telling them which phone took which, some ranked shots with the 13 above the 14. They ranked all those shots above any taken with the 11 and 12.

In those same low-light tests, the iPhone 14 Pro and Pro Max ranked at the top—though so did the 13 Pro models. The new Pro phones have cameras that are nearly the circumference of a 1/4 teaspoon (really) and the height of the Empire State Building (not really). Each phone has a ultrawide, telephoto and a 48-megapixel main camera—a huge leap from the 12 megapixels that’s been standard on iPhones since 2015.

There are two places where you see the benefit of the 48 megapixels. It allows for a new 2X zoom option, which is really a crop in on the 48-megapixel wide shot.

The other benefit is when shooting in Apple’s more advanced ProRaw format: You can take full 48-megapixel images, which have noticeably more detail.

Battery and more

As far as battery life goes, none of the iPhone 14 or 14 Pro models I tried lasted significantly longer than their predecessors. The story might be different with the step-up model, the iPhone 14 Plus. Apple says it has “our longest battery life ever”—I’ll test that claim when it arrives.

Given that the \$799 iPhone 14 isn’t substantially better than the now-\$699 iPhone 13, I can see why some may want to just save the \$100.

But can you put a price on life? As in, *your* life. The whole iPhone 14 line gets new emergency features. If you’re without cellular service, you can message for help using Emergency SOS via satellite. I got a short demo of it at Apple’s Cupertino camp but it doesn’t launch until November, so I didn’t test it.

There’s also car-crash detection—the phone’s new sensors can detect if you were in an accident and alert emergency services.

The Pro upgrade used to be the third camera with the telephoto lens. That still matters, but now so does the new multitasking capabilities and a screen you don’t have to keep tapping.

So, is it worth spending \$200 extra to go Pro? You know where I stand—on the dynamic island.

Watch a Video

Scan this code for a video on Joanna Stern’s review of the iPhone 14 and iPhone 14 Pro.



Go iPhone 14 Pro or Go Home

‘Dynamic island’ multitasking bar, camera flexibility add everyday value to Apple’s high-end line



PERSONAL TECHNOLOGY
JOANNA STERN

Forgive me, friends, for what I’m about to say: You should just buy this year’s \$999-and-up iPhone Pros.

I hear you. “Wait, wait, wait. In a year when everything costs more, including *actual* apples, you want me to give \$2.5 trillion Apple more cash?”

Blame the “dynamic island,” a screen compromise Apple has turned into a smart multitasking trick on the iPhone 14 Pro and Pro Max. Also blame their always-on display and big cameras.

After spending nearly a week testing the new phones, I can say the more “affordable” models are good choices, too. But this year—more than in the past—Apple’s top-of-the-line phones do more to justify their \$200 price bump.

Plus, a pricier phone may actually be within reach now that cellular carriers have gone totally bananas with deals that can knock off hundreds. (Yes, I’m aware banana prices are up, too.)

Before I explain my reasoning, you have to understand the two main iPhone 14 groups:

► iPhone 14 (\$799 and up) and iPhone 14 Plus (\$899 and up):

Herein known as the “regulars,” these have two cameras and colorful designs. (Gone is the smaller, cheaper Mini option.) The 14 has a 6.1-inch screen and the Plus has a 6.7-inch screen—otherwise, they’re identical in design.

I will review the iPhone 14 Plus, due out Oct. 7, at a later date. The other phones are available Sept. 16.

► iPhone 14 Pro (\$999 and up) and iPhone 14 Pro Max (\$1,099 and up):

These two also have 6.1- and 6.7-inch screens, respectively, but have a more premium design and a trio of cameras, including a new 48-megapixel main camera. They also have an always-on screen and the dynamic island multitasking bar.

Despite Apple’s dream that you buy a phone more often than you wash your jeans, chances are you’d be upgrading from a phone that’s already two or three years old. That’s why I put the latest up against the iPhone 13 lineup but also iPhone 12 and iPhone 11 models. While the camera improvements will be far more satisfying if you have one of those older phones, that dynamic island will make any other phone seem static.

Screens

The regular iPhone 14’s screen looks exactly the same as the 13. It even

looks to me the same as the iPhone 12, though Apple says it’s brighter. The screen on the 14 Plus will be bigger—and likely a perfect solution for those who have been yearning for an iPhone the size of a superyacht without the price tag of one.

I usually have to pull out my glasses to spot Apple’s display “improvements.” But this year the changes on the Pro models hit me as soon as I opened the box.

The always-on display is, well, always on. When you’re not actively using the phone, most of the colors on your lock screen’s background are dimmed, but all the other stuff—time, date, widgets and notifications—are clearly visible.

For those of us who use our phones as a watch, I predict thousands of phone taps a year saved. Plus, it didn’t impact battery life in a noticeable way. After a long, harsh day shooting my review video on an actual island—nonstop camera and video use—the Pro conked out around 7:30 p.m. The Pro Max was still kicking when I went to bed. You can turn off the always-on display to eke out even more battery.

On the iPhone 14 you’ll find that familiar “notch,” the little black area housing the selfie camera and the Face ID sensors. On the new Pro models, Apple shrunk it down to a pill shape and called it ... the dynamic island.

Think of it like an interactive dock. The space retracts and expands—hence “dynamic”—to display certain app information, allowing you to do something else on the rest of the screen. Here are a few ways it has been really useful:

► **On-demand controls:** Start listening to a podcast or song then swipe up. Your content will minimize to an icon on the island.

Press and hold on the tiny album art to get to the player controls. It means being able to respond to an email and not have to leave the app to change or pause the track.

► **Quick app access:** Swipe up when recording an interview in Voice Memos and the icon flies up on the island. You can then start taking notes in a different app. To get back to the recorder, just tap on the island icon.

► **Glanceable info:** Apps can also show live information. When you set a timer and minimize the app, it shows the countdown on the island. Third-party apps will soon be dropping by the island, too. Imagine you’re able to glance at your Lyft’s ETA while texting your friend.

Cameras

The iPhone 14 models have two cameras—a main and an ultrawide. At this point, any phone is

Workers Welcome The Return of Walls



ON THE CLOCK
CALLUM BORCHERS

Anyone who’s traded their pandemic skinny jeans for looser, 1990s-style pants knows the joy of a little more room. Now workers craving extra space are spurring the revival of two more vintage staples: cubicles and private offices. With doors that shut!

Lots of people always hated the “open” office layout designed to foster collaboration. There’s nowhere to hang your stuff, nowhere to have a sensitive conversation and nowhere to focus without overhearing colleagues’ blabbering. Plus, several studies indicate that the supposed benefits of togetherness and transparency are overrated.

The privacy many got used to while working from home only intensified the loathing—as did the “hot” desk system businesses adopted for hybrid employees to drop into reopened office buildings. You didn’t have enough personal space before? Let’s try taking away your assigned seat.

“People don’t like hot desking,” says Tony Malkin, CEO of the Empire State Realty Trust, which owns and operates the Empire State Building and other commercial properties. “It was an interesting experi-

ment whose time has passed.”

Though the experiment continues in some quarters, a number of firms are going in the other direction, according to property managers and designers, erecting new partitions to give employees some separation from one another.

“Seated privacy” is the latest buzzy term in office design, says Kristi Buchler, principal at Interior Architects, which helps companies plan workspaces. Many new cubicles in formerly open setups feature low walls topped with glass, giving workers a sense of solitude when in their chairs, she says. “But I can still pop my head up and easily go, ‘Oh, my colleague just got here. Great! I had a question for them.’”

‘Seated privacy’ is the latest buzzy term in office design as ‘open’ layouts fall out of favor.

Ms. Buchler adds that more executives are asking for two workstations for themselves: one that’s exposed and accessible by rank-and-file employees and another that’s secluded for small meetings or calls. The goal in many new designs, she says, is to achieve a mix



of collaborative and quiet zones.

To be clear: Companies aren’t reverting to the ‘90s-era cubicle culture mocked in “Dilbert.” More businesses, however, recognize that everyone needs to put their head down and focus sometimes—and walls can help.

Openness was often an illusion, says Owen Thomas, CEO of commercial landlord Boston Properties, because a lack of dividers between workers belied the reality that each had as little as 3 horizontal feet at a shared table. Now, “there’s more spacing and more privacy, through offices or cubicles or phone rooms,” Mr. Thomas says.

Even WeWork, a pioneer of open seating, is creating “quiet zones” for workers. “Think quiet cars on the train,” says Ebbie Wisecarver, WeWork’s global head of design. “These areas of our spaces are purposefully sectioned off and act as more of a library setting.”

Workers are driving the change with more leverage than they wielded a few years ago. They may not be able to resist office callbacks entirely, but many feel emboldened to insist on spacious, designated workstations, even if they report to offices only part time.

Michael Vander Horst says he used to work in an open office with few assigned desks. His sales team constantly gabbed with clients and each other—while getting shushed by colleagues. Laid off shortly after the pandemic hit, he says he was initially disappointed to lose his job. But his time away from the office made him realize how much he disliked the open setup and up-for-grabs seating. “I was, like, ‘I can’t go back there. There’s no way,’” he says.

The 40-year-old considered the workspace when taking a new job with a nonprofit last year. He works from home much of the time. When

he does report to an office in Washington, D.C., he uses a cubicle or reserves a small room with a co-worker. He says he loves the privacy.

Akash Sah is relishing the dedicated office he now has as chief strategy officer of a home security company in Dallas. Despite holding a similarly high-ranking position at a robotics startup before the pandemic, he didn’t even have a designated seat in that company’s open layout.

He keeps his door open most of the time, as a way of signaling that people are free to pop in. Private offices can make executives appear detached, he says, but they don’t necessarily hinder collaboration and can be functional.

“Sometimes I don’t want to disturb others,” Mr. Sah says. “Other times you’re just shooting the breeze, and then someone wants to say something in confidence.”

Veeva Systems, a cloud computing firm, believes so strongly in private offices that it’s renovating its Boston site to feature them prominently. All employees who come in at least three days a week—not just managers—can choose a cubicle or a 7-foot-by-7-foot private office, says Meredith Meyer, Veeva’s vice president of global workplace.

“It’s very old-school,” she says, though the enclosures will be made of glass, for sightlines.

Ms. Meyer says many of her colleagues would be in an office building, surrounded by co-workers, at least part time. But sometimes, she says, “They want to close the door.”

PHOTO ILLUSTRATION BY OLEG BORODIN FOR THE WALL STREET JOURNAL

PERSONAL JOURNAL.



CARRY ON
DAWN
GILBERTSON

Squeezing everything into a carry-on bag is challenging enough. All that work goes out the window if there isn't enough room for your bag in the overhead bin.

Airlines and airplane manufacturers have invested vast sums designing bins that fit more bags. But they're running into a problem: Some passengers can't figure out how to use them. Flight attendants are spending extra time rearranging bags before departure and repeatedly making announcements about how to stow them correctly.

A growing number of planes have larger, drop-down bins, which fit one to two more bags each and reduce the number of gate-checked bags. American Airlines and Delta Air Lines have them on more than 80% of their planes excluding regional jets and United Airlines says the majority of its fleet will have them by 2025. Southwest Airlines, a major holdout, will join the club next year. American says it has seen a 30% decline in gate-checked bags since introducing the bigger bins.

That's great for passengers who dread having their carry-on bag snatched by an airline employee at the last minute, forcing a time-sucking trip to baggage claim. But the new bin math only works if bags are placed a certain way, and the new way of doing it is another snarl in an already stressful travel journey.

The bags should be stowed on their side, not flat, as is the norm with older bins.

Major U.S. airlines have plastered stickers in the back of the new bins depicting the proper position. Flight attendants on many airlines make repeated announcements about turning the bags onto their side, sometimes comparing the ideal bin layout to a

Stow Your Suitcase On Its Side, Like a Taco

Newer overhead bins now hold more—if fliers get with the program



plate of tacos. United created a TikTok.

Yet passengers still aren't getting it, at least initially. I watched Delta flight attendants repeatedly flip bags onto their side on two domestic flights outfitted with the bigger bins on Saturday.

"There is definitely a learning curve, especially for our less-frequent travelers," says Susannah Carr, a flight attendant for a major U.S. airline. Ms. Carr says some passengers give her funny looks when she turns bags onto their side or urges them to do so.

"It's not going to close," they

'There is definitely a learning curve, especially for our less-frequent travelers.'

say. "That's not how bags fit in the overhead bins."

"I promise you it will close," she replies. "Trust the process."

Confusion also stems from airlines' instructions. A flight attendant on one of the Delta flights on

Saturday told me putting a bag on its side means different things to different passengers. Sometimes passengers are told to stow their carry-on like a book, but that doesn't always register either.

"Some people stack their books," she said.

And then there's the matter of e-readers.

"If you're over 23, a book makes a lot of sense," says Matthew Coder, in-flight experience program manager for Alaska Airlines. "If you are just a Kindle reader, you might not know what we're talking about."

Alaska Airlines was the first

customer for Boeing's new Space Bins in 2015 and settled on books as the best description.

"It's the quickest thing we could think of to kind of automatically give people the advice on how to take a flat bag and tip it up," Mr. Coder says. "If there's a better term out there that resonates with more people across all age groups, we're hoping to hear that and we can start using it."

Alaska also informally relies on its frequent fliers to set the standard for other passengers.

"They're doing a lot of the education for us, because they board early, they're tipping up their bags," he says. "And then others get on board, see those examples and tip them up."

Still, several years in, the airline still has to remind passengers about proper stowage.

Angela Harren, a 39-year-old marketing specialist in Minnesota, says she giggled every time the flight attendant on her Delta flight from Washington, D.C., to Minneapolis in late August described how to stow carry-on bags in the larger bins so everyone's bag would fit.

The announcement: "The overhead bins are equipped so you can put your suitcases in there upright like a taco, not flat like a hamburger."

Ms. Harren didn't bring a roller bag on her trip to D.C., but says the announcement got her attention. The first time she encountered the bigger bins, on a flight to San Francisco in June, she just copied other passengers and stowed her bag on its side. Plenty of others didn't get the memo.

"People were fumbling," she says.

Ms. Carr, the flight attendant, thinks passengers will catch on as the bigger bins become more universal. Aircraft manufacturer Airbus says 70% of customers ordering new Airbus A320s are opting for its bigger Airspace XL bins.

"I have complete empathy when people get a little confused with the overhead bins," she says. "From one plane to the next, it changes."

PERSONAL FINANCE

IRS Tax Tweaks Ease Inflation's Sting, a Bit

By ASHLEA EBELING

One ripple effect of the inflation eating into Americans' spending power may be lower tax bills.

Many workers will get bigger paychecks in January and be able to stash more money in their retirement accounts when the Internal Revenue Service makes its annual inflation adjustments to dozens of tax provisions. Normally these are minimal modifications, but given August's persistently high inflation data, tax experts estimate a significant impact on 2023 taxes.

More of Americans' income will be taxed at lower rates next year, when the thresholds for income-tax brackets and the standard deduction are raised automatically, tax professionals say. A single taxpayer with \$100,000 of adjusted gross income in 2023, could see a tax savings of about \$500 compared to someone with the same income this year, according to Jim Young, an accounting professor at Northern Illinois University.

Estate- and gift-tax thresholds are expected to go up, too. And the contribution limits will likely be raised for retirement plans.

Of course, these inflation adjustments can hardly be called a silver lining, as Americans are paying more for everything from housing to food and energy.

The IRS makes the adjustments based on formulas set out in federal law that are somewhat different from headline inflation numbers. The Labor Department on Tuesday reported its consumer-price index was 8.3% higher in August than the same month a year ago.

The tax-provision adjustments are tied to an inflation measure called the chained consumer-price index, which takes into account the substitutions shoppers make as costs rise. The average of the chained CPI from September

2021 to August 2022 is used to calculate the 2023 adjustments, which the IRS will announce in October or November. These ultimately affect tax returns for the 2023 tax year filed in early 2024.

"Adjusting tax-return data for inflation was a purposeful decision by Congress intended to shield taxpayers from annual inflation," said Mr. Young. But the benefits could be offset by inflation in

past 35 years, said Mr. Young.

The standard deduction for married couples is expected to be \$27,700 for 2023, up from \$25,900 this year, and \$13,850 for individuals, up from \$12,950.

The federal estate-tax exclusion amount, what an individual can shelter from estate taxes, is \$12.06 million this year. It is expected to increase to \$12.92 million for 2023, meaning a married couple could shelter nearly \$26 million from estate tax with little planning. The annual limit on tax-free gifts is expected to climb from \$16,000 this year to \$17,000 for 2023.

The maximum contribution amount for an individual



other ways. If your wages have gone up, your total tax bill may not go down, he said.

Here are some estimates for the IRS adjustments, according to the American Enterprise Institute:

The threshold for the top federal income-tax bracket in 2023 is expected to climb by nearly \$50,000 next year for married couples, and that 37% rate will apply to income above \$693,750. For individuals, that top tax bracket will start at \$578,125.

Those levels and the other tax-bracket break points will all rise about 7% from tax year 2022, compared with about 3% last year, which was the largest increase in four years. This year's increase is the largest in the

retirement account is expected to jump to \$6,500 for 2023, up from \$6,000, where it has been stuck since 2019. The maximum contribution allowed for a healthcare flexible spending account is expected to increase to \$3,050 in 2023, up from \$2,850 this year.

The maximum contribution amount for a 401(k) or similar workplace retirement plan is governed by yet another formula, using inflation data through September. Actuaries at Milliman, a benefits firm, estimate that the contribution limit will rise from \$20,500 this year to \$22,500 in 2023, and the catch-up amount for workers aged 50-plus will rise from \$6,500 to \$7,500.

ARTS IN REVIEW

TELEVISION REVIEW

Eyes That Would Not See

By DOROTHY RABINOWITZ

At the outset of “The U.S. and the Holocaust,” the remarkable documentary miniseries directed by Ken Burns, Lynn Novick and Sarah Botstein, a German businessman by the name of Otto Frank enjoys a stroll on a sunny day in Frankfurt in 1933 and snaps pictures of his wife, Edith, and daughters Margot, age 7, and Annelies, age 3. His ancestors had lived in Germany since the 16th century, and he is, we learn, proud to have served as an officer in World War I. What he does not know is the terrors of the future ahead, the transformation of German society that will rob him of status and very nearly his life. Or that Anne would become the author of a world-renowned diary.

The Frank family was Jewish, and these photos were taken in the year Hitler came to power, when Nazi thugs roamed the streets beating up Jews. Most friends—non-Jews—disappeared from Otto’s life; his landlord now insisted that the family find other quarters; Margot had to sit apart from her classmates. There was far worse to come.

The family moved to Amsterdam, but Otto’s eyes were on the U.S. Yet America, they soon discovered, was not willing to open its doors to them—and that is the essential, haunting point of this three-part documentary awash in the forever-raw pain of certain facts. Among them, not least, that in the years when escape from the Nazis’ designs for mass murder of the Jews was still possible, the U.S. government, moved by its own prejudices, especially in the State Department—and what that government guessed was the will of the people—was unwilling to accept more than a modest number of the desperate refugees. This, despite the persistent efforts of Americans who felt deeply about

the issue, as Eleanor Roosevelt did, though the first lady was in no position to wield power in Congress or to do anything to enlarge the immigration quota.

The unique aspect of this series is that it shines a light on the political aspects of this subject, on the attitudes in the U.S., never before addressed in a TV documentary. It takes due note of the fact that the U.S. took in more Jewish refugees from the Nazis than any other country: The figure the documentary provides is 225,000. Still, there had been nine million Jews in Europe at the beginning of the Nazis’ reign. At the end of the war, two out of three of them had been murdered.

A Ken Burns series looks at America’s failure to recognize the full reality of the Holocaust.

For all the darkness of the history, there is much that’s irresistible about the six hours of this saga. There is, for one thing, the period film footage of tens of thousands crowding Madison Square Garden for anti-Nazi rallies.

There are the American journalists who sounded the alarm, among them Dorothy Thompson, who had read “Mein Kampf,” who raged against the Nazis and who made emotional pleas for the U.S. to open up the quota for the refugees. She also seems to have insulted der Führer, who had her thrown out of Germany. There’s also Edgar Ansel Mowrer of the Chicago Daily News, a journalist who had also displeased the Nazis and had to leave Germany because his safety could not be ensured. Asked by one of the Nazis when he might return,



An immigrant family looks at the Statue of Liberty from Ellis Island (c. 1930), above; a German policeman checks the identification papers of Jewish people in the Krakow ghetto (c. 1941), below left; Franklin Roosevelt in 1943, below

he replied: “When I can come back with about two million of my countrymen.”

The series’ commentators deliver views that are pricelessly succinct. As one explains, about notorious State Department officials who did their all to block any chance of opening immigration doors, “In the 1930s and 1940s you could be openly anti-Semitic and still serve as a State Department official.”

The eloquence of the script by Geoffrey C. Ward is everywhere evident, though never more so than in the sections on the Statue of Liberty and the words of poet Emma



Lazarus. Familiar as they may be by now, their powers, as used here, approach the sublime.

The same can be said for the heart that went into the writing of these six unforgettable hours.

The U.S. and the Holocaust
Sept. 18, 20 and 21, 8 p.m., PBS

Ms. Rabinowitz is a former Journal TV critic and editorial board member.



CLOCKWISE FROM TOP: LIBRARY OF CONGRESS; MADRA; NATIONAL ARCHIVES IN KRAKOW

CULTURAL COMMENTARY

Black Sabbath’s ‘Vol. 4’ Turns 50

By MARC MYERS

IN SEPTEMBER 1966, an unknown Jimi Hendrix moved to London to make a name for himself. By the time he returned to the U.S. with a new band and first album in June 1967, he had left many U.K. rock guitarists transfixed. Rather than continue to play with a rockabilly and blues feel, they began developing an approach that sounded more like a chainsaw.

Among Britain’s top converts to Hendrix’s riff-driven, harder rock style were Jimmy Page, Ritchie Blackmore and Tony Iommi. In 1968, Mr. Page co-founded Led Zeppelin, Mr. Blackmore co-founded Deep Purple and Mr. Iommi co-founded Earth, renaming the band Black Sabbath in 1969.

While Sabbath’s first three hard-rock albums between 1970 and 1971 did exceptionally well in the U.S. and the U.K., the band still hadn’t maximized the hulking sound Mr. Iommi envisioned. To make that happen, the band self-produced its fourth album. Released 50 years ago this month, “Black Sabbath Vol. 4” sold a half-million copies within weeks and peaked at No. 13 on Billboard’s album chart.

Many critics at the time pilloried “Vol. 4” as “downer rock,” but two major writers sensed the music had shrewdly tapped into the despair spreading through America’s and Britain’s teenage wastelands.

After attending Sabbath’s Detroit concert in March 1972 that included

songs from the forthcoming “Vol. 4,” writer Lester Bangs raved about the band in Creem magazine: “Only [Black Sabbath] has dealt with the [societal] breakdowns and psychic smog honestly on terms meaningful to vast portions of the audience.”

In Rolling Stone magazine at year’s end, poet-reviewer Tom Clark wrote: “Molten rocks hurtling across space imitating the origin of the universe, you dig? Ah, lay those chord slabs on my grave . . . whew. The Sabs are *genius*.”

Unlike the band’s previous three albums, “Vol. 4” bubbles over with hard-rock experimentation and gritty thrust. Mr. Iommi plays a wide array of heavy guitar riffs, accompanied by Ozzy Osbourne’s trapped-animal vocals, Geezer Butler’s piston-like bass and Bill Ward’s cymbal-thrashing drums.

Nearly every song on “Vol. 4” opens like a detonation. The outtakes, alternate takes, new mixes and a live audio performance on the “Vol. 4 Super Deluxe” (Warner) box in 2021 detail how such thunderous music came together and animated fans.

Exhaustion motivated Sabbath’s music experimentation and their now-famous prodigious cocaine

consumption while rehearsing at their rented Bel-Air mansion and recording “Vol. 4” at the Record Plant in Los Angeles.

The album opens with Mr. Iommi’s moaning guitar on “Wheels of Confusion,” which



Black Sabbath: Geezer Butler, Tony Iommi, Bill Ward and Ozzy Osbourne

quickly becomes a spirited riff suite. Lyrics address generational despondency: “So I found that life is just a game / But you know there’s never been a winner / Try your hardest, you’ll still be a loser.”

From its opening fuzzy chords, “Tomorrow’s Dream” sounds like a giant electric razor chewing through aluminum siding. Mr. Iommi’s stacks

of guitar riffs set the tone: “Send me hopes I can fit in my head / But if you really want me to answer / I can only let you know when I’m dead.”

The pained ballad “Changes” begs comparison to David Bowie’s song of uncertainty. Sabbath’s ode wails about a breakup and inner turmoil, with Mr. Iommi on piano and mellotron, and Mr. Butler on mellotron and bass. Mr. Osbourne’s vocal is both impassioned and regretful: “And I can still hear her

last goodbyes / Now all my days are filled with tears / Wish I could go back and change these years.”

On “Supernaut,” Mr. Ward’s hi-hat leads into Mr. Iommi’s gnawing riff that creates a shower of sparks behind Mr. Osbourne’s vocal about coping: “Got no religion, don’t need no friends / Got all I want, and I don’t need to pretend.” “Snowblind”

describes a cocaine binge, but here, too, the lyrics push back against judgmental voices: “Don’t tell me that it’s doing me wrong / You’re the one who’s really the loser / This is where I feel I belong.”

The instrumental, “Laguna Sunrise,” is the album’s sole Hallmark moment. Mr. Iommi plays acoustic guitar backed by live strings. The track provides both a meditative break and a glimpse at Mr. Iommi’s pure technique.

“St. Vitus Dance” comes as close to a positive-message song as Sabbath can muster. Driven by Mr. Iommi’s lashing riff, the song analyzes a friend’s breakup and offers dude-to-dude advice: “If I were you, I’d try again and try to make amends / She only thinks of you, you know, I’m talking as a friend.”


“Vol. 4” not only marked a major turning point for Sabbath but also inspired global hard rockers to form higher-decibel bands, leading to a new rock genre. “These guys invented heavy metal,” said Brian May, Queen’s guitarist, in 2006. Added James Hetfield, Metallica’s frontman: “They spread their wonderful disease through generations of musicians.”

“Vol. 4” isn’t a suicide note set to music, as critics once grumbled, but one of the first major rock albums to empathize with an exurban youth culture trapped in the rusting hulk of modernization. Metal bands would soon take up the mantle. Though Sabbath’s lyric themes are repetitive in places, “Vol. 4” remains a precipice view of 1972 through dilated, red eyes.

Mr. Myers is the author of “Anatomy of 55 More Songs,” forthcoming from Grove Press.

CHRIS WALTER/WIREIMAGE/GETTY IMAGES

SPORTS

 Thursday night, the NFL moves to Prime Video, as the Amazon beast wraps its mitts around the country's foremost non-pickleball sports entertainment product.

If you watch Thursday Night Football—sorry, *stream* it—you'll get the Kansas City Chiefs versus the Los Angeles Chargers, a spicy AFC West matchup. You'll get the debut of Kirk Herbstreit, the ESPN college analyst who somehow convinced his bosses to let him moonlight breaking down the NFL on another network. I'm guessing that you'll get a few reminders from the Bezos mother ship about its new, jazillion-dollar "Lord of the Rings" series.

You'll also get Al & Fred. Al you know. Al is Al Michaels, the Brooklyn-born, velvet-voiced play-by-play maestro making digital TV history at age 77. He's an all-timer, one of the most recognizable voices in sports, calling pinnacle moments from Super Bowl end zone pickoffs to postseason home runs to a certain local amateur hockey team's 1980 triumph over the Union of Soviet Socialist Republics.

Do you believe in Al Michaels? Of course you do. Al on the microphone is a quality Scotch, poured neat.

"The greatest to have ever called play-by-play," says Herbstreit, 53, the new partner.

Fred you may know less about, but he's as responsible for the way prime-time football has looked in the 21st century as anyone else. Fred Gaudelli came up through the ranks at ESPN and ABC before Dick Ebersol hired him over to NBC to be the executive producer of Sunday Night Football, where Michaels was first joined in the booth by John Madden, then Cris Collinsworth.

In a hypercompetitive, billion-dollar business, Gaudelli is considered the standard.

"There has never been, at any time, someone who is as complete a producer in sports television as Fred," says Ebersol.

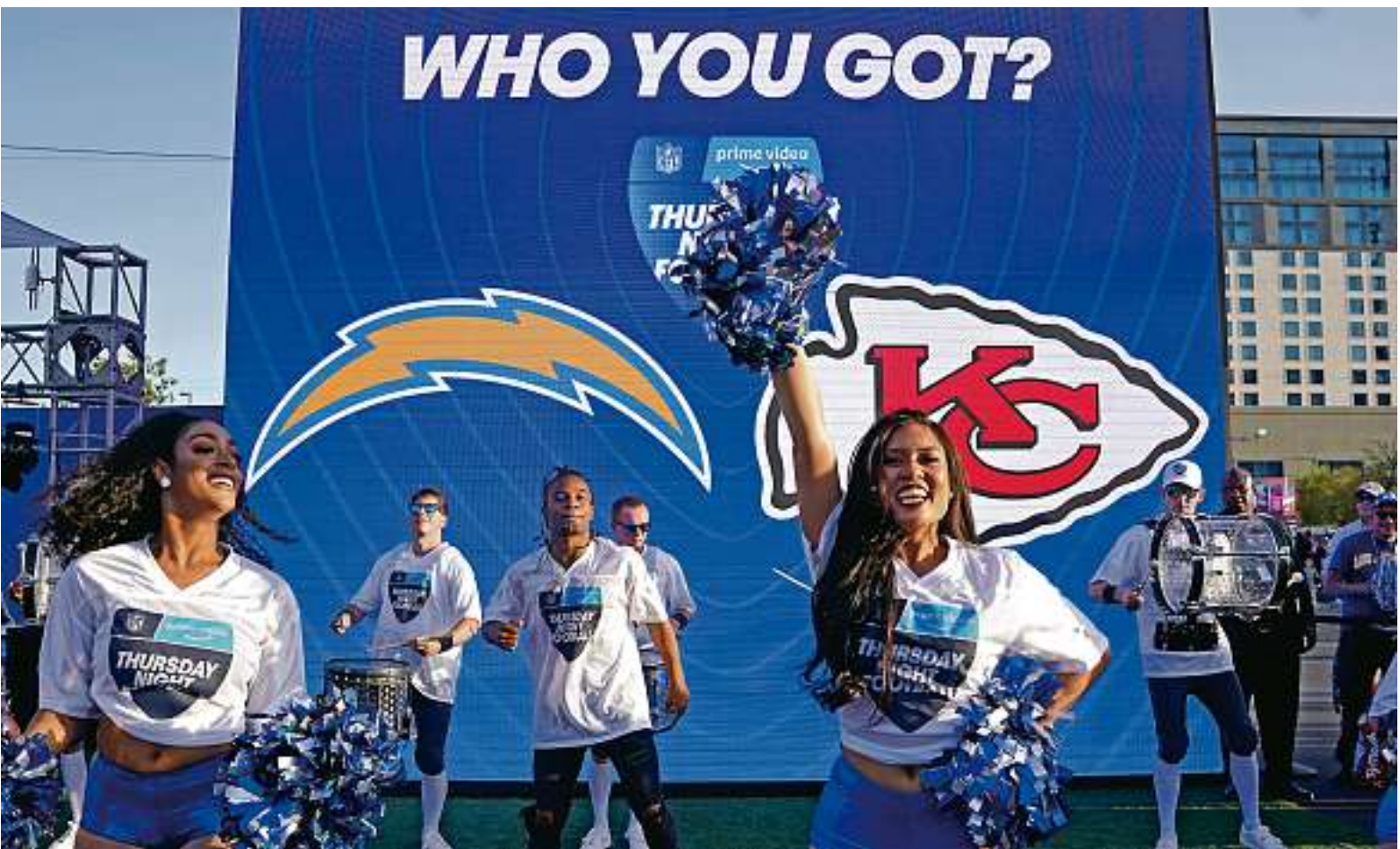
Al & Fred are as close to a mindmeld as it gets in sports television. Both men believe in preparation, but also agree that a game must be allowed to develop organically, in real time. As Madden used to say, "You can't format a live event," and it's an edict Al & Fred stick to, refusing to drown the broadcast in fussy packages and harangues.

"A telecast needs to breathe," says Michaels. "You don't have to racehorse the game. Nobody is sitting there on the edge of their sofa for three hours, intently watching every single thing. There's a rhythm and a pacing. Just stay with the flow."

"Al has a line: 'The hotter it gets, the less we have to do' " says Gaudelli, 62.

"The hotter it gets, the cooler you stay," says Michaels.

Michaels, who joined the iconic Monday Night Football booth with



JASON GAY

Amazon's NFL Bet: Al, Kirk & Fred

A streaming service commits to football with a new duo—and an established production wizard



Kirk Herbstreit, Fred Gaudelli and Al Michaels will be a part of Amazon Prime Video's NFL Thursday Night Football.

did, [Chet] wants to know why a team is running the clock out when they're winning," Michaels says. "I'm just starting my Monday Night career, and I got this guy in my ear all pissed off because he's going to lose his bet. When you survive that, you're going to have a long career."

(Michaels himself is known for his coy references to gambling lines—an amusing habit losing its raffishness as sports betting goes legit and is embraced by the league. "I

think it kind of bummed him out," Gaudelli says of legalization. "He enjoys being the rascal, as he likes to call it, and doing something that he wasn't really permitted to do.")

At this point, Al & Fred could happily ride into the sunset. When NBC moved Mike Tirico in the booth with Cris Collinsworth for the 2022 NFL season—part of a series of musical chairs that included Joe Buck and Troy Aikman moving from Fox to ESPN's Monday Night—Michaels was briefly unsure where he might land. He knew he wanted to keep doing games. With Fred onboard Amazon—he

maintains a role at NBC as well—Al was onboard.

"It's the greatest job imaginable," Michaels says. "The years go by in a flash. What was I going to do? People said, 'Well, why don't you just step aside and you can play golf?' I go, 'Hold on a second. I get to play all the golf I need to play right now and still do this.' "

"I've worked with a lot of different announcers that, at certain point in their career, become jaded by the sport," Gaudelli says. "Al still gets jazzed by the game."

Prime Video isn't expecting Al & Fred to reinvent the sport. Herbstreit widening to NFL action adds intrigue, but Michaels is unworried.

"He's very quick at analyzing and seeing what happens like bang, bang, bang, and he's almost like a racehorse coming out of the gate," he says. There will be some experiments—Prime will try an alternate stream with "Dude Perfect," a wildly popular digital sports comedy team—but the main event will be a recognizable product. You won't get Amazon links like *You might also like men's argyle dress socks*.

"There's nothing to fear but fear itself, but I do have one fear," Michaels says impishly. "That 'Dude Perfect' gets a bigger rating than we do, doing whatever the hell they're doing."

Gaudelli chuckles. "I've seen them," he says. "They're tremendous."

Frank Gifford in 1986, isn't a salesman. A great game doesn't need to be padded with hype, he believes, and a turkey of a game doesn't need to be pumped up into a thrilling contest.

"There is zero hyperbole," says Gaudelli. "Everything gets measured at its current weight. He doesn't sell. For the fan and the viewer, there's an appreciation of that....Al just plays it straight all the time."


During a game, Michaels and Gaudelli will speak often—Michaels in a stadium booth with his partner and his handwritten notes on a yellow legal pad; Gaudelli outside

in the truck with the production team. By now Al & Fred can sense each other's instincts. Michaels thinks of himself as a pilot and Fred as the air tower. Gaudelli likens it to a "waltz."

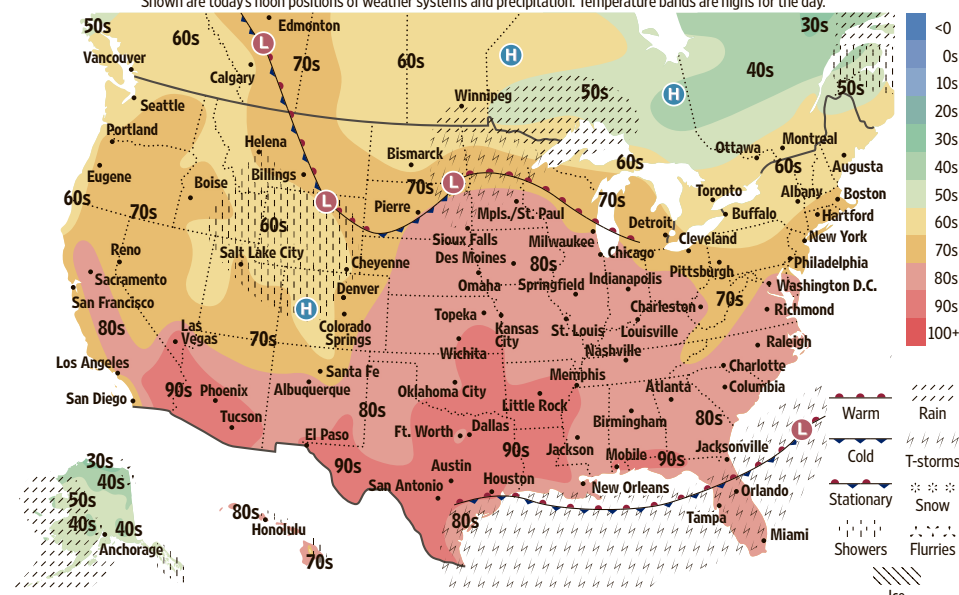
"I don't know who's going backwards in heels," says Michaels. Gaudelli, who grew up in Harrison, N.Y., is low drama—a temperament Michaels appreciates after working with former colleagues like the late Chet Forte, a talented producer who later would publicly discuss his compulsive gambling habit.

"I'll never forget: On one of the first-ever Monday Night games I

Weather

 Go to AccuWeather.com

Shown are today's noon positions of weather systems and precipitation. Temperature bands are highs for the day.



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U.S. Forecasts

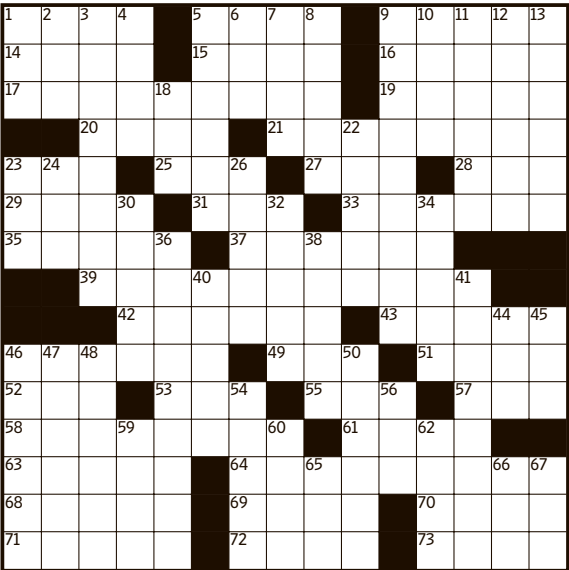
s.: sunny; pc.: partly cloudy; c.: cloudy; sh.: showers; t.: storms; r.: rain; sf.: snow flurries; sn.: snow; L:ice

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Anchorage	54	49	r	55	52	c
Atlanta	85	64	s	86	65	s
Austin	92	71	s	90	72	t
Baltimore	79	54	s	81	58	pc
Boise	79	55	t	78	54	pc
Boston	70	53	s	72	56	s
Burlington	62	48	pc	63	47	pc
Charlotte	84	61	s	85	61	s
Chicago	83	65	pc	85	68	s
Cleveland	71	58	pc	82	62	pc
Dallas	90	71	s	92	73	s
Denver	76	54	pc	83	56	s
Detroit	74	59	pc	84	63	pc
Honolulu	88	74	sh	88	76	sh
Houston	91	71	s	89	72	c
Indianapolis	82	60	pc	85	63	s
Kansas City	86	65	s	85	70	s
Las Vegas	91	70	s	92	70	s
Little Rock	90	65	s	91	66	s
Los Angeles	81	65	pc	82	66	pc
Miami	88	78	t	91	78	t
Milwaukee	79	66	pc	83	66	s
Minneapolis	84	66	t	75	62	t
Nashville	87	63	s	88	63	s
New Orleans	89	74	s	89	76	pc
New York City	75	57	s	77	62	pc
Oklahoma City	89	65	pc	90	69	s

International

City	Today			Tomorrow		
	Hi	Lo	W	Hi	Lo	W
Amsterdam	65	53	c	61	52	r
Athens	87	71	s	89	73	t
Baghdad	102	77	s	102	74	s
Bangkok	90	77	t	90	78	t
Beijing	85	65	pc	84	67	pc
Berlin	64	49	pc	62	51	pc
Brussels	64	49	pc	58	48	r
Buenos Aires	66	56	s	68	58	s
Dubai	104	89	s	101	88	s
Dublin	61	44	pc	59	42	pc
Edinburgh	59	41	pc	55	40	pc

The WSJ Daily Crossword | Edited by Mike Shenk



Across

1 Accomplished

5 "Honey, Honey" group

9 Hyderabad is on its bank

14 Rooting spot

15 Bookie's worry

16 Echo, e.g.

17 Crazy about optimism?

19 Game catcher

20 Belle's partner

21 Coffee on a hillside?

23 Copying

25 Get into the pool

27 WALL-E's love

28 Richtung auf einem Kompass

29 Flax capsule

31 Nebraska senator Fischer

33 Earth colours

35 "The ___ Us" (1994 Russell Crowe film)

37 Rum cocktail

39 Pillow stuffing arranged in bands?

42 Toledo title

43 Muscat money

46 Popeyes choice

49 Letters on Richard Petty's car

51 "Deireadh an Tuath" singer

52 Spaniel in the Reagan White House

53 Trainee's question

55 Accept, as a loss

57 Critical

58 The Tao of bees?

61 Phone answerer

63 Hold in high regard

64 Caretaker who will never be replaced?

68 Makes uniform

69 Bauhaus artist

70 Idiomatic lead-in to eyes or thumb

71 Bars in a score

72 Symbol of office

73 Neville Longbottom's Trevor, whom he lost at Hogwarts

30 "___ luck!"

32 Transvaal group

34 Long in the Pro Football Hall of Fame

36 Produce shopper's concern

38 Matchmaking site where success may lead to breaking a glass

40 Following

41 The Mikado's son

44 High-pH stuff

45 Express

46 Less chicken

47 Fix a lot, maybe

48 Drives out

50 Delicate shade

54 Gets out without a hit

56 Lewis Carroll's "___ the Voice of the Lobster"

59 Talia Shire, to Nicolas Cage

60 Connecticut Ivy


62 Autumnal color

65 Multitude

66 Starter's fig.

67 Autumnal color

Previous Puzzle's Solution



OPINION

The Countercultural Queen



WONDER LAND
By Daniel Henninger

Within the hour of her death, Queen Elizabeth II was praised by commentators from left to right for representing so many traditional values. Reserve, self-containment, duty, responsibility, modesty of demeanor, graciousness, civility, prudence, fortitude.

For a moment I thought I was back in St. Margaret Mary grade school memorizing the useful virtues from the Baltimore Catechism: “The seven gifts of the Holy Ghost are wisdom, understanding, counsel, fortitude, knowledge, piety and fear of the Lord.” Counsel, as the young Elizabeth surely learned, is “advice, which guides us in practical matters.”

Her quiet personal virtues challenge our era’s self-promotion and virtue signaling.

What is most notable is that this instant outpouring of media praise for the queen’s traditional virtues comes amid a contemporary culture that elevates daily, even hourly, a value system of self-regard, self-promotion, changeability, acting out and anything-goes behavior that is the polar opposite of Queen Elizabeth’s.

The celebration of the queen’s traditional values suggests an unexpected recognition of the extreme artificiality of our now-dominant culture.

The queen’s own family reflected this trend. First Princess Diana in the 1980s rode the rising celebrity wave, and ultimately it drowned her. Then Prince Harry married

Meghan Markle, known primarily as an influencer. The queen’s views on this cultural turn may be guessed.

“Influencer” is the defining word for our times.

An influencer’s success depends overwhelmingly on one thing: self-promotion accomplished by rising in the hot-air balloons of Instagram, TikTok and other social media. The goal is to marry marketing with fame. Because influencers do it, millions of others, often young women, make preoccupation with themselves the one habit that directs their lives.

A culture of self-aggrandizement, though, is only one half of the shift in values revealed by the celebration of the queen’s life.

To say that the queen’s values were traditional means they existed for a very long time. The poised 14-year-old Elizabeth we heard in news clips reading her first public speech to children during the Blitz of World War II had by then been taught personal virtues held in high regard for centuries in the West and arguably longer in the East.

In our time, however, personal virtue has been demoted by social virtue.

In the new ethos, a well-ordered life is measured by one’s commitment to notions such as social justice, equity, inclusion and—undeniably the most dominant modern virtue—saving the planet. The achievement of a good life depends on making a public commitment to large, sometimes amorphous groups—minorities, the transgendered, the indigenous, the disadvantaged.

The week’s recollections of what made the queen’s life exceptional are an opportunity



Princesses Elizabeth, right, and Margaret in 1940.

to compare the merits of virtue earned individually with virtue, or approved behavior, constructed by society.

One effect of giving social responsibility more weight than personal responsibility is that it gives people a pass on their personal behavior. So long as one’s life is “centered” on some larger social good, the conduct of one’s personal life is, well, irrelevant.

Consider progressive prosecutors. Good intentions notwithstanding, a difficulty with the theory of decriminalization is that it diminishes almost to nothing responsibility for one’s bad acts, such as shoplifting. Behavior unhinged from norms of any sort is rampant now.

The price paid for losing interest in Queen Elizabeth’s traditional values is an epidemic of emotional anxiety. To the extent modern culture has any counterweight, it is antidepressants and the legalization of recreational dope.

The queen’s habits were a source of personal stability. Modern values are a source of instability. The habits of behavior associated with her are not about mere goodness but about creating a structure of life inside of which one then can perform successfully as a person, hopefully for the good.

She did that for her country for 70 years.

One cannot discuss what has happened to the culture in the queen’s lifetime without considering the changed role of the churches. Gaining momentum, I’d say, with their embrace of the nuclear-disarmament movement in the 1980s, the churches turned most of their energies to teaching that the embrace of broad social goals is

the first determinant of a moral life. That won’t change, but maybe it’s time they reset the weekly balance between social-justice homilies and a rediscovery of personal virtues like the queen’s, which they once taught so well.

Public schools, where children spend six hours of each of their weekdays, were long considered an invaluable reinforcement of personal self-discipline and character. They also abandoned that role to propagandize instead for politicized values. This shift is one reason so many parents migrated to charters, school-choice programs and home-schooling.

One has to wonder: Is the praise for the queen’s old-school virtues little more than this week’s talking points, or do her media admirers recognize that something about what we promote now—self-regard, social moralizing—has gone badly off the tracks?

Perhaps this will fade with the queen’s funeral Monday. We’d be better off if a longer reconsideration of what made Queen Elizabeth’s life exemplary became part of the post-pandemic reckoning that is changing so much else about the status quo.

Write henninger@wsj.com.

BOOKSHELF | By Richard Lea

Running Deep, But Not Silent

How to Speak Whale

By Tom Mustill
(Grand Central, 283 pages, \$29)

In 2015 the biologist and documentary filmmaker Tom Mustill was paddling in Monterey Bay when a humpback whale surged out of the water and vaulted over his two-person kayak. “One moment we were on the flat, calm sea going home,” he recalls, “the next this gargantuan, living mass of muscle and blood and bone was in the air, arcing toward us.” The whale landed on the front of Mr. Mustill’s vessel, sweeping him and his companion underwater. Both survived and became briefly famous after footage of this close encounter racked up millions of views online.

According to Mr. Mustill, nobody knows why whales breach. Some suggest they jump out of the water to get rid of creatures living on their skin, or in play, or as a show of strength. Others propose the whales are trying to communicate. In “How to Speak Whale,” Mr. Mustill begins his dive into the world of submarine giants with a simple question: “What, if anything at all, was the humpback that leapt onto us trying to say?”

Mr. Mustill begins his journey with Roger Payne, a biologist who began studying whales after seeing a mutilated dolphin on a beach and realizing that people must have viewed it “as no more than a *thing*.” Until the late 20th century, cetaceans were viewed merely as a resource, slaughtered by factory fleets and rendered into food, fertilizer and oils to the point where many populations were reduced by more than 90%.

Listening to the vocalizations of humpback whales, captured by accident at a U.S. Navy submarine listening station, Mr. Payne found that the haunting sounds contained repeated thematic units and formed recognizable “songs.” He released a selection of these otherworldly melodies as an album in 1970, hoping it might “capture the fancy of humanity.” It did: “Songs of the Humpback Whale” went multi-platinum and helped launch the campaign for a moratorium on commercial whaling that has reduced the number of whales killed from a peak of 70,000 a year to fewer than 1,000. As for the meaning of the songs, or even why the humpback sings, Mr. Payne is forced to admit that after 50 years of research no one knows.

Whalesong is—as yet—incomprehensible, but some kind of communication between whales and humans is an established fact, as Mr. Mustill shows with his account of the longstanding cooperation between the Yuin people living on the East Coast of Australia and local orca. Ironically, this collaboration, which may have lasted for thousands of years and was still ongoing in the 19th century, saw orca pods herding humpback and right whales toward their doom. The orcas summoned humans from their riverside houses by breaching and slapping the water at all times of the day and night—and shared spoils in return.

Mr. Mustill turns next to the biology of communication, taking the reader inside the body of a sperm whale as he films a dissection on a beach in Kent. Anatomy reveals “a lot about an animal’s priorities,” he explains. “And this was a body in which a large part—perhaps more than a quarter—was used for the production and reception of sound.” A trip to an MRI scanner at Manhattan’s Mount Sinai Hospital reveals the extraordinary complexity of cetacean brains. The dolphin *Pseudorca crassidens*, for example, clocks in at 10.5 billion neurons—almost twice as much as chimps at 6.2 billion and not far behind *Homo sapiens* at 15 billion—but whether that’s enough to support a full-fledged language is a matter of scientific controversy. Experts disagree on what defines true language—and over the last five decades of research into animal communication they have kept raising the bar. According to the comparative psychologist Irene Pepperberg, language always “seemed to be defined as whatever it was that apes didn’t have.” For Mr. Mustill the whole debate is the wrong way round: If communication is fundamentally social, then it’s surprising that studies of individual animals in the laboratory have revealed any language skills at all.

By many measures, whales are among the most intelligent creatures on the planet. Do their haunting songs form a true language?

This stalemate could finally be broken by modern technology, as remote sensors and artificial intelligence turn the natural world into one big laboratory. The CETI project aims to wire 7.5 square miles off the Caribbean island of Dominica for sound, deploying a vast array of hydrophones and soft robotic fish to record 25 sperm whale families as they go about their ordinary lives. This leviathan dataset will then be processed by algorithms with the aim of establishing “bidirectional communication” by 2026. The CETI project boldly compares itself to the 1969 landing on the moon, arguing that speaking with a whale could “significantly reshape humanity’s understanding of its place on this planet.” It’s certainly plausible that the kinds of algorithms that have extracted the expertise of human translators from the world’s literature could map the semantic space of the sperm whale’s grunts and clicks, and respond in kind. But it hasn’t happened yet, which condemns Mr. Mustill to the realms of enthusiastic speculation. “How to Speak Whale” arrives too late to capitalize on his kayaking encounter and too early for any whale to have actually been spoken.

Mr. Mustill finishes with the primatologist Frans de Waal’s concept of “anthropodenial”—a blindness to the human-like qualities of other animals and the animal-like qualities of ourselves—and a call for us to reverse the biologist’s burden of proof, to assume animals can both think and feel unless we can prove otherwise. He cites Mr. Payne’s claim that our relationship with animals is founded on a harmful sense of “human supremacy,” but he doesn’t engage with the upending of society such an enormous change would require. The butchery that saw three million whales perish during the 20th century is paused—for now—but an estimated 50 billion chickens are slaughtered every year. As the climate crisis bears down on us, Mr. Mustill argues that “our survival on this planet depends on recalibrating our conception of how human beings fit in among the other lives on Earth.” With just 5% of the adult U.S. population considering themselves vegetarian, the whales will have to be pretty persuasive.

Mr. Lea is the editor of Fictionable.

Biden’s Make-Believe Victory Over Inflation

By Karl Rove

When Democrats have spoken recently, it’s often sounded as if they’re living in a different reality than most Americans.

A good example is President Biden’s response Tuesday when asked if he was worried about the August inflation report: “No, I’m not, because we’re talking about one-tenth of 1%.” Actually, we’re talking about an 8.3% year-over-year increase in the consumer-price index. Mr. Biden focused on the monthly inflation rate and ignored that economists had expected prices to *decline* in August.

Maybe the president thinks that by saying it was one-tenth of a percent, he can comfort families who in August spent 23.8% more for energy than they did last year, 6.2% more for shelter and 11.4% more for food—buffeted by the largest 12-month increase in grocery prices since 1979. If so, he vastly overestimates his persuasive skills and greatly underestimates American common sense.

Also on Tuesday morning, Mr. Biden heralded the Inflation Reduction Act’s passage at a White House celebration, complete with a concert by James Taylor. There the president hailed the act as “the single most important legislation passed in the Congress to combat inflation,” claiming it will “lower the cost of healthcare, prescription

drugs and energy.”

No serious economist outside the White House payroll seems to think the new law will reduce inflation. It’s pumping \$485 billion more demand into the economy. Nor are any promised reductions in healthcare, drugs and energy prices coming soon, if they arrive at all. The president is gloating about the predicted results of price controls that don’t kick in for years and of green energy programs far from completion. Unsurprisingly, Mr. Biden made no mention of the August inflation report, which was issued shortly before his celebration began.

Instead he crowed about gasoline prices being down \$1.30 a gallon since summer began. He didn’t mention that gasoline is still \$1.31 a gallon costlier than when he was inaugurated. Nor did he say anything about Treasury Secretary Janet Yellen’s warning on Sunday that gasoline prices were at risk of rising again later this year.

Mr. Biden was joined in political la-la land by House Speaker Nancy Pelosi, who revved up the crowd on the White House lawn by praising the “landmark law” that’s “driving down costs for kitchen-table items for America’s working families.” With the price of meat, poultry, fish and eggs up 10.6%, dairy up 16.2%, and fruit and vegetables up 9.4%, it’s unclear to what “kitchen-table items” she was referring. Maybe Mrs. Pelosi was thinking of

the clearance table at her local Napa Valley luxury home-goods store.

Democrats haven’t limited their fantastical declarations to inflation. Prominent party members seem intent on insisting that everything is fine, even as numerous policy issues spin out of control.

Vice President Kamala Harris claimed Sunday that “we have a secure border.” This is belied by Customs and Border

It’s hard to reassure voters when their rent and grocery bills won’t stop rising.

Protection apprehension numbers. Through July, they already reached a record 1,946,780 at the southern border—and there are still two months left to count.

Meanwhile, White House staffers are throwing out ridiculous explanations for the administration’s various midterm policy gambits. National Economic Council deputy director Bharat Ramamurti recently claimed that Mr. Biden’s student-loan forgiveness—which could cost over \$1 trillion—“is paid for” by the year’s expected “deficit reduction.” He didn’t explain how a slightly smaller debt could magically become cash on hand.

Democrats can keep spinning fantasies, but the problem is that voters will still

encounter reality every day. They know they face high prices at the store and pump. They remember what it cost to clothe their kids for school last year. They know prescription prices still aren’t down. They understand real average hourly wages have fallen each month of the Biden presidency. They’re concerned about the border and rising crime.

Democrats’ reassurances are meant to soothe these worries, but they may instead inspire distrust. For all Mr. Biden’s sweet talk, his approval rating is still anemic: 42.4% in the RealClearPolitics average Wednesday. Fairly tails won’t lift them appreciably higher. What matters is reality.

James Taylor sang “Fire and Rain” at the White House celebration. Rather than this ballad of suicide, grief and addiction, it would’ve been more fitting if he had played another song from his repertoire—the 1930s Broadway tune “It’s Only a Paper Moon”: “It’s a Barnum and Bailey world / Just as phony as it can be / But it wouldn’t be make-believe / If you believed in me.” It’s a nice song, but a lousy theme on which to run a political campaign.

Mr. Rove helped organize the political-action committee American Crossroads and is author of “The Triumph of William McKinley” (Simon & Schuster, 2015).

Who Were Charles I and II?

By Fay Vincent

The regal name of the new British king is Charles III, so you may be wondering about Charles I and II. Both, oddly, had ties to my hometown of New Haven, Conn.

In my youth, my father smoked a locally made cigar named Judges Cave that took its name from a jumble of large glacial stones that form a cave in the western part of the city.

In America’s fractious 17th-century colonial era, the cave served briefly as a hide-out for two fugitives from England who had served on

the military commission that ordered King Charles I to be executed in 1649 for treason, tyranny and other crimes.

The beheading of King Charles I led to Oliver Cromwell’s interregnum puritan rule, which lasted until shortly after Cromwell’s death. The monarchy was restored in 1660 with the crowning of Charles II. The new king promptly sought to

punish those who killed his father, and 10 of the commission’s 31 “judges” who were still living were pursued and executed for their role in the regicide.

Three of the surviving judges, John Dixwell, William Goffe and Edward Whalley, fled to America and the support of sympathetic colonial puritans in Boston. As the British authorities intensified their efforts to locate the “regicides,” the three moved west to the tiny colony in New Haven. There, for a brief time, Goffe and Whalley hid in the cave.

Later, the two hiders moved to Hadley, Mass.,

where they lived out the rest of their lives. Dixwell melted into the New Haven colony and was never captured by the British.

In New Haven, three major streets are named after the three judges; Dixwell Avenue, Goffe Street and Whalley Avenue continue to testify to part of the history behind the new King Charles III’s reign. Like the newly crowned king, my father’s cigar also has a new handle: It’s been rebranded the Smith Perfecto.

Mr. Vincent was commissioner of Major League Baseball, 1989-92.

OPINION

REVIEW & OUTLOOK

Not Working on the Railroad

President Biden touts himself as a dear friend of labor unions, and he and Democrats in Congress have authorized trillions of dollars in new spending and wage mandates on private business to prove it. But we’re about to find out how much sway Mr. Biden really has with Big Labor as the White House attempts to head off a destructive national strike by railway workers.

The threat has been building for some time, but an official “cooling off” period ends at 12:01 a.m. Friday when unions could go on strike. Labor Secretary Marty Walsh is trying to negotiate a settlement, and most unions have agreed to generous company terms recommended by a Presidential Emergency Board established in July by Mr. Biden.

This includes a 14.1% wage increase immediately, bonuses totaling \$5,000, and a 24% compounded wage increase from 2020-2024. This is the biggest wage increase railroad unions have negotiated in at least 40 years.

The two union holdouts represent the locomotive engineers and conductors who are fighting over what they call “quality of life” issues such as vacation, sick days and attendance. The unions want 15 paid sick days each year that they could use on demand for other reasons, which poses significant problems for railroad scheduling.

Workers already receive on average three weeks of paid vacation, and some senior workers get up to five weeks. Most rail employees also get a combination of up to 14 days of holiday and personal days. The Presidential Emer-

gency Board has recommended an additional personal day and that attendance policies should be dealt with through binding arbitration rather than national collective bargaining. The union holdouts represent about half of all railroad workers, though the other unions have said they’ll go on strike if the others do.

A strike that shuts down the country’s 7,000 long-distance trains would do enormous economic damage. The Association of American Railroads pegs the cost at \$2 billion a day in an economy with GDP of about \$63 billion a day. The strike would cascade through the business supply chain, creating backlogs and shortages even as pandemic delays are finally easing. That has implications for prices that are still rising at the fastest pace in decades.

A strike would be a significant rebuke to Mr. Biden and the Democrats, and you can bet Mr. Walsh is making that point. Mr. Biden weighed in with phone calls earlier in the week. A strike in the runup to the midterm elections would create economic disruption at the worst time for Democrats who are trying (not very credibly) to persuade Americans that the U.S. economy is in terrific shape.

You’d think some \$5 trillion in new spending by this Congress, much of which will fatten union bottom lines, would be enough to buy some labor peace. If not, Democrats on Capitol Hill have the power to impose another cooling off period so the two sides can negotiate without a strike. Let’s see if Democrats side with their Big Labor allies, or with the U.S. economy that needs the trains to run on time.

You’d think all Biden’s union favors would avert a railway strike.

Biden’s Cancer Contradiction

President Biden this week gave a speech promoting his Cancer Moonshot initiative and a new government health agency that he says will drive treatment breakthroughs. As usual, he gave no credit to drug makers that are producing game-changing treatments such as Amgen’s Lumakras for lung cancer.

Lung cancer kills more Americans than any other cancer. The five-year survival rate is a mere 18.6% and 5% for advanced forms. Treatments targeting particular protein or gene mutations have improved survival odds for breast, melanoma and some other cancers. But cancers driven by a mutation in the KRAS gene have eluded these breakthroughs, and lung cancer is one of them.

The KRAS gene regulates cell growth and division, and mutations are found in many tumors, including 32% of lung and 90% of pancreatic cancers. Yet the KRAS protein has long been considered “undruggable” because its small size and smooth surface are difficult for drug molecules to block. Amgen’s Lumakras pill proves it can be done.

The Food and Drug Administration last May approved Lumakras under its accelerated approval pathway for patients with advanced non-small lung cancer bearing a particular KRAS gene mutation. Results from early trials showed promise and this week were borne out by a late-stage trial that showed more than

twice as many patients responded to the drug than they did to chemotherapy.

A quarter of patients receiving Lumakras lived at least a year without their cancer getting worse compared to 10% who received chemotherapy. Survival benefits were hard to assess since a third of the chemotherapy patients received Lumakras after their disease progressed. Amgen also announced results from a separate small trial this week showing Lumakras may help patients with metastatic colorectal cancer.

The drug is by no means a cure, but progress occurs at the margin and some patients who had what amounted to a death sentence now have hope to live. Lumakras is also much less brutal than chemotherapy.

Yet the drug might not have been developed had the Medicare take-it-or-leave-it negotiations that Democrats recently enacted been in effect earlier. Their price controls will penalize in particular small-molecule drugs like Lumakras that have the potential to help large numbers of patients. Within six years, Lumakras could be targeted by bureaucrats for price controls and the payoff on Amgen’s investment could vanish.

Mr. Biden’s price-control policy contradicts his desire to promote faster cancer cures. The damage will come in slower therapies and patients who might have been saved.

His new price controls might have killed Amgen’s breakthrough.

How Republicans Might Lose Alaska Again

Mary Peltola was sworn in Tuesday as Alaska’s Democratic Congresswoman, and given her state’s Republican tilt, that phrase still hits the ear like the Cat representative from Dogtown. When Ms. Peltola won last month’s special election, many in the GOP blamed Alaska’s new ranked-choice voting system. The case for ditching it is now being bolstered by fresh data.

Recall how Ms. Peltola’s improbable victory went down: She was the only Democrat on the ballot, with 40.2% of first-choice votes. Two Republicans split the rest, Sarah Palin with 31.3% and Nick Begich with 28.5%. Under the ranked-choice system, Mr. Begich was eliminated and his voters were shuffled to their second choices. Half migrated to Ms. Palin. A quarter went to Ms. Peltola, giving her a 51.5% majority.

A quirk of ranked-choice voting is that the final winner might flip depending on the rankings further down the ballot. What if instead Ms. Palin had been eliminated? That’s the question we asked when the result was announced, but it was impossible to know, because the state hadn’t released data on the second choices of her voters. Here’s the answer: Mr. Begich would have won the seat with about 52.5% of the vote, a point higher than Ms. Peltola’s victory.

That’s according to an analysis of Alaska election data by FairVote, a group that favors ranked choice. If Ms. Palin had been eliminated, 59% of her voters would have gone to Mr. Begich and only 6% to Ms. Peltola. Interestingly, among voters who ranked the Democrat first, the effective second pick (skipping some write-ins) for 63% was also Mr. Begich. Only 5% chose Ms. Palin. Advocates say ranked choice is better at producing consensus winners, but in Alaska that would have been Mr. Begich.

The state’s new voting system isn’t responsible for the GOP split or Ms. Palin’s controversial history. In a traditional Republican primary, she might have beat Mr. Begich anyway and then lost

to Ms. Peltola. But at least that would have given Mr. Begich a chance to make a direct case to Republicans that Ms. Palin is too polarizing to win.

Ranked-choice voting discourages people from dwelling on the vital question of electability. The theory is that voters can simply number their favorites, and it will all come out in the wash.

Alaska will more or less re-run this election in November, and the strategies could get exotic. Ms. Palin has refused to drop out, arguing that she beat Mr. Begich. But why would Mr. Begich quit, since the data say he’s the only Republican who can win? His unenviable job now is to convince Palin superfans to think tactically and pick him first in a general election, while the ranked-choice crowd urges them to follow their hearts and trust the reallocation.

Democrats have an obvious incentive to ensure Mr. Begich is eliminated. What if the final pre-election polls show him edging out Ms. Palin among the GOP? Some Democrats might decide that the best use of their ballots is to vote for Ms. Palin, so she can survive to lose to Ms. Peltola in the last round. Ranked choice encourages this kind of thinking to game the system.

A final word about transparency: We’re relying on the FairVote analysis because Alaska still hasn’t released this data set in an easily readable format. Instead the state posted “a JSON file, used by the ranked-choice software.” The Division of Elections adds that it “cannot help voters access or analyze the data.”

Sorry, but this is moose baloney. Ranked-choice tabulation gets complicated, but a democratic government is supposed to let citizens see with their own eyes how the votes break down. That’s part of maintaining trust in elections.

The question for November is whether Republicans can coordinate better to prevent Ms. Peltola from getting a full two-year term. The longer debate is whether Alaskans want to stick with an opaque ranked-choice system that produces perverse results.

New ranked-choice data say Begich beats Peltola, but Palin won’t quit.

LETTERS TO THE EDITOR

Criticism Misses Mark on Purdue’s Students

In his letter (Sept. 12) responding to my op-ed (“Student Loans and the National Debt,” Sept. 2), Walter Kimbrough alleges that Purdue’s near-perfect record of graduates repaying their student loans is due not to their character but to their “wealth” and “privilege.” But if our students were really so rich, they wouldn’t have borrowed in the first place.

The biggest reason they honor their obligations is that they were more likely to study, rigorously, in a discipline valued in the marketplace. More than two-thirds of today’s Boilermakers graduate with a STEM-related degree, and many others are in fields like hospitality or supply-chain management. The average 2021 graduate started at a salary of \$62,452.

Mr. Kimbrough castigates me for the growth in out-of-state students at Purdue, but that has occurred alongside an all-time record in the number of their Indiana classmates. Meanwhile, we have reduced sharply the percentage of international students on our campus. Purdue is responding to the urgent calls for more American engineers and technologists.

Even if it were valid, the criticism wouldn’t mean that Purdue should have raised its tuition steadily, as schools like those Mr. Kimbrough led do. Nor would it justify the unfair, fiscally indefensible and antidemocratic policy of federal debt “cancellation.”

MITCH DANIELS
President, Purdue University
West Lafayette, Ind.

‘Historical Context’ for Present-Day Concerns

As a former museum professional, I am disappointed by the Metropolitan Museum of Art’s response (Letters, Sept. 10) to Eric Gibson’s op-ed “When Connoisseurs Yield to Commissars” (Sept. 3). I had hoped that the Met’s Kenneth Weiner would address Mr. Gibson’s central concerns that “art museums face a crisis of purpose” as many museums conduct their activities as if their role is “to advance a progressive agenda.”

Mr. Weiner rightly points out that understanding mankind isn’t mutually exclusive with examining uncomfortable truths about our history. But there remains a question of balance and emphasis. For longtime museumgoers, it is clear that the emphasis has shifted overwhelmingly to interpreting objects through historical context that is carefully selected to accord with present-day progressive values that highlight issues of race, gender, colonialism and the environment.

Mr. Weiner states that museums face “a national crisis of loneliness and atomization” and offered the example of a date night for young audiences as a way the Met is responding. Given the profound question under discussion, I am concerned that this is what he chose, of all the Met’s activities, to exemplify its mission. He seemed to confirm Mr. Gibson’s comment that museums don’t understand their purpose.

I wonder whether this springs from a mistaken crisis of relevance—a lack of confidence in the attraction of what is timeless, universally compelling and ultimately healing and unifying in great works of art. Museums’ purpose isn’t to create opportunities to socialize. Rather, by placing great art center stage to feed our souls and point us toward high ideals (even while acknowledging our human failings), museums can help solve the social problems that we face.

KIM ORCUTT, Ph.D.
New York

I hope every potential art donor to the Met read its letter to the editor. Mr. Weiner establishes that whatever the current social propriety of a donor’s actions, the Met’s later, more enlightened curators will surely provide “historical context” to your donations. Own too many shares in oil and gas exploration? Or perhaps not sufficiently on board with surgical alterations for children? A “modest wall label” will be posthumously attached to your donation to alert museumgoers that the curators willingly accepted your art piece, but did so only with the beneficent intent of also alerting viewers to your then-current, though only later-labeled, sins.

ELIZABETH WALKER
Phoenix

Two Different Types of Gambling in America

“Online Betting Spurs Laundering Risk” (Technology, Aug. 30) grossly mischaracterizes the American gaming industry’s substantial anti-money-laundering (AML) efforts, and conflates the leading work in this area by legal operators and those who skirt the law. With legal gambling now in 44 states, casino gaming is one of our country’s most highly regulated industries. Dedicated regulators hold legal casinos and sportsbooks, bricks-

and-mortar and online, accountable for strict AML compliance.

AML commitments have grown along with the industry, and include programs to monitor for financial anomalies, rigorous background investigations to obtain and retain a gaming license, highly trained compliance professionals, and millions of dollars spent on technology that enhances Know Your Customer efforts.

The same can’t be said for illegal, offshore operators that openly violate U.S. laws. They’re an open door for criminals, and there is no place for a predatory, unregulated gambling market in the U.S. Legal gaming aggressively combats financial crime and helps law enforcement prosecute offenders. Every year, gaming operators aid investigations by filing tens of thousands of “suspicious activity reports” with the Treasury Department.

The regulated casino gaming industry is a leader in combating financial crimes. Offshore websites don’t share these priorities.

BILL MILLER
CEO, American Gaming Association
Washington

My Tesla Has Enough Force

Bjorn Lomborg rightly questions the need for California to mandate electric vehicles (“If Electric Vehicles Are So Great, Why Mandate Them?” op-ed, Sept. 10). I chose to purchase a Tesla because, for me, it was superior to the competitors’ vehicles. While my purchase may align with the priorities of California’s gas-banning politicians, my guess is that they probably wouldn’t be amused by my “SUBSIDY” vanity plate.

NATHANIEL WILSON
Albuquerque, N.M.

Pepper ... And Salt

THE WALL STREET JOURNAL



U.S. Queen or King for a Day

Regarding your editorial “Queen Elizabeth II” (Sept. 9): I prefer our federal system, but wouldn’t it be nice to have a queen, if briefly, who could summon the president and leaders of Congress and tell them, “You are behaving badly. Stop it.”

JAMES LANGLEY
McKinney, Texas

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.

Delayed Repairs Shrink the Submarine Fleet

By Seth Cropsey

The U.S. Navy’s submarine fleet, America’s essential war-fighting instrument in the Indo-Pacific, is about three-fifths the size it should be, chiefly because of maintenance and production delays. This comes amid stepped-up threats to Taiwan by China.

Contesting such an assault would require a submarine force at maximum strength. Congress and the White House should act swiftly to integrate private shipyards that repair submarines into the Navy’s maintenance plans.

Amid China’s threats to Taiwan, maintenance woes hobble a key U.S. weapon in the Indo-Pacific.

American strategists rarely concern themselves with the material issues that determine victory or defeat. They tend to regard international strategy as a question of will, not means. This takes for granted the traditional and outsized U.S. economic-material advantage.

America’s objective in a struggle over Taiwan would be to deny China a rapid victory. The war must become a slog, one that China labors to sustain in a geographically limited form. Generating this situation requires contesting China’s ability to stage an amphibious assault on Taiwan. Submarines would be crucial in such a contest.

The U.S. military today lacks the air forces, air defenses, and surface combatants with sufficient range to contest Chinese air control over Taiwan indefinitely, absent an interdiction campaign against the Chinese mainland that the U.S. has signaled it doesn’t wish to wage. Chinese anti-ship and ground-attack missiles, moreover, would cause damage. Recent war games suggest that in defending Taiwan, the U.S. would lose half its active air force and at least one carrier strike group—a collection of warships defending the aircraft carrier and its air wing. In such a scenario, China would lose 150 to 200 warships and tens of thousands of men.

Given Chinese force structure and military objectives, U.S. submarines are the most effective tool to counter an assault on Taiwan. China lacks ground-based aviation with robust antisubmarine capabilities, leaving its military and civilian transports vulnerable to submarine attack. The U.S. has a world-leading attack submarine force of 49 nuclear-powered boats, along with four guided-missile submarines each packed with 154 cruise missiles. In theory, around 42 of these boats should be deployable at a given time, with some 25 to 30 in the Pacific and 10 to 15 in the Atlantic, Mediterranean and Middle East. Normal schedules dictate that at any point 10% of the fleet is in dry dock, under repair or in overhaul.

A major submarine surge to the Indo-Pacific, keeping in mind the U.S. forward-support facilities in Guam, could number about 35 subs. A handful of Japanese and Australian subs could be added to the mix, and perhaps one from Taiwan. Taiwan currently has



Crew members of the USS Delaware nuclear submarine at a ceremony in April.

two aging operational submarines, but its Indigenous Defense Submarine program is promising. That means the PLA would face a 40-plus strong submarine force that can sink transports as they move men and materiel across the Taiwan Strait. That could erode a naval blockade enough to enable an American counterattack. China’s 53 attack submarines, roughly 40 to 45 of them deployable, may have numerical parity, but several are aging, and few have the advanced capabilities of U.S. subs. For China, that would make a Taiwan war a close-run thing.

Rear Adm. Jeffrey Jablon, the U.S. Pacific Fleet’s submarine commander, said at a conference this year that maintenance delays hamstringing the submarine force. As of fiscal 2022, the U.S. submarine fleet spent about 1,500 days waiting for maintenance or repair. That is equivalent to losing four sub-

marines in the fleet. In the past year, the Navy lost the equivalent of another 3.5 submarines to maintenance that took longer than expected. The Navy’s submarine force is eight boats under strength on average. Combined with standard maintenance expectations of one-tenth of the fleet, this brings the U.S. submarine force down to about 30 deployable attack boats.

The U.S. can’t build its way out. On average, it takes American shipyards two years to deliver three subs. Meanwhile, the Navy retires two older Los Angeles-class subs a year owing to wear and tear. The fleet will shrink on average by one submarine every two years until the 2040s, when new subs are delivered in greater numbers than retiring ones.

Even with faster delivery and better production capacity, combat damage must be considered. More

construction won’t overcome the repair delays at shipyards. In wartime, when those yards are overworked—and possibly targeted—the U.S. submarine fleet likely will shrink even more, and faster, than anticipated. All the while, China will be relying on massive yards with civilian and military production capabilities. These large facilities can repair ships at a pace that gives China an advantage.

More resources are necessary for shipyards to bring the U.S. submarine force to the level of preparedness that China’s provocations in the Western Pacific demand. The U.S. should invest in maintenance, extend the life of older submarines, and regularize maintenance so shipyards are ready to work on many subs.

The Navy should integrate private shipyards into its repair and maintenance plans. It takes at least a year, more likely several, for a yard to prepare to overhaul several ships at the same time. It is more efficient, financially and temporally, to turn to shipyards that can expand maintenance today, rather than scaling up public yards exclusively.

A nation goes to war with the military it has, not the one it will have in five, 10, or 20 years. The executive and legislative branches face a choice between continued inaction and a conflict that calls on the military we wish we had.

Mr. Cropsey is founder and president of the Yorktown Institute. He served as a naval officer and as deputy undersecretary of the Navy and is author of “Mayday” and “Seablindness.”

The SEC Can’t Transform Itself Into a Climate-Change Enforcer

By Bernard S. Sharfman
And James R. Copland

The Supreme Court’s June decision in *West Virginia v. Environmental Protection Agency* was a shot across the bow of the administrative state. The decision implicates many executive and independent agencies’ rulemakings, but perhaps none more so than the Securities and Exchange Commission’s proposed climate-disclosure rule. The proposal would convert the federal securities regulator into a greenhouse-gas enforcer looking over the shoulders of exchange-listed companies’ directors. Much like the EPA regulation the justices struck down, the new SEC proposal would exceed the authority Congress granted to the agency. If the SEC were wise, it would rethink its rule, lest it face a similar fate in court and see its rulemaking effort thrown into the regulatory waste bin.

Writing for a 6-3 majority in *West Virginia*, Chief Justice John Roberts invalidated the EPA’s Clean Power Plan under the “major questions” doctrine, which limits an agency’s power to act on issues of “economic and political significance” without clear authorization from Congress.

The court’s doctrine is a species of the separation of powers—specifically the nondelegation principle, which bars the legislature from giving lawmaking power to the executive branch. James Madison argued the point forcefully in the *Federalist Papers* and in the First Congress. The early Supreme Court let Congress allow the executive to “fill up the details” of “general provisions” of legislation but emphasized that “important subjects . . . must be entirely regulated by the legislature itself.”

It should junk its proposed disclosure rule, which is clearly unconstitutional as per *West Virginia v. EPA*.

In keeping with this principle, the modern Supreme Court has refused to allow administrative agencies “to ‘work around’ the legislative process” to resolve questions “of great political significance,” as Justice Neil Gorsuch noted in his *West Virginia* concurrence. Court decisions over the past three decades have blocked agencies’ efforts to resolve

policy disputes without clear congressional authorization. Those cases range from regulating tobacco to changing telecommunications rate regulation—and, during the Covid pandemic forestalling tenant evictions and broadly mandating vaccines.

The SEC’s regulation is of a piece with those the court has struck down. We warned in a June 16 comment letter to the agency that Congress never assigned the SEC the task of overseeing environmental concerns. Yet that’s exactly what it sets out to do in its climate rule.

As GOP-appointed SEC Commissioner Hester Peirce noted in a March dissent, the agency is attempting to mandate that companies disclose a host of “climate-related risks; climate-related effects on strategy, business model, and outlook; board and management oversight of climate-related issues; processes for identifying, assessing, and managing climate risks; plans for [climate change] transition; financial statement metrics related to climate; greenhouse gas emissions; and climate targets and goals.”

By sweeping upstream and downstream contractors into its proposed rule, the SEC seeks to regulate companies that aren’t traded on public

stock exchanges and therefore should be wholly outside the commission’s regulatory reach. The proposed rule would casually toss aside the “materiality” standard, which limits mandated disclosures to financially material information.

The proposed rule would also implicitly reallocate power from corporate boards and order them to bring climate-related risks to the fore of company priorities—in direct conflict with longstanding state corporate law. Though Congress could pre-empt state law concerning corporate governance, an agency on its own has no such power.

In other words, the SEC’s proposal contravenes foundational principles of separation of powers and federalism. As Justice Gorsuch observed in *West Virginia*, the major-questions doctrine comes into play “when an agency seeks to intrude into an area that is the particular domain of state law.” The Supreme Court made clear 45 years ago in *Santa Fe Industries v. Green* (1977) that “absent a clear indication of federal intent, the Court should be reluctant to federalize the substantial portion of the law of corporations that deals with transactions in securities, particularly where established state policies of corporate

regulation would be overridden.”

The SEC didn’t acknowledge or seriously engage any of these issues in its 490-page proposal. Though the agency lacks environmental expertise, it employs talented legal minds who understand these legal constraints and could have counseled against venturing beyond delegated authority. If such advice was given, it evidently wasn’t heeded.

But perhaps that will soon change. *West Virginia v. EPA* provides the SEC with the incentive to revise its approach and focus on the parameters of its authority before finalizing its proposed climate rule, which the agency initially suggested would be released in October. It may well be that the SEC needs to update the guidance on climate-change disclosures it issued over a decade ago. But in doing so, it needs to follow the law—and leave the big issues to the legislative branch, as the Constitution requires.

Mr. Sharfman is a senior corporate governance fellow with the RealClearFoundation. Mr. Copland is a senior fellow and director of legal policy at the Manhattan Institute and author of “The Unelected: How an Unaccountable Elite Is Governing America.”

How Robert Mueller Shredded the FBI’s Credibility

By Thomas J. Baker

Four days after 9/11, Robert Mueller was summoned to the presidential retreat at Camp David. It was little more than a week since he’d become director of the Federal Bureau of Investigation.

That Saturday morning, Mr. Mueller gave President George W. Bush the FBI’s initial report on the attacks. The Pentagon/Twin Towers Bombing Investigation, or Penttbom, would become the largest ever conducted by the FBI. It had already identified the 19 hijackers as well as their roles, nationalities, travel documents and histories. The focus had turned to establishing links between the hijackers and al Qaeda.

Mr. Bush, wearing a leather bomber jacket, sat at the head of a big square conference table in the rustic oak cabin. Condoleezza Rice, the national security adviser, was at the president’s right. Mr. Mueller, as he later acknowledged, was confident in the report. The FBI had done what

it does best—investigate.

Expecting praise or thanks, Mr. Mueller was taken aback when the president interrupted him. “Bob, I expect the FBI to determine who was responsible for the attacks and to help bring them to justice,” he said. “What I want to know from you—today—is what the FBI is doing to prevent the next attack.” That same morning Central Intelligence Agency Director George Tenet presented a proposed plan of action. At the conclusion of Mr. Tenet’s presentation, Mr. Bush exclaimed, “That’s great.” He turned toward Mr. Mueller and said, “That’s what I want to hear.” Mr. Mueller told me later that he felt humiliated.

After his experience at Camp David, for reasons that might have seemed justified at the time, Mr. Mueller resolutely set about to change the “culture” of the FBI. That’s the word he used. He was going to make the bureau into an intelligence agency, or in his repeated terminology, an “intelligence driven”

organization. Unintended consequences followed. The organization I had served for 33 years would undergo a cultural change in subsequent years, culminating in the ugly disaster of Crossfire Hurricane, the fruitless but disruptive investigation of the Trump campaign and Russia.

His post-9/11 attempts to change the culture led to politicized investigations like Crossfire Hurricane.

As a federal prosecutor, Mr. Mueller had worked with FBI special agents in Boston and San Francisco, but he didn’t know the FBI’s culture or how it functioned. He also displayed disdain for the special agents in charge of each of the FBI’s 50-plus field offices.

Mr. Mueller didn’t understand the FBI’s office-of-origin system, which

has been in use for nearly a century. On a typical case, an office of origin would run things, sending out leads to other field offices who’d track them down and report back. In the case of the 9/11 attacks, the logical office of origin would have been the New York or Washington field office. Both had experienced international squads. New York had the investigative capacity, it was near Ground Zero, and up to then had been the office of origin for the entire al Qaeda case.

But Mr. Mueller wanted centralization. He wanted all information to run through FBI headquarters, which would make all the decisions. Mr. Mueller’s predecessor, Louis Freeh, who started his career as a field agent, strongly believed in empowering the field offices. Not Mr. Mueller, who accelerated centralization; he also believed special agents in charge presided over their territories like dukes. His words.

Penttbom would thus become the first case in FBI history run from headquarters. It set a bad precedent,

which would yield poisonous fruit in the Hillary Clinton email investigation and then in the Russian collusion fiasco, when a small clique at headquarters called all the shots.

Mr. Mueller made other moves to change the FBI’s culture, which had negative consequences. Replacing agent executives, he brought in outside professionals to take over key headquarters positions—perhaps enhancing short-term technical proficiency in those positions but losing long-term commitment and an invaluable knowledge of the institution and its culture. The outsiders didn’t have the institutional knowledge of career agents.

During the directorships of Mr. Mueller and his successor, James Comey, nonagents ran the FBI’s public-affairs and congressional-affairs offices and served as its general counsel. These are precisely the positions in which the ugliness of Crossfire Hurricane and its aftermath eventually manifested itself. As the trial of Clinton lawyer Michael Sussmann demonstrated, FBI General Counsel James Baker, a nonagent, accepted misdirection from Mr. Sussmann, causing the bureau to chase the fabricated Alfa Bank connection. A special agent would have known better how to interview Mr. Sussmann.

The change in FBI culture initiated by Mr. Mueller after his September 2001 experience with Mr. Bush led directly to today’s problematic FBI. Director Christopher Wray, or his successor, must turn the FBI back into a “swear to tell the truth” law enforcement agency.

Mr. Baker is a retired FBI special agent and legal attaché and author of “The Fall of the FBI: How a Once Great Agency Became a Threat to Democracy,” forthcoming in December.

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Netflix Advances Ad-Backed Tier

Streaming company estimates service could reach 40 million viewers by next year

By SUZANNE VRANICA AND SARAH KROUSE

Netflix Inc. estimated that an advertising-supported version of its streaming service would reach about 40 million viewers globally by the third quarter of 2023, according to a document reviewed by The Wall Street Journal that Netflix shared with ad buyers.

Executives from Netflix and its advertising partner, Micro-

soft Corp., have met with ad buyers in recent weeks, seeking to lock in deals ahead of a planned launch later this year. In preliminary projections, Netflix told ad executives it expects to have 4.4 million unique viewers worldwide at the end of the year, with 1.1 million coming from the U.S. The company estimated that would grow to over 40 million unique viewers by the third quarter of 2023, with 13.3 million from the U.S.

Netflix's projections for advertisers covered a dozen launch markets, including Brazil, Mexico, Japan, the U.K., France, Germany, South Korea, Spain, Italy, Australia and

Canada. The metric the company has shared, "projected unique viewers," is expected to be higher than the number of subscribers for the advertising-supported Netflix plan, since more than one person in a subscribing household will likely be able to watch the service.

"We are still in the early days of deciding how to launch a lower priced, ad supported tier and no decisions have been made," a Netflix spokeswoman said.

The streaming company continues to evaluate the potential demand for the ad-supported plan, and its forecasts for subscriptions and

viewers could change over time, according to people familiar with the matter.

Netflix, with 220 million subscribers, is betting that a lower-cost, ad-supported plan could bring in new users and boost revenue, as the company confronts stepped-up competition and a maturing U.S. market.

The streaming giant lost nearly one million subscribers in the June quarter. It is joining rivals such as HBO Max and Disney+ that have or are planning to launch ad-supported services.

Netflix's foray into advertising is a major reversal for a company that long said it

would remain ad-free.

Netflix said in a July letter to shareholders that the new ad-supported option would likely begin in early 2023, but it has told some ad buyers that it would launch on Nov. 1. The company is seeking to charge brands premium prices to advertise on its service, The Wall Street Journal previously reported.

The viewership projections were distributed to some ad-buying firms, so that they can advise their advertising clients on the projected reach of the new service—a factor in determining how much to spend.

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Tesla Shifts Battery Strategy

By REBECCA ELLIOTT AND MIKE COLIAS

Tesla Inc. is pausing its plans to make battery cells in Germany as it looks at qualifying for U.S. electric-vehicle and battery manufacturing tax credits, people familiar with the matter said.

The company, which has been working to produce its own batteries, has discussed shipping cell-making equipment it had intended to use at its Berlin-area factory to the U.S., the people said.

Making more batteries domestically could help Tesla qualify for additional tax breaks available under the Inflation Reduction Act, also known as the IRA, which President Biden signed last month.

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◆ Battery recycling race heats up under new law..... B2

Patagonia Founder Gives Away Company

By JOSEPH DE AVILA AND JOSEPH PISANI

Patagonia founder Yvon Chouinard is giving away the multibillion-dollar outdoor apparel business he founded nearly 50 years ago, with a goal of helping to tackle climate change.

Mr. Chouinard and his family have transferred their ownership of Patagonia to a trust and a nonprofit organization, as opposed to taking the privately held company public or selling it, the 83-year-old founder said in a letter Wednesday, titled, "Earth is now our only shareholder."

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STREETWISE | By James Mackintosh

Markets Keep Making the Same Inflation Mistake



Investors made a huge mistake over the summer, misreading the economy

and, even worse, misreading the Federal Reserve. The scale of the mistake became obvious on Tuesday and led to the biggest one-day selloff in more than two years.

But the error—a belief that peak inflation will allow the Fed to ease after reaching peak rates early next year—continues to underpin bond, stock and futures prices.

The mistake is an easy one to make, because—barring hyperinflation and the collapse of society—inflation will eventually return to low levels. But investors have been far too optimistic that it will happen soon, despite lots of evidence that inflation is stuck well above the Fed's 2% target and clear warnings from the Fed that the market has it wrong.

The danger is that stocks and bonds have further to fall because investors are

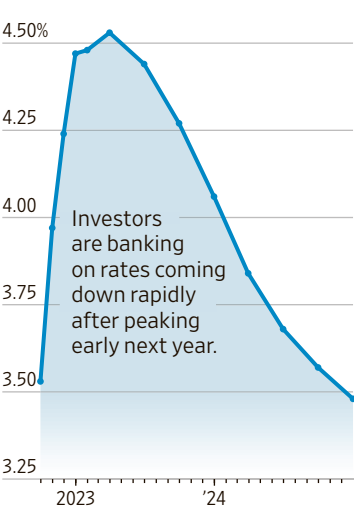
still clinging to the vestiges of the belief that inflation will soon be conquered, a bad recession avoided and so the Fed freed to pause, then ease.

Tuesday's inflation figures destroyed the idea that the Fed would pause soon. Excluding volatile food and energy, prices rose 0.6%, which if sustained would be an annual rate above 7% and higher than any time from 1991 to the pandemic.

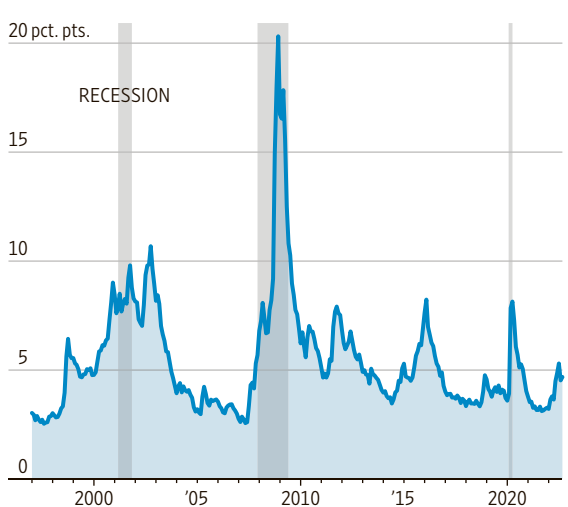
Other methods used by the Fed to extract signal from noise were similarly awful: the median rise, an average that trims off the biggest and smallest price changes, and the rise in "sticky" prices that aren't changed very often.

Markets responded as they should. Bets on rate increases shifted to put a one-third probability on a full 1-percentage-point rise at next week's meeting, something the Fed hasn't done since 1984. Peak rates are now expected to be reached a month later, in March, and be higher than previously

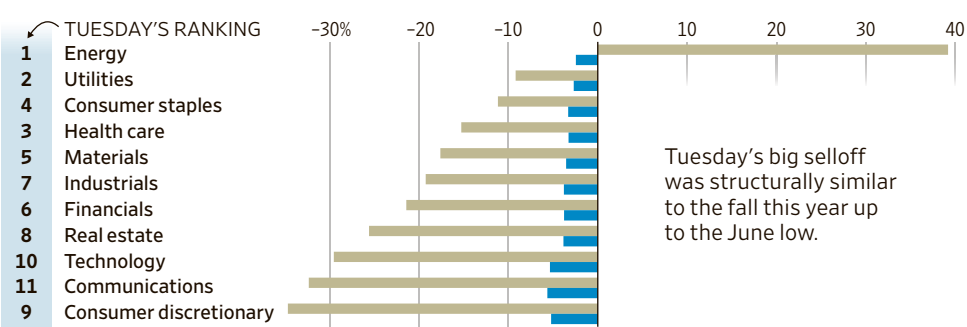
Eurodollar futures implied interest rate



ICE BofA U.S. High Yield index, option-adjusted spread over Treasurys*



S&P 500 sector performance



*September 2022 figure as of Tuesday
Sources: CME Group (eurodollar futures); Ice Data Indices via St. Louis Fed (spread); Refinitiv (sector performance)

thought, above 4%.

But hope lives on, with the evidence of it showing up both in stocks and in bets on the Fed.

The stocks most sensitive to bond yields are those where most earnings come far in the future, growth

stocks. They were clobbered by rising bond yields in the year up to mid-June, then rebounded the most as bond yields retreated and have been hit again as yields have risen since mid-August.

So far, so normal, at least for recent years. Yet the 10-

year Treasury is within a whisker of its mid-June high of 3.48%, while growth stocks have only lost about half what they gained in the two-month summer rally that ended in mid-August.

Something's up, and that

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Citigroup Is Pressed To Fix Risk Managing

By DAVID BENOIT

Regulators are frustrated with the progress Citigroup Inc. has made in the two years since they reprimanded the bank for problems with the systems it has in place to prevent costly mistakes, according to people familiar with the matter.

Federal Reserve officials have repeatedly grilled Chief Executive Jane Fraser about the bank's plans to fix its risk-management system, demanding to see more progress, the people said. In a meeting this summer, officials from the Office of the Comptroller of the Currency warned the bank's board that there could be consequences for not getting a handle on the situation, they

said. The bank is due to submit a new plan Thursday that its executives hope will ease regulators' concerns, the people said. The plan includes a series of landmarks Fed and OCC officials can use to judge the bank's progress, they added, and is more specifically tied to the problems identified by regulators.

A regulatory response to the detailed submission isn't likely for several months. Regulators have the power to order the bank to replace managers or directors, among other things.

"We have taken decisive actions to simplify our firm and we will continue to act with urgency to modernize the bank for the digital age and strengthen our risk and control

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Ford Orders Strict EV Sales Rules

By NORA ECKERT

Ford Motor Co. released strict new rules for U.S. dealers looking to sell its electric vehicles, including requiring no-haggle prices and upfront investment in chargers, to simplify a process that has long frustrated many buyers.

The Dearborn, Mich., car company said Wednesday that to sell Ford's EVs, dealers must enroll in new programs that are designed to support the rollout of battery-powered models.

As part of the new retailing strategy, Ford is requiring dealers to invest up to \$1.2 million each in store updates, including installing new infrastructure for charging EVs at dealerships.

The rules also restrict some dealers from carrying vehicle inventory on the ground and mandate nonnegotiable pricing on Ford's website. Dealers selling EVs now must either opt into the programs or lose the right to sell these vehicles by 2024, the company said.

The introduction of these EV-specific selling programs reflects how manufacturers more broadly are trying to compete with Tesla Inc., which sells its vehicles directly to consumers.

Tesla set the bar for selling EVs when early on it decided to forgo a traditional dealership network in favor of opening company-run stores and selling vehicles through its website, an approach that is now being emulated by other EV startups.



Ford's electric F-150 Lightning on the production line at the EV center in Dearborn, Mich.

The model has been popular with car shoppers, putting pressure on both dealers and traditional car companies to try to match the streamlined process.

"Changes in the market have compelled Ford and our dealers to revisit how customers shop, buy, and own, and how they will do this going forward," said Ford Chief Executive Jim Farley in a July earnings call.

Auto executives have seized on the EV transition as a way to not only change how vehicles are marketed and sold, but also how many are stocked at dealerships. Many are trying to encourage shoppers to

order directly from the manufacturer, a method that executives say will help better match supply with demand.

Mr. Farley has been particularly outspoken on the need to modernize the auto retailing model, warning dealers that the standards to which customers will hold them to could be "brutal."

Along with Tesla, EV-only sellers such as Rivian Automotive Inc. and Lucid Group Inc. are also selling directly to consumers, bypassing the traditional dealership network.

Meanwhile, established car companies like Ford are required by franchise laws to use independent dealers, the

result of auto retailers lobbying over the years to build in better protections for their businesses.

Mr. Farley has highlighted the positive aspects of car companies selling direct, saying that it can save about \$2,000 a vehicle.

Still, in meetings with dealers and at conferences, the CEO has emphasized that dealers are an essential part of the company's network and provide customer service and repair that sets Ford apart from rivals including Tesla and Rivian.

Ford dealers have the option of two programs for sell-

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INSIDE



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Ford Toughens EV Rules

Continued from page B1

ing EVs under the new rules released Wednesday. Among other requirements, dealers also must provide certain repair and maintenance services and invest in more advanced EV training for employees.

Rising car prices became a tension point between Ford and its dealers earlier this year, when Mr. Farley warned that dealers could lose supplies of future models if they charge over sticker price.

Some dealers have questioned why the switch to elec-

tric should change how a vehicle is sold.

Marin Gjaja, Ford's chief customer officer for EVs, said in a June interview that dealers must be ready to educate customers in a more involved way when selling battery-powered models. Also, the pandemic prompted more customers to want to buy online and dealers will have to adapt, he said.

"It can't just be the same set of expertise," Mr. Gjaja said in June.

Brad Sowers, president of Jim Butler Auto Group in Missouri, said he was encouraged by the new programs because they showed Ford had a plan to include dealers and are allowing them to make a choice.

"It's not a one-size-fits-all approach," he said. "There's no death sentence."

By AMRITH RAMKUMAR

The world's biggest auto makers are betting that recycled material from old batteries will help supply the metal they need to build electric cars. The latest wager is on a startup that says it can take advantage of the Inflation Reduction Act.

Jaguar Land Rover and South Korean conglomerate SK Group are among the investors putting more than \$300 million into **Ascend Elements**, a startup that aims to serve an emerging center of battery production in the Southeastern U.S. The company says it has an efficient way to turn used lithium-ion batteries into new components. Other investors include **Fifth Wall**, a venture investor with a clean-energy focus.

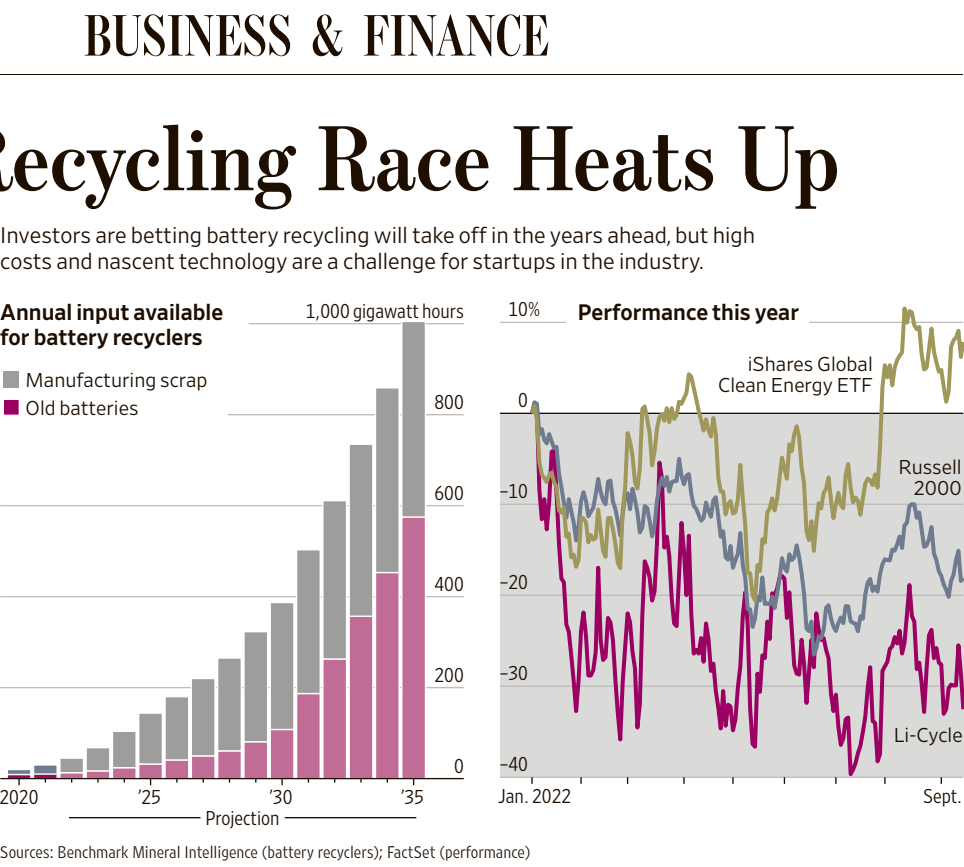
The funding is split between equity and debt and values Ascend at more than \$500 million.

Ascend and other upstarts such as **Redwood Materials Inc.** and **Li-Cycle Holdings Corp.** have said they would spend billions of dollars to supply battery makers with the inputs they need. Recycling startups typically break down old batteries or scrap material from manufacturing, then use chemical processes to produce components that can go into new batteries.

The recyclers are jockeying for large customers that need more of those materials to meet their electric-vehicle goals. Car makers are trying to limit their dependence on China, which dominates the battery supply chain.

Investors are pouring money into recycling in part because nearly all new mines and processing facilities in the U.S. face local opposition due to worries about environmental damage. That typically stalls progress and means it takes up to a decade or more to get projects up and running.

The Inflation Reduction Act added to the momentum in the sector by tying electric-car tax credits for consumers to how much battery material comes from domes-



tic production and recycling or from U.S. trade partners.

"It has definitely changed the tone and tenor of the discussions we're having with customers," Ascend Chief Executive Mike O'Kronley said. "There's now an even larger urgency to source these critical battery materials locally."

The government has also made billions of dollars available to battery startups through last year's infrastructure bill and Energy Department loans.

Founded in 2015, Ascend currently operates facilities including one in Covington, Ga., that breaks down batteries. It is spending up to \$1 billion to build a larger plant in Kentucky. Ascend says its chemical process is unique because it can be easily modified to supply different types of components. It hopes to eventually expand beyond the region, Mr. O'Kronley said.

Auto companies building factories in the Southeast include SK partner Ford Motor Co., Hyundai Motor Co. and upstart Rivian Automotive Inc. Ascend also has a partnership with Honda Motor Co.

Securing metals near manufacturing sites is seen as vital to scaling production and lowering emissions, which are high due to metals extraction, processing and shipments

around the world.

Redwood, run by Tesla Inc.'s former chief technology officer, said recently it would spend \$3.5 billion on a battery-component production facility in northwest Nevada. JB Straubel's company is expanding after recycling material from Tesla supplier Panasonic Holdings Corp. and other manufacturers for several years. It raised about \$775 million from investors including T. Rowe Price, Goldman Sachs Asset Management and Fidelity last summer, valuing the company at roughly \$4 billion.

Some analysts say recycling startups could struggle to be profitable due to high costs and manufacturing challenges until the first generation of large-scale electric-car batteries is retired about a decade from now. Scrap from battery manufacturing will be the industry's majority input until the mid-2030s, consulting firm Benchmark Mineral Intelligence forecasts. Smaller batteries from laptops and other devices aren't enough input material for the industry to truly take off, analysts say.

Uncertainty about high costs and nascent technology has pushed some investors to bet against Li-Cycle, one of the few publicly traded recy-

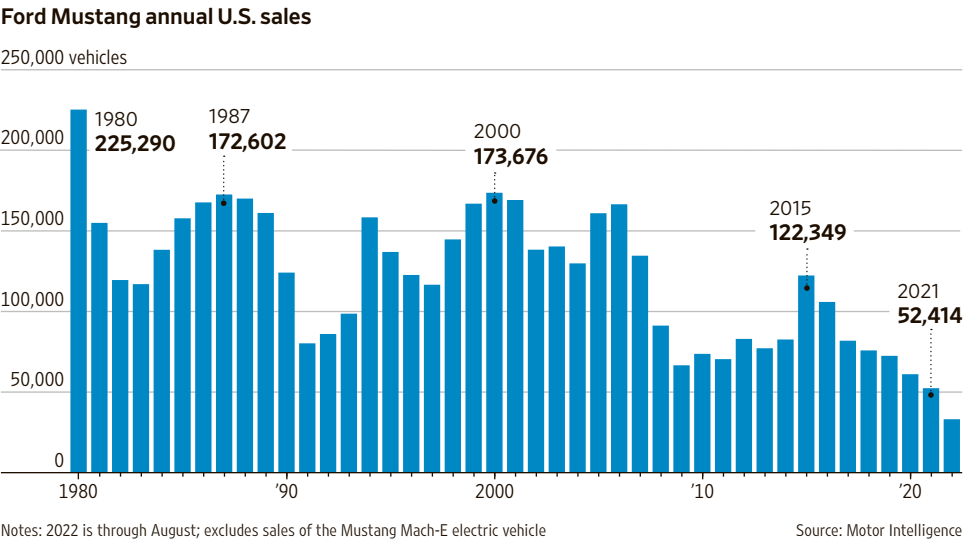
cling companies. In response, Toronto-based Li-Cycle has highlighted a partnership with LG Energy Solution Ltd. and an investment from mining company Glencore PLC, which recently put in \$200 million. It is building a facility in Rochester, N.Y., to produce battery chemicals.

Li-Cycle has a market value of about \$1.2 billion after going public last year by combining with a special-purpose acquisition company, or SPAC. The company has facilities in Ontario, New York and Arizona and plans for plants in Ohio, Alabama, Norway and Germany.

Even though recycling is viewed as greener than mining, the startups will also have to keep their energy, water and chemical footprints down to stay competitive.

Mr. O'Kronley said Ascend's facilities run on renewable power and the company reuses chemicals. The former executive at A123 Systems—a battery startup that received government funding then went bankrupt a decade ago—said consistent demand from consumers and large companies will help this generation of clean-energy startups avoid the sector's past pitfalls.

"The difference now is that the market is ready," he said.



The Next-Generation Mustang Will Be First Revamp in Years

By NORA ECKERT

Ford Motor Co. revealed its next-generation Mustang sports car Wednesday in a bid to appeal to enthusiasts who still want to feel the rumble of an engine under the hood.

The Dearborn, Mich., auto maker showed off the new model—its first redesign of the Mustang in nearly a decade—at an evening event at the Detroit auto show.

For the seventh-generation Mustang, Ford said it plans to stick with an internal-combustion engine, a strategy that contrasts with that of some rivals that are transitioning their performance cars to electric.

The move also stands out for Ford, which has been aggressive in adding more EVs to its lineup. Ford executives have said they expect 40% of the company's global sales to be fully electric by 2030, and earlier this year, Chief Executive Jim Farley reorganized the company's internal operations to create a dedicated division for EVs.

Still, for legacy models such as the Mustang, whose heritage is largely tied to loud and fast performance engines, the shift to EVs poses a trickier challenge, analysts and dealers said.

"For the Mustang enthusi-

asts, the car evokes emotion, and part of that emotion is the smell of fuel" and the sound of the traditional V-8 engine, said Greg Larson, vice president for Sill-TerHar Motors, a Colorado-based dealer that sells the Ford and Lincoln brands. These attributes provide a level of comfort for these customers because that is what they have always known, he added.

The redesigned Mustang will go on sale as a 2024 model year vehicle and offer new engine options, along with an overhauled interior with two, curved displays that owners can customize. Pricing is expected to be disclosed closer to the release date.

Ford already has an electric SUV that wears the Mustang logo—the Mustang Mach-E. The car company took a gamble in affixing the pony-car name to the fully electric model, when it went on sale in late 2020, but so far, the Mach-E has done well with consumers. Ford has said it has lengthy waiting lists for the vehicle.

Jeff Marentic, Ford's general manager for family and enthusiast vehicles in North America, said that the auto maker has expanded the Mustang family of vehicles to give buyers the option of an electric model.

For its Mustang sports car, it was important that it remain a gasoline-powered vehicle, especially as more competitors abandon the engine for battery power, he said.

"I know that if others exit, we will be able to take advantage of that," Mr. Marentic said. He declined to comment on whether Ford would eventually offer the Mustang sports car as either a fully electric or hybrid.

Separately, Ford on Wednesday released new rules for U.S. dealers looking to sell its electric vehicles, including required nonnegotiable prices and investment in EV chargers at dealerships.

Introduced in the mid-1960s, the Mustang has long been one of Ford's most recognizable nameplates. The original pony car launched an era of compact and affordable sports cars that were prized for their loud, powerful engines.

Over the years, the model has gone through numerous evolutions to reflect changing consumer tastes and tougher fuel-economy regulations. The current Mustang was intended to expand the model's appeal overseas, with executives hoping to broaden the buyer base beyond U.S. baby boomers who had been core to the vehicle's historic success.

Tesla Shifts Battery Strategy

Continued from page B1

The law provides production tax credits that could offset more than a third of the cost of EV battery packs, analysts say—so long as the rechargeable cells are made and packaged in the U.S. It also extends a \$7,500 tax credit available to buyers of certain EVs whose batteries meet various sourcing requirements.

Tesla's move reflects how the new U.S. law is reshaping the EV industry, accelerating the race to secure domestic supplies of battery cells and related ingredients.

Tesla didn't respond to a request for comment. In the days after the bill became law, the company told Texas officials that it was scouting regional sites for a plant that would refine lithium, a key battery input that today is mostly processed in China.

The shift in Tesla's battery strategy comes as energy costs in Europe have soared as a result of Russia's invasion of Ukraine.

Sham Kunjur, General Motors Co.'s executive director for EV raw materials, said discussions with outside companies to build out a U.S. battery supply chain have heated up since the law took effect.

"Our thought process was that we would do this over a period of time, but with the IRA, we are actively working on figuring out how to accelerate," he said. GM in the past year has invested in companies and struck long-term deals to secure future supplies of lithium, cobalt and other battery materials.

Today, the U.S. plays a relatively small role in making the lithium-ion batteries that power EVs, and a smaller one in producing the raw and intermediate ingredients that compose battery cells. For example, China processes more than two-thirds of all nickel and cobalt globally, compared with 1% or less of each mineral

for the U.S., according to research firm Benchmark Mineral Intelligence.

The IRA seeks to ease that disparity by providing incentives for car makers and battery companies to invest in a U.S. supply chain.

Among those incentives is a \$35-per-kilowatt-hour credit for U.S.-made battery cells. The law also affords \$10 per kilowatt-hour for domestically produced modules, or collections of cells, and additional assistance for companies making battery materials in the U.S.

If all of those production credits applied, a 75-kilowatt-hour battery pack such as those

used in the long-range version of Tesla's Model Y compact sport-utility vehicle could see its cost drop by nearly 40%, according to Bernstein Research.

Tesla and one of its cell suppliers, **Panasonic Holdings Corp.**, share a Nevada battery factory and are likely to be among the biggest early beneficiaries of those battery production incentives, analysts said.

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BUSINESS NEWS

Starbucks Plans Big China Expansion

Chain sets target of raising store count 50% as more consumers take to coffee habit

By DAN STRUMPF

HONG KONG—Starbucks Corp. plans to increase its China store count by 50% over the next three years, a vote of confidence in its largest market outside the U.S. despite Covid-19 lockdowns and weaker consumer spending that has damaged its sales.

Starbucks set a China store target of 9,000 by 2025 at an investor meeting during which executives outlined a wide-ranging revamp. The company previously said it would operate 6,000 stores in China by the end of this year.

The company also said it expects sales to nearly double in China over the next three years, adding that it plans to experience outside growth in same-store sales starting in fiscal 2023 following this year's slump.

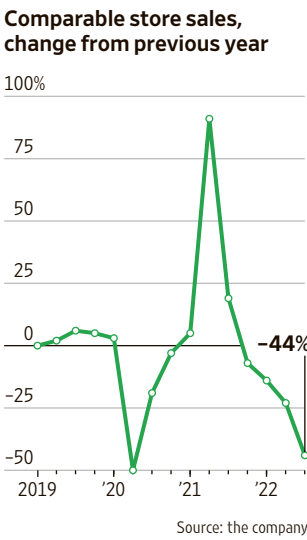
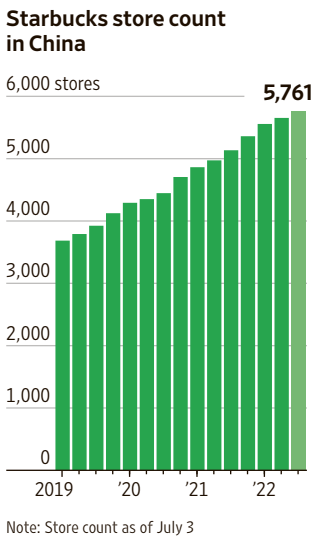
The company's optimism about the China market comes despite a brutal year for consumer-facing companies. Last month, the Seattle-based chain said its same-store sales in China fell 44% during the quarter ended July 3 compared with a year earlier, even as same-store sales worldwide rose 3%. The drop marked an acceleration from the 23% slide in same-store China sales during the company's previous quarter.

On Tuesday, Starbucks executives expressed optimism that the Covid-driven downturn would be temporary, adding that they expect a jump in sales next year as sales rebound from depressed 2022 levels.

"Coffee is emerging as the choice of beverage for the younger consumers in China, and we are positioned to capture share," interim CEO Howard Schultz said Tuesday. "We're investing now for the long-term growth aspects of



The company generated 13% of its fiscal 2021 revenue from China, making the country its largest market outside the U.S. The flagship store in Beijing.



the country."

Starbucks said China's coffee market remains in its infancy and still has room for growth. The average Chinese consumer drinks 10 to 12 cups of coffee a year, up from fewer than three cups as recently as 2014, Mr. Schultz said.

The threat of persistent and repeated Covid lockdowns continue to weigh on China's economy and multinational companies have borne a significant share of the pain. The lockdowns have hurt spending on everything from coffee to sneakers, with some Chinese

consumers saying that they have cut back on spending on some nonessential items.

Starbucks generated 13% of its fiscal 2021 revenue from China, making the country its largest market outside the U.S.

The company's targets for China come as it undertakes a far-reaching overhaul of its business, with plans to spend hundreds of millions of dollars to update its stores to improve customer service and reduce employee turnover spurred by the Covid-19 pandemic.

A major challenge for the company's China plans is whether the country's aggressive Covid policies linger longer than expected. Recent weeks have seen new stay-at-home orders for residents of large cities such as Chengdu, which has a population of more than 21 million, and the provincial capital of Guiyang following new outbreaks. Beijing has indicated little ap-

pe for relaxing its "dynamic zero-Covid" policy of aggressively squelching outbreaks as they emerge.

Starbucks also faces challenges from a host of local and regional competitors. Its biggest is Luckin Coffee Inc., the once-scandal-plagued Chinese coffee chain that is in the midst of a turnaround effort. It also faces competition from lower-priced brands such as Manner Coffee, said Yuwan Hu, associate director of Daxue Consulting in Shanghai.

"Both Luckin and Starbucks are quite ambitious about their expansion plans, especially in lower-tier cities," she said, noting that major coffee brands already have a large presence in China's largest cities like Beijing and Shanghai. "The competition is very fierce between those leading brands."

◆ **Heard on the Street:** A new future is brewing..... B12

Drink Recalled Over Fear of Metal Taint

PepsiCo Inc. has recalled a Starbucks-branded drink due to possible contamination from metal fragments.

The company is recalling 221 cases of the packaged Starbucks Vanilla Espresso Triple Shot drink, according to the U.S. Food and Drug Administration.

The drinks were sold in 15-ounce bottles in Arkansas, Arizona, Florida, Illinois, Indiana, Oklahoma and Texas.

PepsiCo didn't respond to a request for comment.

The recall began on Aug. 15, and the FDA posted a notice about it last week.

Skippy Foods, owned by Hormel Foods Corp., recalled thousands of cases of peanut butter in April due to possible pieces of metal.

—Joseph De Avila



The Tour's tax filings don't specifically mention private-jet expenses for Commissioner Jay Monahan.

PGA Tour Boss's Highflying Expenditures Draw Scrutiny

By MARK MAREMONT
AND ANDREW BEATON

PGA Tour Commissioner Jay Monahan earlier this year pointed to the organization's prudent financial management as it raced to meet the challenge from Saudi-funded LIV Golf. He repeatedly said the Tour was efficient in the way it is operated and would dip into reserves to help finance larger purses to compete with LIV.

Four days after he made those remarks in June, a PGA Tour-owned Citation X jet flew from the Tour's headquarters in Florida to California and then on to an airport near Steamboat Springs, Colo., according to records from a commercial jet-tracking service. A trust in the name of Mr. Monahan's wife owns property in that Colorado resort town, county records show.

The June trip to Colorado was one of 17 times the PGA Tour's jet has landed near Steamboat Springs since Mr. Monahan became commissioner in early 2017, flight records show. The jet also has traveled to Montana; Nantucket, Mass.; St. Lucia; and the Turks and Caicos on Mr. Monahan's personal travel, according to the flight records and a person familiar with the

Tour's position.

The Tour's financial resources—and how it spends its money—have been placed in a spotlight over the past year. LIV Golf, backed by Saudi Arabia's sovereign-wealth fund, has lured away many top golfers with lavish appearance fees and record-breaking prize funds.

As the Tour tries to drum up more money to compete with LIV, Mr. Monahan's private jet travel is one of several signs of past big spending at the organization, which also pays a rich salary to Mr. Monahan, made large payments to retired executives and last year moved into a new \$81 million headquarters.

Mr. Monahan travels regularly, for both business and pleasure, on the private jet, which the nonprofit PGA Tour owns through a for-profit subsidiary. The Tour's private-jet use can't be gleaned from the annual tax filings required of all nonprofits. Those filings require a nonprofit to provide a narrative description of certain benefits offered to top officials, including private-jet travel, which the Internal Revenue Service calls part of "charter" travel.

The most recently available filing for the PGA Tour says that, in limited cases, top executives "may utilize charter

or first class travel for business" trips, citing security, privacy or efficiency reasons.

The PGA Tour's actual policy, however, is different from what is described in the tax filings. The Tour told The Wall Street Journal that Mr. Monahan is required by its Policy Board, which includes players, to use the corporate plane for all air travel—business and personal—because it provides the "necessary level of efficiency, privacy, and security."

Mr. Monahan's personal use of the jet, the organization said, is included as income to the commissioner on the Tour's annual tax filings. The filings don't specifically mention the private jet or any jet-related compensation.

Lawyers who specialize in nonprofit law criticized the PGA Tour's filings.

"Given that the organization mandates the use of chartered jets for personal travel, the disclosure on the 990 (tax filing) is at best misleading and at worst intentionally inaccurate," said Elizabeth Kingsley, a Washington lawyer who advises nonprofit organizations.

The Tour said it works with leading advisers on the tax filings and "is compliant with its reporting and regulatory obligations."

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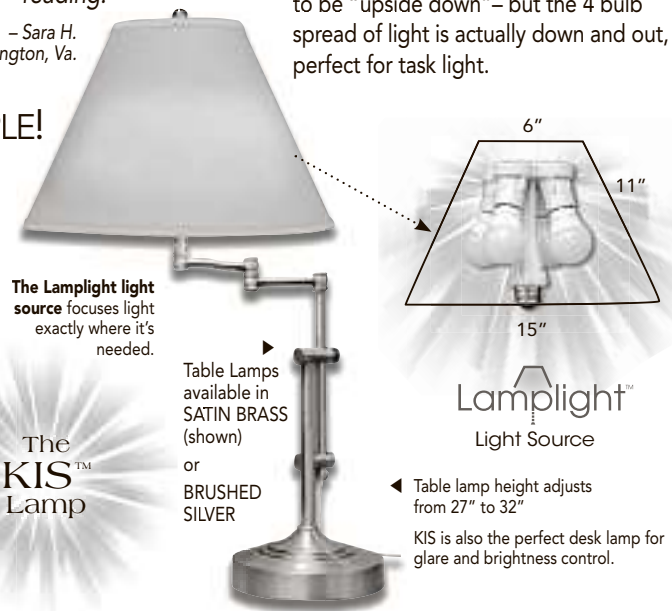
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Arrest Sought for TerraUSD Founder

South Korea moves against developer of cryptos that collapsed, losing \$40 billion

South Korean authorities are seeking to arrest Do Kwon, the developer behind the collapsed stablecoin TerraUSD, officials said.

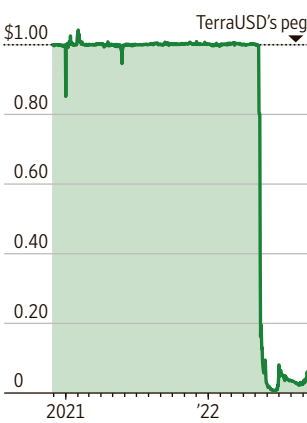
By Jiyoung Sohn, Alexander Osipovich and Caitlin Ostroff

Mr. Kwon has faced an investigation in South Korea and investor lawsuits in U.S. courts after two cryptocurrencies that he created—TerraUSD and Luna—crashed earlier this year. The collapse erased some \$40 billion in value in the two cryptocurrencies in a few days, and wiped out the savings of thousands of investors.

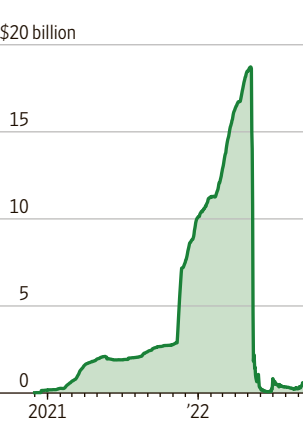
Groups representing more than 90 people in South Korea have filed complaints against Mr. Kwon, accusing him of fraud and illegal fundraising. The South Korea-born Mr. Kwon, who graduated from Stanford University, has recently been based in Singapore, where his company Terraform Labs is headquartered.

A spokesman for the Seoul

TerraUSD's dollar value



TerraUSD's market cap



Southern District Prosecutors' Office said Wednesday that it has obtained arrest warrants from Seoul's southern district court for six individuals, including Mr. Kwon.

Among the other individuals prosecutors obtained a warrant for was Terraform Labs founding member Nicholas Platias, the semiofficial Yonhap News Agency reported, citing prosecution officials. They face charges of violating the country's capital market law, the agency reported.

A spokesman for Terraform Labs declined to comment on the news. Mr. Platias and Mr. Kwon didn't respond to requests for comment.

Prosecutors are expected to take further steps soon to have an Interpol notice issued to repatriate them from Singapore, where they are currently staying, according to Yonhap.

In an interview with The Wall Street Journal in June, Mr. Kwon denied committing fraud, saying he lost a significant amount of his own personal fortune with the collapse of TerraUSD and Luna. He voiced regret for the losses suffered by investors in his cryptocurrencies.

A so-called stablecoin, TerraUSD was supposed to maintain a one-to-one link to the dollar thanks to financial engineering. But earlier this



Do Kwon, a South Korean now based in Singapore, has denied committing fraud.

year, the crypto equivalent of a run on the bank triggered the sudden implosion of both TerraUSD and Luna.

Mr. Kwon had been an avid proponent of TerraUSD and Luna before the collapse, boasting about the rapid rise of TerraUSD and showing disdain for critics.

In March, he referred to people who said TerraUSD could lose its dollar peg as "idiots" on Twitter. He dismissed one critic last year by tweeting: "I don't debate the poor on Twitter, and sorry I don't have any change on me for her at the moment."

The swift collapse in May proved the critics correct. Unlike conventional stablecoins,

which hold cash or bonds to underpin their link to the dollar, TerraUSD was a so-called algorithmic stablecoin that was backed only by the Luna cryptocurrency. Traders could

The stablecoin's crash contributed to this year's big selloff in digital currencies.

essentially earn rewards in Luna for helping to maintain its link to the dollar. That structure only worked, though, if Luna itself had value.

In early May, TerraUSD dropped below \$1 against the backdrop of a broad slump in Luna and other digital currencies. Mr. Kwon spearheaded an effort to prop up the stablecoin by using a \$3 billion backstop fund, but the fund was swiftly depleted. Luna lost more than 99% of its value.

The collapse fueled regulatory scrutiny of stablecoins in the U.S. and beyond. It also started a chain reaction that led to the failure of crypto firms with exposure to TerraUSD or Luna, such as hedge fund Three Arrows Capital Ltd., and contributed to this year's big selloff in bitcoin and other digital currencies.

Google Slashes Startup Incubator by Half

By MILES KRUPPA

Alphabet Inc.'s Google scaled back support for an internal startup incubator designed to kick-start product development, as chief executive Sundar Pichai looks for areas to trim costs following a slowdown in advertising sales growth.

The unit known as Area 120—started by Mr. Pichai in 2016—told roughly half of its more than 100 employees this week they no longer would receive support for their projects and would need to find jobs elsewhere at the company, said two people with knowledge of the decision.

The incubator oversaw 14 projects before the cuts this week, the people said, including Qaya, a team working on building online storefronts for creators.

Area 120's cuts will permanently reduce the unit's size, the people said.

"Area 120 is winding down several projects to make way for new work," a Google spokesman said in a statement, adding that the unit will be shifting its focus to artificial



The unit known as Area 120 is shedding about 50 employees. Inside Google's headquarters.

intelligence. "As a result, impacted team members will receive dedicated support as they explore new projects and opportunities at Google."

Bloomberg previously reported the cuts.

Google is navigating a weakening online ad market that has tripped up many large tech companies in recent months.

In July, Mr. Pichai said Google would slow hiring for the rest of the year and urged employees to be "more entrepreneurial." Mr. Pichai said last week he wanted the company to become 20% more productive, without providing details on how he would measure the improvement.

Area 120 is among Google's

efforts to encourage entrepreneurship at the company, which has at times battled a reputation for struggling to develop large new products. The unit's name is a reference to a policy that allows Google employees to spend 20% of their time working on side projects.

Employees apply to Area 120 and receive initial funding

from Google to work on their projects for six months. The program was partly designed to retain Google employees who might otherwise leave to build startups.

Several Area 120 projects have evolved into Google products. Last year, Google said a team working on interactive spreadsheets would begin developing the product for cloud computing customers.

Others have struggled to find traction within the company. Tangi, a short-form video app, folded last year after its team members joined Google's search division to continue working on the project.

Some Area 120 projects include disclaimers on their websites warning they are "inherently subject to more change—up to and including discontinuation—than other more mature Google products."

Elias Roman, the managing partner of Area 120, told employees this week's cuts would allow the incubator to focus on projects using artificial intelligence, the people said. Mr. Pichai has made AI one of Google's biggest priorities.

Disney May Join Streaming Products

By ROBBIE WHELAN

Walt Disney Co. Chief Executive Bob Chapek said the company could eventually group all its streaming products under its flagship Disney+ app and could tie that service more closely to its theme-parks business.

Speaking Wednesday at a Goldman Sachs Group Inc. investor conference, Mr. Chapek said that "there's a little bit of consumer friction" for streaming customers who want to shift between Disney's family-focused and franchise content in Disney+ and the general entertainment content of Hulu or sports-focused content on ESPN+.

Viewers must toggle between different apps on their smartphones, televisions and other devices to watch content on each service. Placing all three services under one umbrella in a single app would reduce that friction, Mr. Chapek said.

The company has already experimented with such a model in Europe, where the Star streaming brand, which includes many shows that also air on Hulu, is already part of Disney+.

Mr. Chapek referred to this sort of packaging, in a single app, as a "hard bundle," as opposed to the softer bundles it already offers in the U.S., where consumers get a price discount for signing up for several services but they remain on separate apps.

To integrate Hulu into an all-in-one app, Disney must take full ownership of that service, which is now one-third owned by Comcast Corp.'s NBCUniversal, Mr. Chapek said.

Under a 2019 agreement, Disney had the right to force a sale of Comcast's stake at fair market value, starting in 2024, with a floor valuation of \$27.5 billion for the whole service. Comcast also can require Disney to purchase its stake.

Other media companies are moving to simplify their offerings. Warner Bros. Discovery Inc. has said it would combine its Discovery+ service with HBO Max. Paramount Global is considering closing its Showtime streaming service and merging its content into Paramount+, The Wall Street Journal reported this week.

"I do believe that we'd have to have full ownership of Hulu to integrate it into Disney Plus," Mr. Chapek said. "We would love to get to the end-point earlier."

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The streaming service lost nearly one million subscribers in the June quarter. A scene from 'Squid Game.'

Netflix Ad Service Advances

Continued from page B1

The initial forecast for unique viewers—around 40 million in about a year or so—is small compared with Net-

flix's huge customer base, but would put the company on the map as a significant destination for online-video ads.

The pace of growth for Netflix's service will depend, partly, on its price.

Advertiser demand to be part of the launch is expected to be robust, some ad buyers said.

Netflix has been off-limits to advertisers for years and has the streaming industry's largest audience.

Some ad buyers said they were unhappy with certain aspects of Netflix's planned service, including that there is expected to be only limited ability to choose where ads run.

Netflix also doesn't initially plan to have an independent firm provide measurement, or verification that advertisers are getting the exposure they paid for.

—Jessica Toonkel contributed to this article.

BUSINESS NEWS

Rio Tinto, China Set Big Iron-Ore Project

Deal comes after Beijing investment in Australia fell amid worsening ties

By RHIANNON HOYLE

ADELAIDE, Australia—Rio Tinto PLC and China Baowu Steel Group Corp. agreed to develop a \$2 billion iron-ore project in Australia, one of the largest joint investment deals since diplomatic and trade ties between Australia and China deteriorated in the pandemic. Rio Tinto said production of iron ore from the new Western Range project in the remote Pilbara region of Western Australia would start in 2025. Rio Tinto will own 54% of the joint venture set up to run the operation, with Baowu owning the rest.

Chinese investment in Australia has fallen sharply in recent years as the countries sparred over the Covid-19 outbreak, trade issues and Beijing's role in the Indo-Pacific. A call by Australia's then-leader Scott Morrison in early 2020 for an investigation into Covid-19's origins prompted an angry backlash from Beijing, which imposed trade restrictions on several Australian products. Relations soured to the point that Australian government ministers weren't able to reach their



China is Australia's biggest trading partner and buys most of its iron ore, used to make steel.

Chinese counterparts by phone.

The election of Anthony Albanese as Australian prime minister in May has led to some improvements in relations, including the restart of face-to-face meetings between senior Chinese and Australian officials. Mr. Albanese has sought to use less confrontational language in relation to China than Mr. Morrison, who had cast himself as a bulwark against Beijing.

Still, several areas of tension remain. Mr. Albanese has accused China of acting more

aggressively in the region, and he has reaffirmed Canberra's close military alliance with Washington. Following U.S. House Speaker Nancy Pelosi's visit to Taiwan in August, Mr. Albanese said there should be no unilateral change to the status quo on the self-ruled island, which China claims as its own.

Rio Tinto's agreement with Baowu showed that Chinese investment in Australia hasn't been choked off fully by the deterioration in diplomatic relations, said Hans Hendrichske, professor of Chinese

business and management at the University of Sydney Business School.

"It clearly is a good sign," he said.

China is Australia's biggest trading partner and buys most of its iron ore, the country's top export, which Beijing uses to make steel.

Chinese investment in Australia plunged by 70% in 2021 to \$585 million, according to data compiled jointly by the university and KPMG. That was the lowest since at least 2007, according to their records, and compares with an-

nual investment of more than \$16 billion in 2008.

Chinese-owned businesses in Australia were squeezed by the sudden worsening of ties, while negative attitudes toward China in the country hardened. Import restrictions or tariffs on Australian products affected coal miners, winemakers and beef producers, many of which had welcomed Chinese investment previously as a way to gain an export advantage.

While iron ore wasn't included among the products targeted by Beijing, Chinese officials have advanced efforts to build iron-ore mines in countries other than Australia and moved to gain more control of the price of the commodity. Earlier this year, China set up a new state-owned group to control its iron-ore imports.

China produces less than a fifth of the iron ore it needs and roughly 60% of its imports come from Australia, where Rio Tinto is the largest producer.

Rio Tinto's agreement with Baowu to develop the Western Range project suggests that China's efforts to diversify its iron-ore sources will take years before they could have a material impact and that trade relations have moved a beat toward normalizing.

Rio Tinto and Baowu have been partners in mining iron

ore in the Pilbara since 2002, when they formed a joint venture to develop deposits known as the Eastern Range. The companies are also working together to find ways to cut carbon emissions from steelmaking processes.

Rio Tinto estimated up to 25 million metric tons of iron ore will be produced at Western Range annually and that it intends to sign a sales agreement with Baowu under which the Chinese company would buy almost half of that output over a roughly 13-year period at market prices. Rio Tinto said its share of construction costs would be around \$1.3 billion, with work on site starting early next year.

The agreement needs to be approved by Rio Tinto's shareholders, state and federal governments in Australia, and Chinese regulators. Spokespeople for Australian Treasurer Jim Chalmers, who is responsible for foreign investment decisions, didn't immediately respond to a request for comment.

"We have enjoyed a strong working relationship with Baowu for more than four decades, shipping more than 200 million tons of iron ore under our original joint venture, and we are looking forward to extending our partnership at Western Range," said Simon Trott, Rio Tinto's head of iron ore.

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CLASS ACTIONS

IN THE COURT OF COMMON PLEAS OF MONTGOMERY COUNTY, PENNSYLVANIA

JOHN FORD, TRUSTEE OF THE JOHN FORD TRUST
Individually and on Behalf of Themselves and
All Others Similarly Situated,

Plaintiff,

vs.

UGI CORPORATION, JOHN L. WALSH, TED J. JASTRZEBSKI,
LAURIE A. BERGMAN, MARVIN O. SCHLANGER, M. SHAWN
BORT, THEODORE A. DOSCH, RICHARD W. GOCHNAUER,
ALAN N. HARRIS, FRANK S. HERMAN, ANNE POL,
KELLY A. ROMANO, and JAMES B. STALLINGS, JR.,

Defendants.

CIVIL ACTION

Case No. 2021-00391

SUMMARY NOTICE OF PENDENCY OF CLASS ACTION, PROPOSED SETTLEMENT,
AND MOTION FOR ATTORNEYS' FEES AND EXPENSES

To: All persons and entities that purchased or acquired UGI Corporation ("UGI" or the "Company") publicly traded common stock pursuant and/or traceable to the Registration Statement issued in connection with UGI's August 21, 2019 acquisition of AmeriGas Partners L.P. (the "Offering").

YOU ARE HEREBY NOTIFIED, pursuant to an Order of the Court of Common Pleas of Montgomery County, Pennsylvania, that plaintiff John Ford, Trustee of the John Ford Trust ("Plaintiff" or "Trustee"), on behalf of himself and the proposed Settlement Class,¹ and UGI and the other defendants in the Action, have reached a proposed settlement of the above-captioned class action (the "Action") in the amount of \$10,250,000 that, if approved, will resolve the Action in its entirety (the "Settlement").

A hearing will be held before the Honorable Steven C. Tolliver, Sr., either in person or remotely in the Court's discretion, at the Court of Common Pleas of Montgomery County, Pennsylvania, Justice Center, Courtroom 12, 2 East Airy Street, Norristown, PA 19401 at 10:00 a.m. on November 30, 2022 (the "Settlement Hearing") to, among other things, determine whether the Court should: (i) approve the proposed Settlement as fair, reasonable, and adequate; (ii) dismiss the Action with prejudice as provided in the Stipulation and Agreement of Settlement, dated August 11, 2022; (iii) approve the proposed Plan of Allocation for distribution of the Net Settlement Fund; and (iv) approve Lead Counsel's Fee and Expense Application. The Court may change the date of the Settlement Hearing, or decide to hold it remotely, without providing another notice. Please check the Settlement website for information about the hearing at www.UGISecuritiesSettlement.com. You do NOT need to attend the Settlement Hearing to receive a distribution from the Net Settlement Fund.

IF YOU ARE A MEMBER OF THE SETTLEMENT CLASS, YOUR RIGHTS WILL BE AFFECTED BY THE PROPOSED SETTLEMENT AND YOU MAY BE ENTITLED TO A MONETARY PAYMENT. If you have not yet received a Notice and Proof of Claim and Release form ("Claim Form"), you may obtain copies of these documents by visiting the website dedicated to the Settlement, www.UGISecuritiesSettlement.com, or by contacting the Claims Administrator at:

UGI Corporation Securities Litigation
c/o A.B. Data, Ltd.
P.O. Box 173118
Milwaukee, WI 53217

Inquiries, other than requests for the Notice/Claim Form or for information about the status of a claim, may also be made to Lead Counsel:

Alfred L. Fatale III, Esq.
LABATON SUCHAROW LLP
140 Broadway
New York, NY 10005
www.labaton.com
(888) 219-6877

If you are a Settlement Class Member, to be eligible to share in the distribution of the Net Settlement Fund, you must submit a Claim Form *postmarked or submitted online no later than December 30, 2022*. If you are a Settlement Class Member and do not timely submit a valid Claim Form, you will not be eligible to share in the distribution of the Net Settlement Fund, but you will nevertheless be bound by all judgments or orders entered by the Court in the Action, whether favorable or unfavorable.

If you are a Settlement Class Member and wish to exclude yourself from the Settlement Class, you must submit a written request for exclusion in accordance with the instructions set forth in the Notice such that it is *received no later than November 9, 2022*. If you properly exclude yourself from the Settlement Class, you will not be bound by any judgments or orders entered by the Court in the Action, whether favorable or unfavorable, and you will not be eligible to share in the distribution of the Net Settlement Fund.

Any objections to the proposed Settlement, the proposed Plan of Allocation, and/or Lead Counsel's Fee and Expense Application must be filed with the Court and mailed to counsel for the Parties in accordance with the instructions in the Notice, such that they are *filed and received no later than November 9, 2022*.

PLEASE DO NOT CONTACT THE COURT, DEFENDANTS, OR DEFENDANTS' COUNSEL REGARDING THIS NOTICE.

DATED: SEPTEMBER 15, 2022

BY ORDER OF THE COURT OF COMMON PLEAS OF MONTGOMERY COUNTY, PENNSYLVANIA

¹ All terms not defined herein shall have the definition assigned to them in the Stipulation and Agreement of Settlement, dated August 11, 2022.

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NOTICE OF SALE

NOTICE OF SALE
PLEASE TAKE NOTICE, that in accordance with applicable provisions of the Uniform Commercial Code as enacted in New York, by virtue of certain Events of Default under those certain Pledge and Security Agreements dated as of September 8, 2017 (the "Pledge Agreements"), executed and delivered by FPG CH Holding Mezz LLC (the "Pledgor") and by virtue of those certain UCC-1 Filing Statements made in favor of Pacific Hides 2 LLC ("Secured Party") in accordance with Article 9 of the Uniform Commercial Code of the State of New York, Secured Party will offer for sale, at public auction, all of Pledgor's right, title, and interest in and to: (i) 100% of the limited liability membership interest in (i) FPG CH 350 Hides, LLC and (ii) FPG CH 91 Pacific, LLC (collectively, the "Pledged Entity"), and (ii) certain related rights and property relating thereto collectively, (i) and (ii) are the "Collateral". Secured Party's understanding is that the principal asset of the Pledged Entity is that certain fee interest in real property commonly known as 91-95 Pacific Street a/k/a 355 Hides Street, Brooklyn, NY 11201 ("Pacific Property") and 350-352 Hides Street, Brooklyn, NY 11201 ("Hides Property"), and together with Pacific Property, collectively, the "Property".
Mannion Auctions, LLC ("Mannion"), under the direction of Matthew D. Mannion, licensed auctioneer (DCA #1434494) (the "Auctioneer"), will conduct a public sale consisting of the Collateral (as set forth in Schedule A below), via online bidding, on September 29, 2022 at 11:00am, in satisfaction of an indebtedness in the approximate amount of \$47,007,462.62, including principal, interest on principal, and reasonable fees and costs, plus default interest through September 29, 2022, subject to open charges and all additional costs, fees and disbursements permitted by law. The Secured Party reserves the right to credit bid.
Online bidding will be made available via Cisco WebEx Remote Meeting, Meeting link: <https://bit.ly/FPGLMezz> Access Code: 258 372 6563. Password: MezzUCC (6399822 from phones and video systems), Call-in number 1-415-655-0001.
The Collateral will be sold to the highest qualified bidder; provided, however, that Secured Party reserves the right to cancel the sale in its entirety, or to adjourn the sale to a future date. Interested parties who intend to bid on the Collateral must contact Secured Party's counsel, Jerold C. Feuerstein, Esq., at Kris & Feuerstein LLP, 360 Lexington Avenue, New York, New York 10158, (212) 661-2900, jfeuerstein@kandfllp.com to receive the Terms and Conditions of Sale and bidding instructions by September 23, 2022 by 4:00pm. Upon execution of a standard confidentiality and non-disclosure agreement, additional documentation and information will be available. Interested parties who do not contact the Secured Party's counsel and qualify prior to the sale will not be permitted to enter a bid.

SCHEDULE A
Pledged Interest
PLEDGOR: FPG CH Holding Mezz LLC, a Delaware limited liability company
ISSUER: FPG CH 91 Pacific, LLC, a Delaware limited liability company
INTERESTS PLEDGED: 100% membership interest
The UCC1 was filed on September 8, 2017, with the Delaware Department of State under the Filing No. #20175978405.
Pledged Interest
PLEDGOR: FPG CH Holding Mezz LLC, a Delaware limited liability company
ISSUER: FPG CH 350 Hides, LLC, a Delaware limited liability company
INTERESTS PLEDGED: 100% membership interest
The UCC1 was filed on September 8, 2017, with the Delaware Department of State under the Filing No. #20175978207.
KRIS & FEUERSTEIN LLP, Attn: Jerold C. Feuerstein, Esq., Attorneys for Secured Party
360 Lexington Avenue, Suite 1200, New York, New York 10017, (212) 661-2900

Chicago Crime Worries McDonald's Executive

By HEATHER HADDON

McDonald's Corp. Chief Executive Officer Chris Kempczinski said the burger giant is grappling with violent crime, homelessness and drug overdoses in its Chicago restaurants, and called on city and business leaders to find ways to address the problems.

Crime is having a corrosive effect on Chicago, where McDonald's is working to bring corporate employees back to its headquarters after the Covid-19 pandemic, Mr. Kempczinski said during a keynote speech Wednesday at the Economic Club of Chicago. The company is trying to convince employees that it is safe to return downtown and ride public transportation again, he said.

"Everywhere I go, I'm confronted by the same question. 'What's going on in Chicago?'" Mr. Kempczinski said. "There is a general sense out there that our city is in crisis."

A spokesman for Chicago

Mayor Lori Lightfoot had no immediate comment.

Mr. Kempczinski said McDonald's intends to stay in Chicago, and the company announced Wednesday that it will create a new innovation center next to its city headquarters. Ms. Lightfoot praised the move, saying it will help draw more visitors to the city.

McDonald's estimated that it had a total economic impact of roughly \$2 billion on the economy of Cook County in the 12 months ended June 30.

Other U.S. restaurants and retailers have described violent crime in their stores as a growing problem in the wake of the pandemic. Starbucks Corp. in July said it would close 16 U.S. cafes after workers reported incidents related to drug use and other disruptions in cafes, and the company said it would consider further closures in response to employee concerns.

Boeing Co. said in May that it is moving its headquarters from Chicago to Washington.



Yvon Chouinard is a world-class mountain climber.

Founder Gives Away Patagonia

Continued from page B1

"It's been nearly 50 years since we began our experiment in responsible business, and we are just getting started," said Mr. Chouinard, a world-class mountain climber who started importing rugby shirts and other apparel in the 1970s for his friends to wear.

"If we have any hope of a thriving planet—much less a thriving business—50 years from now, it is going to take all of us doing what we can with the resources we have. This is another way we've found to do our part."

Patagonia, based in Ventura, Calif., didn't respond to a request for comment.

The company made a name for itself selling fleece jackets,

board shorts and plaid shirts. The fleece vests in particular have developed a cult following from people who work in finance, while the company's environmental- and social-conscious practices have earned dedicated buyers in other consumer spheres.

Patagonia will remain a for-profit business under the new arrangement and will continue to be run by Chief Executive Ryan Gellert, Mr. Chouinard said. The company made a name for itself selling fleece jackets, board shorts and plaid shirts. The fleece vests in particular have developed a cult following from people who work in finance, while the company's environmental- and social-conscious practices have earned dedicated buyers in other consumer spheres.

The trust, called the Patagonia Purpose Trust, owns 2% of the company and all of the voting stock. It will be tasked with protecting Patagonia's existing values and independence, Mr. Chouinard said.

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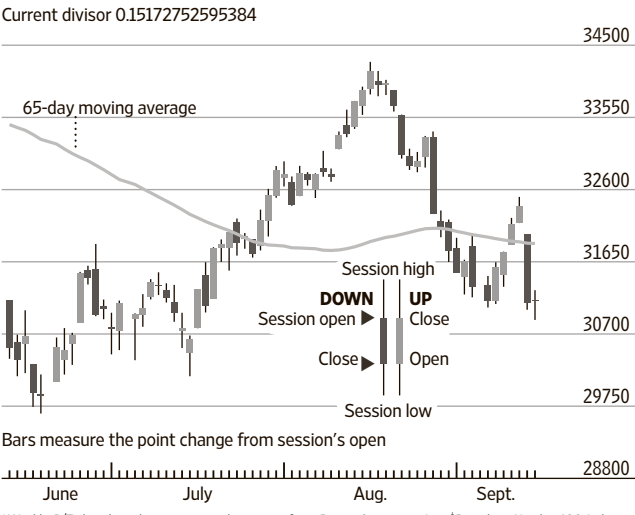
High, low, open and close for each trading day of the past three months.

Trailing P/E ratio18.3323.66

P/E estimate*17.0418.94

Dividend yield2.281.83

All-time high36799.65, 01/04/22



S&P 500 Index

3946.01▲13.32, or 0.34%

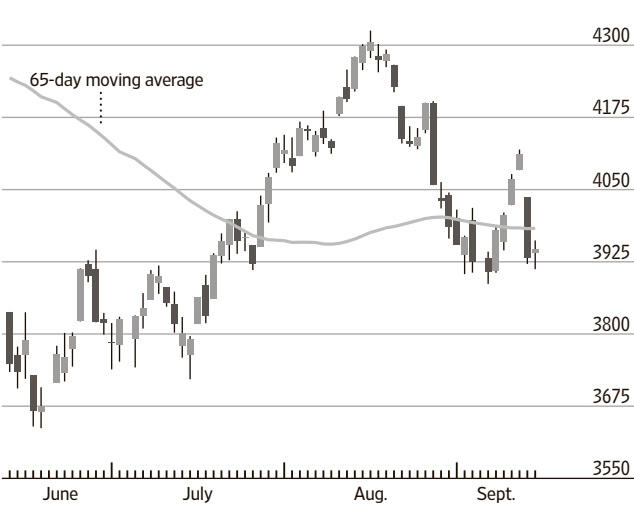
High, low, open and close for each trading day of the past three months.

Trailing P/E ratio*21.8031.41

P/E estimate*17.6322.10

Dividend yield*1.661.31

All-time high4796.56, 01/03/22



Nasdaq Composite Index

11719.68▲86.10, or 0.74%

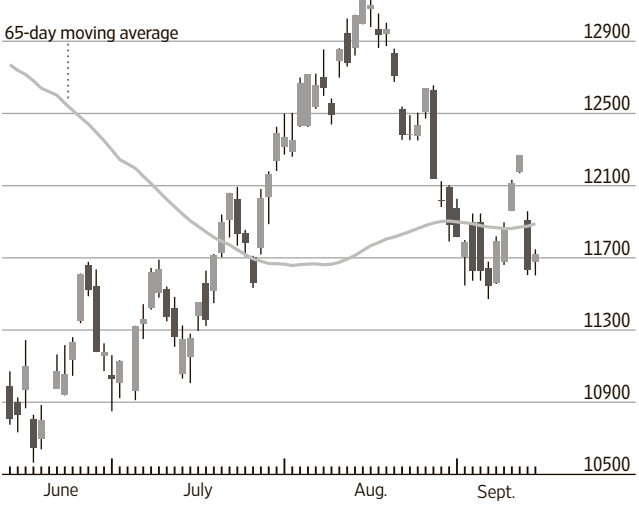
High, low, open and close for each trading day of the past three months.

Trailing P/E ratio**25.3236.35

P/E estimate**22.6529.17

Dividend yield**0.900.66

All-time high: 16057.44, 11/19/21



Major U.S. Stock-Market Indexes

	High	Low	Latest Close	Net chg	% chg	High	52-Week Low	% chg	YTD	% chg 3-yr. ann.
Dow Jones										
Industrial Average	31276.82	30885.02	31135.09	30.12	0.10	36799.65	29888.78	-10.6	-14.3	4.6
Transportation Avg	13696.71	13392.67	13655.74	-56.60	-0.41	17039.38	12868.60	-5.3	-17.1	8.1
Utility Average	1048.19	1032.72	1041.56	9.09	0.88	1071.75	869.74	12.6	6.2	7.1
Total Stock Market	39946.74	39468.15	39811.85	133.79	0.34	48929.18	36759.60	-14.2	-18.1	8.9
Barron's 400	915.94	903.72	912.31	2.55	0.28	1127.20	852.16	-11.0	-17.5	9.5
Nasdaq Stock Market										
Nasdaq Composite	11746.83	11602.76	11719.68	86.10	0.74	16057.44	10646.10	-22.7	-25.1	12.7
Nasdaq-100	12170.25	12016.43	12134.40	100.78	0.84	16573.34	11127.57	-21.7	-25.6	15.4
S&P										
500 Index	3961.94	3912.18	3946.01	13.32	0.34	4796.56	3666.77	-11.9	-17.2	9.5
MidCap 400	2433.79	2402.18	2427.54	-1.72	-0.07	2910.70	2200.75	-10.1	-14.6	7.3
SmallCap 600	1164.56	1149.89	1161.99	-0.23	-0.02	1466.02	1087.48	-12.9	-17.1	6.0
Other Indexes										
Russell 2000	1840.59	1817.52	1838.46	6.89	0.38	2442.74	1649.84	-17.7	-18.1	5.2
NYSE Composite	14898.76	14733.57	14843.21	22.42	0.15	17353.76	14097.05	-10.7	-13.5	4.2
Value Line	548.68	541.95	547.14	-0.10	-0.02	696.40	510.18	-16.9	-18.6	0.8
NYSE Arca Biotech	4783.14	4717.39	4762.88	18.27	0.39	5983.77	4208.43	-19.2	-13.7	2.4
NYSE Arca Pharma	770.55	762.35	766.15	1.78	0.23	887.27	732.23	1.9	-7.4	9.7
KBW Bank	107.59	104.87	106.26	-0.53	-0.50	147.56	98.36	-16.3	-19.6	1.4
PHLX ^S Gold/Silver	103.85	101.97	102.26	-0.12	-0.12	167.76	94.71	-22.1	-22.8	4.5
PHLX ^S Oil Service	71.32	69.35	70.93	2.28	3.32	88.37	49.14	28.1	34.5	-0.4
PHLX ^S Semiconductor	2607.39	2554.00	2591.51	29.24	1.14	4039.51	2458.46	-25.2	-34.3	17.3
Cboe Volatility	27.56	26.16	26.16	-1.11	-4.07	36.45	15.01	43.9	51.9	23.9

§Nasdaq PHLX

Sources: FactSet; Dow Jones Market Data

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services, securities dealers and regional exchanges. Minimum share price of \$2 and minimum after-hours volume of 50,000 shares.

Most-active issues in late trading

Company	Symbol	Volume (000)	Last	Net chg	After-Hours % chg	High	Low
SPDR S&P 500	SPY	10,016.0	395.62	1.02	0.26	407.24	393.78
Cisco Systems	CSCO	7,155.2	44.00	0.04	0.09	44.13	43.83
Newmont	NEM	3,274.2	43.44	0.51	1.188	43.95	42.93
NortonLifeLock	NLOK	3,044.9	21.53	...	unch.	21.53	21.25
Apple	AAPL	2,891.2	155.75	0.44	0.28	161.45	145.91
Invesco QQQ Trust I	QQQ	2,736.0	296.85	0.82	0.28	313.46	279.37
Intel	INTC	2,699.2	29.25	0.07	0.24	29.25	29.18
Host Hotels Resorts	HST	2,368.0	18.32	...	unch.	18.33	18.32
Percentage gainers...							
Velo3D	VLD	111.0	5.24	0.48	10.08	5.35	4.71
Delwinds Ins Acqn CIA	DWIN	1,760.7	8.50	0.69	8.83	10.13	7.78
iSh Paris Climt MSCI USA	PABU	1,500.0	45.88	2.23	5.10	45.88	45.88
Brucker Corp	BRKR	87.3	57.20	2.72	4.99	57.20	52.90
Yellow	YELL	61.3	6.81	0.32	4.93	6.92	6.33
...And losers							
AMTD Digital ADR	HKD	60.3	146.89	-42.53	-22.45	197.76	141.66
IDEAYA Biosciences	IDYA	54.5	10.90	-1.61	-12.87	12.51	10.55
Rhythm Pharmaceuticals	RYTM	165.8	27.31	-3.54	-11.47	30.85	25.26
Shift4 Payments	FOUR	78.0	46.46	-2.29	-4.70	49.10	46.46
NextEra Energy	NEE	1,570.7	85.20	-3.68	-4.14	89.53	84.69

Trading Diary

	NYSE	NYSE Amer.
Total volume*	994,354,355	15,995,982
Adv. volume*	499,874,090	9,703,411
Decl. volume*	476,970,840	5,733,962
Issues traded	3,367	285
Advances	1,662	118
Declines	1,526	157
Unchanged	179	10
New highs	33	2
New lows	183	15
Closing Arms¹	0.98	0.37
Block trades²	4,080	203
NYSE Nasdaq NYSE Arca		
Total volume*	4,861,534,597	245,592,604
Adv. volume*	3,022,977,878	170,538,338
Decl. volume*	1,745,192,946	72,432,099
Issues traded	4,878	1,710
Advances	2,217	1,083
Declines	2,348	593
Unchanged	313	34
New highs	38	2
New lows	271	41
Closing Arms¹	0.55	0.97
Block trades²	30,403	1,054

*Primary market NYSE, NYSE American, NYSE Arca only.
¹(TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling. An Arms of less than 1 indicates buying demand; above 1 indicates selling pressure.

International Stock Indexes

Region/Country	Index	Close	Net chg	Latest % chg	YTD % chg
World					
	MSCI ACWI	608.93	-1.56	-0.26	-19.3
	MSCI ACWI ex-USA	270.99	-3.43	-1.25	-21.3
	MSCI World	2617.84	-1.66	-0.06	-19.0
	MSCI Emerging Markets	962.55	-17.36	-1.77	-21.9
Americas					
	MSCI AC Americas	1507.08	5.17	0.34	-17.5
Canada	S&P/TSX Comp	19726.14	80.74	0.41	-7.1
Latin Amer.	MSCI EM Latin America	2171.81	-5.63	-0.26	2.0
Brazil	BOVESPA	110546.67	-247.29	-0.22	5.5
Chile	S&P IPSA	3444.59	17.61	0.51	22.8
Mexico	S&P/BMV IPC	46745.15	-294.59	-0.63	-12.3
EMEA					
	STOXX Europe 600	417.51	-3.62	-0.86	-14.4
Eurozone	Euro STOXX	393.98	-2.60	-0.66	-17.7
Belgium	Bel-20	3606.40	-33.18	-0.91	-16.3
Denmark	OMX Copenhagen 20	1665.46	-10.70	-0.64	-10.7
France	CAC 40	6222.41	-23.28	-0.37	-13.0
Germany	DAX	13028.00	-160.95	-1.22	-18.0
Israel	Tel Aviv	1961.18	-30.37	-1.52	-0.9
Italy	FTSE MIB	22413.46	109.60	0.49	-18.0
Netherlands	AEX	680.86	-3.37	-0.49	-14.7
Russia	RTS Index	1282.80	-1.30	-0.10	-19.6
South Africa	FTSE/JSE All-Share	67964.02	-309.69	-0.45	-7.8
Spain	IBEX 35	8055.60	-8.40	-0.10	-7.6
Sweden	OMX Stockholm	755.90	-9.74	-1.27	-27.1
Switzerland	Swiss Market	10754.40	-137.14	-1.26	-16.5
Turkey	BIST 100	3446.96	20.08	0.59	85.6
U.K.	FTSE 100	7277.30	-108.56	-1.47	-1.5
U.K.	FTSE 250	18849.20	-318.01	-1.66	-19.7
Asia-Pacific					
	MSCI AC Asia Pacific	152.56	-2.78	-1.79	-21.0
Australia	S&P/ASX 200	6828.60	-181.09	-2.58	-8.3
China	Shanghai Composite	3237.54	-26.26	-0.80	-11.1
Hong Kong	Hang Seng	18847.10	-479.76	-2.48	-19.4
India	S&P BSE Sensex	60346.97	-224.12	-0.37	3.6
Japan	NIKKEI 225	27818.62	-796.01	-2.78	-3.4
Singapore	Straits Times	3258.02	-32.06	-0.97	4.3
South Korea	KOSPI	2411.42	-38.12	-1.56	-19.0
Taiwan	TAIEX	14658.31	-236.10	-1.59	-19.5
Thailand	SET	1656.58	-4.51	-0.27	-0.1

Sources: FactSet; Dow Jones Market Data

Percentage Gainers...

Company	Symbol	Close	Net chg	% chg	Latest Session % chg	52-Week High	52-Week Low	% chg
AMTD Digital ADR	HKD	189.42	143.42	311.78	2555.30	12.05	...	145.2
Rhythm Pharmaceuticals	RYTM	30.85	6.05	24.40	30.98	3.04	...	145.2
ZeroFox Holdings	ZFOX	5.85	1.09	22.90	15.73	3.26	...	-41.3
InnovAge Holding	INN	4.94	0.89	21.98	14.66	3.39	...	-64.6
Magic Empire Global	MEGL	6.27	1.11	21.51	249.94	4.83
Fusion Pharmaceuticals	FUSN	3.56	0.62	21.09	9.24	1.99	...	-61.3
NACCO Industries CIA	NC	53.27	9.22	20.93	63.19	25.01	...	108.6
Evolution Petroleum	EP	8.11	1.32	19.44	8.27	4.41	...	65.2
Melhua Intl Medical Techs	MHUA	5.25	0.85	19.32	14.80	2.60
D-Wave Quantum	QDTS	7.80	1.20	18.18	13.23	5.40	...	-20.1
Lixiang Education ADR	LXEH	3.54	0.53	17.61	10.20	1.82	...	-56.7
bioAffinity Technologies	BIAT	4.86	0.72	17.39	15.55	4.06
Addentax Group	ATXG	4.78	0.70	17.16	656.54	3.81	...	-36.3
Golden Path Acquisition	GPAC	10.05	1.36	15.65	11.25	6.45	...	1.5
ProSh Ult Bbg Nat Gas	BOIL	99.47	13.40	15.57	140.50	23.68	...	31.6

Most Active Stocks

Company	Symbol	Volume (000)	%chg from 65-day avg	Latest Session Close	% chg	52-Week High	52-Week Low
Akerna	KERN	290,625	2508.0	0.17	26.92	3.88	0.11
ProShares UltraPro QQQ	TQQQ	153,238	-4.6	26.42	2.24	91.68	21.32
ProSh UltraPro Shrt QQQ	SOQQ	144,289	22.1	45.84	-2.39	67.69	28.15
SciSparc	SPRC	91,409	5251.1	0.97	23.89	8.15	0.00
Timber Pharmaceuticals	TMBR	89,346	703.0	0.14	13.41	0.95	0.09
Apple	AAPL	87,730	16.3	155.31	0.96	182.94	129.04
SPDR S&P 500	SPY	82,490	7.0	394.60	0.38	479.98	362.17
AMTD IDEA Group ADR	AMTD	77,476	584.1	1.95	50.00	12.90	1.01
Tesla	TSLA	72,279	-11.0	302.61	3.59	414.50	206.86
Advanced Micro Devices	AMD	71,318	-14.0	77.45	0.55	164.46	71.60

* Volumes of 100,000 shares or more are rounded to the nearest thousand

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Percentage Losers

Company	Symbol	Latest Session			52-Week		
		Close	Net chg	% chg	High	Low	% chg
NeuroBo Pharmaceuticals	NRBO	16.86	-13.04	-43.61	128.68	7.40	-85.4
Vintage Wine Estates	VWE	3.30	-2.23	-40.33	12.38	3.05	-70.8
Aditxt	ADTX	11.43	-7.07	-38.22	136.00	6.21	-85.8
Infobird	IFBD	1.53	-0.94	-38.06	14.00	1.50	-88.2
Kaspien Holdings	KSPN	2.07	-0.79	-27.62	21.00	1.82	-89.2
Altimmune	ALT	14.87	-5.51	-27.04	23.49	3.83	-10.0
Comera Life Sciences	CMRA	2.84	-1.02	-26.42	15.30	1.11	-71.6
ShiftPixy	PIXY	19.56	-6.32	-24.42	203.00	11.06	-84.6
Yoshiharu Global	YOSH	2.46	-0.76	-23.60	6.50	2.45	...
Soluna Holdings	SLNH	2.05	-0.61	-22.93	17.08	2.05	-76.9
MOGU ADR	MOGU	2.16	-0.46	-17.56	13.92	1.41	-81.9
ProSh UltSh Bbg Nat Gas	KOLD	10.16	-2.06	-16.86	275.00	9.06	-84.9
Armata Pharmaceuticals	ARMP	3.12	-0.50	-13.81	6.49	2.82	-20.0
DecisionPoint Systems	DPSI	4.73	-0.75	-13.69	14.22	3.10	-39.1
PepGen	PEPG	7.68	-1.14	-12.93	16.99	7.45	...

Futures Contracts

Metal & Petroleum Futures						
	Open	Contract High hi lo	Low	Settle	Chg	Open interest
Copper-High (CMX) -25,000 lbs.; \$ per lb.						
Sept	3.5575	3.5720	3.5270	3.5455	-0.0355	2,170
Dec	3.5315	3.5575	3.5015	3.5195	-0.0360	106,075
Gold (CMX) -100 troy oz.; \$ per troy oz.						
Sept	1698.70	1701.80	1697.80	1696.50	-8.50	793
Oct	1702.50	1706.80	1695.80	1698.20	-8.90	43,145
Nov	1704.00	1709.70	1702.80	1703.20	-8.80	189
Dec	1711.60	1717.30	1706.20	1709.10	-8.30	375,233
Feb'23	1724.20	1730.00	1720.60	1722.60	-7.70	31,294
April	1737.00	1742.30	1734.60	1735.90	-7.20	5,742
Palladium (NYM) -50 troy oz.; \$ per troy oz.						
Sept				2158.30	62.60	12
Dec	2099.00	2177.50	2069.50	2172.70	61.60	5,944
Platinum (NYM) -50 troy oz.; \$ per troy oz.						
Sept				904.50	21.70	
Oct	875.90	911.10	873.40	905.40	21.70	38,980
Silver (CMX) -5,000 troy oz.; \$ per troy oz.						
Sept	19.185	19.530	19.185	19.471	0.081	182
Dec	19.130	19.685	19.215	19.569	0.078	121,126
Crude Oil, Light Sweet (NYM) -1,000 bbls.; \$ per bbl.						
Oct	87.94	90.19	86.18	88.48	1.17	107,650
Nov	87.24	89.63	85.75	88.05	1.16	210,070
Dec	86.75	88.83	85.10	87.36	1.11	232,992
Jan'23	85.77	87.80	84.39	86.50	1.00	73,047
June	82.27	83.50	81.04	82.41	0.38	119,688
Dec	78.64	79.73	77.65	78.68	0.17	148,715
NY Harbor ULSD (NYM) -42,000 gal.; \$ per gal.						
Oct	3.5529	3.5558	3.5256	3.3789	-1.624	61,266
Nov	3.4992	3.5055	3.2900	3.3384	-1.540	50,846
Gasoline-NY ROBO (NYM) -42,000 gal.; \$ per gal.						
Oct	2.4960	2.5645	2.4354	2.5245	0.441	57,767
Nov	2.4491	2.5158	2.3882	2.4783	0.413	69,476
Natural Gas (NYM) -10,000 MMBtu.; \$ per MMBtu.						
Oct	8.391	9.238	8.325	9.114	.830	80,459
Nov	8.414	9.292	8.376	9.167	.833	137,855
Jan'23	8.680	9.506	8.590	9.407	.834	87,700
March	7.240	7.936	7.175	7.850	.688	72,130
April	5.584	5.991	5.584	5.954	.360	76,151
May	5.426	5.804	5.426	5.779	.341	79,291

Agriculture Futures						
	Open	Contract High hi lo	Low	Settle	Chg	Open interest
Corn (CBT) -5,000 bu.; cents per bu.						
Sept				709.00	...	88
Dec	690.75	692.75	681.50	682.25	-10.50	740,297
Oats (CBT) -5,000 bu.; cents per bu.						
Sept				416.25	-.25	1
Dec	400.75	408.50	395.50	398.50	-3.50	3,205
Soybeans (CBT) -5,000 bu.; cents per bu.						
Sept	1503.75	1506.25	1503.75	1503.75	-30.50	520
Nov	1475.00	1489.50	1453.50	1455.00	-23.75	323,587
Soybean Meal (CBT) -100 tons; \$ per ton.						
Sept	464.80	464.80	464.80	461.30	-.80	80
Dec	423.60	428.70	420.20	423.10	-.70	189,076
Soybean Oil (CBT) -60,000 lbs.; cents per lb.						
Sept	70.74	70.79	68.50	68.51	-3.45	21
Dec	66.85	67.30	64.80	64.87	-1.86	143,498
Rough Rice (CBT) -2,000 cwt.; \$ per cwt.						
Sept				17.55	.03	6
Nov	17.79	17.89	17.67	17.80	.02	8,188
Wheat (CBT) -5,000 bu.; cents per bu.						
Sept				853.75	11.00	30
Dec	862.50	874.75	849.25	872.25	11.75	159,645
Wheat (KC) -5,000 bu.; cents per bu.						
Sept	954.00	963.50	954.00	961.50	17.50	3
Dec	933.75	951.75	928.75	947.00	13.25	91,048
Cattle-Feeder (CME) -50,000 lbs.; cents per lb.						
Sept	179.450	180.475	178.800	179.975	.525	2,604
Oct	180.900	181.900	179.800	181.425	.900	14,077
Cattle-Live (CME) -40,000 lbs.; cents per lb.						
Oct	145.025	145.125	144.275	144.350	-.450	84,935
Dec	150.600	150.725	149.875	150.050	-.480	98,134
Hogs-Lean (CME) -40,000 lbs.; cents per lb.						
Oct	95.450	96.000	94.600	94.700	-1.050	42,960
Dec	85.450	86.475	85.225	85.300	-.400	80,303
Lumber (CME) -110,000 bd. ft. \$ per 1,000 bd. ft.						
Sept	549.70	549.70	511.00	511.00	-49.00	32
Nov	555.00	555.00	515.40	525.70	-29.90	1,879
Milk (CME) -200,000 lbs.; cents per lb.						
Sept	19.93	19.94	19.75	19.91	-.02	4,645
Oct	21.34	21.82	21.33	21.61	...	5,769
Cocoa (ICE-US) -10 metric tons; \$ per ton.						
Sept	2,394	2,394	2,347	2,347	-3	12
Dec	2,350	2,359	2,300	2,312	-38	148,407
Coffee (ICE-US) -37,500 lbs.; cents per lb.						
Sept	225.85	225.85	215.75	217.60	-6.35	124
Dec	221.45	222.40	214.05	214.85	-5.85	101,238
Sugar-World (ICE-US) -112,000 lbs.; cents per lb.						
Oct	18.40	18.55	18.24	18.27	-1.11	153,794

Macro & Market Economics

Watching the Gauges: U.S. Supply and Demand

Inventories, imports and demand for the week ended September 9. Current figures are in thousands of barrels or thousands of gallons per day, except natural-gas figures, which are in billions of cubic feet. Natural-gas import and demand data are available monthly only.

Inventories, 000s barrels						
	Current	Expected change	Previous week	Year ago	4-week avg	5-year avg
Crude oil and petroleum prod	1,230,619	...	1,225	1,225	1,221	1,295
Crude oil						
excluding SPR	429,633	1,000	427	417	424	439
Gasoline	213,040	...	215	218	214	226
Finished gasoline	18,163	-600	19	17	18	23
Reformulated	28	...	0	0	0	0
Conventional	18,135	...	19	17	18	23
Blend. components	194,877	...	196	201	196	204
Natural gas (bcf)	2,694	...	3	3	3	3
Kerosene-type						
jet fuel	39,201	...	39	42	39	43
Distillates	116,020	100	112	132	113	143
Heating oil	7,455	...	7	8	8	10
Diesel	108,565	...	104	123	105	67
Residual fuel oil	28,323	...	27	30	28	32
Other oils	303,682	...	308	294	306	308
Net crude, petroleum products, incl. SPR						
	1,664,676	...	1,668	1,845	1,666	1,943

Imports, 000s barrels per day						
	Current	Expected change	Previous week	Year ago	4-week avg	5-year avg
	7,416	...	9,116	7,759	8,219	9,072
	5,792	...	6,779	5,761	6,175	6,648
	522	...	1,031	638	688	852
	21	...	103	71	59	106
	0	...	0	0	0	0
	21	...	103	71	59	106
	501	...	928	568	629	746

	117	...	24	259	87	206
	125	...	172	164	170	124
	0	...	0	0	0	3
	125	...	172	164	170	121
	181	...	180	175	151	205
	612	...	809	688	846	899
	-2,400	...	-686	642	-1,940	1,650

Weekly Demand, 000s barrels per day

	Current	Expected change	Previous week	Year ago	4-week avg	5-year avg
Total petroleum product	19,313	...	19,892	19,911	19,654	20,375
Finished						
motor gasoline	8,494	...	8,727	8,892	8,562	9,053
Kerosene-type						
jet fuel	1,486	...	1,432	1,376	1,586	1,482
Distillates	3,132	...	3,624	3,795	3,553	4,063
Residual fuel oil	279	...	531	166	340	299
Propane/propylene	515	...	1,070	888	749	...
Other oils	5,406	...	4,508	4,794	4,865	...

Note: Expected changes are provided by Dow Jones Newswires' survey of analysts. Previous and average inventory data are in millions. Sources: FactSet; Dow Jones Market Data; U.S. Energy Information Administration; Dow Jones Newswires

Exchange-Traded Portfolios | WSJ.com/ETFresearch

Largest 100 exchange-traded funds, latest session									
Wednesday, September 14, 2022									
ETF	Symbol	Closing Price	Chg (%)	YTD (%)	ETF	Symbol	Closing Price	Chg (%)	YTD (%)
CnsmrDiscSelSector	XLY	160.04	1.28	-21.7	iShMSCIAFEValue	EFV	42.34	0.45	-16.0
CnsmStapleSelSector	XLP	71.76	-0.04	-6.9	iShNatMuniBd	MUB	104.91	-0.18	-9.8
DiversUSCoreEq2	DFAC	24.46	0.20	-15.6	iShL-5YIGCorpBd	IGSB	50.10	0.02	-7.0
EnSelSectorSPDR	XLE	82.27	2.82	-48.2	iShPfdIncm	PFF	33.01	0.30	-16.3
FinSelSectorSPDR	XLF	33.25	-0.30	-14.9	iShRussell1000Gwth	IWF	232.82	0.56	-23.8
HealthCareSelSector	XLI	127.10	0.06	-9.8	iShRussell1000Val	IWD	150.46	0.16	-10.4
iShIndSectorSPDR	XLU	92.07	-0.20	-13.0	iShRussell2000	IWM	182.96	0.39	-17.8
InvsQQQ	QQQ	296.03	0.79	-25.6	iShRussellMid-Cap	IWR	69.30	0.06	-16.5
Invs&SP500EW	RSP	141.27	-0.01	-13.2	iShRussellMktValue	IWS	107.55	-0.12	-12.1
iShO-5YTPBd	STIP	98.65	0.06	-6.8	iShRussell1000	IWB	218.34	0.38	-17.4
iShCoreDivGrowth	DGRO	48.75	0.10	-12.3	iShSP500Growth	IVG	64.04	0.49	-23.5
iShCoreMSCIAFE	IEFA	57.88	0.35	-22.5	iShSP500Value	IVE	50.16	0.22	-9.5
iShCoreMSCIEM	IEUS	47.50	0.66	-20.6	iShShortTreaBd	SHV	109.92	-0.05	-0.5
iShCoreMSCITotInt	IKUS	56.07	0.48	-21.0	iShTIPSBondETF	TIP	110.72	0.25	-14.3
iShCoreSP500	SPY	396.65	0.38	-16.8	iSh1-3YTreasuryBd	SHY	81.72	-0.09	-4.5
iShCoreSP6MC	UR	242.99	0.02	-14.2	iSh7-10YTreasuryBd	IEF	98.94	0.05	-14.0
iShCoreSP6MC SC	LH	95.44	0.04	-16.7	iSh20+YTreasuryBd	TLT	108.04	0.34	-27.1
iShCoreSP&TotUS	ITOT	88.06	0.39	-17.7	iShUS+YTreasuryBd	GOVT	23.25	-0.02	-12.8
iShCoreTotalUSDBd	IUSB	45.85	0.15	-13.4	iShUSShincom	SHSI	71.76	0.08	-11.2
iShCoreTotalAGgBd	AGG	99.20	0.13	-13.0	SPDRBlm1-3MTB	BLD			
iShSelDividend	DVY	129.39	0.03	-1.8	SPDR Gold	GLD	157.97	-0.38	-7.4
iShESGAdvUSA	ESGU	87.00	0.35	-18.5	SPDR S&P500 Value	SPYV	37.92	0.26	-9.4
iShEdgeMSCIMinUSA	USMV	71.61	-	-11.5	SPDRPFTSP500	SPPLG	46.40	0.35	-16.9
iShEdgeMSCIUSAQW	QUAL	115.08	0.11	-20.9	SPDRPFTS&P500Growth	SPPLG	55.46	0.47	-23.5
iShEdgeMSCIUSAGBL	USBL	32.19	-0.37	-7.5	SchwabIntlEquity	SCFCH	30.93	0.45	-20.4
iShEdgeMSCIUSGrpBd	LQD	107.87	0.48	-18.1	SchwabUS BrdMkt	SCCH	46.45	0.37	-17.8
iShJPMUSD5YlnvGrpBd	EMB	84.77	-0.07	-22.3	SchwabUS Div	SCDH	71.76	0.08	-11.1
iShMBSETF	MBB	94.82	0.23	-11.7	SchwabUSDC	SCDZ	42.20	0.08	-14.0
iShMSCIACWI	ACWI	85.64	0.40	-19.0	Schwab US TIPS	SCHP	54.65	0.26	-13.3
iShMSCIEAFE	EFA	61.31	0.33	-22.1	SPDR DJIA Tr	DIA	314.06	0.11	-14.4
iShMSCIEmgMarkets	EEM	38.55	0.50	-21.1	SPDR S&P Mid-Cap	MDY	44.02	0.02	-14.2

China Evergrande's Soccer Empire Runs Into Trouble

By WENXIN FAN

China Evergrande Group's property empire, built with billions of dollars in borrowed money, has had a comedown. The company's soccer empire, which Evergrande used to burnish its brand, is going through one, too.

The struggling developer's professional team in its hometown of Guangzhou, an eight-time national champion, is struggling through a losing season and risks being downgraded from China's top league. Its marquee project to build what would have been the world's largest soccer stadium has been canceled to raise funds for debt relief.

Now an Evergrande-sponsored youth team is under investigation for allegedly throwing a provincial championship match, in which it represented its host city, Qingyuan. The under-15 players from Evergrande Football School—ranked by Guinness World Records as the biggest boarding academy for training soccer players—gave up four goals in the last 20 minutes to blow a 3-1 lead. Fans cried foul, many pitying the teenage players caught in what they saw as a fix.

"The kids didn't even know how to pretend," said a user of Chinese microblog platform Weibo in response to a video clip of the match.

The resulting social-media storm triggered an investigation by Chinese soccer's governing body. The Communist Party's disciplinary inspection commission—the authority that has carried out President Xi Jinping's anticorruption campaign—also has stepped in to investigate.

The commission didn't respond to a request for comment but said previously it would chase down the truth. The Chinese Football Association declined to comment. When it revealed the investigation, it said that the performance of both teams had set off widespread suspicion and that it would seriously punish any violation of fair play.

Evergrande and its soccer



Students take part in a training session at Evergrande soccer academy in Qingyuan, China.

school didn't respond to requests to comment. Sports authorities in Qingyuan city declined to comment.

The distressed fans and official scrutiny highlight the political sensitivity of elite soccer in China and the role of the country's property developers in funding its development. Evergrande in its prime lavished millions of dollars on the sport, an investment that brought the company fame and connections. It has now become a source of disappointment and headaches.

Evergrande's two-decade property-building boom produced enough apartments across the country to provide homes for millions of Chinese. But the weight of its accumulated debt became unsustainable after the government cracked down on excessive borrowing. Projects stopped, apartments were left unfinished, Evergrande defaulted on its dollar bonds and Hong Kong's accounting regulator opened an inquiry into the company's financial reporting.

One high-profile casualty of the meltdown was Evergrande's project to build a lotus-flower-shaped soccer sta-

dium in Guangzhou that once was slated to be the world's largest. The project is being canceled. Evergrande will use refunds worth more than \$800 million to help pay off its debts.

Evergrande bought Guangzhou's professional soccer team in 2010, pumping it up over the next decade to become Asia's best by signing players from South America and Europe in a spending spree. In 2019 alone, the club paid the equivalent of \$25 million to secure three Brazilian players.

The company used its position in soccer to promote its brand. The investment also aligned with the interests of the game's most powerful fan, Mr. Xi, whose blueprint for turning China into a world power included becoming dominant in soccer.

"Evergrande was an obscure brand, until its soccer club won titles and made it a household name," said Zhang Peipei, a popular soccer blogger.

Property developers have been the primary sponsors of the China soccer clubs and formed close connections with

government leaders. More than half of the 18 clubs in China's top league are owned by developers, even after some recently backed out of the sport.

In 2013, Evergrande's Guangzhou team became the first Chinese club in more than two decades to win the Asian Champions League title. The Communist Party publication People's Daily celebrated the company on social media for not disappointing Mr. Xi, adding, "In China, where money isn't a problem, expenditures by businesses in the right place can be rewarding."

The year after the win, Alibaba Group Holding Ltd. bought a share of the team for 1.2 billion yuan, about \$173 million at current exchange rates and more than 10 times Evergrande's initial investment. The club paid extravagant fees to recruit new players, even as it registered millions of dollars in losses each year.

Leveraging its success on the field, Evergrande launched at least nine soccer-themed property projects around the country. The company's financial stress has slowed progress at several of them.

Beijing Bank Seeks to Raise \$3.9 Billion

By REBECCA FENG AND DAVE SEBASTIAN

China International Capital Corp., one of the country's biggest investment banks, said it plans to raise billions of dollars to bolster its business as it contends with increasing competition from foreign rivals.

The Beijing-based bank wants to raise as much as \$3.9 billion from a rights issue, an offering of new shares that is aimed at existing shareholders. The domestic investment arm of China's sovereign-wealth fund, which owns around 40% of CICC, intends to subscribe to its portion of the offering.

CICC said in a regulatory filing that China's leading securities companies need to accelerate the pace of internationalization and actively participate in the global market.

China has increasingly allowed major global investment banks including Goldman Sachs Group Inc. and JPMorgan Chase & Co. to expand in its domestic securities market. The country's homegrown financial institutions, at the same time, are

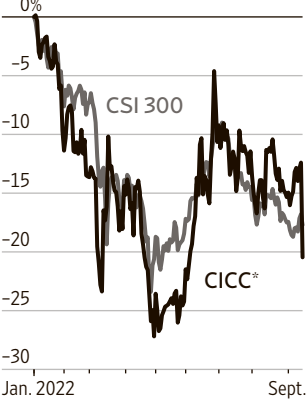
trying to defend their home turf while increasing their international footprint.

CICC's Hong Kong-listed shares fell 8% Wednesday to close at their lowest level in more than two years after the company made its cash call. The company's Shanghai-listed shares dropped 9.2%.

Existing CICC shareholders would be offered the right to buy three shares for every 10 shares they own. The transaction needs shareholder approval, and could be wrapped up by November, the company said.

CICC is likely pursuing a rights offering to boost its capital position after its capital leverage ratio fell sharply to 11.7% at the end of June from 14.4% in the company's 2020 fiscal year, Citigroup analysts said in a research report. "We believe the capital pressure could constrain the company's business expansion, prompting it to replenish capital," they said, adding that the additional funds will also help CICC capture rising demand from clients in businesses such as derivatives and swaps.

Share-price and index performance this year



*Shanghai-listed shares Source: FactSet

vestment bank now counts internet giants Tencent Holdings Ltd. and Alibaba Group Holding Ltd. among its shareholders, and is an active underwriter of many domestic and international listings of Chinese companies. It also provides a full suite of services that include sales and trading, investment research, debt financing, derivatives and wealth management.

CICC reported the equivalent of about \$556 million in net profit for the first half of 2022, down 23% from the same period last year.

One bright spot was the bank's underwriting and sponsoring fees from equity financing, which rose 8.6% for the period to the equivalent of \$245 million. IPOs in mainland China have jumped this year while new listings elsewhere have largely dried up. CICC closed 14 IPOs in mainland China as the lead underwriter in the first half.

The firm said China's securities industry could see falling profits, in part because the sharp selloff in Chinese stocks this year has deterred investors from trading.

Merchants Back Bill to Cut Sway Of 2 Big Cards

By ANNA MARIA ANDRIOTIS

More than 1,600 merchants including Walmart Inc. and Target Corp. are urging U.S. lawmakers to pass legislation that aims to break the hold that Visa Inc. and Mastercard Inc. have over the credit-card market.

The bill, which Sen. Richard Durbin (D., Ill.) and Sen. Roger Marshall (R., Kan.) introduced in July, would give merchants the right to route many credit-card payments over networks other than Visa and Mastercard. In a letter this week to all members of Congress, the merchants said the proposed legislation would increase competition, leading to a reduction in the fees they pay when they accept credit cards.

The merchants said the fees are passed along to consumers in higher prices.

"Swipe fees for credit cards are higher in the United States than anywhere else in the industrialized world—more than seven times as high as Europe," said the merchant group, which includes an assortment of small businesses such as gas stations, restaurants and grocers along with giant chain retailers. "In 2021 alone, U.S. merchants and consumers paid nearly \$138 billion in card fees."

The networks have said card fees help cover costs for things like innovation and preventing fraud. Credit cards can also encourage consumers to buy more, networks say.

Mr. Durbin championed a

similar rule for debit cards more than a decade ago. The Durbin amendment, part of the 2010 Dodd-Frank law, requires banks to enable at least two unaffiliated debit networks on each card.

"The last time we saw a letter like this, retailers were lobbying for the Durbin amendment windfall they did not pass on to consumers, despite testifying that they would," said Jeff Tassey, chairman of the Electronic Payments Coalition, which represents card issuers and networks.

The bill would direct the Federal Reserve to issue regulations that would require large banks that issue credit cards to enable at least one alternate network that isn't affiliated with Visa or Mastercard. The rule would apply on Visa or Mastercard credit cards that are issued by banks with more than \$100 billion in assets.

Most U.S. banks that issue credit cards pair up with one of the two major networks, Visa or Mastercard. The network is typically listed on the front or back of the card. When a shopper uses a credit card, the merchant pays a variety of fees, including an interchange fee that is set by the network and collected by the card issuer and a network fee that goes to Visa or Mastercard.

The two networks together handled roughly 77% of all general-purpose credit-card spending last year on cards issued in the U.S., according to the Nilson Report, a trade publication.

Citigroup Pressed On Risk

Continued from page B1

environment," a Citigroup spokeswoman said. "We are completely committed to the sustainability of this effort and to executing at the level expected of us."

The Fed and OCC fined the bank \$400 million in October 2020, citing "significant ongoing deficiencies" in its risk-management systems. In a series of consent orders, they demanded Citigroup make a lengthy list of improvements to its web of technology and procedures designed to detect problematic transactions, risky trades and anything else that could harm the bank.

The reprimand hastened the departure of former CEO Michael Corbat and vaulted Ms. Fraser into the top job at the nation's third-largest bank. She has made fixing the risk-management problems her priority, calling it a long-overdue transformation. Ms. Fraser, however, warned that it would take several years and cost billions of dollars.

The bank has added 30,000 employees to teams involved in fixing the problems over the past two years, Ms. Fraser told staff in a recent memo. That figure includes existing employees who moved into new roles. The bank has more than 230,000 employees worldwide.

"We each must take greater responsibility for preventing

errors and escalating issues or challenges immediately when they do occur. We have to remediate our existing issues on time and effectively," she wrote. "This is our top priority—as ultimately our clients and customers, our investors and our regulators need our bank to operate safely, soundly and excellent."

The bank is also shedding its consumer-banking operations in more than a dozen countries, part of Ms. Fraser's attempt to simplify the bank.

The CEO transition and the hiring surge are part of the reason the progress has been slow so far, some of the people said.

One issue is the infrastructure underpinning Citigroup's

'We have taken decisive actions to simplify our firm,' Jane Fraser says.

broader risk systems, a legacy of deals in the 1990s that transformed the bank into a financial supermarket. Citigroup never integrated many of the operations, leading to a hodgepodge of data systems and customer identification codes throughout the bank. Regulators believed the system was vulnerable to mistakes.

In 2020, Citigroup accidentally sent \$900 million to the creditors of cosmetics company Revlon Inc., which regulators had viewed as evidence of such weakness. The bank recently won a court appeal to get the money back.

Mutual Funds

Data provided by LIPPER

Top 250 mutual-funds listings for Nasdaq-published share classes by net assets.

e-Ex-distribution. f-Previous day's quotation. g-Footnotes x and s apply. f-Footnotes e and s apply. k-Recalculated by Lipper, using updated data. p-Distribution costs apply. 12b-1-R Redemption charge may apply. s-Stock split or dividend. t-Footnotes p and r apply. v-Footnotes x and e apply. x-Ex-dividend. z-Footnote x, e and s apply. NA-Not available due to incomplete price, performance or cost data. NE-Not released by Lipper, data under review. NN-Fund not tracked. NS-Fund didn't exist at start of period.

Wednesday, September 14, 2022											
Fund	NAV	Chg	%Ret	Fund	NAV	Chg	%Ret	Fund	NAV	Chg	%Ret
American Century Inv	65.56	+0.44	+25.2	WshA	51.40	-0.01	-11.5	MunicipalBond	9.67	-0.02	-8.8
Ultra	31.33	+0.16	+25.8	Artisan Funds				Calamos Funds			
American Funds C I A	48.82	...	-7.0	IntVal Inst	36.07	-0.14	NA	MktNeut	13.80	...	-4.9
AmCPA	48.82	...	-7.0	Baird Funds				Columbia Class I			
AmMutA	28.65	+0.08	-13.0	AggFund	9.80	+0.01	-12.5	Divincom I	28.45	+0.10	-9.2
Bala	28.65	+0.08	-13.0	CoreBndfnt	10.05	...	-12.4	Dimensional Fds			
CapBA	61.90	+0.08	-10.0	BlackRock Funds				EdgWood Growth Instituti	9.99	-0.01	-6.6
CapVGR	55.55	+0.12	-20.1	HydVdBal Inst	6.77	-0.02	-10.4	EmqMktMvA	27.43	+0.03	-6.1
CapWGrA	55.55	+0.12	-20.1	BlackRock Funds A				EmtMktCoreEq	20.71	+0.05	-16.6
EupacA	47.88	+0.19	-25.7	GblAlloC	16.56	+0.03	-15.3	IntSmCoEq	12.87	+0.04	-12.4
FdlnvA	60.79	-0.07	-17.7	BlackRock Funds III				IntSmCo	16.85	+0.05	-16.2
GvthA	55.55	+0.40	-25.3	ISHGSP500dIntl	464.40	+1.69	-16.6	IntSmVc	17.67	+0.07	-16.7
Hi TRA	9.23	-0.02	-9.2	BlackRock Funds Inst				LogCo	28.16	+0.10	-16.2
ICAA	42.04	+0.02	-16.8	EqtyDivd	18.71	-0.01	-6.2	USECoreEq1	30.88	+0.08	-14.4
IncoA	23.07	+0.03	-8.9	StratgicOphtly	9.45	...	-5.1	USECoreEq2	28.01	+0.05	-14.6
IntBDA	12.61	-0.01	-6.8	Bridge Builder Trust				USE Small	40.02	+0.05	-14.4
N PerA	50.02	+0.25	-24.7	BlackRock Funds A	9.01	...	-12.3	USMpdVcl	40.04	+0.03	-7.7
NECoA	44.84	+0.23	-27.5	CorePlusBnd	9.41	-0.12	-12.3	US TgdVcl	27.66	-0.04	-10.4
NwMrdA	66.41	+0.21	-22.8	Intl Eq	10.37	+0.01	-25.5	USLgVclA	41.23	+0.02	-9.9
SmVrCPA	56.96	+0.17	-28.8	LargeCapVwth	38.12	+0.07	-23.0	Dodge & Cox			
TXEXA	11.99	-0.02	-10.2	LargeCapGwth	15.66	+0.04	-8.6	Balanced	97.86	+0.05	-9.9

Wednesday, September 14, 2022												
Fund	NAV	Chg	% YTD	Fund	NAV	Chg	% YTD	Fund	NAV	Chg	% YTD	
BlkStock	13.27	+0.05	-8.1	BlkCh	127.27	+1.33	-30.4	CapApInSt	70.97	+0.78	-29.6	
Income	12.45	...	-10.4	Contra	13.84	+0.05	-25.3	Harding Loevner	InttEq	22.61	+0.09	NA
Intl Stk	41.97	+0.09	-11.2	ContraK	13.89	+0.05	-25.2	InttEq	22.61	+0.09	NA	
Stock	218.64	+0.63	-9.7	Cplnc	9.30	-0.01	-10.1	Invesco Funds A	EqInCA	10.32	+0.04	-8.4
DoubleLine Funds	9.13	...	-10.2	GroCo	26.32	+0.22	-27.8	EqInCA	10.32	+0.04	-8.4	
EdTrdRdBl	9.13	...	-10.2	InVrBd	10.07	...	-11.7	Invesco Funds Y	DevMktY	34.90	-0.01	-25.8
Edgewood Growth Instituti	27.47	+0.10	-38.1	LowP	44.72	+0.05	-23.0	JHF III DispVal	DispValMCI	25.01	...	-9.6
Fidelity	137.41	+0.50	-16.3	Magin	11.29	...	-23.6	John Hancock	BondR6	13.69	-0.01	-13.1
DoubleLine Funds	9.13	...	-10.2	OTC	148.57	+1.11	-24.5	JPMorgan I Class	CoreBond	10.34	...	NA
Edgewood Growth Instituti	27.47	+0.10	-38.1	Puritt	22.71	+0.08	-15.9	CoreBond	10.34	...	NA	
Fidelity	137.41	+0.50	-16.3	SerITTreBidX	15.39	+0.02	-18.2	CoreBond	10.34	...	NA	
DoubleLine Funds	9.13	...	-10.2	SerITTreBidX	15.39	+0.02	-18.2	CoreBond	10.34	...	NA	
Edgewood Growth Instituti	27.47	+0.10	-38.1	SerITTreBidX	15.39	+0.02	-18.2	CoreBond	10.34	...	NA	
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Edgewood Growth Instituti	27.47	+0.10	-38.1	SerITTreBidX	15.39	+0.02	-18.2	CoreBond	10.34	...	NA	
Fidelity	137.41	+0.50	-16.3	SerITTreBidX	15.39	+0.02	-18.2	CoreBond	10.34	...	NA	
DoubleLine Funds	9.13	...	-10.2	SerITTreBidX	15.39	+0.02	-18.2	CoreBond	10.34	...	NA	
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DoubleLine Funds	9.13	...	-									

