

## What's News

### Business & Finance

- ◆ **Google's talks** to acquire the cybersecurity startup Wiz for a planned \$23 billion have fallen apart, according to a person with knowledge of the discussions. **A1**
- ◆ **Google is ending** a plan to eliminate cookies in its Chrome browser after years of efforts and disagreements with the ad industry. **B1**
- ◆ **The glitch** that caused outages for millions of users of Microsoft Windows devices last week continued to roil industries and snarl global air travel, as CrowdStrike warned about a malicious file sent by hackers posing as a "quick fix" to the problem. **B1**
- ◆ **Delta Air Lines** is having trouble figuring out where pilots and flight attendants are and whether they are available to be matched to trips because of the outage. **B1**
- ◆ **Warner Bros. Discovery** has exercised its matching rights in a last-ditch effort to keep NBA games on its TNT cable network just days after the league told team owners it had a \$76 billion deal with three other companies. **B1**
- ◆ **Elon Musk said** Tesla would have humanoid robots in production to be used within the company next year. **B2**
- ◆ **Warren Buffett's** Berkshire Hathaway has trimmed its Bank of America position. **B2**
- ◆ **Verizon boosted** quarterly revenue from wireless services and broadband subscriber growth, but reported a significant drop in prepaid wireless customers. **B3**
- ◆ **A big rebound** in tech shares helped lift major stock indexes. The Dow, S&P 500 and Nasdaq rose 0.3%, 1.1% and 1.6%, respectively. **B11**

### World-Wide

- ◆ **Vice President Harris** secured the pledged support of a majority of delegates to the Democratic National Convention, putting her on track to formally lock up the party's nomination next month. **A1, A3-A4, A7**
- ◆ **Trump allies** are already pouring millions into anti-Harris ads, while Democrats hope a new ticket will add a better and younger contrast with the GOP nominee. **A1**
- ◆ **Secret Service Director** Kimberly Cheatle faced bipartisan anger and widespread calls for her resignation at a House hearing on security lapses in the assassination attempt on Trump. **A3**
- ◆ **Ukraine struck a deal** with creditors that could save it more than \$11 billion over the next three years, a boost for the war-torn country as it struggles to keep funding the war with Russia. **A16**
- ◆ **A Russian court** sentenced Radio Free Europe/Radio Liberty journalist Alsu Kurmasheva, a dual U.S.-Russian citizen, to 6½ years in prison after convicting her of disseminating false information about the Russian military. **A16**
- ◆ **China's blueprint** for reviving the economy raises concern about the country's longer-term outlook. **A16**
- ◆ **Dozens of Bangladeshis** were sentenced to prison, three for life, over protests in the U.A.E. against their home government. **A16**
- ◆ **An armed assailant** entered a care home for older people in Croatia and opened fire, killing five residents and one employee. **A16**

Markets.....	B11
Arts in Review.....	A11
Opinion.....	A13-15
Banking & Finance.....	B10
Personal Journal.....	A9-10
Business News.....	B3,6
Sports.....	A12
Crossword.....	A11
Technology.....	B4
Equities.....	B7
U.S. News.....	A2-7
World News.....	A16
Heard on Street.....	B12



Vice President Kamala Harris arrived at the White House Monday to speak at an event with collegiate athletes.

## Both Campaigns Shift Tactics After President's Withdrawal

Voters have been saying for months that they don't like their choices for president

By Aaron Zitner, Alex Leary and Vivian Salama

this year. Now, the campaign for the White House turns in large part on whether they reward the Democratic Party for

giving them a new option. The Trump campaign had built its strategy around President Biden as its opponent and hoped that the incumbent, his political standing deteriorating, would remain in the race. But the campaign and its allies pivoted quickly as Biden ended his candidacy and Vice President Kamala Harris quickly won broad support

among Democratic officials to replace him, emerging on Monday as the near-inevitable nominee.

On Sunday, Trump allies posted an ad attacking her immediately after Biden withdrew from the race. On Monday, Trump's newly announced running mate, Sen. JD Vance of Ohio, used his first solo campaign appear-

ance to accuse Harris of masking Biden's compromised health condition and Democrats of undermining democracy by pushing Biden from the race after he had easily swept through the party's primary elections.

The main super PAC supporting former President Donald Trump, MAGA Inc., said it

Please turn to page A5

## Bet on Biden Was Epic Miscalculation

Voters called him too old, but allies looked the other way, and party boxed out rivals

President Biden had just finished trying to persuade a group of congressional Democrats to pass a \$1 trillion infrastructure bill when Nancy Pelosi, then the House speaker, took the microphone.

In 30 minutes of remarks on Capitol Hill, Biden had spoken disjointedly and failed to make a concrete ask of lawmakers, according to Democrats in the room. After he left, a visibly frustrated Pelosi

told the group she would articulate what Biden had been trying to say, one lawmaker said.

"It was the first time I remember people pretty jarred by what they had seen,"

By Rebecca Ballhaus, Siobhan Hughes, Annie Linskey, Andrew Restuccia and Erich Schwartzel

recalled Rep. Dean Phillips (D., Minn.), who would go on to mount an unsuccessful primary challenge of the president.

That was October 2021. That month was the last time Biden met with the House Democratic caucus on the Hill regarding legislation.

Nearly three years later, concerns about the 81-year-old president's age and

Please turn to page A6

## Cheatle Is Urged to Resign



IN THE HOT SEAT: Secret Service Director Kimberly Cheatle faced questions Monday from a House panel about the failure to prevent the assassination attempt on Donald Trump. **A3**

## Slashed Prices for EVs Test Demand

By Ben Glickman

Electric vehicles were a splurge purchase not long ago. Now they are among the biggest bargains on the dealership lot.

Many electric models have never been cheaper, as automakers splurge on financing deals and cash incentives to sway consumers who might be hesitant to give up their gas

guzzlers. The steeper discounts will serve as a test of Americans' appetite for going electric after months of slowing demand.

Four of the five vehicle models with the biggest drops in list price over the first half of this year were electric, including the Chevrolet Blazer and Volkswagen ID.4 SUVs, according to shopping site CarGurus.

On average, buyers paid about \$1,500 more for non-luxury EVs than internal combustion engine vehicles, according to a July J.D. Power report. Just over a year ago, the average EV fetched \$8,400 more.

In some cases, electric

Please turn to page A2

◆ **Tesla to use humanoid robots to make cars.....** B2

## Google's Talks to Acquire Wiz In \$23 Billion Deal Fall Apart

By Miles Kruppa

Alphabet unit Google's talks to acquire the cybersecurity startup Wiz for a proposed \$23 billion have fallen apart, according to a person with knowledge of the discussions.

In an email to employees sent Monday and viewed by The Wall Street Journal, Wiz chief executive Assaf Rappaport told employees the company is now aiming for an ini-

tial public offering.

"Wizards, I know the last week has been intense, with the buzz about a potential acquisition," he wrote. "While we are flattered by offers we have received, we have chosen to continue on our path to building Wiz."

He also said the company intends to reach \$1 billion in annual recurring revenue ahead of the IPO.

Wiz is aiming to achieve the \$1 billion annual recur-

ring revenue mark within the next year and expects an IPO within a few years, the knowledgeable person said.

The company currently generates \$500 million in annual recurring revenue, The Wall Street Journal recently reported.

Deal talks—especially involving tie-ups of this scale—

Please turn to page A2

◆ **Google ends plan to cut Chrome cookies.....** B1

### Stepping In

- ◆ **Economic discontent shadows successor.....** A3
- ◆ **Support for Gaza truce hints at a shift.....** A4
- ◆ **Molly Ball: Withdrawal caps turbulent weeks.....** A7

## To Beat Heat, Dive Into a Refreshing...100-Degree Pool?

Homeowners try ice, shades, chillers to cool water; feels like 'a hot bath'

By Harriet Torry

When David Givot and his family moved to a new house in California's arid Coachella Valley several years ago, they were thrilled that it came with a pool.

And then came summer. "We moved in Memorial Day weekend, it was so great floating around," said Givot, a

criminal defense lawyer. But "by mid-July the water was 101 degrees and it was disgusting, it was just too hot."

In a bid to chill the water, Givot threw 300-pound blocks of ice into the pool, five at a time, which each cost \$20 from a local ice manufacturer.

He said it worked—for a few days. Ultimately, Givot invested around \$2,500 on a

pool chiller, a machine that circulates and cools the water. He said it brings down the pool temperature a good 10 to 15 degrees overnight and has made his pool the go-to for the neighborhood.

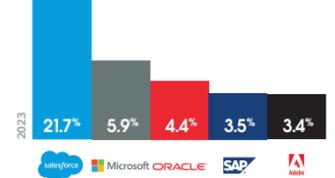
"After about mid-July it's our house until September," he said.

The not-so-cool-pool di-

Please turn to page A10

## Salesforce. #1 CRM.

Ranked #1 for CRM Applications based on IDC 2023 Revenue Market Share Worldwide.



Source: IDC, Worldwide Semiannual Software Tracker, April 2024.



salesforce.com/number1CRM

CRM market includes the following IDC-defined functional markets: Sales Force Productivity and Management, Marketing Campaign Management, Customer Service, Contact Center, Advertising, and Digital Commerce Applications. © 2024 Salesforce, Inc. All rights reserved. Various trademarks held by their respective owners.



# U.S. NEWS

## U.S. WATCH



**RUINS:** Andres Psaras walked Monday through the burned rubble of his daughter's family home in Riverside, Calif., after a wildfire over the weekend swept through the neighborhood during a heat wave, destroying three homes.

## OBITUARY

### Last of Motown's Four Tops, 88

Abdul "Duke" Fakir, the last surviving original member of the beloved Motown group the Four Tops that was known for such hits as "Reach Out I'll Be There" and "Standing in the Shadows of Love," has died at age 88.

Fakir died Monday of heart failure at his home in Detroit, according to a family spokesperson. Motown founder Berry Gordy said in a statement that Fakir helped embody the Tops' "showmanship, class and artistry."

"Duke was first tenor — smooth, suave, and always sharp," Gordy said. "For 70 years, he kept the Four Tops' remarkable legacy intact."

The Four Tops were among Motown's most popular and enduring acts, peaking in the 1960s. Between 1964 and 1967, they had 11 top 20 hits and two No. 1s: "I Can't Help Myself (Sugar Pie, Honey Bunch)" and the operatic classic "Reach Out, I'll Be There." Other songs, often sagas of romantic pain and bereavement, included "Baby I Need Your Loving," "Standing in the Shadows of Love."

—Associated Press

## NEW YORK

### 'Wolf of Airbnb' Gets Over 4 Years

A Florida man who boasted that he was the "Wolf of Airbnb" was sentenced Monday to over four years in prison for defrauding New York City landlords and a federal pandemic-relief government program.

Konrad Bicher, 32, of Hialeah, Fla., was sentenced in Manhattan federal court by Judge Lorna G. Schofield.

The prison term of four years and three months came after Bicher pleaded guilty a year ago to a wire fraud charge. He was also ordered to forfeit \$1.7 million and pay \$2.2 million in restitution.

Prosecutors said Bicher operated at least 18 Manhattan apartments as "mini-hotels" while using the pandemic as an excuse not to pay landlords more than \$1 million in rent from 2019 to April 2022. They said he also got government-guaranteed loans through a program meant to provide relief to small businesses during the Covid-19 pandemic.

Bicher's attorney had argued for leniency, blaming landlords for some of the Manhattan apartment troubles.

—Associated Press

# Feminine-Care Costs Force Tough Choices for Women

By NATASHA KHAN

More women across America are making a difficult monthly choice: Should they buy menstrual products and spend less on other supermarket items, or try to make do with fewer period supplies?

Prices of sanitary pads and tampons have climbed faster in recent years than the price of food. And with few low-price alternatives available in the feminine-product aisle, sales of period products are falling as many women and girls find their monthly budgets can't cover all of their essentials.

Annual U.S. unit sales of pads and tampons have fallen by 12% and 16%, respectively, since 2020, according to data from consumer research firm NIQ, also known as NielsenIQ. **Procter & Gamble**, which makes Tampax tampons and Always pads and dominates the sector, said global sales volume for its feminine-care

products declined in the March quarter because of price increases.

Erin Brown, a vintage-clothing reseller in Lansing, Mich., braces herself before her period arrives each month. She considers making weaker coffee to save on coffee beans or swapping tortellini for cheaper pasta. She has given up the Talenti Coffee Chocolate Chip gelato that she used to buy as a "period cheer-up" treat.

"I have to do a lot of mental budgeting when I know my period is about to come," says Brown, 31 years old. "I get so angry at checkout because the bleeding is something I literally cannot control."

Brown spends about \$22 a month on tampons, pads and pantyliners—more than double what she spent a few years ago. It amounts to a sizable chunk of her roughly \$200 budget for groceries and other household items.

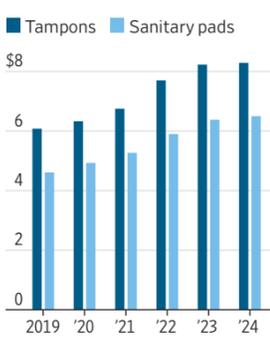
P&G is the leader of the \$3.5 billion pad and tampon industry in the U.S., representing nearly 60% of sales in both categories, according to market research firm **Circana**.

Two other companies also have sizable shares of the market: **Kimberly-Clark**, which makes U by Kotex pads and tampons and Thinx, a reusable period underwear brand; and **Edgewell Personal Care**, which makes Carefree pads and Playtex tampons.

The average price of a pack of sanitary pads is \$6.50, a 41% increase since 2019, according to Circana. Meanwhile, the price for a package of tampons has increased 36% to \$8.29.

There aren't many supermarket-brand or startup alternatives for these products in part because tampons require federal clearance as medical devices, and the barriers to entry are higher than for

### Average price per package in U.S. stores



Note: 2024 data are for the 52 weeks ending June 16. Source: Circana

other hygiene products like soap or shampoo.

Managing a period without sufficient menstrual supplies can be risky for a person's health. Changing pads less frequently can lead to vaginal or urinary tract infections, and leaving a tampon inside

the body for longer than eight hours can increase the risk of toxic shock syndrome, doctors and health officials say.

The decline in unit sales of pads and tampons comes as the number of menstruation-age people in the U.S. is growing. Girls are also getting their periods earlier. In a study published this year in JAMA Network Open, the average age at menarche—a person's first menstrual cycle—decreased to 11.9 for those born in the 2000s from 12.5 among those born in the 1950s.

P&G said its Always brand is committed to addressing period poverty. The brand has donated more than 80 million period products in the U.S. since 2018 in partnership with Feeding America, the company said. Kimberly-Clark declined to comment. It recently joined with **Walgreens** on an offer to donate two menstrual products to people in need for every purchase of a U by Kotex

or Thinx product at Walgreens.

Edgewell said that until 2022, Playtex was the lowest-priced tampon brand. The brand increased its prices in the 2023 fiscal year to offset rising supply, labor and transportation costs, the company said.

Newer, reusable options also have drawbacks for some women: Menstrual cups must be cleaned between uses. Absorbent period underwear, meanwhile, has a high upfront cost and is designed to be replaced after a certain number of washes.

Some states are turning to legislation to address the issue. As of June, 28 states and the District of Columbia had passed legislation to help provide free access to period products at school so that girls don't miss school because of lack of supplies, according to the Alliance for Period Supplies, a nonprofit advocacy group.

## Cheaper EV Prices Test Demand

Continued from Page One models that once came with a hefty premium are actually cheaper than their combustion-engine equivalents. Ford Motor's F-150 Lightning—the centerpiece of the company's

EV strategy when it was unveiled in 2022—is selling for about \$5,000 less than its gas-engine alternatives, according to J.D. Power data.

Still, it won't come cheap for the car industry: Discounts and deals make EVs that have already drained billions from legacy automakers' bottom lines even less profitable. Several major automakers are scheduled to report quarterly earnings this week, including Tesla, General Motors and Ford.

Tesla kicked off the trend last year when it began to slash the starting prices for its basic models. Competitors followed suit, leading to an EV price war that has heated up this year.

Car companies have cut their sticker prices for certain battery-powered models. Dealers and manufacturers are also dangling financing deals and cash rebates to draw in consumers, who in some cases can also pay less with the help of federal tax credits.

Jim Walen, who owns Hyundai, Jeep and Chrysler-Dodge-Ram dealerships in the Seattle area, said pricier EVs aren't as hot as they had been, as early EV enthusiasts have given way to more price-sensitive consumers. Shoppers now are gravitating to less-expensive electrics.

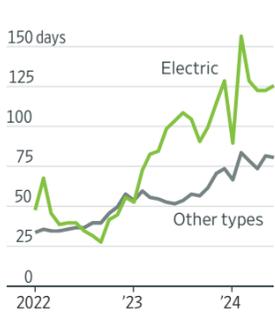
"They're driven by where the value is," he said. "With government incentives, it's a jigsaw puzzle."

Carmakers have been rolling out many new electric entries, pressured by tightening fuel-economy regulations and competition from Tesla and other newcomers. But demand has been weaker than expected, triggering the need for steep discounts.

"The overall competitive landscape for electric vehicles is intensifying," said Stephanie Valdez Streaty, director of industry insights for research firm Cox Automotive.

The steep discounts haven't been enough to fuel a return of the torrid EV sales growth of a few years ago. Sales of fully electric models rose 6.8% through the first half of the

### Days' supply of vehicle inventory, monthly



\*Based on 368 models tracked by the data provider. Sources: Cox Automotive (inventory); CarGurus (declines)

### Top five price declines for new models\*

MODEL	AVERAGE LIST PRICE (JUNE)	CHANGE FROM DEC. 2023
Chrysler Voyager	\$39,276	-19%
Chevrolet Blazer EV	49,455	-18%
Ford E-Transit	47,903	-15%
Volkswagen ID.4	43,364	-12%
Hyundai Kona Electric	34,861	-12%



**Volkswagen's electric ID.4 SUV is one of the models with the biggest drops in list price over the first half of this year.**

year, according to Motor Intelligence data, a sharp deceleration from near 50% growth in 2023.

Korean automaker Kia has been among the EV sales leaders in the U.S., with its EV6 midsize SUV released a few years ago, and the recent launch of the larger EV9. The company has seen sales rise as it has ramped up cash rebates, said Eric Watson, vice president of sales at Kia America.

"There's a lot of manufacturers now introducing new electric vehicles and starting to produce them in volume," he said. "We're waiting for the customers to catch up."

Over the past year, weaker demand for battery-powered cars and trucks has left dealers with too much stock, triggering more discounts and cheap-lease offers. Dealerships on average held 125 days worth of

supply for EVs as of the beginning of June, according to Cox Automotive, well above the industry norm of around 60 days.

While lower prices could entice some shoppers, consumers have other concerns with electric offerings, such as range anxiety and lack of publicly available chargers.

Automakers have cited a lack of lower-priced choices as one of the biggest barriers to wider acceptance of EVs, and several companies are racing to introduce sub-\$30,000 models.

Jeep-parent Stellantis and Ford Motor have said they are developing less expensive electric models for the U.S. market as broader demand slows, while Tesla, the EV market leader, has long touted plans for an affordable model.

For now though, most manufacturers are selling EVs at a loss, and deeper discounts are leading to more red ink.

## Google Bid For Wiz Collapses

Continued from Page One are notoriously unpredictable. It's possible the companies could return to the negotiating table.

A deal with Wiz could have drawn antitrust scrutiny. Google is currently awaiting a verdict in a Justice Department lawsuit claiming it used illegal means to retain its dominance in online search. The federal agency last year filed a second antitrust suit, which hasn't gone to trial, alleging unfair practices in Google's ad-tech business.

Wiz was founded in 2020 and rapidly became one of the hottest companies in the burgeoning field of security for cloud computing. It raised \$1 billion earlier this year at a valuation of \$12 billion, making it one of just a handful of startups outside the artificial-intelligence industry to raise money at a higher valuation in 2024.

It is backed by high profile Silicon Valley venture capitalists, including Sequoia Capital, Andreessen Horowitz, Index Ventures, and Lightspeed Venture Partners.

Acquiring Wiz would have helped boost Google's offering in cloud computing, a field where it lags behind competitors Amazon and Microsoft.

A \$23 billion purchase of Wiz would also have been the largest acquisition by a wide margin for Google, whose parent Alphabet is scheduled to report earnings Tuesday. Its biggest deal to date was the \$12.5 billion purchase of Motorola Mobility that closed in 2012.

Two years ago Google bought another cybersecurity company, Mandiant, for \$5.4 billion.

**CORRECTIONS & AMPLIFICATIONS**

Readers can alert The Wall Street Journal to any errors in news articles by emailing [wsjcontact@wsj.com](mailto:wsjcontact@wsj.com) or by calling 888-410-2667.

**THE WALL STREET JOURNAL**  
 (USPS 664-880)  
 (Eastern Edition ISSN 0099-9660)  
 (Central Edition ISSN 1092-0935)  
 (Western Edition ISSN 0193-2241)

Editorial and publication headquarters: 1211 Avenue of the Americas, New York, N.Y. 10036

Published daily except Sundays and general legal holidays. Periodicals postage paid at New York, N.Y., and other mailing offices.

Postmaster: Send address changes to The Wall Street Journal, 200 Burnett Rd., Chicopee, MA 01020.

All Advertising published in The Wall Street Journal is subject to the applicable rate card, copies of which are available from the Advertising Services Department, Dow Jones & Co. Inc., 1211 Avenue of the Americas, New York, N.Y. 10036. The Journal reserves the right not to accept an advertiser's order. Only publication of an advertisement shall constitute final acceptance of the advertiser's order.

Letters to the Editor: Fax: 212-416-2891; email: [wsj.letters@wsj.com](mailto:wsj.letters@wsj.com)

Need assistance with your subscription? By web: [customercenter.wsj.com](http://customercenter.wsj.com); By email: [support@wsj.com](mailto:support@wsj.com); By phone: 1-800-JOURNAL (1-800-568-7625)

Reprints & licensing: By email: [customreprints@dowjones.com](mailto:customreprints@dowjones.com); By phone: 1-800-843-0008

WSJ back issues and framed pages: [wsjshop.com](http://wsjshop.com)

Our newspapers are 100% sourced from sustainably certified mills.

**GOT A TIP FOR US? SUBMIT IT AT [WSJ.COM/TIPS](http://WSJ.COM/TIPS)**

## U.S. NEWS

# Lawmakers Urge Cheatele to Step Down

Secret Service director sheds little new light on attempt to assassinate Trump

By C. RYAN BARBER  
AND SADIE GURMAN

WASHINGTON—Secret Service Director Kimberly Cheatle offered lawmakers few answers Monday about how a 20-year-old gunman was able to open fire on former President Donald Trump at a campaign rally, fueling bipartisan anger and widespread calls for her resignation in the wake of what she acknowledged was a colossal security lapse.

Republicans and Democrats on the House Oversight Committee peppered Cheatle with hours of questions about the near assassination of Trump in Butler, Pa., the Secret Service's most stunning failure since President Ronald Reagan was shot in 1981. But the director, citing continuing investigations, declined to address some of the most pressing concerns, including how gunman Thomas Matthew Crooks accessed a rooftop with a clear line of sight to Trump.

"Did the Secret Service have an agent on top of that roof?" the committee chairman, Rep. James Comer (R., Ky.), asked.

"Sir, I'm sure, as you can imagine, that we are just nine days out from this incident, and there's still an ongoing investigation," Cheatle said, deflecting the question as lawmakers collectively groaned.

The director declined to answer questions about how the security perimeter was drawn for the rally, whether law enforcement swept the roof in advance or how many agents were assigned to the event, saying a review of the breakdown is continuing.

"The No. 1 question everyone in America is wondering is, why was the roof left open? And after nine days, we should at least maybe have a bit of that information," Rep. Michael Cloud (R., Texas) said. "And when you come to this committee hearing and you don't have anything to say about that, it's very, very troubling."

Cheatle acknowledged that Crooks was identified as suspicious, with a range finder—which resembles binoculars that hunters use to measure distance to a target—and backpack, more than an hour before he opened fire at Trump's rally. Pressed by lawmakers, she acknowledged that Secret Service agents had received multiple notifications of a person acting suspiciously.

"I don't have an exact num-



Kimberly Cheatle spent hours before the House Oversight Committee, where her testimony failed to restore lawmakers' confidence in her leadership at the Secret Service. She acknowledged that the shooter was identified as suspicious more than an hour before he opened fire at the rally in Butler, Pa., below.

ber to share with you today, but from what I've been able to discern, somewhere between two and five times there was some sort of communication about a suspicious individual," Cheatle said.

The director declined to elaborate on those communications. She also declined to say whether authorities sought to approach Crooks after he was initially identified as suspicious.

In one revealing exchange, Cheatle suggested that the security team with Trump before he went on stage didn't know that the former president was facing an active threat.

"If the detail had been passed information that there was a threat, the detail would never have brought the former president out on the stage," Cheatle said in response to a question from Rep. Jamie Raskin (D., Md.).

Crooks fired at least six rounds from the roof of the American Glass Research building roughly 400 feet away from where Trump spoke, killing one spectator, critically injuring two others and leaving Trump with a graze wound to the ear. A Secret Service sniper team shot back, killing Crooks, whose motive remains a mystery.

Much about the shooting remains unclear, with federal,



state and local officials voicing at-times conflicting information about what transpired and who was responsible for different aspects of the security plan.

As the hearing progressed, a growing chorus of lawmakers said they didn't have confidence in Cheatle's leadership or ability to keep protectees safe. Republican leaders last week had already called for her to step down. On Monday, Democrats joined them.

Raskin, the top Democrat on the panel, called the session

"an unusually depressing hearing" and said he would join in calling for Cheatle's ouster.

"This relationship is irretrievable at this point," Raskin said. "And I think that the director has lost the confidence of Congress at a very urgent and tender moment in the history of the country, and we need to very quickly move beyond this."

Some lawmakers expressed disbelief that Crooks hadn't been identified as a threat sooner. Cheatle said she believed Crooks transitioned

from being seen as suspicious to threatening only "seconds before the gunfire started."

When pressed on the timeline of events by Rep. Marjorie Taylor Greene (R., Ga.), Cheatle said she didn't have all the answers. She also said she couldn't address what happened after rallygoers alerted authorities of Crooks going up the roof with a rifle.

"I'm not certain at this time how the information from the people in the crowd was relayed to any law-enforcement personnel," she said.

Rep. Jared Moskowitz (D., Fla.) likened Cheatle's performance to that of the leaders of elite universities who in a December House hearing equivocated on whether calling for the genocide of Jewish people violated the campus code of conduct, and were eventually pressed to resign.

"Well, let me tell you, it didn't go well. And the short end of that story was, those university professors all resigned. They're gone. That's how this is going for you."

Lawmakers expressed concern about rising political violence in the U.S., as authorities have said they expect to see more threats and attacks ahead of November's presidential election. The Federal Bureau of Investigation said threats of politically motivated violence, already high, have increased online since the assassination attempt.

"There need to be answers," Rep. Alexandria Ocasio-Cortez (D., N.Y.) said. "This is not a moment of theater. We have to make policy decisions, and we have to make them now."

Cheatle, who was making her first-ever appearance before Congress, has said she won't resign, and Homeland Security Secretary Alejandro Mayorkas has voiced full confidence in her.

# Voters' Economic Discontent Shadows Biden Successor

By GREG IP

President Biden wanted to be a transformative president who expanded the state's role in American life as Lyndon B. Johnson had. To a striking extent, he succeeded, pushing through milestone

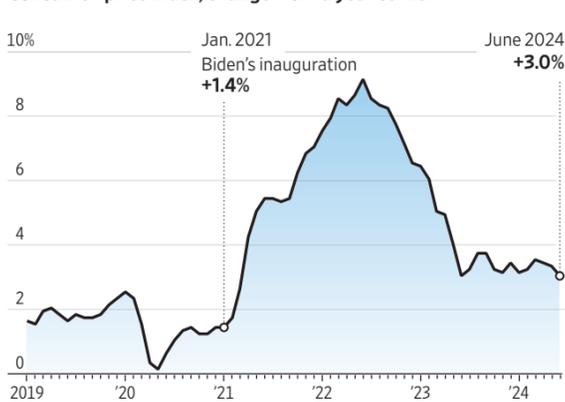
**ANALYSIS** legislation on infrastructure, semiconductor manufacturing and green energy.

But when the public thinks of Biden's economic record, they focus on something else: Inflation, which in 2022 hit a 40-year high before receding. Inflation endangered Biden's re-election even before concerns about his age emerged. Those concerns led him to announce Sunday he wouldn't seek re-election, and to endorse Vice President Kamala Harris as the Democratic nominee for president.

The question now is whether Harris, or any other Democrat, will be similarly burdened by public unhappiness about the economy—or instead can pivot to focusing on the future, where the candidate stands a better chance against Republican nominee Donald Trump.

The Democratic nominee will have to contend with Biden's economic record. The \$1.9 trillion American Rescue Plan that Biden signed shortly after he took office embodied both his ambition and overreach. Biden and his staff saw it as a vehicle for progressive goals such as a vastly expanded child tax credit. It was to be followed by "Build Back

Consumer-price index, change from a year earlier



Source: Labor Department

Better," which would shower billions more on green energy, universal prekindergarten, expanded healthcare subsidies, paid leave, child care, eldercare and public housing. And because the economy was in crisis, they reasoned, the more they spent, the better.

But the premise was wrong. The economy wasn't in crisis. It had been growing rapidly since mid-2020 thanks to stimulus passed under Trump, an end to social distancing, and vaccines. It wasn't being held back by inadequate demand, but inadequate supply, as the pandemic snarled logistics chains and drove millions from the labor force. The collision of new demand with constricted supply sent inflation soaring.

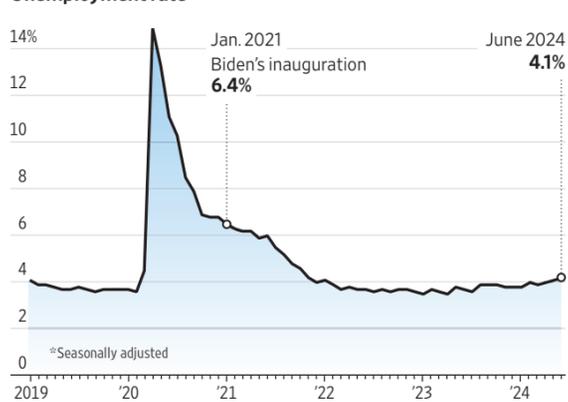
Build Back Better eventually foundered on opposition from moderate Democratic senator Joe Manchin of West Virginia.

In retrospect, he may have done Biden a favor. His opposition headed off another potentially inflationary surge of spending. Meanwhile, smaller pieces of Biden's agenda passed separately as the Infrastructure and Investment Act, the Chips and Science Act, and the Inflation Reduction Act, the first two with Republican votes.

Their ultimate legacy remains to be seen. The Chips act is bringing to the U.S. the capacity to make advanced semiconductors that now exists exclusively in Asia. The Inflation Reduction Act has encouraged investment in solar energy, electric vehicles and batteries.

The legislation represents a major shift by the U.S. into industrial policy—the use of state instruments to allocate capital to favored sectors. The shift seems likely to endure even if Trump, who shares Bi-

Unemployment rate\*



den's skepticism of free trade and fondness for domestic manufacturing, returns to the White House next year.

Yet while all three laws were broadly popular, they have barely registered in the public's consciousness. Instead, poll after poll found abysmal approval of Biden's handling of the economy, a disconnect that frustrated Biden officials and perplexed outside observers. After all, in terms of growth in economic output and jobs, or the decline in unemployment, his record thus far ranks among the best of any presidential term since 1980.

Even inflation, while still higher than the 2% that prevailed before the pandemic, is now down to about 3%, and getting close enough to 2% that the Federal Reserve should soon lower interest rates.

That is overshadowed by

the cumulative 20% increase in prices since Biden took office, the unaffordability of homes and the failure of wages to keep up with prices. Those factors contribute to a pervasive sense of instability fueled by changes to life and work brought on by the pandemic, high levels of unauthorized immigration, war in Ukraine and Gaza and intensifying polarization.

Historians will get to decide Biden's true economic legacy. For now, the more pressing question is whether public antipathy similarly drags down whoever takes his place as the Democratic nominee for president.

Harris will find it almost impossible to distance herself from Biden's record. In a similar way, Vice President Hubert Humphrey, who became the Democratic nominee in 1968

after Johnson declined to run, struggled to distance himself from the deeply unpopular Vietnam War, and went on to lose narrowly to Richard Nixon.

An outsider such as Pennsylvania Gov. Josh Shapiro or Michigan Gov. Gretchen Whitmer would carry less baggage than Harris but still bear the brunt of anti-incumbent ire. In 2008, Republican John McCain was close to Democrat Barack Obama in the polls until mid-September, when Lehman Brothers failed. McCain was running to succeed another Republican, George W. Bush, and voters blamed the ensuing crisis on the party that then held the White House.

Still, while any Democratic nominee has to shoulder Biden's record, he or she might at least do better defending it, and taking the attack to Trump, than Biden did in his disastrous June debate.

While the public remembers Trump's economy fondly, he has vulnerabilities.

His running mate, JD Vance, may sound populist pro-worker notes, but Trump's own rhetoric still emphasizes tax cuts and tariffs, neither of which are particularly popular. Economists believe his plan to raise tariffs, deport unauthorized immigrants and cut taxes will raise inflation, interest rates and deficits.

No one knows if they are right. But the more the Democratic nominee can talk about the future under Trump rather than the past under Biden, the better his or her chances will be.

## U.S. NEWS

VP's Support  
For a Gaza Truce  
Hints at a ShiftBy MICHAEL R. GORDON  
AND LARA SELIGMAN

WASHINGTON—As the administration's most ardent senior-level advocate of securing a cease-fire in Gaza, Vice President Kamala Harris's elevation to the Democratic Party's standard-bearer puts her in a stronger position to advocate for a shift in U.S. policy toward Israel and to carry out those changes should she win in November.

Though Harris has been careful not to contradict President Biden, she often has pushed the envelope of the administration's messaging on the conflict. She has at times advocated forcefully, and ahead of other administration officials, for limiting civilian casualties and addressing the humanitarian crisis in the enclave.

"I think she will be more inclined to find other ways to put pressure on Israel if the situation in Gaza does not dramatically improve," said Ivo Daalder, who served as NATO ambassador during the Obama administration and is well connected with Biden aides.

Harris's Middle East views will be in the spotlight this week when she and Biden meet with Israeli Prime Minister Benjamin Netanyahu. The plan is for Harris to have her own separate meeting with the Israeli leader, according to an aide to Harris, although she will not be in Washington for his high-stakes speech to Congress because she will be traveling to Indianapolis for a pre-scheduled event.

During the meeting, Harris is expected to tell Netanyahu that "it is time for the war to end in a way where Israel is secure, all hostages are released, the suffering of Palestinian civilians in Gaza ends, and the Palestinian people can enjoy their right to dignity, freedom, and self-determination," the aide said.

Harris is likely to focus on securing the nomination this week and will want to steer clear of confrontation with Netanyahu, analysts said.

Harris's relationship with Netanyahu will be very different than that of Biden, who has sparred with the Israeli prime minister but has decades of experience in dealing with him, a U.S. official said.

She won't be starting from scratch. Harris has been on nearly every call between Biden and Netanyahu, for a total of more than 20, according to

the Harris aide.

She also has a longstanding relationship with Israeli President Isaac Herzog, the official said. The two have had five phone conversations since the Oct. 7 Hamas attack on Israel, and met once in person at the Munich Security Conference, the official said.

Her husband, Doug Emhoff, is the first Jewish spouse of a U.S. president or vice president, and he has been outspoken on the issue of antisemitism.

A Harris presidency could lead to a shake-up of the Democratic national-security team, with Philip Gordon, her national security adviser, likely to play a central role. Gordon served as the top State Department official for Europe in the Obama administration and later worked as a senior White House official on Middle East issues.

Key Biden appointees, including national security adviser Jake Sullivan, Secretary of State Antony Blinken and Defense Secretary Lloyd Austin, likely wouldn't continue in their current roles, say current and former officials.

Over several decades, the Democratic foreign-policy establishment has been divided between those seeking a more assertive role for the U.S. abroad, and others more skeptical of military force. The Clinton administration dubbed the U.S. an "indispensable nation" and undertook military interventions to quell ethnic strife in the Balkans. The Obama administration was more cautious about the use of force.

As vice president, Harris hasn't had an opportunity to define her own brand of foreign policy, though

**'I think she will be more inclined to find other ways to put pressure on Israel.'**

some observers say she ultimately might align herself more closely with the progressive elements of the Democratic Party and could be more inclined to make U.S. support for Israel more conditional on its conduct in Gaza and the West Bank.

Harris gave a March speech assailing what she described as inhumane conditions in the enclave, and urging Israel to do more to expedite aid to Gaza. She spoke in graphic terms about how Palestinians in Gaza were eating animal feed and leaves to stay alive. "Our common humanity compels us to act," she said.

—Doug Cameron,  
Dustin Volz  
and Sabrina Siddiqui  
contributed to this article.



Kamala Harris has stressed abortion rights since the Supreme Court, shown with protesters last month, overturned Roe v. Wade. Her climate record has arguably been the most liberal part of her policy portfolio. Below, wind turbines near Rhode Island.

On Domestic Policy, Harris  
Defies Clear Ideological LinesBy TARINI PARTI  
AND ALEXANDER SAEEDY

Ahead of a lunch meeting with Vice President Kamala Harris at the White House in March, JPMorgan Chase Chief Executive Jamie Dimon didn't know what to expect.

Dimon wasn't sure of her political agenda when it came to the economy and business. His previous interactions with Harris had been limited, though the pair had a testy back-and-forth nearly a decade earlier while she was California attorney general during the mortgage foreclosure crisis.

He came away from the White House meeting thinking that Harris had been reasonable and open to improving how government and corporations can work together, according to people familiar with the discussion.

Harris's emergence as the likely Democratic nominee since President Biden bowed out of the race has put the focus on the vice president's policy views and governing style. Given her brief time in the Senate and early end to her presidential bid, Dimon and others have said they have known little about her positions. She struggled to craft a consistent campaign message when she ran for president herself, leaving her critics to argue her policy positions are rooted in political expediency.

"There was a little confusion coming out of the 2020 Democratic primary, but I think 3½ years of service in the Biden White House has clarified that," said Matt Bennett of centrist think tank Third Way. "She has been the kind of pragmatic moderate that we saw when she was in California and



in the Senate."

If she wins the party's nomination, Harris would be unlikely to dramatically alter the policy positions adopted by the Biden-Harris campaign so close to the election, some of her allies say. She has already been campaigning on the administration's policies, centering her message on abortion rights—and the democratic freedoms her party says would be under threat if Republican presidential nominee Donald Trump wins another term this fall.

A representative for Harris didn't respond to a request for comment.

Unlike Biden, Harris's national profile was built based on her legal experience—not on major policy proposals or legislative dealmaking. She first caught the attention of Democratic activists and major donors through her aggressive questioning of Trump administration nominees.

Also in contrast with the president, who throughout his long political career aligned himself with the center of the Democratic Party, Harris's views haven't been as clearly defined on ideological lines.

During the 2020 presidential primary that focused heavily on policy specifics with candidates aligning clearly with either the progressive or moderate wing of the party, Harris pitched herself as the bridge between the two, with an endorsement of liberal ideas but plans that were less far-reaching.

On Wall Street, however, she earned a reputation as a progressive firebrand in part because of how she prosecuted big banks for their roles while acting as attorney general of California between 2011 and 2017. She sued banks such as JPMorgan Chase, Bank of America and Citigroup as well as major credit ratings firms like Standard & Poor's, and most of the firms settled the litigation and paid the state hundreds of millions of dollars.

Those who have worked with her say Harris puts an emphasis on the impact of policy decisions through the lens of women, children and minority communities. She has been a major supporter of reproductive rights policy throughout her career. She continued to be a leader on abortion rights in the admin-

istration after the Supreme Court in 2022 overturned Roe v. Wade. She has also advocated for policies to address climate change, housing affordability and criminal justice reform.

As a senator, Harris supported Medicare for All, which would shift the healthcare system from private and employer-based insurance to a government-run program. But in 2020, during her run for the White House, she released a more moderate proposal to expand access to Medicare while keeping private insurance intact.

Harris's climate record has arguably been the most liberal part of her policy portfolio. She has backed the Green New Deal and supported banning fracking. As president, Biden did more to address climate change than any of his predecessors, spending \$1 trillion in tax credits, grants and loans for clean energy.

As a presidential candidate, Harris proposed a full repeal of the 2017 tax cuts enacted by Trump and congressional Republicans. Biden as a candidate and as president has backed leaving in place the tax cuts for people making under \$400,000 and fully paying for those extensions with new taxes on companies and high-income households. During her campaign, she also favored raising estate taxes.

While in the Senate, she proposed an expansive tax credit for lower-income and middle-income workers worth up to \$3,000 for individuals and \$6,000 for married couples. That idea, worth more than \$2 trillion over a decade, would have tilted the tax code to be much more progressive.

Harris  
Secures  
Delegates

Continued from Page One

staff members at the campaign, telling them, "I know it's been a roller coaster and we're filled with so many mixed emotions about this." She said that she had asked Biden campaign chair Jen O'Malley Dillon and campaign manager Julie Chavez Rodriguez to stay on in their roles.

Harris noted the applause for Biden, asking the president on the phone if he was watching the event. "I'm watching. I'm watching," Biden said. "You're the best, kid."

Biden outlined a list of unfinished business, telling the campaign staff: "I'm still going to be fully, fully engaged. I've got six months left in my presidency, I'm determined to get as much done as I possibly can."

Biden's statements at the campaign event Monday were his first public comments since he isolated because of Covid-19 last week. The president was scheduled to return to the White House Tuesday afternoon, the White House said.

Harris continued to rack up endorsements from across the Democratic Party, winning the backing of governors such as Wes Moore of Maryland, Gretchen Whitmer of Michigan, J.B. Pritzker of Illinois and

Andy Beshear of Kentucky. Those endorsements, from officials who had been floated as potential replacement nominees, cleared a path for Harris to lock up the nomination without much resistance.

Former House Speaker Nancy Pelosi (D., Calif.) offered her support, saying she had "full confidence that she will lead us to victory in November."

House Democratic Leader Hakeem Jeffries (D., N.Y.) told reporters he and Senate Majority Leader Chuck Schumer (D., N.Y.) would meet with Harris soon, but he stopped short of issuing an endorsement.

Harris earned her first labor endorsement from the American Federation of Teachers, the union of 1.8 million members. That endorsement was followed by the support of the AFL-CIO, which represents 60 unions and 12.5 million workers.

Biden remained in Rehoboth Beach, Del., recovering from Covid, leaving Harris to attend an official event at the White House celebrating the National Collegiate Athletic Association championship teams from the 2023-24 season.

Harris, in her first appearance since Biden said he wouldn't seek re-election, praised the president's record at the South Lawn ceremony, calling his accomplishments "unmatched in modern history."

Later, at the event at the campaign headquarters, Harris offered a glimpse of a stump speech challenging Trump, pointing out that as a prosecu-



Rep. Nancy Pelosi says she supports Harris's candidacy.

tor she "took on perpetrators of all kinds. Predators who abused women. Fraudsters who ripped off consumers. Cheaters who broke the rules for their own gain. So hear me when I say, I know Donald Trump's type."

The Trump campaign criticized Harris as more liberal than Biden. "A vote for Kamala is a vote to continue inflation, open borders, high gas prices, and war around the world," said Karoline Leavitt, the Trump campaign's national press secretary.

Harris's campaign appeared to energize voters and big donors alike. In the first 24 hours since Biden's exit from the race, the Harris campaign and the DNC and joint fundraising committees raised \$81 million.

Future forward, the Democratic super political-action committee that was supporting Biden's bid, said it had received commitments of \$150 million in the 24 hours since he dropped out and backed Harris.

Once Harris locks down the

nomination, as expected, she will need to pick a running mate. Some of the early contenders included North Carolina Gov. Roy Cooper, Sen. Mark Kelly of Arizona, Pennsylvania Gov. Josh Shapiro, and Beshear of Kentucky. Harris held separate calls with Shapiro, Cooper and Beshear, according to people familiar with the calls.

The new Harris campaign has requested vetting materials from several potential running mates, including Cooper, Kelly and Shapiro, according to a person familiar with the process. The campaign has also requested vetting information from Michigan's Whitmer, Minnesota Gov. Tim Walz and Illinois' Pritzker, the person said.

Whitmer, however, told the Detroit News she didn't want to be considered for the role.

Beshear said in an interview with CNN that he had "not been personally asked to submit information at this point."

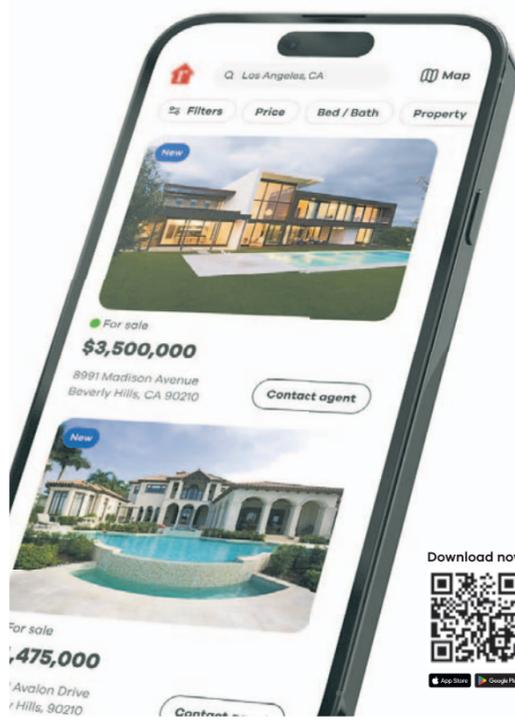
The Democratic National Committee said it would adopt rules Wednesday allowing for a virtual nomination of their presidential ticket ahead of the Chicago convention and that process would be completed between Aug. 1 and Aug. 7.

—Terrell Wright  
and Owen Tucker-Smith  
contributed to this article.

All real listings.  
Only RealListings.™

Realtor.com only shows you homes for sale  
sourced directly from professionals.

realtor.com



Download now



Available on the App Store and Google Play

Watch a Video

Scan this code for a video on how Harris could stack up against Trump.

U.S. NEWS

# Campaigns Shift Their Strategies

Continued from Page One  
 would spend \$11 million in the next two weeks on the anti-Harris ad, which attempts to transfer Biden's low approval ratings on inflation and immigration onto Harris. The ad, which began appearing Sunday evening on broadcast TV in the swing states of Pennsylvania, Arizona and Georgia, says Harris helped mask Biden's "obvious mental decline."

Trump took to social media on Sunday evening to complain about the Democrats' curveball. "So, we are forced to spend time and money on fighting Crooked Joe Biden, he polls badly after having a terrible debate and quits the race. Now we have to start all over again," he wrote.

Among Democrats, a day of continued endorsements from the party's leading figures and several labor unions culminated in Harris on Monday evening securing the pledged support of a majority of delegates to the party's national convention, an Associated Press tally found, all but assuring her the nomination. In a capstone endorsement, former House Speaker Nancy Pelosi said on Monday that she supported Harris, following other senior party leaders, among them former President Bill Clinton and 2016 presidential nominee Hillary Clinton.

Harris's campaign said it raised a formidable \$81 million in 24 hours in donations to the campaign, the party and related committees. The sum suggested Democrats, many of them depressed by Biden's declining prospects as a candidate, felt new optimism about the election.

Any new nominee gives Democrats a chance to shed the liability of Biden's age and declining mental acuity, which was on display as the 81-year-old president suffered cognitive lapses during his debate against Trump last month.



The Harris campaign said it raised \$81 million in 24 hours in donations to the campaign, the party and related committees.

Harris, 59, presents a very different contrast with Trump, 78.

Biden's withdrawal strengthens his party's ability to turn the spotlight from the president's weaknesses and refocus voter attention on Trump's role in overturning Roe v. Wade, his recent criminal conviction, his attempts to retain power after the 2020 election and record of breaking democratic norms—issues the party believes voters will reject if their nominee can make them salient.

"Biden's advanced age and diminished abilities were the blinders that didn't allow voters to focus on the Democrats' record of accomplishments and the depraved MAGA Republican platform Trump is offering," said Fernand Amandi, a Florida Democratic pollster.

With Harris apparently amassing the delegates needed to win the nomination, attention turned to her selection of a running mate. The pick could alter voter perceptions of their choice between Harris and the GOP ticket of Trump and Vance. Possible ticket mates for Harris include

Govs. Andy Beshear of Kentucky, Roy Cooper of North Carolina, Josh Shapiro of Pennsylvania and Sen. Mark Kelly of Arizona.

Voters in recent polling didn't hold a more positive view of Harris than they did of Biden, who drew the lowest job-approval ratings of any president at this point in his tenure dating to Dwight D. Eisenhower, Gallup polling found. In a Wall Street Journal survey this month, both Harris and Biden were viewed favorably by about 35% of voters and unfavorably by about 56%.

Both parties will try to reintroduce Harris to the public. The daughter of Indian and Jamaican immigrants, she is the country's first Black vice president and the first of South Asian descent. Democrats hope she will revive support from Black, Latino and young voters who lean Demo-

cratic but weren't committing to Biden as strongly as in 2020.

Trump's allies had already started looking at Harris's record as a prosecutor—she was California's attorney general for six years—for material to use against her. The Trump campaign was preparing ads focused on her, according to a person familiar with the planning, and aides were highlighting some of her older positions.

Trump's campaign said Monday he "fired" Biden at the debate and that he would do the same to "dangerously liberal" Harris, citing polling showing Trump ahead of her.

"The problem for the left and media elite? Kamala Harris is as bad, if not worse, than Joe Biden," read a memo from senior advisers Chris LaCivita and Susie Wiles, citing her work on immigration and seeking to tie her to the infla-

tion that helped drag down Biden's popularity.

Immigration, in particular, will be a focus for the Trump campaign. Biden asked Harris to tackle the "root causes" behind people leaving Central America for the U.S., such as poverty, violence and lack of opportunity for women.

But she struggled to distance herself from the politics of migrant surges at the border, which wasn't part of her mandate. The Trump campaign will nonetheless work to fault her for problems at the border, an issue that has proved potent in the election, polling shows.

Democratic Party officials said they would meet this week to discuss the process for formally selecting a nominee.

The Trump campaign is also combing through opposition research files on other potential candidates. Trump is scheduled to hold a rally on Wednesday in Charlotte, N.C., a battleground state.

James Blair, political director of the Trump campaign, pushed back on the discussion that the Trump campaign

would face new challenges, given how much it had focused on Biden.

"Our organization is built for our candidate, not our opposition," he wrote, adding: "The other side now has to shove a new candidate into a team & organization built for someone else. Best of luck."

Republicans aligned with Trump said there were discussions about initiating legal challenges to a move Biden's campaign made on Sunday to rename three of its fundraising entities, placing them in Harris's name. Those three, a campaign committee now called Harris for President and two joint fundraising committees, had more than \$159 million in cash at the end of June, according to filings with the Federal Election Commission.

Others said Harris could legally use the money. Harris and her running mate "can continue using the campaign's existing funds for the general election if she is on the Democratic ticket as either the presidential or vice-presidential nominee," Trevor Potter, president of Campaign Legal Center, said in a statement.

While the Trump campaign has publicly dismissed Harris's ability to defeat Trump, some officials privately said they aren't taking their current lead in the polls for granted, acknowledging Harris could pull in women and minority voters whom the Trump campaign has been courting.

Trump warned against complacency during a rally Saturday in Grand Rapids, Mich., saying the next four months is "like an eternity." Though Trump has railed against early voting, he asked supporters to vote any way possible, and video screens directed people to a website called Swamp the Vote.

Harris has been criticizing Trump on abortion and other issues on a near-daily basis. On Sunday, shortly after Biden's announcement, she said on X that she would do everything in her power to unite the party to defeat Trump's "extreme" agenda and asked donors to pitch in.

—Anthony DeBarros and John McCormick contributed to this article.

**Both parties will try to reintroduce Harris to the public.**

It's always been easier for me to help others than to help myself



As a Veteran, when someone raises their hand for help, you're often one of the first ones to respond. But it's also okay to get help for yourself. Maybe you want or need assistance with employment, stress, finances, mental health or finding the right resources. No matter what it is, you earned it. And there's no better time than right now to ask for it. **Don't wait. Reach out.**



U.S. Department of Veterans Affairs

Find resources at **VA.GOV/REACH**

## FROM PAGE ONE

# How Bet On Biden Failed

*Continued from Page One*  
mental acuity have put an abrupt cap on his half-century political career. They had grown from a murmur among allies, who said they believed—or hoped—they were catching the president on a bad day, to a deafening roar, as many called on him to step aside after his disastrous June 27 debate.

On Sunday, Biden announced he was withdrawing from the presidential race, an unparalleled step that leaves Democrats without a nominee less than four months before Election Day. Biden endorsed Vice President Kamala Harris to take his place, but it remains to be seen if voters rally behind her.

How the Democratic Party came to the brink of nominating a candidate with an obvious flaw is a story of allies eager to look the other way, Biden advisers who worked to stamp out doubts about his vigor and a party apparatus that boxed out alternative candidates.

The result is an epic, years-long miscalculation that has Democrats racing to mount a reboot of their campaign against former President Donald Trump, the Republican nominee who is fresh off a unifying party convention that was galvanized by an unsuccessful attempt to assassinate him on July 13.

The drawbacks of Biden's age were clear to voters, with polls showing that nearly three-quarters of them last year deemed him too old to seek another term. Yet inside the party's uppermost ranks, revelations about the toll aging has taken on the president seemed to catch many people by surprise in recent months.

"I am really concerned about what we were not told during these months," said Rep. Lloyd Doggett (D., Texas) in an interview. "I remain concerned about that—that for whatever reasons, this overprotective, stage-managed kind of operation not only appears to have denied the American people broadly of an understanding of the president's current situation, but also other elected officials."

White House spokesman Andrew Bates said on Sunday, "President Biden has given over 50 interviews this year alone, recently held a one-hour, thorough press conference, done over 580 gaggles with the White House press corps in office, and travels the country speaking directly to the American people about his agenda for making their lives better." He said Biden has built the most successful record in modern American history, and that the president "has always said that it is fair for reporters to ask about his age."

Ron Klain, who attended the October 2021 meeting and was Biden's chief of staff at the time, said the decision not to call for a vote at the time was a "brilliant" move by Biden that avoided strong-arming reluctant members of the Democratic caucus and that later paid dividends. Biden signed the infrastructure bill into law the next month, one of his biggest legislative achievements. Other Democrats in the room also said they were confused by how Biden handled the meeting.

This account is based on interviews with more than four dozen current and former administration officials, campaign aides, donors, lawmakers, congressional aides and foreign diplomats.

## Limited contact

Many Democratic lawmakers said they were stunned by Biden's condition in the debate in part because their contact with him has been so limited over the past three years. "We would see him on TV or at a signing ceremony, even something like the White House picnic this year—you begin to think, well maybe he's a little bit off, but not enough to take much notice," Doggett said.

Senior officials at cabinet agencies have privately complained for years that they didn't have enough contact with the president and his senior team, who centralized power in the White House and directed much of the administration's policy activity.

For months before the debate, Biden's advisers responded angrily to suggestions that Biden was deteriorating, telling critics in private conversations that their concerns were over-

blown and were playing into Republican critiques.

Trump, they pointed out, had plenty of mix-ups himself. The 78-year-old had boasted about polling showing him leading Obama, who isn't running for office, had warned that the nation was on the brink of World War II and had otherwise behaved erratically during and after his presidency.

Several senior Biden aides told people who expressed doubts the president remained sharp behind the scenes and wasn't showing signs of slipping.

That was the case when The Wall Street Journal interviewed senior White House aides and Democratic lawmakers this spring and asked whether the president's acuity had declined. "I met with the president every day for two years and I still see him regularly, and I can tell you he is sharp and has good recall of events and facts and information," Klain, the former chief of staff, told the Journal in April.

Helping shield the problem, people who have met with the president said, is that Biden has good days and bad days. Some people who were alarmed by his appearance in a meeting would be reassured when he was sharp and decisive in another.

As recently as this month, officials described him as energetic and clear-spoken in a three-hour meeting during the North Atlantic Treaty Organization summit. In the spring, he led multiple 30-minute calls addressing the collapse of Baltimore's Francis Scott Key Bridge, where officials were impressed by his command of the issues.

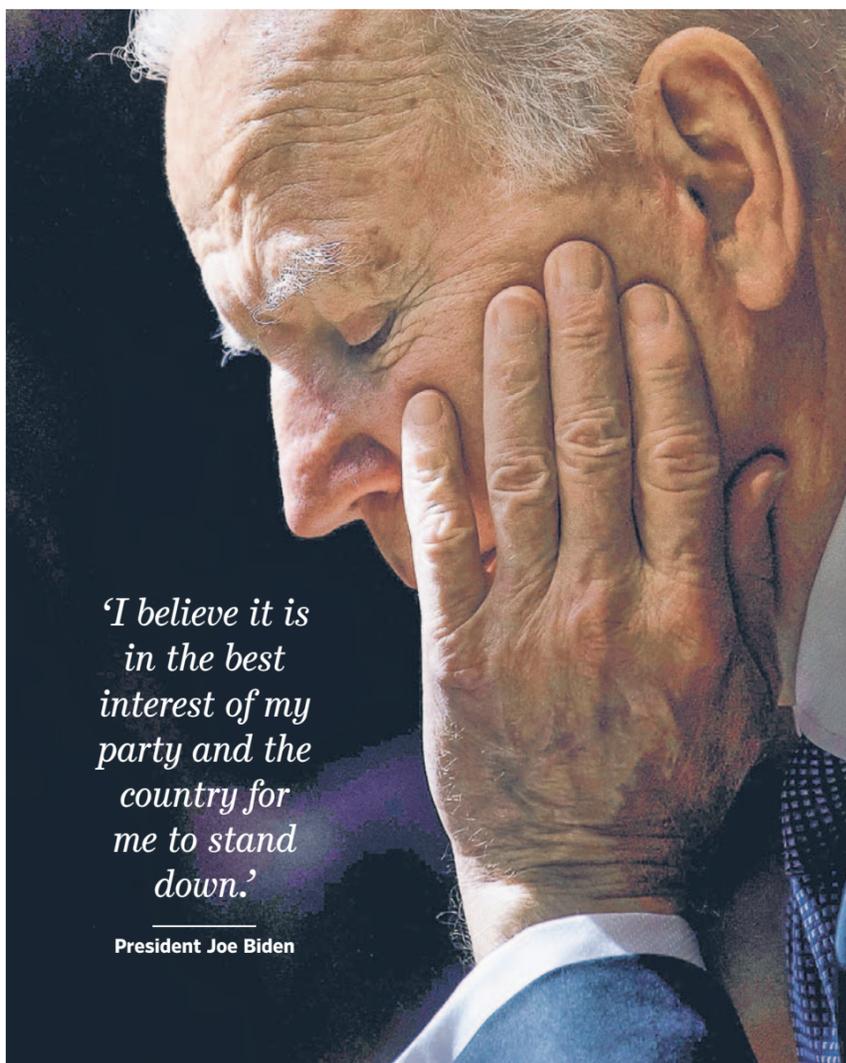
Others say they realize now that they had simply been looking the other way. One longtime donor recalled that on the last three occasions he saw the president, Biden had repeatedly lost his train of thought and interrupted his sentence with "whatever." The donor didn't think much of it at the time. "I was probably rationalizing," he said. "Subconsciously, you're like—OK, I don't think I can deal with this reality. What choice do I have? Nobody else is running."

When Biden entered the White House in 2021, on the heels of the Jan. 6 attack on the U.S. Capitol, many government officials in the U.S. and abroad sighed with relief, eager for a less chaotic administration.

At first, Biden's stumbles seemed like isolated incidents. At the Group of Seven summit in England in June 2021, he repeatedly mixed up Syria and Libya at a news conference. The errors drew little attention as leaders focused on celebrating Biden's arrival. "It is great to have a U.S. president who's part of the club," said French President Emmanuel Macron.

## Confused on G-7 call

In spring 2022, some European officials began to notice that something might be amiss. Biden was chairing a video call on Ukraine with the G-7 leaders,



*'I believe it is in the best interest of my party and the country for me to stand down.'*

President Joe Biden

a tightly scheduled discussion where Biden called on one leader at a time. Sitting in the Oval Office, Biden at one point forgot to unmute his mic, then lost his train of thought and began mumbling, according to an official on the call. He appeared to lose the order of which leader should speak next, and then tried to end the call without calling on Macron. Canadian Prime Minister Justin Trudeau intervened to remind him, and Macron was given his turn.

National security adviser Jake Sullivan said on Sunday Biden "rallied a global coalition to respond to Russia's invasion of Ukraine" and that "the results speak for themselves. How Joe Biden ran a Zoom call is a ludicrous anecdote."

By the summer of 2022, some in Washington were beginning to comment on the president's condition, privately and—on rare occasion—publicly. Some officials were noticing Biden struggled to bring energy at White House events, particularly later in the day.

That fall, a former senior cabinet agency official told associates Biden shouldn't seek reelection, saying he wouldn't be an effective candidate.

In November 2022, Democrats braced for what some had predicted would be a red wave in the midterm elections. Democrats' performance far surpassed expectations: Republi-

cans won an exceedingly narrow majority in the House, and Democrats expanded their majority in the Senate.

At that point, some lawmakers and donors close to the president expected him to announce he wouldn't seek a second term. He had signaled during the 2020 campaign that he would be a transitional candidate, providing a bridge to a new era. But the success in the midterms had escalated his desire to run again, advisers said.

On April 25, 2023, Biden announced he would run for reelection, declaring: "Let's finish the job." Days earlier, an NBC News survey had found that 70% of voters—including more than half of Democrats—didn't want another Biden candidacy, with about half of that group citing his age as a major reason.

Biden, asked about his age that month, said: "I can't even say the number—it doesn't register with me." He added that voters are "going to judge whether or not I have it or don't have it. I respect them taking a hard look at it."

Phillips, the Minnesota congressman, called other Democrats to see whether they would consider a run. Michigan Gov. Gretchen Whitmer and Illinois Gov. J.B. Pritzker didn't take his calls, he said. Representatives for the governors didn't respond to requests for comment. Phillips announced in October he

would seek the nomination.

Building a campaign was another matter. Many Democratic operatives, Phillips said, had been warned they would be blackballed if they worked with anyone other than Biden and said they couldn't do it.

## Party barriers

The Democratic National Committee, along with state Democratic parties, also erected barriers to other candidates. At Biden's urging, the DNC moved the South Carolina primary up to first-in-the-nation status, which Biden cast as giving Black voters a louder voice. Some Democrats viewed the move as putting a thumb on the scales for Biden since that was the first nominating contest he won in 2020.

In Florida, the state party voted to submit only Biden's name to election officials. Wisconsin's state party also put forward only Biden before the state Supreme Court intervened.

Many Democrats were heavily critical of anyone who suggested alternatives to Biden. At a Center for American Progress event, Democratic Gov. Tim Walz of Minnesota—the co-chair of the DNC's rules committee—dismissed concerns about Biden's age. "Everybody who says, 'I wish he was younger.' I wish I was skinnier!" he said. "There's a responsibility for us not to buy into that."

Top allies of the president, meanwhile, were encouraging the president to "own" his age and turn it into an asset. Movie mogul and campaign co-chair Jeffrey Katzenberg pointed to other icons born in the 1940s and still working today, such as Harrison Ford.

In July 2023, the White

**Special Counsel Robert Hur on Capitol Hill in March. Below, Biden with Ukraine President Volodymyr Zelensky, after calling him Putin, at the NATO summit.**



House's management of Biden's schedule drew the attention of European officials during a NATO summit in Lithuania and a Nordic summit in Finland. Some of Biden's private meetings and other elements of his schedule were removed or shortened, two European diplomats said. Biden's team told Nordic officials and diplomats that this was a tiring trans-Atlantic trip and the president was old, said one of the European diplomats. "Now, looking back, it was noticeable last year," the diplomat said.

Sullivan, the national security adviser, said on Sunday: "Give me a break," pointing to Biden's announcement of bilateral security agreements for Ukraine at the summit.

By the end of 2023, murmurs among Democrats about Biden's condition had begun to grow. Donors who had met with Biden out West over the summer said the president appeared confused and disoriented at times. At a fundraiser in the fall, Biden told the same anecdote twice. At a White House Christmas party, a number of lawmakers who attended came away concerned about what they saw as a deterioration in Biden's health.

That winter, John Morgan, a prominent Democratic donor, asked the president's brother, Frank Biden, about Joe Biden's stiffened gait. Frank Biden assured Morgan, a Florida lawyer, that his ambling walk was the result of nerve damage in his feet and suggested it wasn't cause for concern.

In 2024, the problems appeared to accelerate. Less than three weeks into the new year, top Democratic and Republican lawmakers met with Biden at the White House to discuss how to push a new tranche of aid to Ukraine through Congress. Biden spoke so softly that some people struggled to hear him; read from notes to make obvious points; paused for extended periods and sometimes closed his eyes for so long that some in the room wondered whether he had tuned out.

"He started looking like he was struggling more physically and mentally, probably by about the end of last year, to a degree greater than it had been before," said Rep. Adam Smith (D., Wash.), citing both the Jan. 17 meeting and the Christmas party.

"That did worry me a little bit." Republicans saw the problems, too. "I did notice there was a cognitive decline," said Rep. Michael McCaul (R., Texas), who chairs the House Foreign Affairs Committee and attended the Jan. 17 meeting. "It was very apparent to me in terms of how he spoke, it was a very low pitch, hard to understand. He had to use his notes quite a bit."

At a campaign rally on Feb. 4, Biden referred to Macron, the French president, as François Mitterrand, who died in 1996. At a fundraiser on Feb. 7, he mixed up former German chancellor Angela Merkel with former chancellor Helmut Kohl, who died in 2017.

Then on Feb. 8, special counsel Robert Hur released a report on Biden's handling of classified materials, describing him as an "elderly man with a poor memory," with "diminished faculties in advancing age."

Outside of Biden's core staff and family, Hur was the only person to the public's knowledge who had spent such an extended period interviewing the president—five hours over two days in October.

Biden showed recall of long past events, including hitting a target in Mongolia with a bow and arrow. At other moments, White House counsel Ed Siskel had to jump in to prompt him, including when he failed to find the words "fax machine."

In fiery remarks at the White House after the report's release, Biden pushed back at Hur's characterization. "My memory is fine. Take a look at what I've done since I've become president," he said. But during the speech, he made yet another flub: He referred to Egyptian President Abdel Fattah el-Sisi as "the president of Mexico."

In March, Biden assuaged concerns about his age when he delivered to Congress a feisty, hour-and-seven-minute State of the Union address, where he went off script to parry Republican criticism of his agenda. "Nobody's going to talk about cognitive impairment now," New York Rep. Jerrold Nadler crowed.

Days later, European officials

*Please turn to page A7*

## FROM PAGE ONE

Continued from page A6

met with Biden at the White House for a late afternoon discussion focused on NATO security concerns and the Ukraine war. The president seemed reasonably sharp for the first half of the meeting, according to a person present.

But as the conversation wore on, the president began to flag noticeably, speaking slowly and at times difficult to hear. Officials who had met him in previous years noted a sharp deterioration. The officials left the meeting saddened, feeling the president reminded some of their own parents as they aged, the person said.

Sullivan, on Sunday, said he was unaware of the events as described.

## White House denials

Meanwhile, the White House was continuing to vigorously deny that there was a problem, dismissing concerns about Biden's age as a Republican talking point. The Journal interviewed half a dozen senior administration officials this spring after learning Biden had shown concerning signs of aging during meetings. The officials uniformly denied Biden's acuity had declined and insisted he was as sharp as ever.

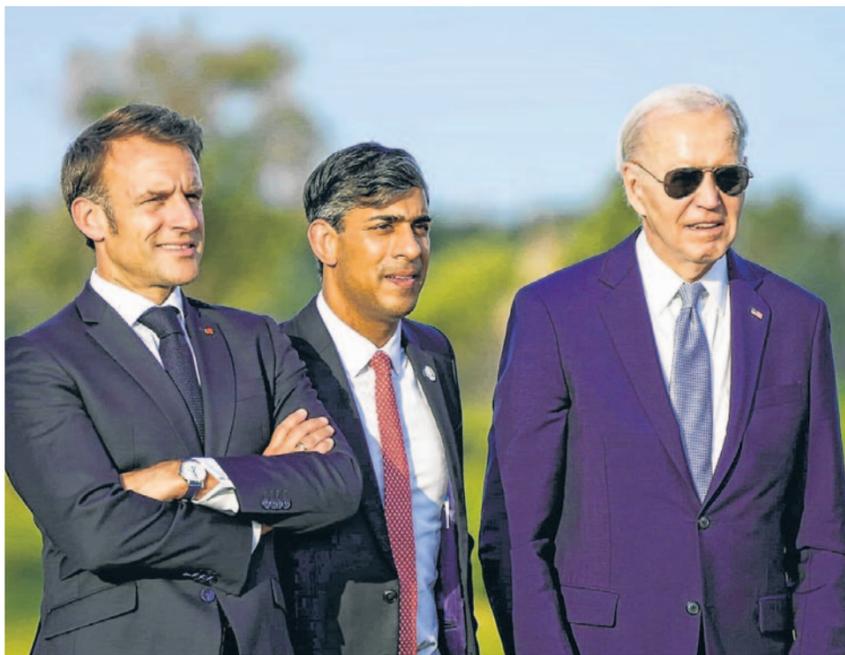
Those conversations included an hour-long interview in May with a senior administration official who, while sitting in a West Wing office, disputed the notion that Biden's health was a problem and insisted Biden was working harder than the staff.

When supporters expressed concerns about Biden's slip-ups, the campaign responded by pointing out Trump was only a few years younger than Biden. Some donors simply justified the president's mistakes in other ways—saying they told themselves, “Who among us hasn't forgotten a name or two at a big party?”

Further dampening their worries was the fiery support from other big-name allies of the president, chiefly Katzenberg. When would-be donors told the former Hollywood mogul they couldn't support such an unpopular and frail candidate, they said he often responded by saying he didn't want to explain to his grandchildren that he had sat idly by while Trump regained power.

In early June, Biden traveled to France to commemorate the 80th anniversary of D-Day, where he struggled at times. That was when the Journal reported that Biden's conduct in private meetings had alarmed other participants, both Democrats and Republicans, who said he showed signs of slipping.

The White House attacked



French President Emmanuel Macron, then-U.K. Prime Minister Rishi Sunak and Biden at the G-7 meeting in Italy in June, where senior diplomats privately said the president had deteriorated.

the Journal's reporting, describing the claims as false and politically motivated. Administration officials worked behind the scenes for weeks to ensure Democrats gave the Journal favorable descriptions of the president, and lobbied aggressively to prevent the Journal from reporting material that showed the president's acuity had declined.

Several congressional Democrats, including Pelosi, strongly defended Biden as sharp. Bates, the White House spokesman, used his official X account to attack the reporting, posting roughly 80 times and privately reaching out to journalists at other news outlets to criticize it.

Later that month, at the G-7 summit in Italy, senior diplomats privately said the president had deteriorated noticeably since the previous summer. Biden left the G-7 early to fly to California for a fundraiser hosted by actor George Clooney and other Hollywood stars. Appearing alongside Obama, Biden appeared at times to struggle through answers or keep up with the conversation.

Biden then flew to Camp David, where he spent nearly a week preparing for the debate. People with knowledge of the preparations said the president made several slip-ups during practice sessions. His performance was never as bad as it was on debate night.

On June 27, the Biden campaign took a fatal blow. During the debate, the president repeatedly lost his train of thought, confusing his words and staring with his mouth agape. The Biden campaign quickly put out the word that

the president had a cold.

The next day, Biden sought to do damage control. At a rally in Raleigh, N.C., Biden delivered a more forceful performance using a teleprompter, saying, “I know I'm not a young man, to state the obvious.”

The appearance did little to calm Democrats' concerns, as top White House and Biden campaign officials held one-on-one calls with key officials, donors and supporters. Democratic lawmakers began to discuss whether it made sense to keep Biden on the ticket.

Some of his allies privately groused they hadn't heard from the president. Biden waited

The White House said Biden “engaged with a wide range of governors, members of Congress, former officials and other leaders.”

Trump, meanwhile, at a rally in Chesapeake, Va., said voters should consider whether “America can survive four more years” with Biden in the White House. “In fact, I don't know if we can really survive five more months.”

At a fundraiser that weekend in East Hampton, Biden was taking questions from the group of around a dozen people when he invited senior adviser Mike Donilon to supply some additional information. Donilon be-

*‘He started looking like he was struggling more... That did worry me a little bit.’*

Rep. Adam Smith, a Washington Democrat

nearly a week to call Senate Majority Leader Chuck Schumer and House Minority Leader Hakeem Jeffries.

The day after the debate, at a 50th birthday party for sports and entertainment executive Casey Wasserman in a hangar at Santa Monica Airport, politicians including former president Bill Clinton, Pelosi and others mingled with Hollywood executives. The debate was a constant topic of conversation, and partygoers wondered why Clinton, one of the Democrats' best communicators and a Biden defender, wasn't on the road stumping for him. “I'm waiting to hear from them,” Clinton told other guests. A Clinton spokesman declined to comment.

gan answering donors' questions after that, which struck some in the room as unusual, according to people familiar with the matter.

On July 1, Doggett, the Texas congressman, reached out to the White House and asked to speak to the president, telling them he believed it was important that Biden step aside. He said he never got a call back. The next day, he became the first sitting Democratic lawmaker to call for Biden to withdraw.

On Capitol Hill, unrest continued to grow. Smith, the congressman from Washington, called White House aides to inform them that he planned to call for Biden to step aside. White House officials begged

him to wait until they had had a chance to talk, he said. “And then while they were out there telling everyone to keep it private, they were out there publicly saying there can't be a problem because no one is saying anything,” he said. He described the strategy as, “ignore the problem, nothing to see here, and run out the clock.”

Smith called for Biden to withdraw on July 8.

On July 10, the wall of support for the president began to crumble. As NATO leaders arrived in Washington for a summit, anxieties over Biden's age dominated the talk in the hallways and cocktail hours—eclipsing even the wars in Ukraine and Gaza, officials present said.

Throughout the first day of the summit, the president seemed to hold his own. At the summit, Biden shook hands with all the leaders and greeted them for more than an hour. He was energetic throughout a three-hour meeting, sounded confident and spoke well.

But in the final few minutes of the last day, when Biden referred to Ukraine's Volodymyr Zelensky as “President Putin,” a gasp swept through the crowd. World leaders and officials walked out into the hallway rueful that several extensively choreographed days meant to demonstrate NATO's resolve in the face of Russia had been overshadowed.

Then, in a news conference closing out the summit, he referred to his vice president as “Vice President Trump.” Sullivan, the national security adviser, pressed his hand to his face. Secretary of State Antony Blinken flinched.

Biden demonstrated deep

Houlahan (D., Pa.) said the president was losing Pennsylvania by 4 to 5 percentage points.

Schumer drove to Rehoboth, Del., that day to meet with Biden. In a 35-minute one-on-one meeting, he appealed to Biden's legacy, the future of the country and the impact on Congress and the Supreme Court, according to a person with knowledge of the meeting. “I do not expect you to walk out of this room making a decision,” Schumer told Biden at the conclusion of the meeting, “but I hope you will think about what I said.”

“I need another week,” Biden said. They hugged.

That night, the debate over whether he should stay in the race was upended in the course of seconds. At a campaign rally in Butler, Pa., a bullet whizzed toward Trump's head as he recited his stump speech about curbing illegal immigration.

The assassination attempt, which killed one Trump supporter, immediately focused attention on the bitter political divisions cleaving the nation. Biden declared the assassination attempt “contrary to everything we stand for as a nation.”

Within days, the calls for Biden to withdraw had resumed.

As the Republican convention unfolded, a display of unity for the GOP, top congressional leaders successfully pushed to delay a procedural vote on Biden's nomination.

Donors began an all-out revolt, telling Schumer and Jeffries it would get increasingly difficult to raise money not just for the presidential race, but also for congressional campaigns, if Biden didn't drop out. Katzenberg met with Biden to warn him that fundraising for his race was weakening.

Then the president got Covid. The White House announcement on Wednesday that he had tested positive forced him to cut short a Nevada campaign stop. He appeared to struggle on the stairs to Air Force One and entering the car at the airport. The White House said his symptoms included “general malaise.”

As the weekend unfolded, the White House continued to testily deny that any discussions were under way over Biden withdrawing from the race.

On Sunday, at 1:46 p.m., the announcement came on social media.

“While it has been my intention to seek reelection,” the president wrote in a seven-paragraph letter, “I believe it is in the best interest of my party and the country for me to stand down.”

—Daniel Michaels, Drew Hinshaw, Max Colchester, Emily Glazer and Lindsay Wise contributed to this article.

# Withdrawal Caps Turbulent Weeks Of the Campaign

By MOLLY BALL

President Biden's withdrawal from the 2024 campaign caps off a historically tumultuous stretch in American politics, as a series of unexpected events—

**ANALYSIS** from a presidential debate for the ages to a near-assassination—have shaken up the political landscape and thrust it into uncharted territory.

Until recently, the 2024 presidential election was shaping up as a snoozer of a rematch, with the same candidates who battled each other in 2020 ignoring the electorate's pleas for change. Now an utterly unpredictable new phase has begun.

It has been just over two months since Biden challenged his opponent, former President Donald Trump, to an unusually early presidential debate, aiming to jolt a stalled campaign out of its stupor.

At the time, Democrats were frustrated that Biden's message didn't seem to be breaking through. Trump was spending four days a week in a Manhattan courtroom, defending himself against criminal charges based on his 2016 payments to an adult-film star. On May 30, he was found guilty of 34 felonies.

With the debate on June 27, the campaign suddenly came unglued. Democrats were stunned by Biden's shakiness, incoherence and inability to make a clear argument against

his rival, who looked vigorous and stable by comparison, if not particularly truthful. Party insiders began discussing what had been taboo. As more damning accounts of Biden's slippage behind the scenes emerged, they began to publicly wonder if it might be time for the incumbent to take himself out of the running.

At the very least, Biden needed to prove his claim that the debate was an aberration. He could have quickly scheduled a slew of meetings, appearances and interviews. Instead, he largely stuck to his previous calendar, remained mostly out of public view and took days to personally call leading lawmakers. His standing in polls began to worsen. Democrats' panic intensified when, on July 1, the Supreme Court issued a ruling declaring presidents immune from many forms of criminal prosecution, throwing Trump's conviction and lingering indictments into doubt.

With so much at stake, Biden's inability to press the case against Trump created a mounting crisis within his party. The president had dug in against party insiders' private entreaties that he reconsider. Seeing that their private imprecations were getting no traction, lawmakers began sounding the alarm publicly.

So focused was the nation on Biden's plight that when the president scheduled a rare July 11 news conference, more than 20 million people



People in New York City watched the June 27 presidential debate, which triggered widespread concern among Democrats.

watched it live.

Trump, meanwhile, was riding high, eagerly stoking speculation about who he might choose for his running mate. When he scheduled a Saturday night rally for July 13 in Butler, Pa., on the Ohio-Pennsylvania border, many wondered if it was a hint that he might be leaning toward Sen. JD Vance of Ohio. Then, at about 6:12 p.m. Eastern time, a gunman with a high-powered rifle fired at the former president and nearly hit him squarely in the head, killing a rallygoer and severely injuring two others.

The near miss brought a new sense of gravity—and grace—to the Milwaukee convention that would cement Trump's dominance of the modern GOP. As the convention kicked off on July 15, Trump said he would indeed pick Vance, anointing a new-generation leader of the MAGA movement. That same day, a Florida judge dismissed

Trump's criminal indictment for his postpresidential handling of classified documents, a development that might once have seemed seismic but now registered as little more than a blip.

As a rapturous GOP feted its new ticket in Milwaukee, Biden came down with Covid-19 and retreated to his Delaware beach house. But the pressure on him to withdraw didn't let up. After the convention concluded, the trickle of lawmakers calling on the president to withdraw became a flood. Like the orchestra on the deck of the Titanic, campaign and White House officials steadfastly insisted that the president's mind was made up to continue, but the patience of even his closest allies was wearing thin. On Sunday afternoon, Biden finally publicly acknowledged what had become clear to so many: he couldn't go on.

The question following Bi-

den's withdrawal is whether this latest development will be merely the latest jerk of the roller coaster—or a welcome respite from it. In recent days, the Lincoln Democracy Institute, a partner of the anti-Trump Lincoln Project, has asked a panel of disenfranchised voters in swing states how they would feel if Biden stepped aside. A prevalent sentiment among the 311 participants across Wisconsin, Arizona, Michigan and Pennsylvania was “relieved,” followed by both “happy” and “disappointed.” With Democrats seeming to close ranks quickly behind Biden's endorsement of Harris on Sunday, many in the party hope they can go forward with a new sense that the old stalemate has broken and a fresh option is on the table.

Twice in the last century, sitting presidents have decided not to seek re-election. Both—Harry Truman in 1952 and

Lyndon Johnson in 1968—were Democrats weighed down by unpopular wars who, unlike Biden, faced challengers from within their own party, said presidential historian Timothy Naftali. Both, unlike Biden, were able to bow out on their own time and their own terms—yet in both cases, their party went on to lose in November.

Naftali believes Biden's legacy likely hangs on the November result, and much may depend on whether he is able to hand off the nomination in an orderly way. “If they can do it without chaos, they could very well break the cycle,” he said. “Biden's mandate in 2020 was to restore stability to the country, to shore up institutions, to restore trust in government among Americans and restore trust in the U.S. among allies. He did that, but if Donald Trump returns to the White House in 2025, all Biden did was postpone the chaos.”

By OYIN ADEDOYIN

Young people are building strong credit histories years before they start working.

Parents have largely driven earlier credit start dates by adding their children as authorized users on their own accounts. Authorized users get a card and can spend on it as if it's their own, while parents pay. It is a simple workaround given people have to be 18 to apply for a credit card.

More than 690,000 22- to 24-year-olds had an authorized user card account attached to their credit report last year, compared with 285,000 consumers of the same age a decade ago, according to credit reporting agency TransUnion.

Adding a younger person as an authorized user allows them to build years of credit history before they graduate college. It boosts the odds they will be approved for better rates on mortgages and car loans in the years to come.

Still, there are some pitfalls, including that not all children's credit histories get reported to credit bureaus.

Kelly Jackson, a massage therapist in St. Augustine, Fla., started savings accounts for her three children when they were babies and signed them up for financial literacy courses. She added two of them to her card account, making them authorized users.

Her daughter got a card at 17. When she graduated from high school, she had a credit score over 700. Gen Z's current average is 666, according to VantageScore.

Now 22 years old, her daughter has a credit card in her own name with a \$1,000 limit and a car loan with a 7% interest rate. The average annual percentage rate offer for someone with a score below 599 is 13.6%, according to Credit Karma.

"It's definitely a different era that these kids are growing up in," Jackson said, with children relying on their parents longer for financial support. "We wanted our chil-



◀ The length of your credit history usually makes up 15% to 20% of your credit score.

der 4% on two home purchases, she said.

"My parents' purpose was to build a good credit score for me before I left home and it worked," said Ludwig, who lives in Melrose, Minn. The 44-year-old plans to add her 16-year-old daughter as an authorized user on her Discover card next year.

### Pitfalls

A young adult might be tempted to spend money they don't have, financial advisers say. People in their early 20s today carry higher credit card balances than they did a decade ago.

"It's important that we don't try to set people up for a borrowing capacity that's ahead of their maturity and ahead of their income capacity," said Karen Carlson, vice president of education for InCharge Debt Solutions, a credit-counseling service based

in Orlando, Fla.

Carlson and others suggest parents put spending limits on children's credit cards and track them by getting notifications of each purchase.

Another concern for young adults is that in the same way they can absorb a parent's good history, they can also inherit bad

credit history—missed or late payments, debt or using too much of the available credit.

Ashley Vernier's mom gave her an American Express card when she was 16 years old. She used it for gas, travel and small medical expenses.

"I was really excited to open my own credit card and build that credit," said Vernier. By the time she was 21, her

credit score had risen to the 700s.

When she tried to apply for her own credit card last year, Vernier, 22, was rejected at least five times. Issuers cited a \$10,000 balance on her American Express account. Though it was her mom's balance, it was tied to Vernier's credit report.

Vernier was ultimately approved for a Chase card with an \$8,200 limit, but she worries it could be hard to buy a house or a car. And she doesn't want to sever the connection, as her mom pays Vernier's monthly car payments with Vernier's card.

If she could do it over again, Vernier said she would have gotten her first credit card at 18 and built her own credit.

## Boost a Credit History By Starting Early

Parents are helping children by adding them on their own accounts

dren to start making healthy decisions when we knew they were responsible and mature enough."

### How it works

Sometimes parents add their children with the explicit purpose of raising their credit. Other times it is a byproduct of needing to give children access to digital payments, a lifeline for emergencies or to help them learn financial responsibility.

There are many ways having a longer credit history helps. Credit Karma says that having fewer than four years of credit history could hurt your overall score, making it

harder to get approved for a loan or other financial products. A longer record of on-time payments also helps lay the groundwork for a good credit score.

What happens before a user turns 18 isn't the same on all cards.

American Express, for example, doesn't report credit history of authorized users under 18 to credit bureaus, meaning the head start wouldn't ever factor into their credit score. Discover and Barclays, meanwhile, do send children's payment histories in. If an account is reported by a lender, Experian adds it to the consumer's credit report

The length of your credit history usually makes up 15% to 20% of your credit score, so starting a line of credit younger could help pump up the score. Some credit card issuers, like **Bank of America** and **Capital One**, have no minimum age for authorized users. Others, such as American Express and Barclays, have a minimum age of 13.

### Credit craze

Amy Slade Tanner added her son Louis, then an 18-year-old college student, to her account to take better advantage of cash-back and other rewards. He could use it for on-campus purchases but not alcohol and gambling, she said.



▲ Amy Slade Tanner added her son Louis to her account when he was 18.

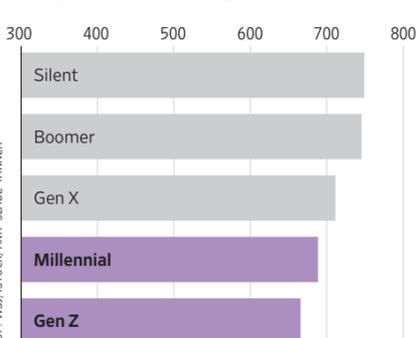
When they checked the 23-year-old's credit score in July, it was 806.

"He was like, 'damn, your plan worked,'" said Tanner, 54, who lives in Las Vegas. "It was a win-win all the way around."

Others are repeating what was done for them.

Nearly three decades ago, Tirza Ludwig's parents added her as a user on their credit card accounts when she was in high school. Her credit score, which was over 800 when she was 22, has made it easier to qualify for interest rates un-

### Average credit scores by generation, May 2024



### Consumers age 22-24 with an authorized user card account on file



Sources: VantageScore (scores); TransUnion (user cards)

## 'Twisters' Director Chased a Dream

By ELLEN GAMERMAN

American flags are flapping in "Twisters," and not just because of the weather. The new movie about monster tornadoes is a red, white and blue attempt to appeal to all different kinds of audiences. No one in the film mentions the words "climate change." New York City tornado expert Kate (Daisy Edgar-Jones) isn't a snob, and Oklahoma tornado YouTube star Tyler (Glen Powell) isn't a rube. They both have Ph.D.s. They both love the heartland.

Director Lee Isaac Chung, who experienced occasional tornado warnings as a child growing up in Arkansas, believes disaster movies have the power to unite audiences. "Minari," his 2020 film about a Korean-American family building a new life on a farm in the rural South, is framed by a tornado threat at the start and a raging fire at the end. But it's no cataclysmic adventure picture.

The natural devastation in "Twisters" exists on another order of magnitude. The film, made in the spirit of the 1996 cult hit "Twister" but not a sequel, includes similar popcorn-movie jump scares, such as when people are sucked into tornadoes like pet hair up a vacuum cleaner. The tornado sounds were created with wolf, horse and seal noises woven into the wind effects. ("Twister" sound sources included

lion roars and the slowed-down howling of mating camels.)

Chung, a 45-year-old, two-time Oscar nominee, spoke with The Journal recently about filming at a rodeo, giving tornadoes personalities and cutting the big kiss from his Hollywood ending.

### What made you want to do a disaster movie?

With "Minari," it wasn't necessarily that scene with the tornado, but it was the fire sequence at the end. When I filmed that, I found myself really wishing I could do a movie in which I have that level of destruction throughout the film, where I'm following characters who have to face that very visceral and raw experience. And "Twister" was such a big part of the zeitgeist where I grew up. It came out when I was a junior in high school. The very first scene in that movie reflects what I felt like our family did when a tornado did come at night into the area. We got into our truck and we ended up driving away looking for a place where we could hide.

### Why didn't you include the words "climate change" in the movie?

I tried my best to be very measured with it and to stick to the reality of what scientists are saying about climate change and tornadoes. Certainly, scientists feel that climate change has changed the nature of tornadoes, but there's still a lot of



debate about what those changes are. I didn't want to be on a soapbox preaching about climate change with this movie. I felt like I had to follow the lead of what scientists are saying on the ground.

### What were the special effects challenges?

Industrial Light & Magic was telling me that the data from all of the effects in "Twister" would not add up to the amount of data that we are using in just one shot of the tornado. The challenge for us was, how do we still make this film feel special, to make sure that we still try to ground this as much as possible in the real world, in real shooting conditions with real effects. A big

▲ From left, actors Daisy Edgar-Jones and Glen Powell and director Lee Isaac Chung on the set of 'Twisters.'

challenge of making a tornado movie is that it can feel repetitive to see one tornado after the other. So we had to vary what the tornadoes were, the personality of the storms, how those storms are interacting with the characters.

### What was it like to film at a rodeo in Oklahoma?

The rodeo is a way of highlighting American culture, and a lot of rodeo riders and competitors have learned the work they do through doing actual work on farms. This is a really

important part of our culture. There's been a weird polarization around the idea of being an American and celebrating being an American, which I think we should really move beyond and have more aspects of our American culture that we can just celebrate.

### The original "Twister" ends with the leads kissing for the better part of a minute. "Twisters" ends with a happy couple but no kiss right when it's expected. Why is that?

We all internally talked about this a lot. So I filmed both versions of the ending and deciding upon this ending was something that I felt just fit a lot more with

what the movie is. There was a kiss version of it. But I felt like as I watched the movie in the edit, we didn't necessarily earn that moment. I did hope that the kiss would work. I was thinking I would try a version where they kiss and it would be very romantic. But once I had done it, it just wasn't sitting right.

### If I were a meteorologist, what bone would I pick after seeing this movie?

One thing that any meteorologist would say is: Don't do this at home. Don't do this yourself. Don't chase tornadoes.

This interview has been edited and condensed for clarity.

## PERSONAL JOURNAL.

# Rollover Mistakes Cost Savers Billions

New research from Vanguard shows that much of the 401(k) balances moved into IRAs miss out on market returns

By ANNE TERGESEN

Workers miss out on billions in investment gains by pulling retirement savings out of the stock market after switching jobs—often without meaning to.

When people roll 401(k) balances from their old company's plan into an individual retirement account, the money is frequently held as cash until they select new investments. Many never do, according to new research from Vanguard Group. Nearly a third who rolled savings into IRAs at Vanguard in 2015 still had the balance sitting in cash seven years later.

Americans with cash-heavy IRAs give up more than \$172 billion a year in retirement wealth they could have generated by investing in stocks and bonds, the Vanguard study estimates.

The mistake is common and costly, especially for younger workers accustomed to their savings being automatically invested in company plans. They risk missing out on years of potential gains, which compound over decades and build retirement wealth.

The issue is important to older savers, too, who tend to need some exposure to stocks to ensure their money lasts, financial advisers said.

The huge sums unintentionally kept in cash are a growing concern since IRAs have become the dominant way in which Americans hold their retirement savings, said Fiona Greig, global head of investor research and policy at Vanguard and a co-author of the study. IRAs have \$14.3 trillion in assets, versus \$11.1 trillion in 401(k)-type plans, according to the Investment Company Institute, the fund industry's trade association.

Brie Pio, a financial adviser in Rockport, Maine, said a couple who hired her in 2021 had rolled more than \$400,000 over from a 401(k) to an IRA the year before. It took them a while to realize the money was sitting in cash.

"They couldn't figure out why they weren't earning any money when the stock market was showing high returns," said Pio, who estimated the couple lost about \$100,000 by missing the rally.

## Cashing out

There are several options for handling retirement savings when leaving jobs. You can keep your 401(k) balance with your old company, roll the money into a new employer's 401(k) plan, or move it into an IRA instead.

An IRA gives savers more options for where to invest their money, but that money usually isn't automatically invested in the market.

When you roll your 401(k) account into an IRA, the company that administers the 401(k) often sells your holdings, then moves the cash into your IRA.

While rollovers account for a significant portion of the assets in IRAs, some people make annual contributions.

Among investors who contributed to an IRA in 2022, more than half stayed in cash for at least 12 months, the Vanguard study found.

Some account owners put off making decisions about where to put the money because they are overwhelmed by the thousands of investment options IRAs offer, said Andy Reed, head of investor behavior research at Vanguard and a co-author of the study.

Others mistakenly assume the company that serves as custodian for their IRA, such as Vanguard or Fidelity Investments, will automatically invest their savings for them, as many 401(k) plans do, Reed said.

Without reminders to move the money out of cash, "a great deal of IRA investors would stay in cash forever," he said.

In a recent survey of over 500 Vanguard IRA clients who completed a rollover in 2023 but were still in cash in June, 68% didn't know how their IRA money was invested.

## Missing out

Since the Federal Reserve began raising interest rates in 2022,



▲ Brie Pio, an adviser in Rockport, Maine, said one client didn't realize that a large IRA balance was all in cash.

cash-like investments have gotten a boost. Money-market funds now pay annual interest of about 5%, meaning the returns from cash aren't nearly as bad as they were as recently as 2021, when they were close to zero.

Since 1926, U.S. large-cap stocks have gained an annualized 7.19% after adjusting for inflation, versus 0.31% for cash, according to Morningstar Direct.

Laura Bovard, a 33-year-old nurse from Cincinnati, said she has lost out on thousands of dollars of gains because her IRA has been in cash since 2016.

A former employer rolled her pension into the IRA after she left her job, something companies can do with pensions and 401(k) accounts when the balance is between \$1,000 and \$7,000.

Bovard said she didn't know about the IRA until recently, when she received a statement.

"It's not even in a high-yield money-market fund. It's earning



▲ Laura Bovard, pictured with husband, John Bovard, says she missed out on thousands of dollars because an old IRA sat in cash.

very minimal interest even now," said Bovard, who is moving the money to her current 401(k)-type plan.

The \$3,200 balance would be more than twice as high had the IRA been invested in stocks over the past eight years, according to an estimate by Bovard's husband, John Bovard, a financial adviser.

Vanguard customers who rolled money over to an IRA in their 20s held cash in those accounts for a median of seven years, compared with five months for investors who rolled over to

an IRA at around age 55.

## Nudge for IRAs

As baby boomers retire and younger workers switch jobs, the dollars moved to IRAs from 401(k)-type accounts ballooned to \$701 billion in 2023, up from \$404 billion in 2013, according to research and consulting firm Cerulli Associates.

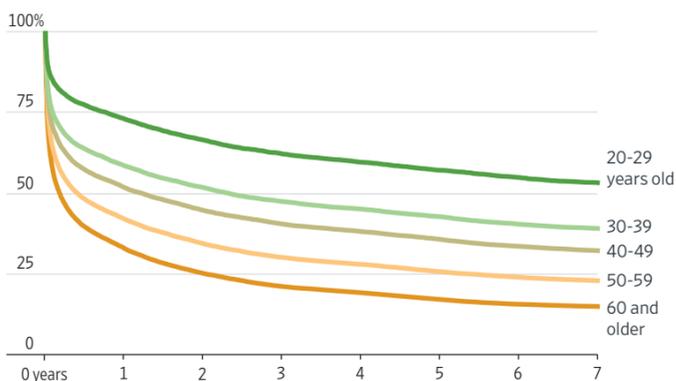
The researchers at Vanguard want policymakers to address the cash issue by extending to IRAs the legal protections available under a 2006 law that allows 401(k) plans to automatically enroll workers in diversified portfolios, such as target-date funds.

Vanguard is the largest provider of target-date funds, according to Morningstar.

Such a policy would add more than \$100,000 to the average IRA balance by the time an investor under 55 reaches age 65, Vanguard estimates.

Mark Iwry, a former Treasury Department official who oversaw national retirement policy in the Clinton and Obama administrations, said that defaulting IRA investors into target-date or similar funds would generally be a significant improvement. But, Iwry added, since IRAs differ from 401(k)s in important ways and are subject to different rules than 401(k)s, Congress would have to weigh concerns over important questions, such as fees on IRA default funds, before enacting changes.

Percentage of IRA investors who remain in cash years after a 401(k) rollover



Note: Data is for rollovers that were at least \$1,000 and entered the account in cash, from 2015 to year-end 2022. Includes clients with a positive IRA balance at the end of 2022. The resulting sample size is roughly 68,000 rollovers. Source: Vanguard

## Summer Can Turn Pools Into Hot Baths

Continued from Page One

lemma is confronting owners of homes, hotels and country clubs across the country, as summer temperatures soar.

Last year was Earth's hottest year on record, fueled by rising greenhouse gas emissions. Summer 2023 was historically punishing for swaths of the country, and record-breaking heat waves have blanketed much of the nation already this summer.

The result of it all: swimming pools just aren't that refreshing. "The pool becomes unusable when it gets over 100-degree temperatures" outside, said Jake Doring, operations manager for Glacier Pool Coolers, a company based in Scottsdale, Ariz., that makes pool chillers.

Pool chillers can generally bring down the water temperature to the 80s or high 70s, even when air temperatures are routinely topping 100.

But chillers can cost thousands. That prompts some to look for lower-cost options, such as fountains or water-features that cool the water by circulating it through air, allowing heat to escape through evaporation. Running an aerator at night, when air temperatures drop, or creating shade around the pool with a canopy, are good low-tech



David Givot invested in a pool chiller after trying ice. Right, Sarah Beauregard installed a pool chiller at her resort in Ennis, Texas, where air temperatures commonly top 100.

ways to cool a pool, according to Mike Aprati, owner of Coral Pools of Tempe, Ariz.

Lisa Sullenger-Cable said increasingly hot summers in Little Rock, Ark., prompted her to start looking for ways to cool down the water in the aboveground pool she's had for more than a decade.

She tried attaching a fountain to the pool's water return line—where filtered water enters the pool after the filtration system—but it put so much pressure on the side of the pool that it ripped open.

"The pool broke in half right at the seam," said the 64-year-old. After



it was fixed, she tried putting a water hose spray nozzle into the pool to add cool water, with little effect.

Last year, Sullenger-Cable installed a shade sail above the pool to keep the sun off, which "made a world of difference." Before the shade, the water felt "like a hot bath, it was awful," she said, adding the shade sail brought the temperature down by 10 degrees or so.

For the average homeowner, the easiest trick might be to partially drain the pool and top it off with water from the hose, which even in the summer tends to be relatively cool because it comes from pipes

underground, said Jeff Campbell, who runs the YouTube channel Hot Tub Owner HQ. That would only be an option if your overheating pool is in an area without restrictions on water usage due to drought.

Campbell, who lives in Wimberley, Texas, experimented by trying to cool the water in his hot tub on a "beastly hot" day—he still wanted a warm soak but the air temperature had made it too hot to use. He threw in 10 7-pound bags of ice. That brought down the temperature, but not much, from 109 to 104.5 degrees. He said he wanted to try with ice because it isn't super expensive. "I

don't know how practical it would be," he said. "My hot tub was probably back up to the original temperature within 48 hours."

For larger bodies of water, adding ice is a futile exercise, as Katie Ledezma discovered last summer when she and her relatives tried to cool down her uncle's aboveground pool in Brownsville, Texas.

"We must have put 12 bags of ice in there," said Ledezma, a singer of Conjunto music. "It immediately melted in the pool, and it was still really hot."

Professionals advise against attempting the ice method. "It messes with your water's pH," said Doring of Glacier Pool Coolers. "That's kind of a pain."

For others, the expense of a pool chiller is worth it. When Sarah Beauregard installed a pool at her resort for Airstreams and vintage trailers in Ennis, Texas, in 2021, she said taking the plunge on a \$4,000 device was a no-brainer. The mercury there regularly tops 100 degrees in summer.

"Our guests just find it so refreshing and so chilling," said Beauregard, owner of the Range Vintage Trailer Resort. "Our bartenders give guests drinks in the pool so they don't even have to get out."

# ARTS IN REVIEW

OPERA REVIEW

## Stories of Art and Attraction

Des Moines Metro Opera stages a work about a painter and his muse, as well as a Debussy classic



By HEIDI WALESON

**Indianola, Iowa**  
**'AMERICAN APOLLO'** by Damien Geter and Lila Palmer, which had its world premiere at Des Moines Metro Opera earlier this month, touchingly imagines the artistic and erotic relationship between two real people. In 1916, the celebrated painter John Singer Sargent met Thomas McKeller, a young black man working as a bellhop and elevator operator at a Boston hotel. For the next decade, until the artist's death in 1925, McKeller was Sargent's model for his murals at the Museum of Fine Arts, his body transformed into those of gods and muses, both male and female. Sargent's sketches of McKeller prompted a 2020 exhibition at the Isabella Stewart Gardner Museum accompanied by scholarly exploration of their story.

For DMMO, Mr. Geter and Ms. Palmer expanded their 20-minute piece commissioned by Washington National Opera's American Opera Initiative into a full evening. There are extraneous characters, occasional talkiness, and some plot points that feel artificial, but when the creators delve into the

▲ Justin Austin and William Burden in 'American Apollo,' directed by Shaun Patrick Tubbs.

emotional intimacy and fervor of the relationship, the opera blossoms. Ms. Palmer's libretto deals forthrightly with the complexities of its central theme—the power imbalance between a prominent white man and a working-class black one, exemplified by the fact that Sargent's MFA paintings of McKeller's body show him as white, with classical heads instead of his own. Was Sargent simply using McKeller, or did he truly see and care for him?

The opera's most affecting moments revolve around the melding of artistic inspiration and growing love in Sargent's studio. They include Sargent's first caressing aria ("Magnificent. Extraordinary."), about how McKeller's body and modeling skill have moved him, and later, a tender duet of mutual seduction as Sargent tells the stories of the gods and McKeller finds them in his poses. Mr. Geter's lyrical music is at its strongest here; he also integrates Reynaldo Hahn's perfumed chanson "À Chloris," which the two men sing together,



▲ Sydney Mancasola and Edward Nelson in 'Pelléas et Mélisande,' directed by Chas Rader-Shieber.

as a love motif. Two scenes of reconciliation in Act 2 are similarly charged with tenderness. When the opera moves outside their dyad and into the rest of the world, its magic dissipates, and the music feels routine.

As McKeller, baritone Justin Austin combined yearning, intelligence and prickliness; his anguished aria "This is my body," questioning Sargent's motives, was a dramatic high point. As Sargent, tenor William Burden found the aging artist's spark and sincerity. As Isabella Stewart Gardner, Sargent's friend and patron, who keeps the duo going whenever it threatens to fall apart, Mary Dunleavy was effervescent, although her high coloratura had a strident edge. Of the numerous cameo roles, the two largest were ably discharged by

Alex McKissick as Nicola d'Inverno, Sargent's former model and lover, and Tesia Kwarteng as Ida Mae McDonald, McKeller's friend and confidante. David Neely was the sensitive conductor, skillfully handling the transparent orchestrations and evocative interludes.

Director Shaun Patrick Tubbs and scenic designer Steven C. Kemp made good use of the Blank Performing Arts Center's eccentric stage (it has a hole in the middle through which the orchestra can be glimpsed). Sargent's studio occupied the front area; most of the other scenes took place upstage. Reproductions of Sargent's paintings established the studio scenes and provided a dramatic final reveal: After the artist's death, McKeller uncovers the powerful nude portrait of the model as himself (it is now in the MFA), and his doubts vanish.

Debussy's "**Pelléas et Mélisande**" was performed with sinewy directness rather than lush

impressionism—the smallish orchestra under Derrick Inouye sounded undernourished for this score and Chas Rader-Shieber's direction avoided ambiguity. The clear motivations were bracing at first, thanks to the three excellent principal singers.

The violent temperament of Golaud (Brandon Cedel) was established from the beginning, the mutual erotic attraction of Pelléas (Edward Nelson) and Mélisande (Sydney Mancasola) was explicit and adult, and all three understood the consequences of their actions. But Mr. Rader-Shieber's additions at the end—Golaud kills himself and the old king Arkel, eloquently sung by Matt Boehler, also dies, leaving the boy Yniold (Benjamin Bjorklund) to circle the stage hole with Mélisande's baby in his arms—produced a Shakespearean massacre at odds with the opera's mood of perpetual gloom.

Andrew Boyce's somber, claustrophobic scenic design used a coffered wood backdrop and an armoire that became a kind of magical door to other realms—its bottom drawer was pulled out to become the fountain where Mélisande loses Golaud's ring. Lighting designer Connie Yun kept the shadows long; Jacob A. Climer's early 20th-century costumes hit their mark, especially when Mélisande, arriving at the castle, is trussed into a full corset, bodice and skirt. Once her romance with Pelléas is under way, she wears filmy nightwear; as she dies in the now snow-filled armoire, she has regressed to the traumatized state in which Golaud first found her.

Ms. Waleson writes about opera for the Journal and is the author of "Mad Scenes and Exit Arias: The Death of the New York City Opera and the Future of Opera in America" (Metropolitan).

ARTS CALENDAR

## HAPPENINGS FOR THE WEEK OF JULY 23

By WSJ ARTS IN REVIEW STAFF

**Film**  
**"Deadpool & Wolverine"**  
 (July 26)

Ryan Reynolds and Hugh Jackman lead the latest film in the Marvel Cinematic Universe, which finds the smooth-talking mercenary Deadpool put out to pasture. When Cassandra Nova (Emma Corrin), a mutant telepath, threatens to destroy the multiverse, Deadpool comes out of retirement and joins forces with Wolverine to defeat her before time runs out.



Ryan Reynolds and Hugh Jackman in 'Deadpool & Wolverine.'

**"Didi"** (July 26)

Director Sean Wang's debut is a coming-of-age dramedy about a 13-year-old Taiwanese-American boy. Between listless days spent on the internet and bouts of real-life mischief, Chris learns three crucial lessons: "how to skate, how to flirt, and how to love your mom." Upon its premiere at Sundance earlier this year, our critic described it as "a refreshing antidote to all of those youth-patronizing movies in which kids are portrayed as hyper-confident quip machines."

**TV**  
**"Time Bandits"**  
 (Apple TV+, July 24)

Adapted from Terry Gil-

liam's beloved 1981 fantasy feature, this series follows a motley crew of bandits as they travel across epochs, confronting dinosaurs one day and witnessing the Trojan War the next. Their latest recruit is 11-year-old Kevin (Kal-Ei Tuck), a precocious history nerd who joins the ragtag entourage led by Penelope (Lisa Kudrow) to hunt for treasure.

**Music**  
**"Nick Drake: An Orchestral Celebration"**  
 (Royal Albert Hall, London, July 24)

In the 50 years since his death at age 26, Nick Drake has attained cult status as successive generations are drawn to his meditative lyrics, otherworldly folk sound and melancholy fate. Drake enjoyed a brief but productive career, releasing three albums before his death by accidental overdose. This anniversary concert presents his essential songs, performed by various artists, alongside the BBC Symphony Orchestra, and will be broadcast live on BBC Radio 3.

**Art**  
**"Mass of Pope Gregory Panels"**  
 (Wadsworth Atheneum Museum of Art, Hartford, Conn., July 26-May 11, 2025)

For additional Arts Calendar listings visit [wsj.com](http://wsj.com). Write to [brian.kelly@wsj.com](mailto:brian.kelly@wsj.com) and [irma.kiss@wsj.com](mailto:irma.kiss@wsj.com).

These door panels to a large altarpiece, commissioned in the early 16th century and created by an unknown artist, go on display while they are being researched, studied and conserved. From varnish removal to technical imaging, these processes aim to give visitors an inside look at the curatorial care and scholarship that go into preserving artworks while allowing them to appreciate a continually refreshed scene of Jesus' apparition to St. Gregory.

**"Hope Is a Discipline" and "Tropical Frequencies"**  
 (The Arts Center at Governors Island, July 27-Sept. 29)

Two shows by Arts Center Curatorial Fellows open at this pastoral location just off the southern tip of Manhattan. The first, organized by Meghana Karnik, borrows its theme from the words of activist Mariame Kaba, showing the work of an ensemble of artists who explore ideas of memory and political inheritance. The second, organized by Kiara Cristina Ventura, exhibits works by Caribbean artists who dive into mythical, alternate realms with art deeply connected to their culture.

**Last Call**  
**"Woven Histories: Textiles and Modern Abstraction"**  
 (National Gallery of Art, Washington, through July 28)

An exhibition reveals textile art's storied past and deep ties to modernism through the work of Anni Albers, Sophie Taeuber-Arp, Sonia Delaunay and others. Our critic said the show "valuably showcases works that prove both eye-catching and eye-opening."

For additional Arts Calendar listings visit [wsj.com](http://wsj.com). Write to [brian.kelly@wsj.com](mailto:brian.kelly@wsj.com) and [irma.kiss@wsj.com](mailto:irma.kiss@wsj.com).

The WSJ Daily Crossword | Edited by Mike Shenk

1	2	3		4	5	6	7	8		9	10	11	12	13
14				15						16				
17			18							19				
20					21					22				
		23		24				25	26					
27	28							29				30		
31					32		33				34			
35					36	37				38	39	40	41	
			42	43				44	45					
46	47	48		49						50				
51				52				53	54	55				
56								57			58	59	60	
61								62			63			
64								65					66	
67								68					69	

- 18 Jeweled headbands
- 24 Wager
- 25 "\_\_\_ plaisir"
- 26 Bird bills
- 27 Mar. follower
- 28 Bering or Baltic
- 32 Flicked a cigarette, informally
- 33 See 36-Across
- 34 English channel, familiarly
- 37 Kunis of "Black Swan"
- 39 Fawning
- 40 Was ahead
- 41 Fairway concern
- 43 Untouched by time
- 45 Oriole great Ripken
- 46 Venomous snakes
- 47 Spam source
- 48 Vigorous vow
- 52 Sling mud, say
- 53 Seethes
- 54 Still available to rent
- 55 Perch for a pigeon, perhaps
- 59 Euphoric feeling
- 60 "Then again...," in texts
- 62 Teensy
- 63 Assent from a sailor

AMIDST IT ALL | By Joe O'Neill

<b>Across</b>	29 Formation for geese	51 Successfully evaded something unpleasant	3 Overly concerned with one's style
1 Neighbor of Homer and Marge	30 Digits sought by phishers: Abbr.	56 Pillow puddle	4 Stop on a R.R.
4 Pieces of cake	31 Former Spanish currency	57 Counting start	5 Fat cat
9 Sumerian summers?	33 Handed out	58 Currency that replaced 31-Across	6 Alternative to Siri
14 Cool-cucumber connector	35 Emanuel who's Biden's ambassador to Japan	61 Hirsch of "Once Upon a Time...in Hollywood"	7 Kilt pattern
15 Running total	36 With 33-Down, precisely, as in the middle of 17-, 23-, 51- and 62-Across	62 Really into	8 Isr. neighbor
16 Stellar bursts	38 Boat's body	64 Second chances	9 Poe's "___ Lee"
17 Bamboo muncher, familiarly	42 Historical term of respect in India	65 Solemn stanzas	10 Word in a Yale song
19 Rapace of "Prometheus"	44 Act's first part	66 Troop-entertaining grp.	11 Gives a wide berth
20 Carmaker based in Bavaria	46 Yellowfin tuna, at a sushi bar	67 Decelerates	12 Hitchcock's appearances in his films, e.g.
21 ___ Clean (laundry brand)	49 Salon goop	68 Cosmetics great Lauder	13 Knows of
22 Visitor from another world	50 Start of a kindergarten song	69 "Zip it!"	
23 Bedrock bellow		<b>Down</b>	
27 Tangential comment		1 California wine valley	
		2 Elder of Isaac and Rebecca's twins	

Previous Puzzle's Solution

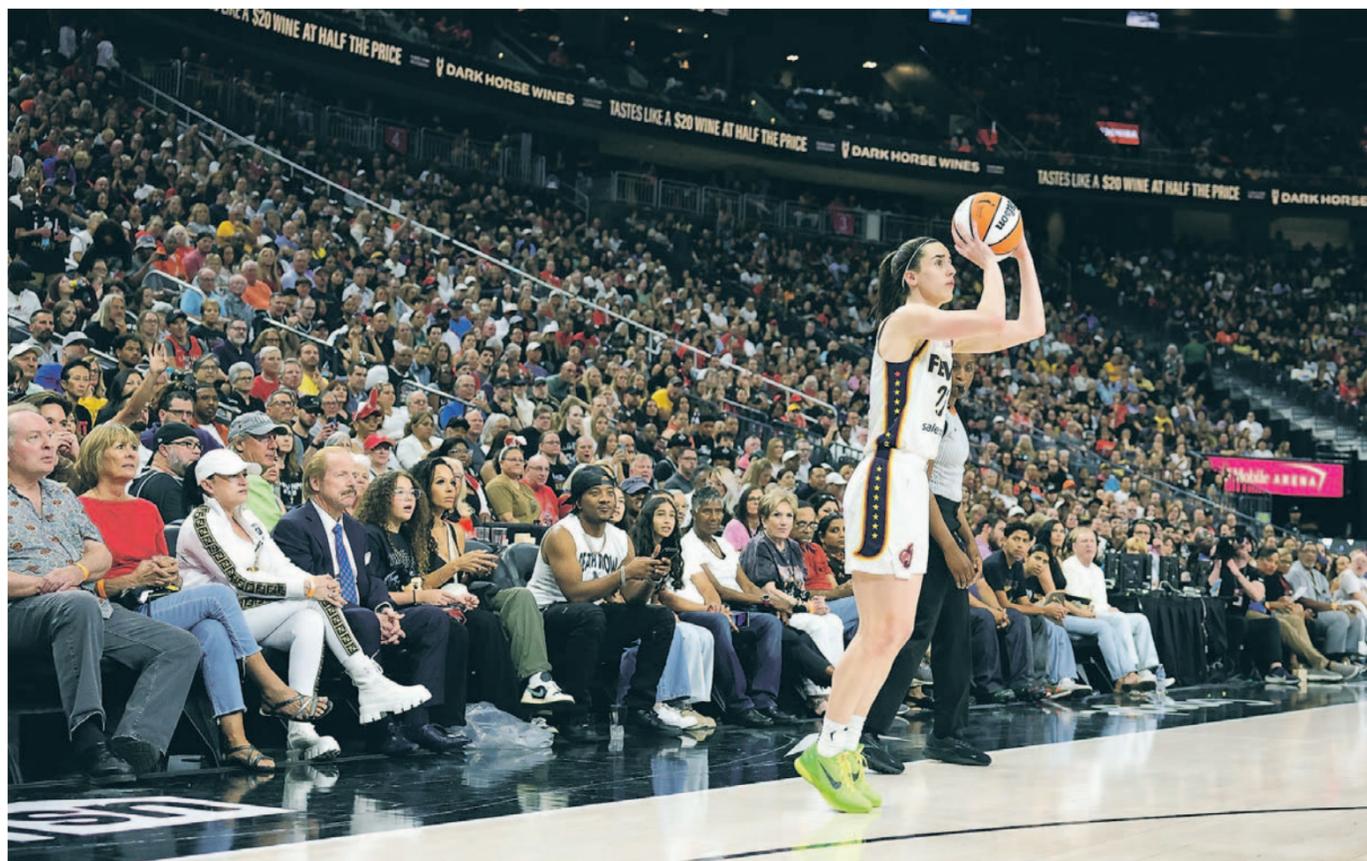
S	A	G	A	B	L	O	B	O	L	A	F						
A	L	E	X	L	O	S	E	S	K	A	M						
L	A	T	E	A	U	G	O	S	T	I	N	I					
E	M	O	C	E	O	T	A	N	N	E	D						
M	O	N	T	H	A	E	R	I	A	L							
				B	E	K	I	N	D	R	E	W	O	N	D		
S	A	G	S	E	T	C		C	A	N	O	E					
P	R	O		O	N	S	H	O	R	E	E	V	E				
A	L	I	E	N			O	A	T	A	S	A	P				
N	O	N	R	E	C	O	U	R	R	E	N	T					
				G	R	O	A	N	S		A	L	U	M	S		
				F	R	A	N	C	S		I	A	M	S	A	O	
F	L	A	T				H	U	F	F	L	E		D	O	F	E
R	O	T	I				E	R	A	S	E		B	A	I	T	
O	P	E	C				E	R	O	S		S	L	A	Y		

► Solve this puzzle online and discuss it at [WSJ.com/Puzzles](http://WSJ.com/Puzzles).

## SPORTS

# Caitlin Clark Didn't Just Grow WNBA's Audience—She Changed It

More young viewers, men and white people are tuning in to broadcasts this season



Indiana Fever rookie guard Caitlin Clark changed the demographics of WNBA viewers and has drawn in many more college basketball fans.

By RACHEL BACHMAN

Midway through the season, the WNBA is enjoying a blockbuster surge in TV viewers. Before this year, the league hadn't drawn an audience of more than 1 million for a game since 2008. This year it's already had more than a dozen.

It's no secret that the popularity of rookie Caitlin Clark has driven the biggest gains. The former Iowa star's fans have sent ratings for Indiana Fever games soaring to such an extent that each of the 10 highest-rated games of this WNBA season featured Clark and her new team.

But it isn't just the number of people watching that has changed. The makeup of the audience has also undergone a dramatic shift.

To see exactly how viewership for the WNBA has changed during the first half of this unique season, The Wall Street Journal looked at Nielsen data on the age, gender, race and ethnicity of viewers from the major networks that carry the most games.

Every demographic category

has seen at least a double-digit increase. But the most pronounced gains have occurred among three cohorts: young viewers, male viewers and white ones.

For the WNBA, the ratings spike isn't simply due to the arrival of Clark. It also has better TV offerings than ever before, with more national telecasts, and games that are shown the same night each week—Thursdays on Prime and Fridays on Ion, for instance—which makes them easier to find.

While some sports are struggling to hold on to young viewers, their numbers are skyrocketing in the WNBA. On ESPN networks, girls aged 2-17 are up 181%, and viewers aged 18-34 are outpacing the league's total growth by 54 percentage points.

Doshia Woods has seen that transformation up close. When the University of Denver women's basketball coach used to ask her players their favorite player, they'd almost always mention someone in the NBA.

Now her players are watching the WNBA, and are able to tell her,



"Yes, A'ja Wilson's my favorite player," Woods said. "Yes, I like Nneka Ogumike."

The soaring viewership of this year's NCAA women's basketball tournament has created a carry-

over to the WNBA, with many tuning in to keep watching stars like Clark, Angel Reese and Cameron Brink.

In 2023 about 50% of WNBA viewers had watched the NCAA

women's basketball tournament. So far this year, about 80% of WNBA viewers also watched the tournament, according to ESPN.

The influx of college fans is contributing to another big shift in WNBA viewership: It's gotten whiter. Non-Hispanic white viewers have grown 156% year over year on Ion and 301% on ESPN networks.

The audience for the NCAA women's tournament on ESPN networks is about 71% white, compared with 57% for WNBA games this year.

Still, Black viewers watch the WNBA in far greater proportion than their 13% overall share of the U.S. population. Black viewers make up 32% of the WNBA viewership of ESPN networks, and 45% of ION's viewers.

"There was already a loyalty there, in terms of a league that is predominantly Black women," said ESPN basketball analyst Monica McNutt.

While some people assume that women are most interested in watching women's sports, men are a large and growing part of the WNBA's TV audience, making up 60% of ESPN networks' WNBA viewers. They're about 55% of ION's WNBA viewers, up from 50% last year. On CBS, male viewers aged 18 and older now make up 54% of WNBA viewers, up from 48%.

CBS drew the second-biggest audience of the season June 16, as 2.25 million people watched Clark's Fever play Reese's Chicago Sky, a rematch of the stars from the 2023 Iowa-LSU NCAA title game. The only game that drew more: the same matchup one week later on ESPN, which had 2.3 million.

Josh McCart, a 26-year-old accountant living in Hoosick Falls, N.Y., near the Vermont border, became a Caitlin Clark fan by watching her in college.

He had never seen a WNBA game before he and his father, Tim, traveled three hours to see Clark's pro debut against the Connecticut Sun in May.

Since then, McCart and his dad—who also spend summers following golf and the Red Sox—have watched nearly every Fever game that's been televised nationally. They have begun following other WNBA players, like Kelsey Plum and Breanna Stewart, and McCart says he's now an ardent

WNBA fan.

"It seems like the younger generation is just playing differently," he said. "Much quicker pace, a lot more 3-point shooting. It's more similar to the NBA."

JASON GAY

## A Forever Sports Debate: Is Winning Ever a Bad Idea?



Is winning ever the wrong move?

It's a question which rocketed around the final weekend of this

year's Tour de France, where winner Tadej Pogacar put an emphatic exclamation point on his three-week victory by capturing a pair of mountain stages in the race's waning days.

With the overall outcome—the yellow jersey as the Tour's champion—well in hand, Pogacar launched late attacks to win individual climbing stages, first over American Matteo Jorgenson, and the next day over his rival and runner-up, Jonas Vingegaard.

A fierce competitor being a fierce competitor? Absolutely.

Greedy? Perhaps.

Pogacar's late theatrics provoked an extended conversation about sports decorum, aka The Right Thing to Do. He had the Tour de France title well in the bag. Would it have been classier if he'd let Jorgenson—who'd never won a Tour stage—finish first on a single stage? Would he have been hailed as a gentleman if he'd conceded the final mountain victory to Vingegaard, a former Tour winner who'd come back from a serious wreck in the spring?

On Peacock, former pro rider turned analyst Tejay van Garderen talked about the unwritten rules of sports, and compared Pogacar's late charges to a basketball team running up the score.

It's an imperfect analogy, given the race-within-a-race nature of a grand Tour—Pogacar was going for a stage win, not simply adding time to his overall margin—but the spirit is familiar. Was this an unnecessary show of force?



Tadej Pogacar's late theatrics at the Tour de France provoked an extended conversation about sports decorum.

Maybe.

**■ But was it wrong?** Nah. This is professional, high level sport. Pogacar is an uber competitor, the best cyclist on the planet. Asking him to lay off a stage win is like asking a barracuda to lay off a bait fish. I liked watching Pogacar go Pogacar. We want to see our best athletes perform at their highest level, at the fullest expression of their talent. Pogacar's mountain attacks did zero to seal his overall win, but they were a statement of superiority, both in the race and in cycling genera-

tionally.

Plus there's this: While Jorgenson and Vingegaard would have loved winning stages, I'm not sure they would have enjoyed being the recipients of charity. "No gifts" has been a *cri de coeur* of cycling champions—it's phrase made famous by legend Eddie Merckx, whose ruthless winning earned him the nickname "The Cannibal." Pogacar is well within that tough tradition.

**■ Does classiness have a role in sports?** Sure, absolutely. I don't love running up the score. I cringe

when I see those 80-3 high-school football games, and there's nothing worse than watching a powerhouse college team lard on touchdowns against a low-level school they're paying to play for an easy win. I want dominant teams to empty their benches. I endorse running out the clock.

A lot of people think it's silly, but I still appreciate it when a tennis player apologizes to an opponent when a shot hits the net and trickles over for a winner—even if there's nothing to apologize for.

Modern life is saturated with

cartoon aggression; I rolled my eyes at Nike's latest overheated marketing campaign celebrating athletic remorselessness.

Call me naive, but etiquette still matters in sports.

So do small acts of courtesy and kindness. Handing over a win, however, is an entirely different proposition.

**■ Is dominance boring?** This is a forever debate, whenever a dynasty brews: if a constant champion diminishes interest. It was kicked into play during the last week of the Tour, whether or not Pogacar's wire-to-wire assault made it something of a nonevent. In this specific instance, no—it's easy to forget, but Pogacar was the one on the receiving end of the dominance in 2022 and 2023, from Vingegaard and his super team. This Tour felt like brutal revenge.

Athletic dominance isn't boring. Economic dominance is—when superteams significantly outspend rivals to the point that a large portion of the field is lining up as cannon fodder.

That happens in college athletics and in sports like baseball, and it's happening in cycling, where control of the sport is consolidated among a handful of big-budget teams. It's why the NFL embraces a salary-cap version of socialism, sharing revenue equally among big and small-market teams, and trying to avoid a single franchise getting a grip upon the sport. *That* kind of dominance is dull.

Otherwise, competition is competition, and winners try to win. That's what Tadej Pogacar did at the Tour de France. It was merciless, but it was also sports.

## OPINION

## Barack Obama Strikes Again



**MAIN STREET**  
By William McGurn

Heading into the weekend at his vacation home in Rehoboth Beach, Del., President Biden was reportedly stewing over Barack Obama's role

in the orchestrated campaign to force him off the Democratic ticket. The New York Times cited the "unseen but clearly felt presence" of Mr. Obama, which lent a "Shakespearean quality" to the drama that culminated in Mr. Biden's decision to take himself out of the 2024 presidential contest.

For Mr. Biden, it must have brought back unpleasant memories of 2015, when he was Mr. Obama's vice president and considering a run for the top job. Instead of encouraging his loyal lieutenant, Mr. Obama and his White House backed Hillary Clinton. That makes Sunday the second time Mr. Obama has helped knock Mr. Biden off the Democratic presidential ticket.

It's left a mark. Mr. Biden can argue, as he certainly does, that he is the only Democrat to have defeated Donald Trump. His unspoken accusation is this: If Mr. Obama hadn't intervened against him, he would have won in 2016 as well and spared the Democratic Party its current trauma. It may not be true but it's a plausible argument—and Mr. Biden believes it.

So far Mr. Obama hasn't endorsed Vice President Kamala

Harris to succeed Mr. Biden. But she has racked up many key endorsements. These include would-be rivals for the nomination such as California Gov. Gavin Newsom and Michigan Gov. Gretchen Whitmer, as well as former House Speaker Nancy Pelosi—a leader of the coup that forced Mr. Biden out.

That leaves the Democratic Party with an apparent candidate who didn't receive a single primary vote. The blame rests largely with Mr. Biden and his stubborn resistance to the reality of his diminishing

### For the second time, he's helped keep Joe Biden off the presidential ticket.

physical and mental capacities. But he can't be blamed for all of it, because he didn't get here alone.

Certainly he has now left his party in the lurch. But had Democrats like Mr. Obama and Mrs. Pelosi, who were quietly ratcheting up the pressure on Mr. Biden to step aside, intervened a year ago—well before the primaries began—the party might now be putting forth a strong nominee who enjoyed the votes of party faithful and could count on the enthusiastic support of donors and party leaders.

Instead, they opted to gaslight the American people about Mr. Biden's health and savaged the one Democrat who

dared mention it—Rep. Dean Phillips, who challenged the president in the Democratic primaries. As the Journal's Barton Swaim reported from the campaign trail, Mr. Phillips summed up the party's duplicity at a New Hampshire rally in January: "We were having these conversations quietly. But when the cameras came on, it was 'ridin' with Biden.'"

As No. 2 in the Biden White House, Ms. Harris was in a key position to witness the president's decline. Yet she too was happy to keep it from the American people. Now she asks them to trust her with the presidency?

On Saturday, Ms. Harris tweeted that as vice president she sees Mr. Biden "when the cameras are on and when the cameras are off—in the Oval Office, in the Situation Room, and on the campaign trail."

Chris LaCivita, a senior Trump campaign adviser, quickly responded: "Yes you did . . . and you lied about it every day."

More came an hour after Mr. Biden's announcement, when the Make America Great Again super PAC pushed out a 30-second spot saying, "Kamala was in on it." The ad features Mr. Biden falling on the ground and stumbling on the steps of Air Force One. In the background Ms. Harris is heard assuring everyone Mr. Biden was "tireless" and "vibrant" and in "good shape."

The challenge for Democrats is whether to rally around their new standard bearer. Many already have, including Bill and Hillary Clin-

ton. But Mr. Obama hasn't, saying he has "extraordinary confidence that the leaders of our party will be able to create a process from which an outstanding nominee emerges." No one yet appears willing to run against Ms. Harris for the nomination.

It's hard to blame them. The calculation may be that Democrats are bound to lose, so everyone might as well let her take the hit. But the other question is: Who in the Democratic Party wants to stand in the way when an African-American, Indian-American woman has a real chance to become president? More prudent might be to wait for 2028—and maybe this year accept an invitation to run at the bottom of the Democratic ticket.

But resentments make for strange bedfellows. When all the signs from Rehoboth Beach were that Mr. Biden would defy calls to step down, Axios explained why Mr. Obama couldn't directly tell Mr. Biden not to run this time. A former Biden aide put it this way: "Obama already used that chit in 2016 when his team lobbied him against running. You don't get to do that more than once."

He may have done it through proxies this time, but he did get Mr. Biden off the ticket again.

In his speech after winning the 2020 election, Joe Biden promised to unify the nation. But after almost four years in the Oval Office, he couldn't even unify his own party.

Write to [mcgurn@wsj.com](mailto:mcgurn@wsj.com).

BOOKSHELF | By Jennifer Bortner

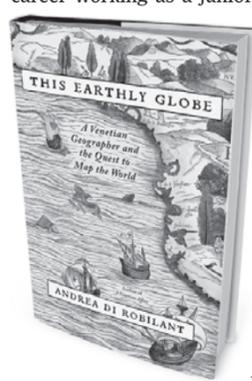
## Anthologizing Adventure

## This Earthly Globe

By Andrea di Robilant  
*Knopf, 272 pages, \$30*

It was in 1550, in a Venetian print shop, that what Andrea di Robilant calls "the biggest Wikileaks of the Renaissance" began. Until that time, European courts, wanting to remain the guardians of powerful discoveries, had kept travel reports under lock and key. Unbeknownst to them, Giovambattista Ramusio had taken it upon himself to create the first contemporary anthology of travel narratives.

Ramusio, "a gentle and generous man . . . modest to the point of self-effacement," is the central figure of "This Earthly Globe," Mr. di Robilant's sixth book about Venetian history. Born in Treviso, Italy, in 1485, Ramusio began his career working as a junior clerk at the Venetian chan-



cery—"the central administrative body of the state," as the author describes it. There, according to Mr. di Robilant, he cultivated a "growing interest in the wider world," while his "knack for languages earned him the reputation of being the 'geographer' among his fellow workers." Rising up through the ranks of the chancery, Ramusio leveraged his widening network of friends, many of whom were diplomats, to amass documents, secret reports and private letters as he

pursued his quiet endeavor.

There's a romantic, almost wistful quality to Mr. di Robilant's portrayal of Ramusio as he dreams of faraway places, meticulously curating discoveries into a cohesive collection. Referring to ancient geographers' imperfect knowledge of Africa and India, among other places, Ramusio tells his readers that he "felt it was important—and useful for the world—to bring together the narratives of the writers of our time who have been to those regions and have written about them extensively." The result is the trilogy known as "Navigazioni et Viaggi" (1550-59), an extraordinary assemblage of geographic information made accessible to the general reader for the first time. While Ramusio mainly published new editions of works by other writers, he also included original introductions to present and clarify the material. Featuring enlightening woodcut maps and illustrations—many of which are reproduced in "This Earthly Globe"—Ramusio's trilogy provided critical geographic knowledge to a public that was still, according to Mr. di Robilant, "anchored to antiquity."

Mr. di Robilant guides the reader through Ramusio's findings, compelling us to see in them the same potential that Ramusio saw. The travel reports of contemporary navigators and explorers, the author writes, "were like loose pieces of a grand puzzle."

"This Earthly Globe" centers on the many explorers featured in Ramusio's great trilogy, such as al-Hasan ibn Muhammad al-Wazzan—also known as Leo Africanus or John Leo—and Marco Polo. Al-Wazzan, a diplomat for the sultan of Fez, was imprisoned by Pope Leo X in 1518. After converting to Christianity to secure his freedom, al-Wazzan chose to stay in Italy, where he cultivated an active literary career. His magnum opus described Africa through, Mr. di Robilant tells us, "a mix of geography, history, natural sciences and colorful sketches." At least two copies of this manuscript survived the 1527 Sack of Rome; Ramusio was able to get his hands on one.

### Renaissance authorities restricted access to geographic discoveries. A Venetian scholar set out to unveil them in print.

Ramusio's editorial approach emphasized factual accuracy and precision. This is most apparent when he decides to publish a new version of the travels of Marco Polo, a fellow Venetian who journeyed across Asia more than two centuries earlier. At the time Ramusio was curating his trilogy, according to Mr. di Robilant, Polo's account had been so diluted by copyists' errors that many believed it to be "a fabulous tale with not the slightest basis in reality." Ramusio saw the value of Polo's narrative, however, and set out to verify it in its entirety.

While investigating, Ramusio discovered that one of his friends—a descendant of a powerful Venetian family, the Ghisis—had a Latin version of Polo's "Travels." It was so old "Ramusio believed it might have been translated directly from the original," Mr. di Robilant says. So Ramusio studied the document, "identifying place-names, calculating distances and mapping mountain ranges, rivers and cities in order to provide cartographers with reliable data." His approach was invasive, adding elements to the narrative where he felt "he was on firm ground."

Perhaps because Mr. di Robilant feels the story of a modest scholar lacks sufficient thrill and allure, he often leaves Ramusio and Venice behind to detail the travels included in "Navigazioni et Viaggi." A chapter dedicated to a Portuguese expedition to Ethiopia, for instance, is incredibly informative. Yet such stories can seem like digressions from the crucial narrative of the Venetian himself, who is left to wither away in the background.

This is a pity, since many fascinating portions of the book concern Renaissance Venice. Mr. di Robilant unveils the diplomatic complications and intrigue of the "Serene Republic" with care. "Venice had a long tradition of playing foreign powers against one another to hold on to its provinces on the mainland," he writes. "But this balancing act was becoming harder to maintain as French and Austrian ambitions in Italy firmed up." He also beautifully describes the world of literature, translation and publishing that Ramusio inhabited, as well as the many collaborators who made "Navigazioni et Viaggi" possible.

Not least of these was Aldus Manutius, whose print shop, Aldine Press, was at the forefront of the Venetian book business, specializing in Greek and Latin classics. From the moment Ramusio met Manutius, the pioneering printer and publisher loomed large over his life. It was Manutius who taught Ramusio about the business, fostering in him a high standard for accuracy. Manutius would one day say to Ramusio: "If there is one person to whom I should dedicate all the books I print it is you."

With attention to detail worthy of his subject, Mr. di Robilant shows the world map coming together—piece by piece.

Ms. Bortner is a Robert L. Bartley Fellow at the Journal.

## The Post-Biden Foreign Policy



**GLOBAL VIEW**  
By Walter Russell Mead

The enthronement of Donald Trump and J.D. Vance at the Republican National Convention, the defenestration of Joe Biden and his anointing of

Kamala Harris as the Democratic heir, the attempted assassination of Mr. Trump and a scandal over the Secret Service's performance all have heads spinning at home and abroad. For Americans caught up in the presidential drama, the news was more about personalities and parties than foreign policy. But for foreign governments struggling to understand the direction of the world's largest military and economic power, the news was all about uncertainty and risk.

By selecting Sen. Vance of Ohio, Mr. Trump doubled down on the populist, anti-establishment approach to foreign policy that shocks some and thrills others abroad. Mr. Vance is skeptical of aid to Ukraine, supports protectionist tariffs, and advocates a Jacksonian-inflected MAGA agenda.

Vice President Harris's apparent ascension as the Democratic nominee suggests that Democrats, too, may be moving away from the center. The picture is murky because Ms. Harris hasn't left deep footprints in important

foreign-policy debates and decorum obliged Harris staffers to emphasize their mind meld with Team Biden on all matters. But people familiar with the thinking in both camps believe significant differences on the Middle East and other issues could soon emerge.

Whether Mr. Trump or Ms. Harris takes the oath of office in January, President Biden will likely be remembered as the last of the post-Cold War presidents. While revisionist powers like China, Russia and Iran have been mounting forceful challenges, public skepticism is rising at home on both the left and the right about the American-led world order. Team Biden sought to preserve the order that was established after World War II and then strengthened and extended by Presidents George H.W. Bush and Bill Clinton after the Cold War.

First and foremost, this meant cementing ties with allies in Europe, sorely tested during the disruptive Trump presidency, based on the values of international law and democracy at the ideological core of the old world order. Once Russia invaded Ukraine, the current administration's focus shifted to building a coalition that will, Biden aides hope, ultimately force Vladimir Putin to end the war on terms acceptable to Ukraine and its Western supporters. In Asia, Team Biden successfully transformed the old hub-and-

spoke model of U.S. alliances to what officials call a "lattice structure," in which cooperation among U.S. allies in Asia strengthens the alliance system as a whole. (The U.S. has had treaties with several Asian allies, but there was relatively little integration or cooperation among countries like South Korea and Japan.) In the Middle East, the Bidenites worked on uniting Israel, Saudi Arabia and the U.S. to offset Iran's relentless drive

### Public skepticism is rising on both right and left about the U.S.-led world order.

for hegemony. Complicating Team Biden's bid to maintain the old international order was the burden that emerging problems placed on a struggling international system. Engineering the transition to a net-zero future means replacing the global energy system with something radically new. Change on that scale is risky and expensive, and it adds considerably to the difficulties of managing an international system already under attack from geopolitical rivals.

Simultaneously, the general retreat of democratic governance in much of the world, along with the increasing prominence of LGBTQ issues in the Western human-rights agenda, made Team Biden's

"democracy vs. autocracy" framing of American strategy a tough sell in much of the Global South.

The trend toward greater protectionism will likely continue no matter who enters the Oval Office in January. Both Mr. Trump and Ms. Harris will focus on enforcing strict rules of economic engagement with China. Beyond that, Mr. Trump would stress national defense and restoring American manufacturing jobs in his trade policy. A President Harris might organize a restrictive trade agenda around the energy transition and green tariffs.

Time comes for us all, as Mr. Biden discovered last weekend. The question American allies and adversaries alike will be asking amid the race to succeed him is whether Father Time also has come for the policy of global engagement in defense of an American-led world order. A recent Pew Research Center survey found that majorities of under-30 American adults ranked only three foreign-policy goals as top national priorities: dealing with climate change, stopping the spread of weapons of mass destruction, and defending the U.S. against terror attacks.

We live in dangerous times; old certainties are falling by the wayside. Mr. Biden's successor will need clear vision and superb leadership skills to surmount America's challenges abroad.

## Biden Gets the Chicago Treatment

By Rod R. Blagojevich

Democracy took a devastating hit on Sunday when President Biden withdrew from the presidential race. Along the way, he got it wrong. It isn't Donald Trump who is an existential threat to our democracy. It's Barack Obama.

In the old-school way of Chicago backroom politics, Mr. Obama was the conductor of the band that successfully orchestrated the removal of the presidential candidate chosen by more than 14 million Democratic primary voters—to be replaced by someone he and the party bosses choose instead. It's classic ward-boss tactics.

I've known Mr. Obama since 1995. We both grew up in Chicago politics. We understand how it works—with the bosses over the people. Mr. Obama learned the lessons well. And what he just did to Mr. Biden is what political

bosses have been doing in Chicago since the 1871 fire—selections masquerading as elections.

Mr. Obama and I know this kind of Chicago politics better than anyone. We both rose up in it, and I was brought to ruin by it when the Illinois Legislature impeached and removed me from the governor's office in 2009 for conversations initiated by Mr. Obama himself. A common element in my case and now Mr. Biden's is Mr. Obama's involvement. He's the central figure who played a behind-the-scenes role in both stories.

While today's Democratic bosses may look different from the old-time cigar-chomping guy with a pinky ring, they operate the same way: in the shadows of the backroom. Mr. Obama, Nancy Pelosi and the rich donors—the Hollywood and Silicon Valley elites—are the new bosses of today's Democratic Party. They call the shots.

The voters, most of them working people, are there to be lied to, manipulated and controlled.

All along, Mr. Biden and the Democratic politicians have been claiming that this year's presidential race is about "saving democracy." They are the biggest hypo-

### Barack Obama, an old-fashioned ward boss, orchestrates the president's removal.

crites in American political history.

The party that says it is running to save democracy has already deployed the criminal-justice system against the leading candidate of the opposition party. And now they have successfully maneuvered to dump their duly elected candidate for president.

## OPINION

## REVIEW &amp; OUTLOOK

## What Kamala Harris Believes

Democrats are rapidly unifying behind Kamala Harris as their party nominee, yet the Vice President remains relatively unknown to most Americans. That means it's important to look at her record to see what she believes.

As VP she's closely identified with the Biden agenda, for better or worse, and she embraced that record in remarks on Monday. She said President Biden's first term has "surpassed the legacy" of most Presidents who have served two.

So mark her down as endorsing the spending blowouts that caused inflation, the Green New Deal, entitlement expansions and student loan forgiveness. Until she says otherwise, we should also assume she's in favor of Mr. Biden's \$5 trillion tax increase in 2025.

The Vice President's four years as a Senator from California are another window on her worldview. She sponsored a bill to create a \$6,000 guaranteed income for families making up to \$100,000. Another Harris proposal: A refundable tax credit that would effectively cap rents and utility payments at 30% of income. Liberal economists panned the subsidy because it would drive up rents.

She co-sponsored legislation with Bernie Sanders that would pay tuition at four-year public colleges for students from families making up to \$125,000. This is more honest than the Administration's back-end student loan cancellation. But it would cost \$700 billion over a decade and encourage colleges to increase tuition.

Another Bernie mind-meld: Single-payer healthcare. Ms. Harris co-sponsored his Medicare for All legislation paid for by higher income taxes. She tweaked Bernie's plan when running for President in 2019 by extending the phase-in to 10 years from four and exempting households making less than \$100,000 from the "income-based premium." But it would still put government in charge of all American healthcare over time.

As a San Francisco Democrat, Ms. Harris shares the state's hostility to fossil fuels. She used her power as California Attorney General to launch an investigation into Exxon Mobil over its carbon emissions. In 2019 she endorsed a nationwide ban on oil and gas fracking, which would cost tens of thousands of jobs and cause power outages like those that often occur in her home state. Expect this to be a GOP talking point in Pennsylvania.

One question to ask is whether the Vice President wants to restructure the Supreme Court. She said in 2019 she was "open" to adding more

Justices, but that idea doesn't poll well. Does she agree with Mr. Biden's mooted plan to endorse "reforms" to the High Court that would make the Justices subject to Congressional supervision?

Mr. Biden famously put Ms. Harris in charge of border policy, and we know how that has turned out. Rather than push for border policy changes, her first instinct was to blame the rush of migrants on "root causes" in developing countries, including corruption, violence, poverty and "lack of climate adaptation and climate resilience."

Climate change makes the U.S. border a sieve? Apparently so. "In Honduras, in the wake of hurricanes, we must deliver food, shelter, water and sanitation to the people," Ms. Harris declared. "And in Guatemala, as farmers endure continuous droughts, we must work with them to plant drought-resistant crops." These "root causes" take decades to address, and in the meantime she had nothing to say about actual border security.

Ms. Harris's foreign policy views aren't well known, or perhaps even well formed, apart from promoting Mr. Biden's policies. While she has backed the Administration's military assistance to Ukraine, she has equivocated about support for Israel. In March she chastised Israel for not doing enough to ease a "humanitarian catastrophe." Leaks to the press say officials at the National Security Council toned down her speech's criticism of Israel.

She lambasted the Trump Administration for killing Islamic Revolutionary Guard Corps Gen. Qassem Soleimani, claiming it could lead to bigger war in the Mideast. The killing chastened Iran's rulers instead, at least until the Biden Administration began to ease sanctions and tried to repeat the 2015 nuclear deal.

It will be especially important for the press to ask Ms. Harris about her national security views. If her handlers control her as much as White House advisers have Mr. Biden, we'll know they're afraid that the Vice President might not be able to handle the scrutiny.

A fair conclusion from all of this is that Ms. Harris is a standard California progressive on most issues, often to the left of Mr. Biden. Perhaps as she reintroduces herself to the public in the coming weeks, she will modify some of those views. She would be wise to do so if she wants to win.

Given the rush by Democrats to anoint Ms. Harris as their nominee, the press has a particular obligation to tell the public about who she is and what she really thinks. Does she believe California is a model for the country?

## LETTERS TO THE EDITOR

## The Media Didn't Want to Know the Truth

"Members of the White House press corps now say they feel deceived, misled and all the rest" regarding President Biden's health and fitness to serve as president, writes Barney Keller ("The Media Covered for Biden Like They Covered For Fetterman," op-ed, July 18). To them I say: Welcome to the club.

South Georgians, whom I represent, have been feeling deceived by the media for years. From dismissing Hunter Biden's laptop to calling those who questioned Covid's origins conspiracy theorists, the media continues to fall on its face at times when we need honest reporting the most.

A month ago, the media portrayed former President Donald Trump as a tyrant leading a fractured and divided Republican party. Today, Republicans are united, and the 2024 election is his to lose. Talking heads

will insist that this is a shocking, unpredictable shift. But voters—who increasingly get their news from social media—see this moment as the media finally catching up to reality.

Americans saw Mr. Biden's health failing and were told not to believe it. They heard that the economy was recovering well as they were forced to decide between paying for gas or groceries. They were told not to believe that Mr. Trump was being persecuted by a politicized justice system. Every time Mr. Biden tripped, gaffed or lied, the media made excuses for him instead of asking tough questions. Journalists blindfolded themselves and now want sympathy from the people they misled. The White House isn't to blame for covering up the Democratic Party's disarray—the media is.

REP. BUDDY CARTER (R., GA.)  
St. Simons, Ga.

## America's Way Out of the Cycle of Violence

David McCormick strikes the right tone in "America Was an Inch From Catastrophe, and I Was There" (op-ed, July 15), and I hope many Americans take his advice and stow their rhetorical weapons. Moments like these are important opportunities for partisans to climb off their ledge for a bit. This is also an opportunity for the ambivalent middle to step up and vote against bomb-throwers on both sides of the aisle.

I was a year behind Mr. McCormick at West Point, and we were always taught to eschew politics. Entrusted with the nation's awesome strength at our disposal, it was our responsibility to use it at the behest of our civilian leadership even when we might personally disagree. As citizens, even when our preferred party is out of power, we should support our government where we can.

That said, Americans have deep philosophical differences, and they are largely irreconcilable absent a way to test them. The test bed for those ideas isn't at the federal level but in the states, and our founding documents reflect that. Nationalizing every idea in a country as big and diverse as ours is almost never the answer, and it has led to broad resentment and a lot of the poisonous rhetoric in Washington. If we ask less of our federal government, we all will have a much better chance of getting along.

CONAN M. WARD  
Ponte Vedra Beach, Fla.

From encouraging rallygoers to beat up hecklers to the demonization of Democrats, MAGA world has been relentless in its verbal calls for violence against the left. It was Donald Trump who mocked the attack on Speaker Nancy Pelosi's husband, even entertaining a baseless conspiracy theory about it. It was Trump world that made excuses for the militants who plotted to kidnap Michigan Gov. Gretchen Whitmer. It was Mr. Trump's followers who undertook a violent attack on the Capitol on Jan. 6, and placed explosives around Washington.

## The North American Difference in Aluminum

Private investments in advanced aluminum manufacturing require public power sources that are more abundant, affordable and sustainable ("Metal Producer Wrestles With Energy Costs," Business & Finance, July 8). Demand for domestic aluminum is projected to jump 80% by 2050 due to its environmental advantages. That's the same time frame in which international net-zero goals call for a 92% reduction in greenhouse-gas emissions. Meeting such targets will require an all-of-society approach and tens of billions of dollars in investment.

The North American aluminum industry is doing its part: Aluminum produced in the U.S. and Canada is half as carbon intensive as aluminum produced elsewhere, while aluminum products made in China are nearly 2.5 times as carbon intensive as similar products made in North America.

Our industry, like all others, can't decarbonize fully until we can access a more modern, secure and afford-

To pretend that there is any equivalence between the violent rhetoric coming from the right and that coming from the left is intellectual malpractice. There is no evidence that President Biden and the Democrats are now scheming, or have ever schemed, to overthrow an election, consolidate autocratic power in the White House, skirt Congress's constitutional mandate to appropriate funds, eliminate or weaponize government agencies or use the courts to impose religious morality on nonreligious citizens.

MALCOM GREGORY SCOTT  
Portland, Ore.

There is no equivalence of rhetoric or behavior of the two political parties. Congressional Democrats have maintained a constant drumbeat characterizing Mr. Trump as a Hitlerian dictator and existential threat to our nation. Some media luminaries from Hollywood to New York have openly called for his assassination. Republicans and conservative commentators have called simply for an impaired president to step down.

In terms of physical violence, in addition to the attack on Mr. Trump's life, we have witnessed the attempted assassination of an entire baseball team of Republican congressmen, two physical attacks on a Republican senator, and an assassination attempt on a conservative member of the Supreme Court.

Up to this point, one side only has been responsible for extreme rhetorical and physical violence. To suggest otherwise is to poke an already aggrieved bear.

SANDY LOVEN  
Trappe, Pa.

Political pundits are falling all over one other predicting how the Trump assassination attempt will affect the general election. The answer is not much. There's a lot of distance between now and Election Day. The public has a short attention span.

PETER J. COTCH  
Naples, Fla.

## It's Kamala Harris by Acclamation

So much for a Democratic nominating contest. It has taken less than a day for Democrats to rally around Vice President Kamala Harris as their candidate to replace President Biden. Why the rush, folks?

It can't be that they have no doubts about her ability as a candidate. She washed out early in the 2019 presidential race, and her approval rating is in the negative range of Mr. Biden's and Donald Trump's. As a California Democrat (see above), she isn't ideal for swing states.

Our guess is Democrats are desperate to turn media attention from themselves and back on Mr. Trump. A nominating contest with raucous disagreement on the convention floor in Chicago in August is too much political drama for them to take.

Some of the possible challengers to Ms. Harris also don't want to take the heat for possibly

blocking her from being the first black female President. They'd be blamed if she then loses to Mr. Trump. If she runs and loses without a challenge, California Gov. Gavin Newsom can run in 2028 without having alienated a chunk of the Democratic Party.

This is all a shame since it means the country is losing the chance to see a genuine and instructive party debate unfold. We'd learn more about each candidate and what he or she stands for. Ms. Harris would probably win the nomination in any case, and she'd be stronger for it. As it stands now, she is winning by acclamation among all of the Democratic Party insiders and money men who've swung behind her.

The good news in all of this is that Ms. Harris was going to become President anyway in a second Biden term. At least Americans will be able to vote for her—or not—in her own right.

## Clueless at the Secret Service

Everyone with a video screen knows about the failure to protect Donald Trump from a would-be assassin in Butler, Pa. But don't look to Secret Service director Kimberly Cheatle for answers because she doesn't have any.

That was the bottom line from a House Oversight Committee hearing on Monday. Ms. Cheatle said the agency failed in protecting the former President—no kidding—but did little to explain the staggering operational mistakes. She couldn't illuminate even basic facts about how a young shooter, apparently acting alone, was able to get an AR-15 style rifle within a few hundred feet of the former President.

We know law enforcement noticed the alleged gunman, Thomas Matthew Crooks, before the rally began and designated him as suspicious. Local police alerted the Secret Service because of the man's behavior near the magnetometers. Around 5:30 p.m. the shooter was spotted again looking through a rangefinder, a device shooters use to calculate distance to a target.

Those moments should have been enough to transform Crooks from a "person of interest" to an active threat. But that didn't happen, and Ms. Cheatle deflected lawmakers' questions with a bureaucratic defense. "I think we're conflating the difference between the term 'threat' and 'suspicious,'" she said. "An individual with a backpack is not a threat. . . . An individual with a range finder is not a threat."

She was wrong about that. Instead of law enforcement questioning and searching him, the gunman continued his amateurish plan unmolested. About 10 minutes before Mr. Trump took the stage, Crooks had climbed atop a building a

few hundred yards away with an unobstructed view of Mr. Trump's podium.

The Secret Service has said the building where the shooter perched was outside its security perimeter for the event, but why? When Oversight Chairman James Comer (R., Ken.) asked about responsibility for the roof, Ms. Cheatle said there was "a plan in place to provide overwatch" but didn't provide details.

The Secret Service has acknowledged that its agents should have been in control of the building rather than relying on local law enforcement. This alone is a huge failure. Police provide additional security, but the Secret Service is the protection detail. Agents should be clearing all areas and keeping eyes on risky corners with drones or other surveillance.

In the minutes before he tried to kill Mr. Trump, the shooter was spotted by rally attendees who pointed and shouted to alert law enforcement. Why wasn't the gunman taken out by snipers before he fired into the crowd. Why was Mr. Trump even allowed on stage?

Ms. Cheatle failed to answer those questions, telling lawmakers she needed to wait until the internal investigation is done in some 60 days. Her non-answers managed the rare feat of uniting Democrats and Republicans in calls for her resignation. Mr. Comer and ranking Democrat Jamie Raskin (D., Md.) both say she should go.

At the hearing, progressive Rep. Ro Khanna (D., Calif.) asked Ms. Cheatle if she knew what Secret Service director Stuart Knight did after the attempted assassination of Ronald Reagan. "He remained on duty," Ms. Cheatle said. Mr. Khanna replied, "He resigned."

## Her political record reveals the views of a California progressive.

## Director Kimberly Cheatle can't explain what happened or why.

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.



"The antidepressants must be kicking in because I don't have the urge to cross the street anymore."

## OPINION

## Another Coronation for Kamala

By Allysia Finley

Kamala Harris as Joe Biden's replacement for the Democratic presidential nomination feels reminiscent of her ascent to the U.S. Senate. Days after Sen. Barbara Boxer announced she wouldn't seek re-election in 2016, Ms. Harris, then California's attorney general, jumped into the ring.

Senators including Elizabeth Warren (D., Mass.) and Cory Booker (D., N.J.) urged their donors to support her. California's Democratic kingpin Willie Brown, Ms. Harris's former beau and mentor, made clear that other party aspirants should yield. After former Los Angeles Mayor Antonio Villaraigosa revealed that he was considering a bid, Mr. Brown snapped: "His loyalty and his relationship with her should be so valuable, and he should, in my opinion, see it as an opportunity to demonstrate that." "I am hopeful," Mr. Brown added, that he "will be rewarded with a statewide office—at some point."

Mr. Villaraigosa genuflected, as did other ambitious Democrats, but his deference wasn't rewarded. Rep. Loretta Sanchez of Orange County was the only noteworthy candidate audacious enough to challenge the heiress apparent. She couldn't raise enough money to run a serious statewide campaign, while Ms. Harris racked up big-name endorsements, including from Ms. Boxer, Sen. Dianne Feinstein, Gov. Jerry Brown and Barack Obama.

Despite these advantages, her Senate campaign was beset by high staff turnover and an abrasive management style. Former aides also kvetched to the press about her lavish spending on upscale hotels and first-class flights.

Her coronation nevertheless proceeded as planned: Ms. Harris cruised through California's jungle



Kamala Harris in 2016

primary and defeated Ms. Sanchez in November, 62% to 38%. Even before she took the oath of office, the press mooted her as a potential candidate for the White House in 2020.

Ms. Harris said on Sunday that she intends to "earn" her party's

### She floated to the top in a one-party state. Who thinks she has the skills to serve as president?

nomination. That would be a change for a politician who's floated to the top in a one-party Democratic state with powerful patrons boosting her. The upshot has been that she has neither the substantive record nor the skills that other candidates might.

Ms. Harris grew up relatively privileged in the San Francisco Bay Area. Her Indian-born mother was a breast-cancer researcher at the University of California, Berkeley and her Jamaican father a Stanford economist.

In her 2019 memoir, "The Truths We Hold," she recounts being offered a position as a deputy district attorney in Alameda County once she finished law school at UC San Francisco and passed the bar. She failed the exam on her first try but was hired anyway: "I wondered if people thought I was a fraud."

During the mid 1990s, she dated Mr. Brown, then speaker of the California Assembly. He appointed her to two state panels—the Unemployment Insurance Appeals Board and the California Medical Assistance Commission—that together reportedly made her more than \$400,000 over five years. But his most valuable favor was to connect her to party grandees and donors.

After they broke up, she tapped this donor network to run for San Francisco district attorney in 2003 on a platform of restoring competence to the office. She won, but violent crime more or less stayed the same during her seven years in office while sharply declining in the rest of the state.

In 2010 she dismissed some

1,000 drug cases, including many convictions, after a state judge rapped her for failing to disclose potentially exculpatory information to defendants, including potentially tainted evidence. When Ms. Harris ran for state attorney general that year, her Republican opponent, Los Angeles District Attorney Steve Cooley, slammed her as soft on crime.

She won by some 75,000 votes—Gavin Newsom won the lieutenant governor's race by 1.1 million—after a big assist from Mr. Obama, who held a rally with her that October in Los Angeles. As attorney general, she targeted liberal bogeymen including Wall Street banks, for-profit colleges and energy companies, drawing on the Obama administration for support.

Her clumsy, politically motivated attacks often created victims. After she helped drive Corinthian Colleges out of business, thousands of students were stranded without degrees. Her blocking an acquisition of an insolvent hospital network at the Service Employees International Union's urging resulted in its bankruptcy.

As president, she would have more power to destroy businesses and livelihoods—and target political opponents. In 2019, she vowed to prosecute Donald Trump if elected. She couldn't prosecute the case for her candidacy, ran a disorganized campaign plagued by infighting, and dropped out before the first ballot was cast.

Perhaps she will do better as her party's nominee, but her 3½ years as vice president haven't inspired confidence. The problem with coronations is that they elevate untested leaders who may never be up for the job.

*Ms. Finley is a member of the Journal's editorial board and author of the Life Science column.*

## Harris Swap Leaves a Similar Race

By Mark Penn  
And Andrew Stein

Joe Biden has done the right thing at perhaps the wrong time, paving the way for Vice President Kamala Harris, but don't expect any wholesale changes in the dynamics of the presidential race.

Mr. Biden should never have run at all, and it is a tribute to the power of the Democratic machine that he advanced as far as he did. Absent the loony idea to have a 90-minute debate before he formally secured the nomination, he likely would have cruised onto the ballot and been kept under wraps until October.

Had he withdrawn a year ago,

### Her poll numbers are close to Biden's, though she does a bit better in the South and worse in the Midwest.

when he should have, there would have been a full primary process and an election, not a selection as we have here. The result of that process would likely have been a Harris nomination. The last four Democratic vice presidents—Hubert Humphrey, Walter Mondale, Al Gore and Mr. Biden—all became presidential nominees, though only Mr. Biden won.

Mr. Biden's decision clears up at least one problem, which is that the party was fracturing over his staying on. Every day was another cut at Mr. Biden by Democrats, not Republicans, so it was no surprise he was sinking. Dollars should start flowing back in. If there is no split at the convention, the nominee will again make a deal with the left and the center will have no choice but to come along. The failure to deliver the nomination to Ms. Harris would plunge the party irretrievably into chaos.

It's odd that some Republicans are calling for Mr. Biden to resign the presidency. That would only make Ms. Harris stronger and (subject to congressional confirmation) allow Democrats to swear in a new vice president as well.

A lot of polling has been done on whether Ms. Harris will be a better candidate than Mr. Biden. It takes the age problem off the table. But the main reason for Democratic distress was the administration's poor performance on critical issues—inflation, immigration and energy. Mr. Biden was under water on virtually every issue, with ratings in the 30s on the most important ones. If people were happy with the administration, they wouldn't care if he can string two sentences together.

Ms. Harris will likely stimulate black turnout and do well in North Carolina and Georgia while having more difficulty in the Midwest and Southwest. She has ratings slightly lower than Mr. Biden's. In the last HarvardCAPS/Harris poll, her personal ratings stood at 38% favorable and 52% unfavorable. (Mr. Biden's were 39% and 55%, respectively.) Her negatives are particularly high with men (56%), seniors (61%), whites (60%), independents (58%) and Hispanics (45%). She will make the argument Mr. Biden had planned to make—that the administration is on the right path on the issues. That means there will be no daylight between Mr. Biden's policies and Ms. Harris's nor any expectation that she will make a game-changing shift to the center and bring on a Republican or Joe Manchin as her running mate. She will most likely look to a swing-state governor—Michigan's Gretchen Whitmer, North Carolina's Roy Cooper or Pennsylvania's Josh Shapiro—as the most helpful choice.

Foreign policy will be a big question mark about Ms. Harris, especially as it relates to Ukraine, Israel and whether she would get tough on China or Iran. She is largely a blank slate here and will need to delineate her policies fairly quickly.

A lot of people got what they wanted. The Democratic establishment felt Mr. Biden had to go and he is going. Ms. Harris wanted to be president but went nowhere in the 2020 primaries; she gets her chance without a primary. Donald Trump and the Republicans wanted to crush Mr. Biden and they have. Voters never wanted Mr. Biden to run in the first place. Has anything changed? Democrats remain the underdogs, but the voters will at least hear her out and give her a chance.

*Mr. Penn was a pollster and adviser to Bill and Hillary Clinton, 1995-2008. He is chairman of the Harris Poll and CEO of Stagwell Inc. Mr. Stein, a Democrat, served as New York City Council president, 1986-94.*

## CrowdStrike Is Too Big to Fail

By Jonathan Welburn

If you couldn't use your laptop last week, you weren't alone. A computer system disruption swept the globe on Friday, grounding flights, stopping trains, and bringing businesses to a halt. Worse, the outage was traced to a single security update, underscoring the risks of global interconnectivity, particularly among firms critical to public safety, economic stability and national security.

The blackout came courtesy of CrowdStrike, a cybersecurity company that reportedly serves some 29,000 customers. They weren't the only ones affected; when a CrowdStrike software update went awry, the computers and tablets of millions of people using Microsoft Windows went kaput.

This isn't the first time we've experienced a domino effect like this. The enduring lesson of the 2008 banking crisis was that failures in one corner of a market can cascade through the entire economy. That's why Congress deemed certain banks "too big to fail" and subsequently adopted new regulations and oversight in the financial system. The government has identified "global systemically important banks," which it consistently monitors through stress tests.

The CrowdStrike outage makes clear that this problem isn't unique to finance, and it isn't the first such warning. Dual cyberattacks in 2017 exploited a Windows vulnerability and unleashed ransomware on thousands of organizations across the world. The attacks brought down businesses, hospitals and schools.

Shipping giant Maersk reported up to \$300 million in damages as the incident triggered supply-chain disruptions that affected its customers, its customers' customers and so on. In a 2021 research paper, Aaron Strong and I modeled these losses and estimated that the Maersk disruption alone may have cost more than \$10 billion across the global economy. Other cyberattacks—such as the 2020 SolarWinds breach and 2021 Colonial Pipeline attack—also revealed how strikes on interconnected firms can spark devastating chain reactions.

Fortunately the U.S. is alert to the danger. In a 2020 report to Congress, the Cyberspace Solarium Commission, a bipartisan inter-agency outfit, recommended measures to strengthen U.S. defenses against cyberattack. The government has already implemented several of these, such as establishing a new national cyber director and a collaborative cyberdefense collaborative.

The Cybersecurity and Infrastructure Security Agency is pursuing another recommendation: developing a list of systemically important entities across the economy. This is essential given our constantly evolving geopolitical and economic environment. Today's list might include highly concentrated and interconnected firms in technology, communications, energy and

### Learn from the 2008 financial crisis and pay attention to systemically important tech companies.

finance. Tomorrow's may focus on an even smaller set behind cutting-edge artificial-intelligence models and systems. As the agency proceeds, it should make its updated list public.

Last year RAND outlined an approach to identifying and prioritizing these entities. We sought firms that are so big, interconnected or hard to replace that one's failure would create significant, wide-ranging and potentially long-lasting consequences for the U.S. if not the world. Our report highlighted how the government might

discern "systemic importance" by measuring a company's size, role in global supply chains and market share.

The CrowdStrike outage underscores that the global economy and U.S. national security are vulnerable to attack. Thousands of firms operate across sectors and jurisdictions. Managing their risks will require intragovernmental, and perhaps international, coordination.

This work will begin with identifying industries of concern, opening channels of communication for information sharing, and requiring disclosures where necessary. Policymakers ought to use tools like stress tests to identify potential sources of failure, plan for disruption, and ensure that any regulation doesn't distort the market.

The world has changed since 2008. Washington must be alert not only to banks but a variety of organizations whose collapse would disrupt the economy and threaten our security. Planning for such possibilities today can strengthen our resilience and ensure we aren't stuck in the dark again.

*Mr. Welburn is a senior researcher at RAND.*

Gerard Baker is away

## You Can't Fight in Here. This Is the Operating Room!

By Michael Segal

Tensions over the Gaza war have spread to American medical centers, with doctors feuding and wearing pins to express their positions. The hospital at the University of California, San Francisco even had a protest encampment. Yet Israeli hospitals are free of such acrimony. Arabs and Jews work and receive treatment together.

I experienced this a year ago, when my 94-year-old mother broke her hip and was treated in Jerusalem's Shaare Zedek Medical Center. Family members are expected to be a constant presence in Israeli hospitals,

so I spent most of a week immersed in this milieu. Many doctors and nurses were Arab. So were many patients—and they shared rooms with Jews receiving treatment. Several family members were often present for each patient, creating opportunities for intercommunal interactions. Everyone got along fine.

Israeli hospitals have a different approach to rules than their American counterparts. Decorum is much looser—no one seemed surprised by people rollerblading in the halls or by my impromptu talks on neuropharmacology to the nurses. Yet there are rules for the staff on expressing views about the Mideast conflict,

even on social media. There are also rules against patients refusing medical care from staff based on religion. The environment is similar in other Israeli hospitals, but in Jerusalem, with its large Arab population, the smooth functioning is all the more remarkable.

The hospital rules aren't draconian like those in France, where public employees are forbidden from expressing religious identity in public. Israeli hospitals organize commemorations for both Jewish and Muslim religious holidays.

The harmony in Israeli hospitals comes as a shock to many opponents of Israel. When I described the atmosphere to participants in the Harvard Yard Gaza encampment, they were incredulous that Jewish and Arab patients were treated in the same hospitals. The teach-ins they attended told them that there was apartheid in Israel, so they assumed hospitals would be segregated.

After Oct. 7, the potential for tension increased. In a Zoom interview, I asked Ofer Merin, director-general of Shaare Zedek, how the atmosphere I had observed months before the war was holding up. Dr. Merin said that on Oct. 8 he put together a working group of Jewish and Arab staff, who formalized rules for conduct not only inside the hospital but also on social media. As an example, it was fine to mourn a loved one who was killed, but it wasn't OK to demonize the other side or call for

revenge. The hospital also assisted in getting permits for staff members to enter Jerusalem from the West Bank, despite the general clampdown on such crossings.

It worked. But the harmonious atmosphere in Israeli hospitals doesn't necessarily mean that the two peoples can easily coexist, in one state or two. In 2004 a prisoner named

### U.S. hospitals are riven by the Gaza war. Israeli ones aren't, though Jews and Arabs work side by side.

Yahya Sinwar received life-saving care for a brain tumor in an Israeli hospital. He was grateful but remained irreconcilable. Released from prison in 2011, he orchestrated the Oct. 7 attack. Such people have to be dealt with before the others can be reconciled.

Still, the cooperative atmosphere in Israeli hospitals teaches an important lesson. Having dueling committees airing identity-based grievances is a bad approach. Objective rules enforced without favoritism are more successful. American medical institutions and universities should take note.

*Dr. Segal is a neurologist and neuroscientist.*

## THE WALL STREET JOURNAL.

PUBLISHED SINCE 1889 BY DOW JONES &amp; COMPANY

Lachlan Murdoch  
Executive Chairman, News CorpRupert Murdoch  
Chairman Emeritus, News CorpEmma Tucker  
Editor in ChiefLiz Harris, Managing Editor  
Charles Frelle, Deputy Editor in Chief  
Elena Cherney, Senior Editor, David Crow, Executive Editor, Chip Cummins, NewsWires, Taneth Evans, Associate Editor, Brent Jones, Culture, Training & Outreach, Alex Martin, Print & Writing, Michael W. Miller, Features & Weekend, Prabha Natarajan, Professional Products, Bruce Orwall, Enterprise, Philana Patterson, Audio, Amanda Wills, VideoPaul A. Gigot  
Editor of the Editorial Page

Gerard Baker, Editor at Large

DOW JONES | News Corp

EDITORIAL AND CORPORATE HEADQUARTERS:  
1211 Avenue of the Americas, New York, N.Y., 10036  
Telephone 1-800-DOWJONES

WORLD NEWS

# China Economy Plan Leaves Much Unsaid

Beijing's blueprint raises concerns about the country's longer-term outlook

By REBECCA FENG

HONG KONG—Chinese leader Xi Jinping and other top Communist Party officials used 22,000 characters in laying out a blueprint for reviving the economy in the coming years and signaling an intention to rev up growth in the coming months.

On some of the thorniest issues, however, the document had little new to say—fueling concern among some economists about the country's longer-term prospects.

The world's second-largest economy, whose growth slipped markedly in the second quarter, is straining under \$7 trillion to \$11 trillion in hidden local-government debt. It is also struggling with a prolonged property crisis. Anticipation was high

among economists that Beijing would unveil plans for tackling those problems after party leaders gave a rare nod to both in a communiqué issued Thursday at the conclusion of the Third Plenum, a major policy meeting in Beijing intended to set priorities for the next half decade.

But those details were missing from the full blueprint, published Sunday.

"Waiting for the details on the actual reforms that China's leadership commits to implementing from this Third Plenum, the first impression is that the above measures will probably not be enough to solve China's economic woes," said Alicia García-Herrero, chief economist for Asia-Pacific at investment bank Natixis.

A major area of focus ahead of the plenum was the country's consumption-tax system, which some economists say contributes to the local debt crisis and the country's struggle to stimulate consumption.

For decades, Beijing has controlled the national purse

strings by taking over a large chunk of local governments' tax income. It also caps how much local governments can borrow. Yet cities, with limited budgets, are expected to kick-start economic growth and provide services.

Currently, local governments hand the central government 100% of consumption-tax income—in 2023, about \$220 billion—while revenue from value-added taxes and corporate income taxes is split. That gives local officials incentive to boost investment and manufacturing—areas where China's economy is already overheated—but little incentive to boost consumption.

This month, economists at Citi called for the central government to gradually cut its share of consumption-tax revenue by up to 70% to send local governments the right signal.

In the plenum blueprint, policymakers vowed to increase local governments' resources, expand their sources of tax income and "gradually allow local governments to re-



One major weight on the Chinese economy is a prolonged crisis in the country's property sector.

tain more consumption tax," but didn't say how. The wording on consumption tax was first used in a 2019 document and then repeated in the five-year plan released in 2021.

The plan was similarly vague on the property crisis, which was brought on in part by developers' overreliance on proceeds from sales of unfinished apartments as a source of funding. That money was supposed to go into escrow accounts to pay for the construction, but many developers withdrew cash before they completed the buildings. Local

governments, reliant on property-related tax revenues, were loose with issuing permits to developers to start selling homes. The result: some 20 million unfinished housing units across China.

Cleaning those up is crucial for a property-sector recovery, economists have said. The plenum blueprint vowed to overhaul financing and the presale system, but didn't say how.

One specific promise officials did make coming out of the plenum was to stick with a 5% growth target for this year, which some economists have

said could be hard to reach.

At least one regulator is already taking action: The People's Bank of China delivered a series of surprise but small rate cuts Monday morning.

The central bank said it wanted to "step up financial support for the real economy." Analysts said the cuts showed a sense of urgency to shore up growth, especially after the economy slowed sharply in the second quarter.

Response was muted in the Chinese stock market. The benchmark CSI 300 index closed down 0.7%.

# Ukraine Agrees to Debt Restructuring With Creditors

By ALEXANDER SAEEDY AND CHELSEY DULANEY

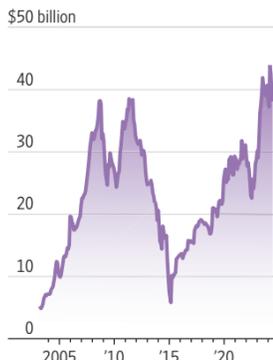
Ukraine struck a deal with creditors that could save it more than \$11 billion over the next three years, a boost as it struggles to keep funding the war with Russia.

The preliminary deal, unveiled Monday, came after months of negotiations with a committee representing Western bondholders such as BlackRock and Pimco. The creditors had initially balked at how much relief Ukraine and its Western backers sought on nearly \$20 billion of international debt run up before the Russian invasion, plus billions more in interest bills.

The rocky path to an agreement showed how the financial industry's support, unequivocal just after war broke out, had since shifted toward a more pragmatic stance.

Without a deal by August,

Gross international reserves at Ukraine's central bank



Source: National Bank of Ukraine

Ukraine would have faced a default 10 days later, a symbolic blow that Kyiv feared that would deter investors from funding future reconstruction and make it harder to tap lenders such as the International Monetary Fund.

"This allows us to free up resources for our defense, social spending and reconstruction," said Ukrainian Prime Minister Denys Shmyhal in a post on X.

The committee represents investors holding 22% of the country's bonds. To complete the deal, Ukraine needs two-thirds of holders to agree. It hopes to achieve that in the next few weeks, according to a person familiar with the deal.

Repaying foreign creditors will require Ukraine to divert spending from other priorities such as defense. But the interest payments outlined under the deal are workable for Ukraine's budget, said Olena Bilan, chief economist at the Ukrainian investment bank Dragon Capital.

"For Ukraine, it is better to have the deal now and turn this page," she said. "This will enable Ukraine to tap the bond market as soon as secu-

urity risks subside."

Financial firms rallied around Kyiv at first, offering a sweeping debt holiday and pledging to help secure private capital. When Ukraine moved to start restructuring talks this spring, foreign investors saw an opportunity to recover some lost billions, given that Ukraine is now flush with cash from allies and that its economy grew surprisingly strongly last year.

In June, the creditor group rebuffed an earlier Ukrainian proposal and asked for \$2.5 billion in interest by 2027—nearly four times what Ukraine had offered. Some investors and others involved in the negotiations described the path to reaching a deal as contentious. Ukraine's parliament raised the stakes with a law laying the groundwork for a potential default.

Still, an agreement came relatively quickly—sovereign

debt restructurings can often take years to complete. Bondholders agreed to write down the face value of their debt by 37%, or about \$8.7 billion, and accept lower interest rates and longer maturities.

In return, Ukraine will restart interest payments to private creditors next February and begin repaying principal in 2029. Interest payments will total less than \$200 million by the end of 2025. If Ukraine's economy outperforms, investors could get an extra payment in 2029.

The creditors, calling the deal "swift and constructive," said they were pleased to offer "significant debt relief to Ukraine, assist its efforts to regain its access to international capital markets, and support the future reconstruction of the country."

Throughout the negotiations, Kyiv's allies cautioned investors that Ukraine's re-

sources aren't for the taking. On a call this month, William Roos, co-chairman of the group of public-sector creditors to Ukraine, told bondholders that anything more than symbolic interest payments would be politically impossible, given that Ukraine's supporters have funneled more than \$100 billion of financial aid to Ukraine since the war's start, investors familiar with the remarks said.

While lawyers and bankers have spent months debating in New York and London, the situation on the ground worsened. On the battlefield, Ukrainian forces are outmanned and outgunned. Russian attacks have knocked out half of Ukraine's electricity-production capacity in recent months.

One key advocate for a deal was the IMF, which last year agreed to lend \$15.6 billion over four years, its first-ever loan to a country at war.

## WORLD WATCH



TURN, TURN, TURN: In the village of Anguiano in northern Spain on Monday, costumed dancers atop 18-inch stilts celebrated the local patron saint, Mary Magdalene, by walking down a slope while spinning, a tradition dating back to 1603.

### UNITED ARAB EMIRATES Protest Means Jail For Bangladeshis

Dozens of Bangladeshi nationals were sentenced to prison, three for life, over protests in the U.A.E. against their home government, state media reported Monday. The protests followed weeks of demonstrations in Bangladesh over a quota system that reserved up to 30% of government jobs for relatives of veterans of Bangladesh's war of independence in 1971.

Bangladeshi nationals are the third-largest expatriate community in the U.A.E., which bans political parties and labor unions and severely restricts freedom of speech.

—Associated Press

### CROATIA Care-Home Attack Leaves Six Dead

An armed assailant entered a care home for older people in a quiet central Croatian town Monday and opened fire, killing six people—five residents and one employee—and wounding six others, police said.

The suspect fled the scene, but the police caught him in a cafe. N1 regional television reported that the shooter was a former policeman who took part in the 1991-95 war in Croatia. Officials said that one of those killed was his mother, who had lived in the care home for the past 10 years.

—Associated Press

### PAKISTAN Khan Spokesman Arrested in Raid

Police raided the Islamabad office of imprisoned former Prime Minister Imran Khan's PTI party Monday and arrested its spokesman for antistate propaganda, the Interior Ministry said. The ministry said a party media coordinator was arrested earlier.

Pakistani authorities often accuse the PTI of a campaign against the country's institutions—meaning the military—a charge the party denies. Khan, ousted by a no-confidence in the Parliament in 2022, has been held at a prison in Rawalpindi since last year after his arrest.

—Associated Press

### CHINA Professor Fired in Harassment Case

China's Renmin University fired a professor—an ex-vice dean and former Communist Party representative at the school—on Monday, a day after a graduate student posted on the Weibo social-media platform that he had physically and verbally abused her, including recordings as evidence. The school said it concluded the complaints were true following an investigation.

In China, public accusations of sexual harassment have become rare following an uptick during a brief #MeToo movement that was swiftly snuffed out by the government.

—Associated Press

# Russia Sentences Editor After a Secretive Trial

A Russian court sentenced Radio Free Europe/Radio Liberty journalist Alsu Kurmasheva, a dual U.S.-Russian citizen, to 6½ years in prison after convicting her of

By Georgi Kantchev, Kate Vtorygina and Louise Radnofsky

disseminating false information about the Russian military.

The court's verdict was reached Friday after a closed-door, secret trial not reported by Russian state media until Monday. That was the same day as Wall Street Journal reporter Evan Gershkovich was wrongfully convicted by Russian authorities of spying and sentenced to 16 years in a high-security penal colony.

Gershkovich too was tried in secret though representatives from the media heard the verdict. No one from the media was present to hear the court's verdict on Kurmasheva, according to a spokeswoman for the Supreme Court of Tatarstan, where the trial took place.

Russian authorities produced no public evidence to support their allegations against Gershkovich, which he, the Journal and the U.S. government have vehemently and repeatedly denied.

Kurmasheva has denied the charges against her through her lawyer and family. RFE/RL and Kurmasheva's family say Russian authorities targeted her due to her U.S. citizenship and journalism work. Top U.S. officials have called for Kurmasheva's release.

"This secret trial and conviction make a mockery of justice—the only just outcome is for Alsu to be immediately released from prison by her Russian captors," RFE/RL



Alsu Kurmasheva in May

President and Chief Executive Stephen Capus said Monday. "It's beyond time for this American citizen, our dear colleague, to be reunited with her loving family."

Kurmasheva's husband, Pavel Butorin, said in a post on X on Monday that he and his daughters "know Alsu has done nothing wrong."

Kremlin spokesman Dmitry Peskov has denied that Russia targets Americans. He said Russia takes appropriate measures against those who violate the law.

Kurmasheva, an editor for the Prague-based news organization, was trying to leave Russia in June of last year after visiting her ailing mother when officials confiscated her Russian and U.S. passports and accused her of failing to properly register her U.S. citizenship.

Then in October, Kurmasheva was arrested on a more serious charge—failing to register as a foreign agent. In December, Russian authorities opened a new criminal case against her over a book she helped edit that criticizes the invasion of Ukraine. They later charged her with spreading false information about Russia's military.

## Delta Struggles to Regain Footing

Airline's passengers file hundreds of complaints over flight cancellations

By ALISON SIDER

Delta Air Lines has a lingering problem after a technology outage last week grounded thousands of flights: It is having trouble finding its crew.

Major carriers including Delta, American Airlines and United Airlines had to halt departures early Friday morning after the update pushed out by cybersecurity firm CrowdStrike crashed computers around the world. Airlines have since worked to return to normal operations, but Delta has struggled in its efforts.

"It's been a horrible weekend. For us all," Delta Chief Executive Ed Bastian said in a video message to employees. "This issue came out of nowhere."

The Atlanta-based airline had canceled more than 800 flights as of Monday afternoon, after scrubbing about one-third of its schedule Friday, Saturday and Sunday. On Monday, Delta and its regional affiliate Endeavor accounted for most canceled U.S. flights. Hundreds of thousands of passengers have been caught up in the widespread cancellations and delays during what was envisioned to be one of the airline's busiest weekends ever.

Bastian said it will likely take another couple of days before the airline is fully back on its feet.

After the outage Delta had



The Atlanta-based airline had canceled more than 800 flights as of Monday afternoon. Atlanta's Hartsfield-Jackson on Monday.

to manually repair over 1,500 systems that had been taken offline in a complex, time-consuming restart process, Chief Information Officer Rahul Samant told employees in the video. The disruption to one tool created a staffing nightmare.

The crew-tracking applica-

tion that Delta uses to match flights with pilots and flight attendants hasn't kept up with what executives have described as an unprecedented number of changes. That has complicated the airline's effort to make sure its pilots and flight attendants are where they need to be and

available to fly. U.S. Transportation Secretary Pete Buttigieg spoke to Bastian on Sunday afternoon, the Transportation Department said. Hundreds of customer-service complaints have been filed against Delta, Buttigieg said in a Sunday post on X. "I have made clear to Delta

that we will hold them to all applicable passenger protections," the post said. Delta has said it is covering eligible expenses and reimbursing customers with claims. It also said it is providing refunds to those who request them instead of getting a

Please turn to page B4

## CrowdStrike Warns of Hack Threat

By GARETH VIPERS

The CrowdStrike glitch that caused outages for millions of users of Microsoft Windows devices last week continued to roil industries and snarl global air travel.

Around 8.5 million devices were affected by the outage, CrowdStrike said, adding that it had brought a significant number back online.

Warning customers that bad actors were trying to exploit the event, the company said it had identified a malicious file being sent around by hackers posing as a "quick fix" to the problem. A file named crowdstrike-hotfix.zip was being distributed that included malware enabling hackers to remotely control or monitor a user's device, CrowdStrike said in a blog post.

Shares of CrowdStrike dropped 13% Monday. The stock has lost nearly one-fourth of its value over the past two trading days following the outage.

On Monday, Republican members of the House Homeland Security Committee sent a letter to CrowdStrike CEO George Kurtz, asking him to testify before lawmakers. They gave him a deadline of

Wednesday evening to schedule a time to testify.

"Protecting our critical infrastructure requires us to learn from this incident and ensure that it does not happen again," read the letter, which

Please turn to page B4

- ◆ A software patch that shook the world..... B4
- ◆ Heard on the Street: A long road back..... B12

## Google Ends Plan to Cut Chrome Cookies

By PATIENCE HAGGIN AND SUZANNE VRANICA

In a major reversal, Google is ending a plan to eliminate cookies in its Chrome browser after four years of efforts, delays and disagreements with the advertising industry.

The decision to keep the pervasive tracking technology known as cookies in Chrome comes after a series of set-

backs, as both digital-advertising companies and regulators objected to the plan and to Google's proposed replacement technologies.

Chrome users can already choose to block cookies in the browser's settings. Now, instead of eliminating them, Google will present users with a prompt to decide whether to turn cookies on or off, said the U.K. competition regula-

tor, which has been overseeing Google's plan to block cookies.

"It feels like all the pushback was insurmountable and Google realized they have to come up with a better plan," said digital media consultant Matthew Goldstein.

Anthony Chavez, vice president of Google's Privacy Sandbox, the company's initiative to replace cookies, wrote in a

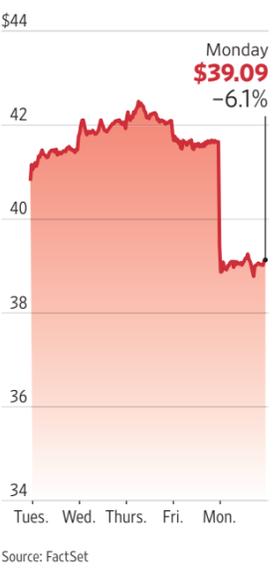
blog post Monday, "We recognize this transition requires significant work by many participants and will have an impact on publishers, advertisers, and everyone involved in online advertising...We're discussing this new path with regulators, and will engage with the industry as we roll this out."

Alphabet-owned Google Please turn to page B2

## Verizon Takes a Hit

Verizon stock fell after it reported a drop in prepaid wireless customers as a Covid-era public-assistance program expired. B3

Verizon Communications share price



## Warner Matches Amazon's Offer for NBA on TV

By JOE FLINT AND ISABELLA SIMONETTI

The NBA's media rights negotiations are heading into overtime.

Just days after the league told team owners it had finalized new long-term deals valued at \$76 billion with Walt Disney's ESPN, NBCUniversal and Amazon.com, current rights holder Warner Bros. Discovery has exercised its matching rights in a last-ditch effort to keep games on its TNT cable network.

Warner didn't specify whose bid it proposes to match, but people familiar with the situation said the company wants to match Amazon Prime Video's offer of \$1.9 billion per season.

Turner said in a statement Monday that it reviewed offers from other bidders for games in its current rights package and matched one of them. The company called its rights matching provision "an integral part of our current agreement and the rights we have paid for under it."

The NBA said it had received Warner's proposal and is reviewing it.

The other deals have much steeper price tags. Disney has a proposed deal to pay about \$2.6 billion a season to keep NBA games on its ESPN and ABC networks while Comcast's NBCUniversal has agreed to pay \$2.5 billion a season to put games on its Peacock streaming platform and NBC network. The new deals would take effect starting with the 2025-26 season and run 11 years.

TNT has carried the NBA for more than three decades. But when the deal came up for renewal this year, the company wasn't prepared to pay as much of a fee increase as some industry rivals. Warner Bros. Discovery Chief Executive David Zaslav told an investor conference in 2022, "We don't have to have the NBA."

Losing the NBA would be a blow for Warner. While viewership of basketball is far lower than football ratings, it is still valuable programming that allows the network to charge distributors a monthly \$3-per-subscriber fee to carry the channel.

Warner, which shows games on TNT as well as its Max streaming service, could face hurdles in persuading the NBA that its bid could serve as a substitute for Amazon, which is a pure streamer.

"Streaming has become predominant," league Commis-

Please turn to page B10

## INSIDE

## Sales of Carbon Credits Stall, Hurting Local Projects

By HENRY KRONK

Jorge Cantuarias has paid thousands of dollars a year since 2020 to more than 700 families in the Peruvian Amazon to preserve the rainforest while they harvest Brazil nuts.

The money came from the sale of carbon credits, a once booming market that has collapsed in the past two years. Now Cantuarias is sitting on roughly three million credits he can't sell.

Without the cash, the money for the families will dry up, making it harder for them to protect the rainforest. "We are passing through a very difficult time," he said.

These so-called voluntary carbon credits were once seen as a promising way to fight climate change. Businesses, governments and individuals would buy the credits to offset their own carbon emissions.

The money would go to efforts to reduce emissions, like preserving forests that were at risk of being cut down or



Carbon credits were used to pay families in Peru's rainforest who harvested Brazil nuts.

developing renewable-energy projects.

The market also acted as a way to send money from wealthy countries to developing ones, helping to offset the

risks they faced from climate change.

Carbon-credit sales rose from \$285 million in 2018 to \$2.1 billion in 2021, according to Ecosystem Marketplace.

Prices for typical credits tripled from about \$5 a metric ton at the start of 2021 to around \$16 a year later, according to OPIS, which is owned by News Corp's Dow



**AIRLINES**  
Ryanair cuts its outlook for travel spending after sales and profit slipped. B3



**MARKETS**  
Nvidia and other chip makers propel stocks, with the S&P breaking a losing streak. B11

## INDEX TO BUSINESSES

These indexes cite notable references to most parent companies and businesspeople in today's edition. Articles on regional page inserts aren't cited in these indexes.

<b>A</b>	Ford Motor.....A1,B12	<b>Q</b>	QXO.....B10
Abercrombie & Fitch.....B6	<b>G</b>	<b>R</b>	Ryanair.....B3,B12
Air France.....B12	Galp.....B3	<b>S</b>	SentinelOne.....B4
Alphabet.....A1,B1,B4	General Motors.....A2,B12	Snowflake.....B4	SolarWinds.....B4
Amazon.com.....B1,B4	GenNx360 Capital Partners.....B10	Standard & Poor's.....A4	Stellantis.....A2,B12
American Airlines.....B1	<b>H</b>	<b>T</b>	Tesla.....A2,B2
Apple.....B2	Horsburgh & Scott.....B10	<b>U</b>	United Airlines.....B1
AT&T.....B4	<b>J</b>	UnitedHealth.....B4	<b>V</b>
<b>B</b>	Jet2.....B3	<b>W</b>	Verizon.....B3,B11
Bank of America.....A4,A9	JPMorgan Chase.....A4	Walgreens.....A2	Walt Disney.....B1
Berkshire Hathaway.....B2	<b>K</b>	Warner Bros. Discovery.....B1	Wiz.....A1
Blackstone.....B10	Kia.....A2	Wizz Air.....B3,B12	
Boeing.....B3	Kimberly-Clark.....A2		
<b>C</b>	<b>M</b>		
Capital One.....A9	Microsoft.....B1,B4		
Circana.....A2	<b>N</b>		
Citigroup.....A4	NatWest.....B11		
Comcast.....B1	Nvidia.....B11		
Crimeo.....B2	<b>P</b>		
CrowdStrike.....B1,B4,B12	Palo Alto Networks.....B4		
<b>D</b>	Pidlite Industries.....B4		
Delta Air Lines.....B1,B4	Principal Financial.....B4		
Deutsche Lufthansa.....B12	Procter & Gamble.....A2		
<b>E - F</b>			
edgewell Personal Care.....A2			

## INDEX TO PEOPLE

<b>A</b>	Gowers, Harry J.....B3	<b>R</b>	Rappaport, Assaf.....A1
Aliaga-Diaz, Roger.....B11	Greig, Fiona.....A10	Ribeiro, Plinio.....B2	Rose, Alison.....B11
Anderson, Meg.....B4	<b>H</b>	Roth, Andrew.....B6	<b>S</b>
<b>B</b>	Horowitz, Fran.....B6	Samant, Rahul.....B1	Schwarzman, Stephen.....B10
Bastian, Ed.....B1	<b>J</b>	Tavarez, Carlos.....B12	Trotter, Lloyd.....B10
Bilan, Olena.....A16	Jacobs, Brad.....B10	<b>T</b>	
Blaylock, Ronald.....B10	<b>K</b>	<b>V</b>	Vishnubhotla, Krishna.....B4
Bolloré, Vincent.....B2	Khurana, Shikha.....B3	<b>W</b>	Williams, Jake.....B4
Boyd, Roger.....B12	Kurtz, George.....B1,B4	<b>Y</b>	Yoon, Gene.....B11
Brazier, Thomas.....B6	Kushner, Jared.....B10	<b>Z</b>	Zaslav, David.....B1
Buffett, Warren.....B2	<b>L</b>		
<b>C</b>	Lawler, John.....A2		
Carlson, Karen.....A9	<b>M</b>		
Chae, Michael.....B10	Moore, B.J.....B4		
Collins Krug, Carey.....B6	Musk, Elon.....B2,B12		
<b>D</b>	<b>O</b>		
Difucci, John.....B12	O'Leary, Michael.....B3		
Dimon, Jamie.....A4	<b>P</b>		
<b>G</b>	Powell, Gray.....B12		
García-Herrero, Alicia.....A16			



The company's Optimus robot was displayed at the World Artificial Intelligence Conference in Shanghai this month.

# Tesla to Use Humanoid Robots To Help Make Cars, Musk Says

By ALYSSA LUKPAT

Elon Musk said Tesla will have humanoid robots in production to be used within the company next year. He said Monday morning that Tesla would use the robot for internal use first and then aim to produce it for other companies in 2026. Tesla, an electric-vehicle maker, has been working on the robot for several years as part of its efforts to expand into robotics and artificial intelligence. Musk, Tesla's billionaire chief executive, said in a post on X that he believed the robots

would be "genuinely useful." Tesla wants them to help make its cars more efficiently, complete difficult chores and reduce labor shortages. Musk showed off a prototype version in 2022 of a humanoid robot called Optimus that took a few steps, waved to a crowd and performed basic dance moves. He said it was the first time the robot had operated without a tether. He also demonstrated a sleeker but non-functioning model that he said was closer to production. The humanoid robots, an offshoot of Tesla's driverless-car technology, has excited some

investors. Musk has long wanted to frame Tesla as an AI company in part by showing off its robots and car automation. He has a record of predicting timelines that don't always pan out. Musk said in an earnings call in April that he thought Optimus would be able to complete factory tasks by the end of this year and go on sale by next year. Tesla shares rose 5% on Monday. The stock has risen roughly 75% since late April, a sharp rebound after a steep decline in the beginning of the year. Overall, it is roughly unchanged so far in 2024.

Musk said Monday that Tesla's humanoid robots would first be in low production, which typically means something is made in small amounts. Musk said Tesla aimed to produce the robots in larger quantities for 2026. He has said the company wanted the robots to have a price point below \$20,000. The robots are expected to have conversational capabilities and include safeguards to prevent wrongdoing. Companies in recent years have been ramping up work on humanoid robots that can do menial human tasks.

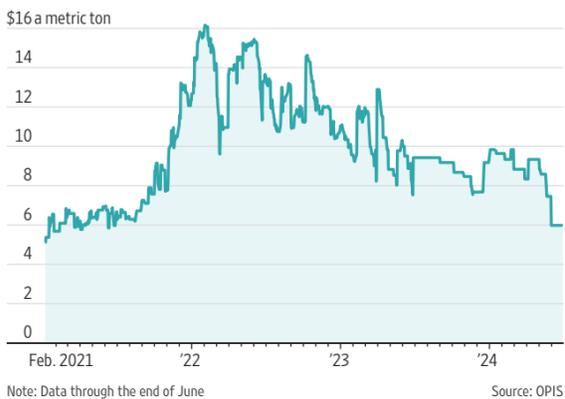
## Locals Are Hurt by Stalled Sales

Continued from page B1  
nuts, which can only grow in untouched forests. The Wall Street Journal and others reported the project, which started in 2009, failed to pay the families for its first 12 years. Researchers were mixed on whether the project preserved the rainforest.

Cantuarias said he adhered to the agreement with the families and he himself funded the project for its first 12 years. Still, buyers for the credits have lost interest, leaving Cantuarias with three million credits to sell. They could have once fetched as much as \$30 million, but Cantuarias said he would be lucky to get \$7.5 million for it today. He is worried buyers will never return.

"There is a big probability that the project will end," Cantuarias said. "That will really be a very serious situation. There are thousands of people that depend on it."

The average price, as assessed by OPIS, for carbon credits from REDD+ forest conservation projects



## Chrome to Keep Its Cookies

Continued from page B1  
first announced its intention to kill cookies, the technology that logs the activity of internet users across websites so

A consortium of organizations that register, verify and analyze carbon credits is trying to restore credibility to the market with stricter quality standards and scientifically sound methods. Many of those efforts, such as establishing recognized quality labels and improving project methodologies, have yet to be completed. In the interim, buyers remain skeptical.

Even projects that are seen as effective are feeling the downturn. A project to protect 74,000 hectares of the Amazon in the Brazilian state of Rondônia won praise for its transparent accounting of carbon stocks and conservative estimate of its impacts.

The project's developer, Biofilica Ambipar, is also struggling to sell millions of credits. "It's a really hard moment for us," Chief Executive Plinio Ribeiro said. "Companies are afraid to acquire credits. I don't blame them."

If sales don't rebound soon, Ribeiro says, projects will get hit and the market will suffer a long-term setback.

"Some of them won't be able to survive," Ribeiro said. "Some of them will be sold. But most importantly, a lot of people and experience on the ground will be lost."

The average price, as assessed by OPIS, for carbon credits from REDD+ forest conservation projects



advertisers can target them with relevant ads and track their effectiveness, in 2020. It said it would phase them out by 2022.

Privacy advocates hailed the move but advertisers objected, saying that Google's plan to replace cookies would force them to shift spending to the search giant's digital-ad products.

In 2021, U.K. regulators opened an investigation into whether the plan would hurt



Vivendi would need at least two-thirds of its shareholders to back the decision to break up.

# Vivendi to List TV, Ad Units in London and Amsterdam

By ADAM WHITTAKER AND MAURO ORRU

Vivendi plans to list its core television and advertising businesses in London and Amsterdam, as the conglomerate steered by the family of French billionaire Vincent Bolloré looks to split and cash in on investment opportunities outside France.

The media group floated plans to break up last December, saying that its businesses would be better off as independent entities listed on the stock market.

However, Vivendi would need at least two-thirds of its shareholders to back that decision at an extraordinary shareholders' meeting that could be held later this year.

A split would mark a turning point for Vivendi, almost three years after the conglomerate let go of Universal Music

Group, once its most prized and sought-after asset, accounting for the lion's share of revenue growth.

The record label behind Taylor Swift and Billie Eilish underwent a spinoff from Vivendi in late 2021 and was listed in Amsterdam.

Vivendi said its valuation had fallen significantly since it shed Universal Music, hindering its ability as a company to carry out significant transactions for its remaining subsidiaries.

Now, the group plans to list Canal+ on the London Stock Exchange. The television business—with close to two-thirds of subscribers outside of France—accounted for more than half Vivendi's revenue last year.

Meanwhile, Vivendi's advertising and public relations business, Havas, will join Universal Music in Amsterdam.

Most of Havas's activities are carried out internationally.

Louis Hachette Group, a new company consolidating Vivendi's assets in publishing and distribution such as its stake in media group Lagardère, would be listed on the Euronext Growth in Paris.

The existing Vivendi group would continue to manage Gameloft—the maker of Asphalt 8 and Dungeon Hunter 5—and oversee a portfolio of investments such as Vivendi's stake in Universal Music. The group will remain listed on the Euronext Paris.

Canal+, Havas and Louis Hachette Group will keep their decision-making hubs and operational teams in France despite being listed elsewhere. Vivendi said a decision on the split could be made at the end of October and submitted for shareholders' approval later this year.

# Berkshire Hathaway Pares Its Stake In BofA

By KAREN LANGLEY

Warren Buffett's Berkshire Hathaway trimmed its Bank of America position in recent days.

The famed investor's company sold almost \$1.5 billion of Bank of America stock last week, leaving it with a stake valued at nearly \$43 billion at Friday's close, according to a filing with the Securities and Exchange Commission.

At the end of March, Bank of America was Berkshire's second-largest stock position, after Apple. The bank's stock has been on a run, climbing 6.4% so far in July and 25.6% in the year to date.

Berkshire also has reduced its Apple position lately. Buffett hinted at his company's annual meeting in May that tax considerations may have played a role in the decision.

The same reasoning may have been a factor in the Bank of America sales, suggested David Kass, a professor at the University of Maryland's business school who follows Buffett's activities.

"Perhaps he may also be concerned that valuations are reaching very high levels in general, and with respect to the banking sector and [Bank of America] in particular," Kass wrote in an email.

Berkshire is Bank of America's largest shareholder, with a 12.8% stake in the bank, according to Dow Jones Market Data.

Bank of America share price over the past year



competition in digital advertising. Google pledged to collaborate with the regulator and committed to give the agency at least 60 days notice before removing cookies to review any plan, and potentially impose changes to it.

As that investigation dragged on, Google's schedule to kill cookies by 2022 slipped. In April, The Wall Street Journal reported that the British government would issue a report criticizing

Google's proposed replacing technologies as deeply flawed. A few days later Google said it would delay the cookie elimination.

For the past four years, the looming demise of cookies in Chrome, the most popular web browser in the world and the only major one that still supports cookies, hung over the \$600 billion-a-year online-ad industry. Advertisers, ad tech companies and web publishers have been working to

ensure their businesses could withstand the change, in part by rushing to collect their own information on consumers and build millions of detailed customer profiles.

If cookies disappeared, it would become more difficult to tap into that data target online ads.

Google's news sent shares of several ad tech companies higher. Crimeo shares jumped 9% and closed the day at \$44.76.

BUSINESS NEWS

# Covid Program End Hits Verizon

Wireless carrier saw a drop in plans typically used by low-income clients

BY DEAN SEAL

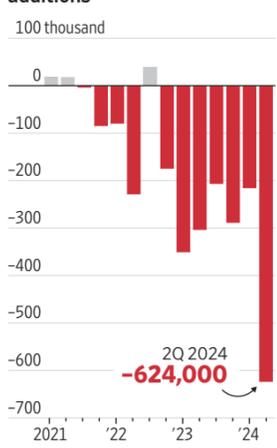
**Verizon Communications** boosted quarterly revenue from wireless services and broadband subscriber growth, but reported a significant drop in prepaid wireless customers after a public-assistance program expired.

The wireless carrier logged a 624,000 drop in pay-as-you-go plans that typically cater to lower-income consumers. Nearly two-thirds of the losses came from the closing of the government's Covid-19 era Affordable Connectivity Program, which gave eligible households money to put toward the cost of a wireless or home internet plan.

The program's expiration on June 1 is expected to weigh on the results of other wireless and cable providers reporting in the coming weeks.

Verizon's total revenue ticked up about half a per-

Verizon's prepaid phone net additions



Source: the company

centage point to \$32.8 billion, missing analyst projections for \$33.05 billion, according to FactSet.

Verizon shares slid 6% to \$39.09 on Monday. Shares had gained 10% year-to-date when the market closed last week.

Wireless service and other revenue boosted the company's top line, offsetting a drop in wireless equipment revenue from lower upgrade



Total wireless service revenue climbed 3.5% year over year to \$19.8 billion.

volumes.

Total wireless service revenue climbed 3.5% year over year to \$19.8 billion.

Verizon had a net gain of 148,000 postpaid phone plans, in which customers pay for service at the end of each month, compared with a gain of 8,000 in the year-ago quarter and ahead of analyst expectations for 94,600 net additions.

Excluding losses from Verizon's SafeLink Wireless brand, which offered access to government-sponsored connectivity benefits and programs, the company still recorded a net loss of 12,000 prepaid plans. The company reported 391,000 net additions in its broadband business, which included 24,000 Fios Internet net additions.

Earnings for the quarter

came in at \$4.59 billion, or \$1.09 a share, about flat with \$4.65 billion, or \$1.10 a share, in the same quarter a year ago. Stripping out one-time items, adjusted earnings were \$1.15 a share, in line with the estimates of analysts polled by FactSet.

AT&T reports second-quarter results on Wednesday, with T-Mobile's report to follow next week.

# Vodafone Reduces Stake in Vantage

BY NAJAT KANTOUAR

**Vodafone Group** sold a further 10% stake in Oak Holdings, the partnership that co-controls Vantage Towers, for €1.3 billion, or \$1.41 billion.

The U.K. telecommunications company said its stake was sold at €32 per share, the same price as the initial transaction announced in November 2022.

Total net proceeds from the sell-down in Vantage Towers amount to €6.6 billion, and will be used for deleveraging and reducing net debt and adjusted earnings before interest, taxes and depreciation and amortization, after leases by 0.1 times, which is in line with the company's target of operating in the lower half of its leverage range of 2.25 to 2.75.

Oak Holdings owns of 89.3% of Vantage Towers, and Vodafone's effective ownership is 44.7% following this transaction.

# Boeing Receives Flurry of Orders at Airshow

BY DON NICO FORBES

**Boeing** received orders for up to 70 airplanes at the Farnborough International Airshow, marking a much-needed show of confidence in the embattled plane maker.

The deals from Korean Air and Japan Airlines come as Boeing grapples with production slowdowns and regulatory scrutiny in the wake of January's near catastrophe on an Alaska Airlines flight. The production cut is causing the company to burn through billions of dollars in cash each quarter.

Currently, about 200 fully or mostly finished airplanes are parked in airfields, outside plants or other locations, awaiting parts such as interiors or engines.

This week, plane makers are gathering at Farnborough, one of the world's largest aviation trade fairs, where they tend to highlight their latest products and technological advances, while also trumpeting deals for new passenger, cargo and military aircraft.

On Monday, two Asia-based airlines announced separate deals for Boeing airplanes.

South Korea's flagship carrier, Korean Air, said it placed an order for up to 50 Boeing wide-body airplanes for an undisclosed price.

The order included 20 Boeing 777-9s and 20 Boeing 787-10s, with options for 10 more of the largest 787 Dreamliner variant.

Japan Airlines, meanwhile, said it purchased up to 20 Boeing 787 Dreamliners, including 10 Boeing 787-9s with options for 10 more.

Additional terms of the deals were not disclosed.

Boeing planned a smaller-than-usual presence at Farnborough, citing the need to focus on safety and quality improvements and meeting deliveries over new orders.

Through June of this year, Boeing has delivered 175 planes, compared with 266 through the first half of 2023. The company is scheduled to report second-quarter earnings on July 31.

Ahead of the event, Boeing said in its annual industry report that it projects a 3% increase in airplane deliveries across the industry over the next 20 years, with carriers requiring nearly 44,000 new commercial airplanes by 2043.

The projection comes as air travel demand has surpassed prepandemic levels and continues to outpace overall economic growth, the company said.

# Ryanair Cuts Pricing View After Profit Slip

BY PIERRE BERTRAND

**Ryanair** cut its pricing outlook for the summer season after first-quarter ticket prices and earnings tumbled.

Europe's largest airline by passenger numbers said it is experiencing weaker-than-anticipated consumer spending, with pricing in the second quarter now seen "materially lower" than last summer, following weak fares in the prior quarter.

Ryanair previously expected second-quarter fares to be flat to modestly up on the year.

"The pricing development continues to deteriorate," said Chief Executive Michael O'Leary in a prerecorded presentation following the result. "We have tried over weeks and weekends to close off some cheap seats and price passengers up, but meeting resistance, and we're opening up lower cost seats again."

The news sent shares of Ryanair lower and dragged other airline stocks lower. Ryanair shares lost about 17%. Low-cost peers **easyJet**, **Jet2** and **Wizz Air** were down 7.1%, 5.5% and 10%, respectively.

In May, Ryanair warned that first-quarter fares required



'The pricing development continues to deteriorate,' the European budget carrier's CEO said.

more price cuts than in the prior year, and on Monday reported that average fares fell 15% in the three months to the end of June, while revenue per passenger declined 10%.

Although ancillary revenue rose 10% in the quarter, ancillary revenue per passenger remained flat, Ryanair said.

The company, which earlier this month said passenger

traffic grew 11% in June, flew 55.5 million passengers in the quarter, a 10% year-over-year increase. Its load factor, a measure of how full its planes are, slipped to 94% from 95% a

year earlier.

Operating costs rose 11% to €3.26 billion, or about \$3.55 billion. Net profit nearly halved to €360 million from €663 million a year earlier, while revenue fell 1% to €3.63 billion.

Analysts at JPMorgan and Bernstein said the result missed profit expectations by 33%.

"The softer pricing outlook for Ryanair will likely lead to the whole sector being weak, and call into question where the 'bottom' is in terms of demand/consumer weakness, lower pricing and ultimately estimate downgrades," JPMorgan analysts Harry J. Gowers and Shikha Khurana said in a research note, adding that the company's price decline in the first quarter was deeper than expected.

Looking ahead, it said first-half results would be "dependent on close-in bookings and yields in Aug. and Sept."

The company maintained its fiscal-year guidance for passenger traffic growth of 8%, or 198 million to 200 million passengers, assuming no worsening of **Boeing** delivery delays.

◆ **Heard on the Street: Too many cheap flights..... B12**

# Galp Beats Forecasts, Increases Guidance

BY CHRISTIAN MOESS LAURSEN

**Galp** slightly lifted its full-year earnings expectations after its upstream unit helped it beat market forecasts for the second quarter.

The Portuguese oil-and-gas producer on Monday reported second-quarter adjusted replacement-cost net profit of 299 million euros, or \$325.4 million, up from €258 million in the same quarter last year.

The company booked earnings before interest, taxes, depreciation and amortization of €849 million on a replacement-cost adjusted basis, down 7%.

Analysts polled by the company had forecast a replacement-cost adjusted net profit—which is similar to net profit that Galp's U.S. peers report—of €236 million and replacement-cost adjusted Ebitda of €821 million.

The results were driven by a 2% increase in earnings from Galp's upstream unit—the company's main profit center, which covers exploration, development and production of oil and gas—as well as a higher refining utilization in the industrial and midstream segment.

The Lisbon-based company now expects a replacement-cost adjusted Ebitda of more than €3.1 billion. It previously expected Ebitda of around €3.1 billion.

ADVERTISEMENT

## The Marketplace

To advertise: 800-366-3975 or WSJ.com/classifieds

NOTICE OF SALE

ADJOURNED 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 that certain Partnership Interests Pledge and Security Agreement dated as of November 24, 2021 (the "Pledge Agreement"), executed and delivered by CCI 1100 BISCAYNE MANAGEMENT GP, LLC and CCI 1100 BISCAYNE MANAGEMENT HOLDCO, LP (collectively, the "Pledgor"), and in accordance with its rights as holder of the security, MADISON REALTY CAPITAL DEBT MA II HOLDINGS MB LLC ("Secured Party"), by virtue of possession of those certain Share Certificates held in accordance with Article 8 of the Uniform Commercial Code of the State of New York (the "Code"), and by virtue of those certain UCC-1 Filing Statements made in favor of Secured Party, all in accordance with Article 9 of the Code, Secured Party will offer for sale, at public auction: (i) all of Pledgor's right, title, and interest in and to the following: CCI 1100 Biscayne Management, LP (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 the premises located at 1100 Biscayne Blvd., Miami, FL (the "Property").

Mannion Auctions, LLC ("Mannion"), under the direction of Matthew D. Mannion or William Mannion (the "Auctioneer"), will conduct a public sale consisting of the Collateral (as set forth in Schedule A below), via online bidding, on August 5, 2024 at 3:30pm, in satisfaction of an indebtedness in the approximate amount of \$7,919,420.61, including principal, interest on principal, and reasonable fees and costs, plus default interest through August 5, 2024, subject to open charges and all additional costs, fees and disbursements permitted by law. The Secured Party reserves the right to credit bid. The UCC sale originally scheduled for May 16, 2024 was rescheduled to May 23, 2024, and thereafter, adjourned to June 24, 2024 and July 17, 2024.

Online bidding will be made available via Zoom Meeting: Meeting link: <https://bit.ly/1100Biscayne> (URL is case sensitive) Meeting ID: 844 0421 4057 Passcode: 926256 One Tap Mobile: +16469313860, 84404214057, +926256 568 US: +1646558886, 84404214057, +926256 US (New York) Dial by your location: +1 646 931 3860 US Bidder Qualification Deadline: Interested parties who intend to bid on the Collateral must contact Brett Rosenberg at Jones Lang LaSalle Americas, Inc. ("JLL"), 330 Madison Avenue, New York, NY 10017, (212) 812-5926, Brett.Rosenberg@jll.com, to receive the Terms and Conditions of Sale and bidding instructions by August 2, 2024 by 4:00 pm. Upon execution of a standard confidentiality and non-disclosure agreement, which can be found at the following link [www.1100BiscayneBlvdUCCSale.com](http://www.1100BiscayneBlvdUCCSale.com), and additional documentation and information will be available. Interested parties who do not contact JLL and qualify prior to the sale will not be permitted to enter a bid.

**SCHEDULE A: Pledged Interest: PLEDGOR:** CCI 1100 BISCAYNE MANAGEMENT GP, LLC, a Delaware limited liability company. **ISSUER:** CCI 1100 BISCAYNE MANAGEMENT, LP, a Delaware limited partnership. **INTERESTS PLEDGED:** its general partnership interest. **PLEDGOR:** CCI 1100 BISCAYNE MANAGEMENT HOLDCO, LP, a Delaware limited partnership. **ISSUER:** CCI 1100 BISCAYNE MANAGEMENT, LP, a Delaware limited partnership. **INTERESTS PLEDGED:** 100% limited partnership interest. The UCC1 was filed on November 29, 2021, with the Delaware Department of State under the Filing No. #20219652687. KRISS & FEUERSTEIN LLP, Attn: Jerold C. Feuerstein, Esq., Attorneys for Secured Party, 360 Lexington Avenue, Suite 1200, New York, New York 10017, (212) 661-2900.

CLASS ACTION

UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF CALIFORNIA

IN RE QUALCOMM INCORPORATED SECURITIES LITIGATION

Case No. 3:17-cv-00121-JO-MSB

SUMMARY NOTICE OF (I) PROPOSED SETTLEMENT AND PLAN OF ALLOCATION; (II) SETTLEMENT HEARING; AND (III) MOTION FOR ATTORNEYS' FEES AND LITIGATION EXPENSES

To: all persons or entities who purchased or otherwise acquired the common stock of Qualcomm Inc. ("Qualcomm") between February 1, 2012 and January 20, 2017, inclusive (the "Class Period"), and who were damaged thereby.<sup>1</sup>

PLEASE READ THIS NOTICE CAREFULLY; YOUR RIGHTS WILL BE AFFECTED BY THE SETTLEMENT OF A CLASS ACTION LAWSUIT PENDING IN THIS COURT.

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Southern District of California, that the Court-appointed Lead Plaintiffs Sjunde AP-Fonden and Metzler Asset Management GmbH, on behalf of themselves and the Court-certified Class, in the above-captioned securities class action (the "Action") have reached a proposed settlement of the Action with defendants Qualcomm Inc. ("Qualcomm") and Derek K. Aberle, Steven R. Altman, Donald J. Rosenberg, William F. Davidson, Jr., Paul E. Jacobs, and Steven M. Mollenkopf (collectively, "Defendants") for \$75,000,000 in cash that, if approved, will resolve all claims in the Action.

A hearing will be held on September 27, 2024 at 9:00 a.m., before the Honorable Jinsook Ohta, United States District Judge, either in person in Courtroom 4C of the Edward J. Schwartz United States Courthouse, 221 West Broadway, San Diego, CA 92101, or by telephone or videoconference (in the discretion of the Court), to determine: (i) whether the proposed settlement should be approved as fair, reasonable, and adequate; (ii) whether the Action should be dismissed with prejudice against Defendants, and the releases specified and described in the Stipulation and Agreement of Settlement dated June 17, 2024 should be granted; (iii) whether the proposed Plan of Allocation should be approved as fair and reasonable; and (iv) whether Lead Counsel's motion for attorneys' fees and payment of litigation expenses should be approved.

If you are a member of the Class, your rights will be affected by the Settlement, and you may be entitled to share in the Net Settlement Fund. This notice provides only a summary of the information contained in the Notice of (I) Proposed Settlement and Plan of Allocation; (II) Settlement Hearing; and (III) Motion for Attorneys' Fees and Litigation Expenses (the "Settlement Notice"). You may obtain copies of the Settlement Notice and the Claim Form by contacting the Claims Administrator at [QualcommSecuritiesLitigation.com](mailto:QualcommSecuritiesLitigation.com). Copies of the Settlement Notice and Claim Form can also be downloaded from the website for the Action, [www.QualcommSecuritiesLitigation.com](http://www.QualcommSecuritiesLitigation.com).

If you are a Class Member, in order to be eligible to receive a payment under the proposed Settlement, you must submit a Claim Form online or postmarked no later than November 8, 2024. If you are a Class Member and do not submit a proper Claim Form, you will not be eligible to share in the distribution of the net proceeds of the Settlement, but you will nevertheless be bound by any judgments or orders entered by the Court in the Action.

Any objections to the proposed Settlement, the proposed Plan of Allocation, and/or Lead Counsel's motion for attorneys' fees and litigation expenses, must be filed with the Court and delivered to Lead Counsel and counsel for Defendants such that they are received no later than September 6, 2024, in accordance with the instructions set forth in the Settlement Notice.

Please do not contact the Court, the Clerk's office, Qualcomm, any other Defendant in the Action, or their counsel regarding this notice. All questions about this notice, the proposed Settlement, or your eligibility to participate in the Settlement should be directed to the Claims Administrator or Lead Counsel.

Requests for the Settlement Notice and Claim Form should be made to the Claims Administrator:

Qualcomm Securities Litigation  
c/o A.B. Data, Ltd.  
P.O. Box 173043  
Milwaukee, WI 53217  
1-877-390-3401  
[info@QualcommSecuritiesLitigation.com](mailto:info@QualcommSecuritiesLitigation.com)  
[www.QualcommSecuritiesLitigation.com](http://www.QualcommSecuritiesLitigation.com)

All other inquiries should be made to Lead Counsel:

Jonathan D. Uslaner  
Bernstein Litowitz Berger & Grossman LLP  
2121 Avenue of the Stars, Suite 2575  
Los Angeles, CA 90067  
1-310-819-3472  
[settlements@blbglaw.com](mailto:settlements@blbglaw.com)

Gregg S. Levin  
Molloy Rice LLC  
28 Bridgeville Blvd.  
Mount Pleasant, SC 29464  
1-843-216-9000  
[qcomsettlementquestions@molloyrice.com](mailto:qcomsettlementquestions@molloyrice.com)

By Order of the Court

<sup>1</sup> Certain persons and entities are excluded from the Class by definition and others are excluded pursuant to request. The full definition of the Class including a complete description of who is excluded from the Class is set forth in the full Settlement Notice.

TECHNOLOGY

WSJ.com/Tech

# A Software Patch That Shook the World

CrowdStrike error knocked computers offline, underlining a key vulnerability

Hemant Rathod, an Indian executive, was sipping tea in a conference room Friday morning in Delhi, about to send a long email to his team, when his computer went haywire.

By Asa Fitch, Sam Schechner and Sarah E. Needleman

The HP laptop suddenly said it needed to restart. Then the screen turned blue. He tried in vain to reboot. Within 10 minutes, the screens of three other colleagues in the room turned blue too.

"I had taken so much time to draft that email," Rathod, a senior vice president at **Pidilite Industries**, a construction-materials company, said by phone half a day later, still carrying his dead laptop with him. "I really hope it's still there so I don't have to write it again."

The outage, one of the most momentous in recent memory, crippled computers worldwide and drove home the brittleness of the interlaced global software systems that we rely on.

Triggered by an errant software update from the cybersecurity company **CrowdStrike**, the disruption spread as most people on the U.S. East Coast were asleep and those in Asia were starting their days.

Over the course of less than 80 minutes before CrowdStrike stopped it, the update sailed into **Microsoft** Windows-based computers worldwide, turning corporate laptops into unusable bricks and paralyzing operations at restaurants, media companies and other businesses.

U.S. 911 call centers were disrupted, **Amazon.com** em-

ployees' corporate email system went on the fritz and tens of thousands of global flights were delayed or canceled.

"In my 30-year technical career, this is by far the biggest impact I've ever seen," said B.J. Moore, chief information officer for the Renton, Wash.-based healthcare system Providence, whose hospitals struggled to access patient records, perform surgeries and conduct CT scans.

Fixing the problem involved technical steps that confounded many users who aren't tech savvy. Some corporate IT departments were still working to unfreeze computer systems late on Friday. CrowdStrike said the outage wasn't a cyber-attack.

Adding to the chaos—and further underlining the vulnerability of the global IT system—a separate problem hit **Microsoft's** Azure cloud computing system on Thursday shortly before the CrowdStrike glitch, causing an outage for customers including some U.S. airlines and users of Xbox and **Microsoft 365**.

## Global risk

The CrowdStrike problem laid bare the risks of a world in which IT systems are increasingly intertwined and dependent on myriad software companies—many not household names. That can cause huge problems when their technology malfunctions or is compromised. The software operates on laptops and within corporate IT setups, where, unknown to most users, they are automatically updated for enhancements or new security protections.

In a 2020 hack, Russian perpetrators inserted malicious code into updates of **SolarWinds** software in a way that compromised a swath of the U.S. government and scores of



George Kurtz, right, chief executive of CrowdStrike, at an event in New York in June.

private companies. The rising frequency and impact of cyber-attacks, including ones that insert damaging ransomware and spyware, have helped fuel the growth of CrowdStrike and such competitors as **Palo Alto Networks** and **SentinelOne** in recent years. CrowdStrike's annual revenue has grown 12-fold over the past five years to over \$3 billion.

But cybersecurity software such as CrowdStrike's can be especially disruptive when things go wrong because it must have deep access into computer systems to rebuff malicious attacks.

Not all updates happen automatically, and computer attacks often occur because people or businesses are slow to adopt patches sent by software companies to fix vulnerabilities—in essence, failing to take the medicine the doctors prescribe. In this case, the medicine itself hurt the patients.

The global outage began with an update of a "channel

file," a file containing data that helps CrowdStrike's software neutralize cyber threats, CrowdStrike said. The update was timestamped 4:09 a.m. UTC—just after midnight in New York and around 9:30 a.m. in India.

That update caused CrowdStrike's software to crash the brains of the Windows operating system, known as the kernel. Restarting the computer simply caused it to crash again, meaning that many users had to surgically remove the offending file from each affected computer.

The nature of the patch meant that the impact was uneven, with people in the same office even experiencing the outage very differently. Apple Macs, which don't use the affected Windows software, weren't affected, and servers and PCs that weren't on and internet-connected didn't receive the toxic update.

CrowdStrike soon realized something was amiss and the

update to the file was rolled back 78 minutes later. That meant it wouldn't affect computers that were off or in sleep mode during that period. But for many of those that were switched on, the damage was done. In a blog post, CrowdStrike told those users to boot into the Windows "safe mode," delete the offending file and reboot.

## The fallout

IT teams often can fix problems on employees' computers using remote-access software—tools that became especially common during the work-from-home boom of the pandemic. But for laptops and other PCs that approach doesn't work if the machines can't restart. For those systems, CrowdStrike's fix had to be done in person—either by a tech-support person on site or by a regular employee trying to apply the instructions.

Moore, the Washington state

healthcare CIO, was away on vacation and initially wasn't worried when emails about malfunctioning computer applications started landing in his inbox Thursday night.

But by 11 p.m. Pacific time, he had learned that the outage had engulfed the nonprofit health system's approximately 50 hospitals and 1,000 clinics across seven states. Hundreds of IT employees began deploying patches, which required manual remediation, he said.

Some of the system's affected computers and devices were fixed by 6 a.m., and most were running again by 10 a.m. "It will be the end of the day before we get it all done," Moore said Friday morning.

As companies were grappling with the impact, CrowdStrike's co-founder and chief executive, George Kurtz, was on TV trying to reassure customers—and shareholders. "We identified this very quickly and rolled back this particular content file," Kurtz said in a CNBC interview about nine hours after the faulty update. "Some systems may not fully recover, and we're working individually with each and every customer to make sure that we can get them up and running and operational," he added.

For Rathod, the senior vice president at Pidilite, the travails didn't end with his potentially lost email. After switching to his iPad to keep working, he had to rush to the airport for a flight—only to find long lines and flummoxed security staff checking boarding passes manually. Flight information screens weren't working, so he had to find airline staff to direct him to the right gate.

"It was a mess at Delhi airport," Rathod said. "How can we depend so much on one company?"

—Tom Dotan and Robert McMillan contributed to this article.

## Delta Struggles To Recover

Continued from page B1

travel credit. Shares of Delta fell nearly 4% on Monday trading.

It is an unusual reckoning for an airline that prides itself on punctuality and typically tops industry rankings for on-time performance and low rates of cancellations. That reliability has become a selling point as Delta markets itself to corporate customers, allowing it to charge higher fares and appeal to more upscale customers.

Delta has boosted incentive pay to encourage pilots and flight attendants to pick up open trips. But some Delta pilots said they have experienced

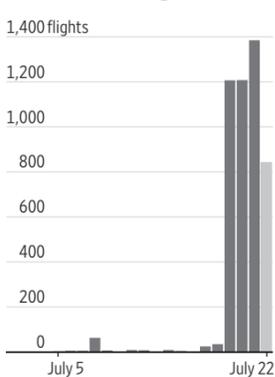
similar frustrations as customers and have had trouble reaching the company to coordinate schedules. "There's been very long hold times," said Evan Baach, a Delta pilot and union official. "It's been really difficult to determine the changes to our schedules, where we're supposed to be."

The airline told pilots Sunday that it had bolstered reinforcements in its operations center, with more crew schedulers available, and that it was making progress updating pilot information.

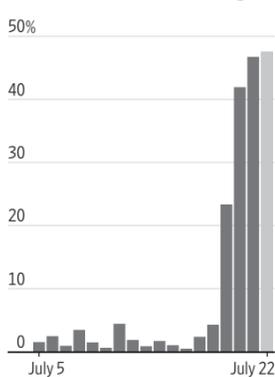
Samant said Monday that Delta is trying to "pump more horsepower" into the crew-tracking system and is working to get schedules back in sync.

Airlines have suffered technology snafus before, but this far-reaching outage took out multiple systems at different airlines, including those that carriers use to dispatch flights, check passengers in, operate customer-service centers and more.

### Canceled Delta flights



### Delta's share of canceled flights



Note: Data on Monday are as of 5 p.m. ET and reflect cancellations in mainline operations. Source: FlightAware



More than 7,000 U.S. flights were canceled across Friday, Saturday and Sunday, with Delta accounting for around half of those.

## CrowdStrike Warns of Hack Threat

Continued from page B1

was signed by Reps. Mark Green of Tennessee and Andrew Garbarino of New York. CrowdStrike didn't respond to requests for comment. As companies and home us-

ers grappled with securing their tech, travelers faced a fourth day of flight snarls and long waits at U.S. airports, as airlines struggled with disruptions caused by the outage.

**Delta Air Lines**, one of the worst affected over the weekend, had canceled more than 600 flights by 7 a.m. ET, according to flight tracking website FlightAware. This weekend was one of the worst for travel this year, with more than 7,000 U.S. flights canceled across Friday, Saturday and Sunday. Around half of

those cancellations were of Delta flights.

In the U.K., health services were working to untangle disruptions to the appointment and patient-records system used by most doctor's practices. The Wilmslow Health Centre, roughly 10 miles south of Manchester, said Monday it expected the backlog to continue for several weeks.

The interconnected nature of global digital technology meant that a single update from a single cybersecurity company was able to cause

chaos for millions of people.

Financial institutions, government entities and corporations reported issues. In the U.S., some hospitals and school districts said computers were down, and courthouses around the country either closed or delayed trial proceedings.

The problems stemmed from an update to one of CrowdStrike's main services, Falcon, which monitors a company's machines for hacking attempts, viruses and other threats.

—Joseph Pisani contributed to this article.

# Data Breaches Underscore the Lack of Basic Cyber Controls

By James Rundle and Catherine Stupp

Breaches at companies including **AT&T** and **UnitedHealth Group** in recent months have one thing in common: Hackers gained access because basic security measures weren't implemented.

There was no software bug or formidable nation-state hack, or clever social-engineering tactic that let attackers in. Rather, it was because companies didn't enable multifactor authentication on one or more key systems.

MFA is a foundational security control that requires users

to log in through several steps such as a text message code, access token or authenticator, in addition to a password. Government agencies, law enforcement and insurers have warned for years that MFA is one of the best methods for stopping most unsophisticated cyberattacks.

Yet MFA isn't used universally. Employees complain that it slows them down, staff forget to set it up in test environments—and then forget about those—only to leave the door wide open for hackers to get in. The consequences can cost billions of dollars.

"In our current threat land-

scape, if you're not using MFA anywhere it's available, you'd better be ready to explain why," said Jake Williams, a faculty member at cyber advisory firm IANS Research and former vulnerability analyst at the National Security Agency.

In May, cloud-data company **Snowflake** disclosed that hackers were systematically targeting its customers, in attempts to steal data. **Alphabet's** cyber company Mandiant, brought in to assist the investigation, said it has since notified around 165 of Snowflake's customers that their data might have been accessed using stolen customer credentials. The companies in

question didn't have MFA activated on certain Snowflake accounts, Mandiant said.

The breaches, which involve telecom giant **AT&T** and have been linked to other multinational companies, together could represent one of the largest data breaches to date.

**AT&T** declined to discuss whether it had activated MFA on its Snowflake account. Snowflake declined to comment. It said on July 9 that it will allow its customers to force the use of MFA on employee accounts.

In February, as part of a ransomware attack that crippled the U.S. health insurance

payments system, hackers compromised a server at **UnitedHealth Group-owned Change Healthcare**. They were able to gain access to the wider network because MFA wasn't enabled on that server. The attack will likely cost **UnitedHealth** over \$2 billion to fix this year alone, the company said.

These incidents raise questions of who must ensure basic cybersecurity is in place.

"We can recommend and even require MFA, but clients need to ensure it's consistently applied within their own systems," said Krishna Vishnubhotla, a vice president at mo-

bile-security company Zimperium.

Meg Anderson, chief information security officer at investment-management company **Principal Financial**, agrees that corporate customers are at fault if a cyberattack occurs because they didn't enable MFA on a particular application.

"The responsibility is on the customer to choose a product that offers multifactor, and then to configure it," she said. "Our policy and standards include that as a requirement," she said. "The security team would be accountable to make sure that was happening."

BUSINESS NEWS

# FTX-Claims Broker Told to Return Funds

Court says Braziel stole \$1.9 million from a receivership for personal gain

By MENGQI SUN

A Delaware court has ordered distressed-debt investor Thomas Braziel to pay back about \$1.95 million that he took from a receivership he oversaw to fund his own investments and to make purchases of luxury goods.

Braziel, a managing partner at distressed investing firm 117 Partners and based in Italy, rose to fame in recent years for buying claims in high-profile cryptocurrency bankruptcy cases from customers, including in the defunct cryptocurrency exchange FTX, crypto lender Celsius Network and crypto platform Voyager Digital.

A vice chancellor at the Court of Chancery of the State of Delaware, in a memorandum opinion published on Thursday, found that the distressed-debt investor had used funds from the receivership of defunct financial-services information company Fund.com for personal gain, according to court filings.

The court ordered Braziel to pay back more than \$1.9 million, plus interest, within 20 days.

Braziel declined to comment. Attorneys representing him in the case didn't respond to a request for comment.

Braziel, while managing investment fund B.E. Capital Management Fund, started buying shares in Fund.com in 2013 through his investment fund, eventually owning about 20% of the company.

He later petitioned to act as a liquidating receiver for Fund.com after the business was abandoned and was appointed by the court to act as receiver in November 2016.

Braziel was mandated to liquidate the defunct company and distribute its net assets to its investors.

The court said Braziel's personal interests at first aligned with the receivership tasks, and he initially acted vigorously to liquidate Fund.com, a process that could generate a sizable return for his investment fund.

But once Fund.com got money from liquidating some assets, Braziel's interests diverged from those of the company's and he began using the money to benefit himself, according to the court filing.

The court said Braziel started wiring money Fund.com received to his own personal account and used it to fund high-risk, high-reward investments.

He also wired proceeds from the sale of the website address of www.fund.com to his own checking account.

Braziel used some of the proceeds to purchase a sapphire ring, a pair of emerald-and-diamond earrings and a German watch as well as on luxury hotel stays, art and apparel, the filing said.

The court said he also used the money to buy bankruptcy claims, and to invest in cryptocurrency, leveraged loans and high-risk equities.

The court started an investigation in January 2022 with a special magistrate after receiving a letter from a concerned shareholder in December 2021, who accused Braziel of embezzling \$3 million from the receivership funds.

# Hollister Leans Into Teen Shoppers

By KATIE DEIGHTON

Abercrombie & Fitch Co. wowed Wall Street when it turned around its namesake brand, partly by shifting its focus from teenagers to adult women. Now the company will find out if it can give a similar boost to its Hollister brand as it sticks with high-schoolers.

Hollister for many years eclipsed the Abercrombie chain in revenue, but it saw sales fall during Covid-19 in 2020 and again, postpandemic, in 2022. Abercrombie, meanwhile, has notched three consecutive years of sales growth, surpassing the Hollister chain last year for the first time since 2010.

Hollister is tweaking its edges rather than its core to make itself more relevant to the notoriously mercurial teenage shopper, according to Carey Collins Krug, Abercrombie & Fitch's chief marketing officer.

"It was a little bit more of, let's re-engage and reconnect with who this customer is now postpandemic," Collins Krug said.

Hollister this month is introducing a back-to-school campaign featuring 22-year-old singer Benson Boone and funded by a marketing budget increased at the end of 2023.

The campaign will include TikTok ads using a new song from Boone and Spotify ads voiced by Jvke, another Gen-Z musician. Some ads will run on Snapchat and Pinterest to capitalize on the "First Day Fit Check" trend in which students post back-to-school outfits on social media.

The retailer later this year will introduce the Hollister Style Hub, a program that rewards influencers for completing "challenges," which usually involve posting photos featuring Hollister items.

The new marketing follows several years of work to reduce the use of discounts and promotions, manage inventory levels and design items better suited to contemporary 17-



The retailer is reducing discounts and promotions and designing items better suited to contemporary 17-year-olds.

year-olds.

That turned out to mean comfy clothes.

"If it's not comfortable, they're not wearing it," Collins Krug said. "The entire world leaned into more of a comfortable lifestyle simply because of the life that the pandemic offered all of us. But this demographic was really like, 'I am never going back.'"

Fleece tops and bottoms are leading Hollister's growth in its men's division, Abercrombie & Fitch Chief Executive Fran Horowitz said on the company's latest earnings call in May.

Hollister's annual sales, which include activewear brand Gilly Hicks, rose 6% last year and 12% in the first quarter, but have yet to regain pre-pandemic levels.

Designers also are trying to inject comfort into garments' details and designs, Collins Krug said. Teenage girls told Hollister they can feel uncomfortable wearing dresses throughout a day of classes, for example.

"So we introduced shorts underneath the dress," Collins Krug said, adding that women's dresses also come

with pockets. Some men's pants also now feature a front-pocket zipper to help keep phones from falling out, she added.

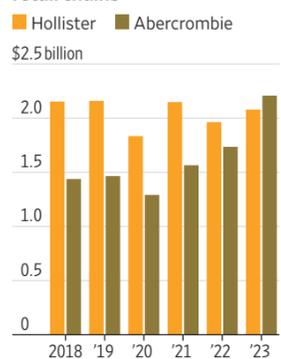
Some of Hollister's offerings lean into current trends such as "Peak Girlhood," or "living in bows, lace and pops of pink all summer long," as the brand puts it. There is also "2000s Fit Check," delivered by Hollister in the form of apparel including "future-vintage baggy jeans, heavy-weight boxy tees and plaid shirts."

Hollister's bona fides as a brand that launched in 2000 have helped it capitalize on the current Y2K trend in a way that other companies haven't, said Andrew Roth, the 25-year-old founder and CEO of Gen Z research and strategy firm DCDX.

Hollister's pricing also is becoming more popular with Gen Z, Roth said.

"They're not a \$5 quick ship from Shein or Temu, but they're also not like the other end, which is kind of the more accessible luxury that's being targeted at young people now with Coach and with some of these other luxury brands,"

Annual net sales for the Hollister and Abercrombie retail chains



Source: Abercrombie & Fitch

Roth said. "In maybe 2022 it felt like we were squeezing out that middle, but now it's coming back in and it seems to be what young people are really gravitating towards."

Hollister in the fall will bring back its Feel Good Fest, a series of concerts first held in high schools to promote the brand to young people. The concerts also allow Hollister researchers to mingle among teenagers to learn what they want in their wardrobes and figure out how they look to style their clothes, Collins Krug said.

The question remains whether Hollister can aspire to the 31% growth reported by the Abercrombie brand in the first quarter.

Some analysts say they anticipate modest growth given the less-dramatic shift in strategy. Abercrombie & Fitch declined to comment on its forecasts for specific brands, but in May increased its full-year outlook for overall net sales growth to around 10% from a previous range of 4% to 6%.

The teen market can be a more difficult space to compete in because teen trends and brand preferences shift quickly, and because the customer is often a parent, rather than a teenager to whom a company is marketing, said Corey Tarlowe, an equity analyst at Jefferies.

WSJ TECH LIVE

## Tech's Biggest Headlines. Discussed. Debated. Made.

October 21-23 | Laguna Beach, CA

### New Speakers Confirmed

The Wall Street Journal's Tech Live is the leading technology event of the year, gathering some of the most prominent figures in the industry.

Join us October 21-23, 2024, as we return to the Montage Laguna Beach, perched on a coastal bluff above the Pacific Ocean.



Request Invitation  
wsj.com/techlive24

Presenting Sponsors



Contributing Sponsor



Dylan Field  
Co-Founder and CEO  
Figma



Michael Mager  
Co-Founder and CEO  
Precision Neuroscience



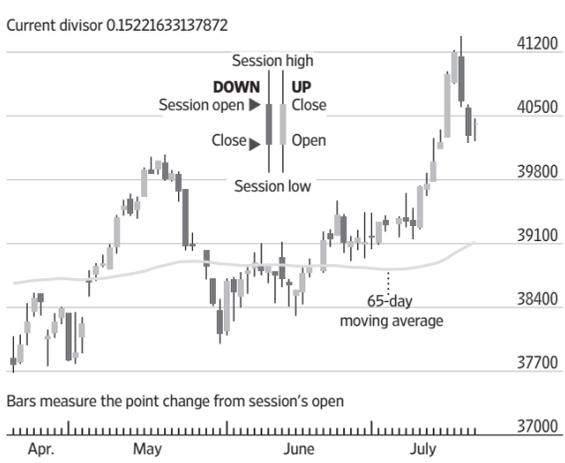
Benjamin Rapoport  
Co-Founder and  
Chief Science Officer  
Precision Neuroscience

MARKETS DIGEST

EQUITIES

Dow Jones Industrial Average

40415.44 ▲127.91, or 0.32%
Trailing P/E ratio 26.88 24.33
P/E estimate \* 19.92 19.00
Dividend yield 2.10 2.02
All-time high 41198.08, 07/17/24



Current divisor 0.15221633137872

S&P 500 Index

5564.41 ▲59.41, or 1.08%
Trailing P/E ratio \* 24.21 20.37
P/E estimate \* 22.69 20.68
Dividend yield \* 1.32 1.53
All-time high 5667.20, 07/16/24



Nasdaq Composite Index

18007.57 ▲280.63, or 1.58%
Trailing P/E ratio \*\* 31.89 32.72
P/E estimate \*\* 28.62 30.47
Dividend yield \*\* 0.81 0.69
All-time high: 18647.45, 07/10/24



Major U.S. Stock-Market Indexes

Table with columns: Index Name, High, Low, Latest Close, Net chg, % chg, 52-Week High, Low, % chg, YTD, 3-yr. ann. Includes Dow Jones, Nasdaq Stock Market, S&P, and Other Indexes.

Late Trading

Most-active and biggest movers among NYSE, NYSE Arca, NYSE Amer. and Nasdaq issues from 4 p.m. to 6 p.m. ET as reported by electronic trading services...

Most-active issues in late trading

Table listing companies like NVIDIA, Pfizer, SPDR S&P 500 ETF Trust, Amazon.com, Intel, Vale ADR, AT&T, Starbucks with their volume, price, and percentage change.

Percentage gainers...

Table listing companies like Frequency Electronics, Mammoth Energy Services, Crown Holdings, SAP ADR, Sally Beauty, etc., showing their percentage gains.

Percentage losers...

Table listing companies like CareMax, NXP Semiconductors, Archrock, Volaris ADR, Veeco Instruments, etc., showing their percentage losses.

Trading Diary

Volume, Advancers, Decliners

Table showing trading statistics: Total volume, Adv. volume, Decl. volume, Issues traded, Advancers, Declines, Unchanged, New highs, New lows, Closing Arms, Block trades.

\* Primary market NYSE, NYSE American, NYSE Arca only. (TRIN) A comparison of the number of advancing and declining issues with the volume of shares rising and falling.

International Stock Indexes

Table listing international stock indexes by region/country: World, Americas, EMEA, Asia-Pacific, etc., with latest close, net change, and YTD % change.

Percentage Gainers...

Table listing percentage gainers: Cassava Sciences, Bank of the James Finl, CSP, MEI Pharma, Kingstone, etc.

QR code and text: Scan this code to get real-time U.S. stock quotes and track most-active stocks, new highs/lows, mutual funds and ETFs. All are available free at WSJMarkets.com

Percentage Losers

Table listing percentage losers: Linkage Global, Golden Sun Hlth Tech, Personalis, Connex Sports Techs, Inspire Veterinary Ptrs, etc.

Volume Movers

Table listing volume movers: Calvert Ultra-Short IG, Serve Robotics, iSh JPX-Nikkei 400, Colombiaeso, etc.

CREDIT MARKETS

Consumer Rates and Returns to Investor

U.S. consumer rates

A consumer rate against its benchmark over the past year

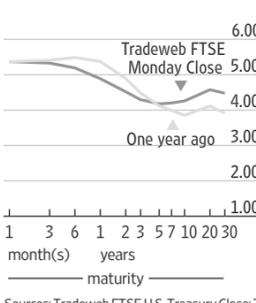


Selected rates

Table listing selected rates: Bankrate.com avg, Banesco USA, Coral Gables, FL, CFG Community Bank, etc.

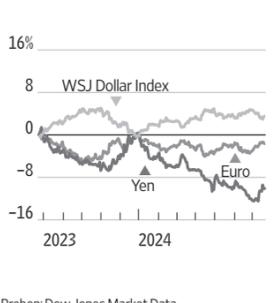
Treasury yield curve

Yield to maturity of current bills, notes and bonds



Forex Race

Yen, euro vs. dollar; dollar vs. major U.S. trading partners



Corporate Borrowing Rates and Yields

Table listing corporate borrowing rates and yields for U.S. Treasury, Aggregate, Fixed-Rate MBS, etc.

CURRENCIES & COMMODITIES

Currencies

U.S.-dollar foreign-exchange rates in late New York trading

Table listing currency exchange rates for Americas, Europe, Asia-Pacific, Middle East/Africa, etc.

Commodities

Table listing commodity prices: DJ Commodity, FTSE/CC CRB Index, Crude oil, Natural gas, Gold, etc.

# COMMODITIES

wsj.com/market-data/commodities

## Futures Contracts

Metal & Petroleum Futures						
	Open	High	Low	Settle	Chg	Open interest
<b>Copper-High (CMX)</b> -25,000 lbs.; \$ per lb.						
July	4.2190	4.2210	4.1475	4.1805	-0.0385	1,138
Sept	4.2360	4.2615	4.1620	4.1975	-0.0390	142,569
<b>Gold (CMX)</b> -100 troy oz.; \$ per troy oz.						
July	2402.10	2402.10	2402.10	2392.00	-3.50	85
Aug	2403.70	2414.40	2385.20	2394.70	-4.40	229,542
Sept	2416.30	2426.20	2399.30	2407.70	-4.50	1,085
Oct	2427.50	2438.10	2409.00	2418.40	-4.60	46,451
Dec	2451.30	2462.30	2432.70	2442.10	-4.70	273,086
Feb/25	2484.00	2484.00	2456.90	2465.40	-4.80	18,006
<b>Palladium (NYM)</b> -50 troy oz.; \$ per troy oz.						
July	1019.00	1040.50	▲ 1011.00	889.20	-9.90	3
Sept	904.50	917.00	883.50	892.80	-9.50	23,784
<b>Platinum (NYM)</b> -50 troy oz.; \$ per troy oz.						
July	961.00	961.00	950.00	945.40	-17.10	10
Oct	975.00	983.80	950.40	956.60	-17.30	74,930
<b>Silver (CMX)</b> -5,000 troy oz.; \$ per troy oz.						
July	29.170	29.170	28.780	29.124	0.036	133
Sept	29.425	29.615	28.930	29.321	0.022	124,812
<b>Crude Oil, Light Sweet (NYM)</b> -1,000 bbls.; \$ per bbl.						
Aug	80.39	80.69	79.17	79.78	-0.35	21,402
Sept	78.95	79.13	77.55	78.40	-0.24	422,740
Oct	77.78	77.99	76.46	77.33	-0.15	215,562
Dec	76.07	76.33	74.96	75.80	-0.06	228,051
June'25	73.24	73.45	72.36	73.16	0.14	118,408
Dec	71.29	71.38	70.47	71.21	0.21	128,864
<b>NY Harbor ULSD (NYM)</b> -42,000 gal.; \$ per gal.						
Aug	2.4258	2.4381	2.3971	2.4348	0.0157	44,463
Sept	2.4430	2.4651	2.4148	2.4529	0.0159	94,991
<b>Gasoline-NY RB08 (NYM)</b> -42,000 gal.; \$ per gal.						
Aug	2.4562	2.4734	2.4182	2.4706	0.0202	64,809
Sept	2.4184	2.4313	2.3822	2.4288	0.0146	125,165
<b>Natural Gas (NYM)</b> -10,000 MMBtu.; \$ per MMBtu.						
Aug	2.104	2.270	2.090	2.251	.123	82,773
Sept	2.145	2.302	2.131	2.286	.121	353,191
Oct	2.268	2.425	2.268	2.409	.113	137,144
Nov	2.760	2.885	2.751	2.877	.103	143,022
Jan'25	3.593	3.713	3.593	3.698	.084	130,041
March	3.085	3.171	3.083	3.162	.065	119,291

Agriculture Futures						
	Open	High	Low	Settle	Chg	Open interest
<b>Corn (CBT)</b> -5,000 bu.; cents per bu.						
Sept	391.00	401.00	391.00	400.25	9.75	591,097
Dec	405.25	415.50	405.25	415.00	10.25	677,470
<b>Oats (CBT)</b> -5,000 bu.; cents per bu.						
Sept	336.50	348.50	335.75	345.25	8.50	1,314
Dec	325.75	334.50	325.75	336.00	10.00	4,011
<b>Soybeans (CBT)</b> -5,000 bu.; cents per bu.						
Aug	1100.50	1119.75	1100.50	1117.75	20.50	73,796

## Dividend Changes

Company	Symbol	Yld %	Amount New/Old	Payable/ Frq	Record
<b>Increased</b>					
Cross Timbers Royalty Tr	CRT	14.0	.0961/0.03017	M	Aug14/Jul31
John B Sanfilippo & Son	JBS5	0.8	.85/1.80	A	Sep11/Aug20
Sierra Bancorp	BSRR	3.5	.24/1.23	Q	Aug15/Jul31
<b>Reduced</b>					
Dorchester Minerals	DMLP	11.0	.7021/78184	Q	Aug08/Jul29
Mesa Royalty Trust	MTR	4.6	.0016/0.03877	M	Oct31/Jul31
Permian Basin Royalty Tr	PBT	6.1	.0702/0.0724	M	Aug14/Jul31
Sachem Capital	SACH	11.8	.08/1.1	Q	Aug06/Jul29

KEY: A: annual; M: monthly; Q: quarterly; R: revised; SA: semiannual; S21: stock split and ratio; SO: spin-off.

## Cash Prices | wsj.com/market-data/commodities

Monday, July 22, 2024

These prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months.

Energy		Metals		Grains and Feeds		Fats and Oils	
Monday	Monday	Monday	Monday	Monday	Monday	Monday	Monday
Coal,C.Aplc.,12500Btu,L25O2-r,w	74.000	Aluminum,LME,\$ per metric ton	*2312.0	Wheat,No.2 soft red,StLouis-u	5.2600	Beef,carcass equiv.,index	297.45
Coal,Pwdr,FvBsn,8800Btu,0.85O2-r,w	13.900	Copper,Comex spot	4.1805	Wheat - Hard - KC (USDA) \$ per bu-u	6.0175	choice 1-3,600-900 lbs.-u	280.07
		Iron Ore,62% Fe CFR China-s	*104.4	Wheat-No.1soft white,Portld,OR-u	5.7750	select 1-3,600-900 lbs.-u	3.0750
		Steel,HRC USA, FOB Midwest Mill-s	*650.0			Broilers, National comp wtd. avg.-u,w	1.3118
						Butter,AA Chicago-d	1.9250
						Cheddar cheese,bbk,Chicago-d	187.50
						Cheddar cheese,blk,Chicago-d	187.50
						Milk,Nonfat dry,Chicago lb-d	2.6102
						Coffee,Brazilian,Comp-y	2.4146
						Coffee,Columbian,NY-y	2.3550
						Eggs,large white,Chicago-u	17.00
						Flour,hard winter KC-p	n.a.
						Hams,17-20 lbs,Mid-US fob-u	n.a.
						Hogs,Low-So, Minnesota-u	88.25
						Pork bellies,12-14 lb MidUS-u	1.4761
						Pork loins,13-19 lb MidUS-u	1.2398
						Steers,Tex.-Okla. Choice-u	n.a.
						Steers,feeder,Okla. City-u,w	302.63

KEY TO CODES: A=ask; B=bid; BP=country elevator bids to producers; C=corrected; D=CME; E=Manfra, Tordella & Brookes; H=American Commodities Brokerage Co; K=bi-weekly; M=monthly; N=nominal; n.a.=not quoted or not available; P=Sosland Publishing; R=SNL Energy; S=Platts-TSI; T=Outlook Limited; U=USDA; V=Benchmark Mineral Intelligence; W=weekly; Y=International Coffee Organization; Z=not quoted. \*Data as of 7/19

Source: Dow Jones Market Data

## Borrowing Benchmarks | wsj.com/market-data/bonds/benchmarks

### Money Rates

July 22, 2024

Key annual interest rates paid to borrow or lend money in U.S. and international markets. Rates below are a guide to general levels but don't always represent actual transactions.

Inflation				Policy Rates			
June index level	Chg From (%)	Latest	Week High	Latest	Week High	Latest	Week High
May '24	June '23	Latest	Week High	Latest	Week High	Latest	Week High
3.0	3.3	1.475	1.475	4.25	4.50	5.3300	5.0900
0.03	3.0	1.475	1.475	1.75	2.25	5.3100	5.3300
0.12	3.3	1.475	1.475	5.25	5.25	5.3300	5.3300
		1.475	1.475	4.35	4.35	5.3500	5.0800
		1.475	1.475	4.35	4.35	5.3500	5.0800

### U.S. consumer price index

All items	314.175	0.03	3.0
Core	319.003	0.12	3.3

### International rates

U.S.	8.50	8.50	8.50	8.25
Canada	6.95	6.95	7.20	6.95

### Prime rates

U.S.	8.50	8.50	8.50	8.25
Canada	6.95	6.95	7.20	6.95

### U.S. government rates

U.S.	5.40	5.43	5.48	5.04
------	------	------	------	------

### Discount

U.S.	5.40	5.43	5.48	5.04
------	------	------	------	------

### Other short-term rates

U.S.	5.40	5.43	5.48	5.04
------	------	------	------	------

### Call money

U.S.	7.25	7.25	7.25	7.00
------	------	------	------	------

### Commercial paper (AA financial)

90 days	n.a.	5.35	5.54	5.14
---------	------	------	------	------

### Secured Overnight Financing Rate

U.S.	5.34	5.34	5.40	5.05
------	------	------	------	------

### DTCC GCF Repo Index

Treasury	5.383	39.200	5.504	5.096
MBS	5.406	38.650	5.689	5.127

### Weekly survey

Latest	Week ago	Year ago
6.77	6.89	6.78
6.05	6.17	6.06

### Freddie Mac

30-year fixed	6.77	6.89	6.78
15-year fixed	6.05	6.17	6.06

### Notes on data:

U.S. prime rate is the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, and is effective July 27, 2023. Other practices vary widely by location. Discount rate is effective July 27, 2023. Secured Overnight Repo Index is as of July 19, 2024. DTCC GCF Repo Index is Depository Trust & Clearing Corp.'s weighted average for overnight trades in applicable CUSIPs. Value traded is in billions of U.S. dollars. Federal funds rates are Tullett Prebon rates as of 5:30 p.m. ET.

Sources: Federal Reserve; Bureau of Labor Statistics; DTCC; FactSet; Tullett Prebon Information, Ltd.

	Open	High	Low	Settle	Chg	Open interest
Dec	126-010	127-100	126-000	126-060	-12.0	5
<b>Treasury Bonds (CBT)</b> -\$100,000; pts 32nds of 100%						
Sept	119-150	119-240	118-150	118-250	-11.0	1,692,042
Dec	119-160	119-260	118-200	118-280	-11.0	5,044
<b>Treasury Notes (CBT)</b> -\$100,000; pts 32nds of 100%						
Sept	110-300	111-010	110-185	110-230	-3.5	4,571,164
Dec	111-090	111-125	110-315	111-035	-3.5	6,048
<b>5 Yr. Treasury Notes (CBT)</b> -\$100,000; pts 32nds of 100%						
Sept	107-107	107-115	107-032	107-062	-2.7	6,500,339
Dec	107-240	107-240	107-177	107-187	-2.7	8
<b>2 Yr. Treasury Notes (CBT)</b> -\$200,000; pts 32nds of 100%						
Sept	102-161	102-162	102-127	102-140	-1.1	4,455,899
Dec	102-264	102-275	102-251	102-262	-1.0	141
<b>30 Day Federal Funds (CBT)</b> -55,000,000; 100 - daily avg.						
July	94.6700	94.6725	▼ 94.6700	94.6700	.0000	383,976
Aug	94.6800	94.6850	▼ 94.6750	94.6800	.0000	559,340
<b>Three-Month SOFR (CME)</b> -\$1,000,000; 100 - daily avg.						
May	94.6300	94.6300	▼ 94.6300	94.6300	.0000	3,052
June	94.6300	94.6300	▼ 94.6275	94.6300	.0000	1,112,121

Currency Futures						
	Open	High	Low	Settle	Chg	Open interest
<b>Japanese Yen (CME)</b> -¥12,500,000; \$ per 100¥						
Aug	.6386	.6425	.6372	.6394	.0017	352
Sept	.6408	.6453	.6398	.6421	.0017	296,784
<b>Canadian Dollar (CME)</b> -CAD 100,000; \$ per CAD						
Aug	.7280	.7301	.7266	.7277	-.0011	387
Sept	.7297	.7308	.7271	.7283	-.0012	295,702
<b>British Pound (CME)</b> -£62,500; \$ per £						
Aug	1.2925	1.2944	1.2909	1.2928	.0016	273
Sept	1.2918	1.2947	1.2911	1.2931	.0016	273,237
<b>Swiss Franc (CME)</b> -CHF 125,000; \$ per CHF						
Sept	1.1328	1.1348	1.1308	1.1317	-.0007	91,887

## Bonds | wsj.com/market-data/bonds/benchmarks

### Tracking Bond Benchmarks

Return on investment and spreads over Treasuries and/or yields paid to investors compared with 52-week highs and lows for different types of bonds

Total return close	YTD total return (%)	Index	Yield (%) Latest	Low	High	Total return close	YTD total return (%)	Index	
--------------------	----------------------	-------	------------------	-----	------	--------------------	----------------------	-------	--

BIGGEST 1,000 STOCKS

Table with columns: Stock, Sym, Close, Net Chg. Lists top 1,000 stocks by market cap, including Microsoft, Apple, Amazon, Google, and Meta.

How to Read the Tables

The following explanations apply to NYSE, NYSE Arca, NYSE American and Nasdaq Stock Market listed securities. Prices are solid for intraday trades reported by various market centers, including securities exchanges, Finra, electronic communications networks and other broker-dealers. The list comprises the 1,000 largest companies based on market capitalization.

Underlined quotations are those stocks with large changes in volume compared with the issue's average trading volume. Boldfaced quotations highlight those issues whose price changed by 5% or more if their previous closing price was \$2 or higher.

Footnotes: F-News 52-week high; N-News 52-week low; dd-Indicates loss in the most recent five-day quarter.

Stock tables reflect composite regular trading as of 4 p.m. ET and changes in the official closing prices from 4 p.m. ET the previous day.

Table with columns: Monday, July 22, 2024, Stock, Sym, Close, Net Chg. Lists various stocks like AECOM, AES, Affia, AGCO, etc.

Table with columns: Monday, July 22, 2024, Stock, Sym, Close, Net Chg. Lists various stocks like AECOM, AES, Affia, AGCO, etc.

Table with columns: Monday, July 22, 2024, Stock, Sym, Close, Net Chg. Lists various stocks like AECOM, AES, Affia, AGCO, etc.

Table with columns: Monday, July 22, 2024, Stock, Sym, Close, Net Chg. Lists various stocks like AECOM, AES, Affia, AGCO, etc.

Table with columns: Monday, July 22, 2024, Stock, Sym, Close, Net Chg. Lists various stocks like AECOM, AES, Affia, AGCO, etc.

Table with columns: Monday, July 22, 2024, Stock, Sym, Close, Net Chg. Lists various stocks like AECOM, AES, Affia, AGCO, etc.

Table with columns: Monday, July 22, 2024, Stock, Sym, Close, Net Chg. Lists various stocks like AECOM, AES, Affia, AGCO, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists various stocks like EmersonElec, Encompass, Endeavor, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists various stocks like EmersonElec, Encompass, Endeavor, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists various stocks like EmersonElec, Encompass, Endeavor, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists various stocks like EmersonElec, Encompass, Endeavor, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists various stocks like EmersonElec, Encompass, Endeavor, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists various stocks like EmersonElec, Encompass, Endeavor, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists various stocks like EmersonElec, Encompass, Endeavor, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists various stocks like EmersonElec, Encompass, Endeavor, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists various stocks like EmersonElec, Encompass, Endeavor, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists various stocks like EmersonElec, Encompass, Endeavor, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists various stocks like ONEOK, ON Semi, O'ReillyAuto, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists various stocks like ONEOK, ON Semi, O'ReillyAuto, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists various stocks like ONEOK, ON Semi, O'ReillyAuto, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists various stocks like ONEOK, ON Semi, O'ReillyAuto, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists various stocks like ONEOK, ON Semi, O'ReillyAuto, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists various stocks like ONEOK, ON Semi, O'ReillyAuto, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists various stocks like ONEOK, ON Semi, O'ReillyAuto, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists various stocks like ONEOK, ON Semi, O'ReillyAuto, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists various stocks like ONEOK, ON Semi, O'ReillyAuto, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists various stocks like ONEOK, ON Semi, O'ReillyAuto, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists various stocks like RealtyIncome, RegalRealty, RegencyHrs, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists various stocks like RealtyIncome, RegalRealty, RegencyHrs, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists various stocks like RealtyIncome, RegalRealty, RegencyHrs, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists various stocks like RealtyIncome, RegalRealty, RegencyHrs, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists various stocks like RealtyIncome, RegalRealty, RegencyHrs, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists various stocks like RealtyIncome, RegalRealty, RegencyHrs, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists various stocks like RealtyIncome, RegalRealty, RegencyHrs, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists various stocks like RealtyIncome, RegalRealty, RegencyHrs, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists various stocks like RealtyIncome, RegalRealty, RegencyHrs, etc.

Table with columns: Stock, Sym, Close, Net Chg. Lists various stocks like RealtyIncome, RegalRealty, RegencyHrs, etc.

New Highs and Lows

The following explanations apply to the New York Stock Exchange, NYSE Arca, NYSE American and Nasdaq Stock Market stocks that hit a new 52-week intraday high or low in the latest session. % Chg-Daily percentage change from the previous trading session.

Table with columns: Monday, July 22, 2024, Stock, Sym, Hi/Low, % Chg. Lists various stocks like InFinTAcqA, Innoviva, IntegerHoldings, etc.

Table with columns: Monday, July 22, 2024, Stock, Sym, Hi/Low, % Chg. Lists various stocks like InFinTAcqA, Innoviva, IntegerHoldings, etc.

Table with columns: Monday, July 22, 2024, Stock, Sym, Hi/Low, % Chg. Lists various stocks like InFinTAcqA, Innoviva, IntegerHoldings, etc.

Mutual Funds

Top 250 mutual-funds listings for Nasdaq-published shares classes by net assets.

Table with columns: Fund, NAV, Net YTD, % Ret. Lists various mutual funds like IntldInstnPrem, LpCapGwth, etc.

Table with columns: Fund, NAV, Net YTD, % Ret. Lists various mutual funds like IntldInstnPrem, LpCapGwth, etc.

Table with columns: Fund, NAV, Net YTD, % Ret. Lists various mutual funds like IntldInstnPrem, LpCapGwth, etc.

Exchange-Traded Portfolios

Largest 100 exchange-traded funds. Preliminary close data as of 4:30 p.m. ET.

Table with columns: Monday, July 22, 2024, ETF, Symbol, Closing, Chg, YTD. Lists various ETFs like iShl-5YIGCpBd, iShl-3YrTreBd, etc.

Table with columns: Monday, July 22, 2024, ETF, Symbol, Closing, Chg, YTD. Lists various ETFs like iShl-5YIGCpBd, iShl-3YrTreBd, etc.

Table with columns: Monday, July 22, 2024, ETF, Symbol, Closing, Chg, YTD. Lists various ETFs like iShl-5YIGCpBd, iShl-3YrTreBd, etc.

## BANKING &amp; FINANCE

# New York State Regulator Taps Crypto Unit Leaders

NYDFS brings in former director of Dubai Financial Services Authority

By MENGQI SUN

New York's financial regulator has appointed a former official from Dubai's financial regulator to help oversee its virtual currency unit that regulates cryptocurrency businesses in the state.

Kenneth Coghill, who most recently was the director and head of innovation and technology risk supervision at Dubai Financial Services Au-

thority, started Thursday at the New York State Department of Financial Services as its deputy superintendent of virtual currency.

Coghill replaces Peter Marston, who left last October for crypto platform Fireblocks to serve as its director of digital identity.

At Dubai Financial Services Authority, Coghill led the team responsible for overseeing its licensing and supervision of new technology-related business models, including cryptocurrency service providers and alternative lending platforms. Before that, he was a market regulation department manager at derivatives exchange

Cboe Options Exchange, according to his LinkedIn profile. He worked as an options trader earlier in his career.

His appointment follows NYDFS's hire earlier this month of John Melican as its deputy superintendent for limited-purpose and virtual currency trusts. Melican succeeded David Hunter, a former bank examiner at Office of the Comptroller of the Currency, who held the role from December 2022. Melican most recently served as the chief legal officer at blockchain analytics firm Elliptic.

Melican will focus on supervising and examining entities that want to create trusts

in New York, as well as evaluating their applications. These include businesses related to custody, tokenization or launch of stablecoins, which are cryptocurrencies pegged to real-world money such as the U.S. dollar.

The two appointments this month come as the New York financial regulator's crypto unit has grown to more than 60 individuals. NYDFS has sought to use the state's role as an industry leader in financial services to help set the regulatory agenda nationwide, particularly in the crypto space, Superintendent Adrienne Harris told The Wall Street Journal in 2022.



Treasury singled out law signed by Florida Gov. Ron DeSantis.

## Treasury Says State Laws That Bar 'Debanking' Are Security Risk

By RICHARD VANDERFORD

The U.S. Treasury Department said that state laws targeted at stopping banks from dropping customers over their politics could harm national security, singling out Florida legislation that was recently signed by Gov. Ron DeSantis.

Banks need to be able to probe customers so they can prevent money laundering and counter terrorist financing, Treasury Undersecretary Brian Nelson said in a letter to lawmakers sent Thursday.

"State laws interfering with financial institutions' ability to comply with national security requirements heighten the risk that international drug traffickers, transnational organized criminals, terrorists and corrupt foreign officials will use the U.S. financial system to launder money, evade sanctions and threaten our national security," Nelson said.

The Associated Press earlier reported on the letter, which was sent in response to a bipartisan request from several House lawmakers earlier this month.

DeSantis has been at the center of a political fight that has pitted conservatives against financial institutions seen as too left-leaning, which he has derided as "woke capital." A law that

DeSantis signed in May, House Bill 989, bars institutions from looking outside quantitative factors and into their "affiliations" when deciding whether to do business with customers.

The letter extensively criticized that legislation. A representative for DeSantis declined to comment. DeSantis's communications director on his personal feed on social-media site X said the Biden administration opposes the law because it threatens the administration's political agenda.

The law is meant to prevent, for example, a bank from deciding not to do business with a legal firearms dealer. Tennessee has passed similar legislation.

"We are not going to allow big banks to discriminate based on someone's political or religious beliefs, and we will continue to fight back against indoctrination in education and the workplace," DeSantis said when he signed the bill.

But the Treasury Department warned Thursday that banks need to be able to look closely at customers when assessing risks.

Florida's law against looking into a customer's affiliations might, for example, stop a bank from considering their connection to a terrorist group, Treasury said.

## Buyout Firm Plans \$100 Million Deal To Support Maker of Industrial Gears

By ROD JAMES

Buyout shop GenNx360 Capital Partners is raising around \$100 million to help extend its ownership over Horsburgh & Scott, a Cleveland manufacturing business with a 140-year history.

The New York-based firm aims to buy H&S from one of its older vehicles used to purchase the business in 2013, according to people familiar with the matter.

GenNx360 is giving investors in its GenNx360 Capital Partners Fund I the option to sell their holdings in the manufacturer of industrial gears and gearboxes to incoming secondary investors or roll them into a continuation fund the firm will manage, the people said.

Secondary firms Kline Hill Partners and Committed Advisors plan to back the deal, and Stifel Financial subsidiary Eaton Partners is advising GenNx360 on the transaction, the people said.

H&S is one of the last remaining portfolio companies in GenNx360 Capital Partners Fund LP, which GenNx360 aims to wrap up after more than 17 years, according to one of the people.

The fund collected \$500 million in investor commitments by its final close in 2008 to back underperforming

industrial companies with annual revenues of \$250 million to \$1 billion.

Founded in 1886, H&S makes industrial gearboxes for machinery in the aluminum, railroad, oil-and-gas, and mining industries, among others, with most of its production coming out of a 400,000-square foot facility in Cleveland.

H&S has grown in recent years. In 2023, it invested \$4.9 million in a new Slidell, La.-based production facility geared toward defense industry clients. Earlier the same year, H&S acquired Roscoe,

**Horsburgh & Scott services sectors such as oil and gas and mining.**

## QXO Raises \$620 Million, Adds Kushner to Board

By DENNY JACOB

QXO, the construction-materials distribution business launched by roll-up specialist Brad Jacobs, raised \$620 million in a new private placement and added investor Jared Kushner, the son-in-law of former President Donald

Trump, to its board as an independent director.

The company entered into purchase agreements with certain investors for its private placement of about 67.8 million shares at \$9.14 a share.

The private placement, which includes a \$150 million investment from Kushner's Af-

finity Partners, is expected to close on Thursday. Kushner joined the board as the fifth independent director on the seven-member board.

QXO, which closed its \$3.5 billion private placement financing on Friday, will have no debt and cash of about \$5 billion following the close of

the new private placement, reflecting the private placements and investments from Jacobs Private Equity and Sequoia Heritage and other investors. It intends to use the proceeds of these investments to bolster its plan to build a tech-forward business through acquisitions.



The basketball league has said it finalized \$76 billion in deals with three media giants.

## Warner Bids to Keep NBA

Continued from page B1  
sioner Adam Silver said during a July 16 media conference. "We wanted to make sure that going forward our games would be accessible to our fans through various streaming services."

Under its proposal, TNT

would simulcast games on its sister platform Max, but there wouldn't be games exclusively on Max. Turner and Warner executives say putting games exclusively on Amazon and NBCUniversal's streaming platforms isn't fan-friendly.

In an effort to sweeten its offer, Amazon set up an escrow account with payments for several seasons. The Turner offer includes a letter of credit indicating that it can finance the deal, a person familiar with its offer.

If the NBA denies Warner's matching bid, the company could potentially take legal ac-

tion in an effort to enforce its rights. That would mean Warner would be in a legal tussle with the league, with one full season still left to go on its current rights deal.

TNT already has taken some steps to shore up its sports rights, as it faces the prospect of life beyond the NBA. In recent weeks, the network has struck a pact with ESPN to share College Football Playoff games starting with the coming season. It also struck a deal to carry Big East college basketball and a 10-year pact to carry the French Open tennis tournament.

## Blackstone, in Bullish AI Bet, Is Charging Into Data Centers

By LUIS GARCIA

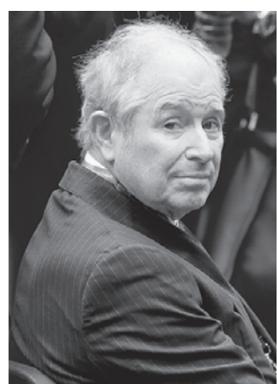
Asset manager Blackstone sees its dealmaking accelerating more in the months and years ahead as it concentrates on artificial intelligence as a centerpiece of its investment strategy.

The New York private-equity firm invested \$33.7 billion in the second quarter, roughly 73% more than in the year-earlier period and the most in any quarter over the past two years, Stephen Schwarzman, Blackstone co-founder and chief executive, said Thursday during an earnings call with analysts. Much of the pickup focused on developing the computing infrastructure to support generative AI technology.

Deals included a \$7.5 billion debt financing Blackstone and other firms provided in May to CoreWeave, an AI-focused cloud services provider and data-center operator. Blackstone accounted for \$4.5 billion of the total, making it the firm's largest-yet debt-financing package, Schwarzman said.

Blackstone expects demand for around \$2 trillion in generative-AI-related investments worldwide in the next five years. "We believe these explosive trends will lead to unprecedented investment opportunities for our firm," Schwarzman said of AI and the soaring demand for electricity from related data-center development.

Blackstone is looking to capitalize on the AI boom through multiple strategies, including credit, infrastructure, real estate and renewable energy, Schwarzman said. He



Stephen Schwarzman.

cited developer QTS Data Centers, which has expanded its lease capacity seven times since Blackstone took it private roughly three years ago, as an example of current trends.

"We have a robust, ongoing dialogue with the world's largest data center customers," Schwarzman said. "We're also providing equity and debt capital to other AI-related companies."

Schwarzman compared the potential impact of AI with the invention of the electric lightbulb, while highlighting his involvement with the technology. He has pledged more than \$500 million of his own money to fund AI education and research at universities including the Massachusetts Institute of Technology and Oxford University.

In the U.S. alone, \$1 trillion in data-center investments will be needed over the next five years and an additional \$1 trillion will be required overseas, Schwarzman said. He wants Blackstone to play a big role in

supplying the capital.

"Blackstone is positioning itself to be the largest financial investor in AI infrastructure in the world," Schwarzman said. "Our portfolio today consists of \$55 billion of data centers, including facilities under construction, along with over \$70 billion in prospective pipeline development."

The rising value of data centers also boosts Blackstone's real-estate strategy. Data centers, along with warehouses and residential rental buildings, represent roughly three-quarters of the firm's property holdings, according to Schwarzman.

"In real estate, values were stable overall in the quarter, supported by strength in data centers and global logistics," Michael Chae, Blackstone's chief financial officer, said during the call. He added, however, that "this was offset by declines in our office portfolio, including life-sciences office, and certain other factors."

Blackstone's net income fell 26% to \$444.4 million in the second quarter from the same period last year as the value of its investments rose less than during the year-earlier period. Distributable earnings—or cash that can be returned to shareholders—inched higher to about \$1.25 billion, or 96 cents a share, from \$1.21 billion, or 93 cents a share, in the year-earlier period.

The firm raised \$39.4 billion in fresh capital during the second quarter, which helped lift its total assets to about \$1.08 trillion, compared with roughly \$1 trillion a year earlier.

—Miriam Gottfried contributed to this article.

MARKETS

# Nvidia, Chips Send Stocks Higher

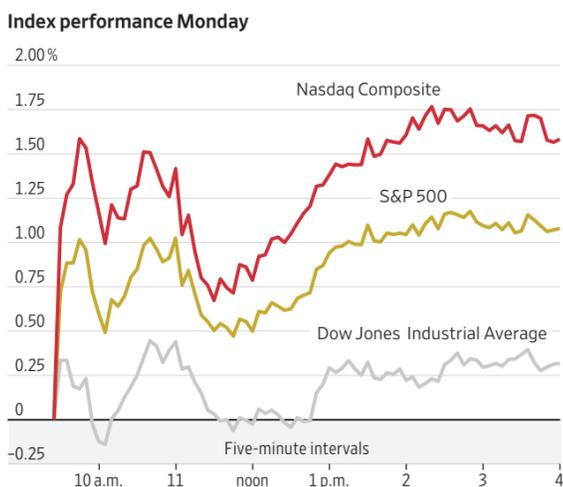
### Meanwhile, Biden's election exit left little consensus among investors

BY SAM GOLDFARB

A big rebound in technology shares helped lift major stock indexes, restoring some calm to markets after a rough end to the previous week.

Powered in large part by Nvidia and other chip makers, the S&P 500 rose 1.1% to snap a three-day losing streak. The tech-heavy Nasdaq Composite gained 1.6% after dropping 4.2% over the previous three trading sessions. The Dow Jones Industrial Average added 0.3%, or roughly 128 points.

Monday's gains followed President Biden's announcement on Sunday that he was ending his presidential run, a move that injected uncertainty into an election that could have wide-ranging implications for



markets and the economy. However, there was little consensus among investors and analysts about what Biden's announcement should mean for markets in the short run, and Monday's moves appeared to be influenced by other factors.

Among those are the recent declines in stocks that started

out largely concentrated in the tech sector but broadened out by the end of last week.

Data released July 11 showing a slowdown in inflation sparked a huge rotation out of large technology shares and into the stocks of small and midsize companies. Those had previously lagged behind larger stocks and

are seen as bigger beneficiaries if the Federal Reserve cuts interest rates in the coming months. But they, too, had fallen in recent days, setting the stage for Monday's rebound.

Among individual movers, Nvidia gained 4.8% after Reuters reported the chip maker is working on a version of its AI chips that would be compatible with U.S. controls on exports to China. Verizon fell 6.1% after the wireless carrier reported weaker-than-expected quarterly revenue.

Evidence of the muted impact of the presidential campaign could be seen in the bond market.

In previous weeks, yields on longer-term U.S. Treasuries climbed when it looked more likely that Republicans could win control of both Congress and the White House—increasing the chances that they could pass tax cuts that might expand the budget deficit and add to inflation pressures.

On Monday, longer-term Treasury yields initially edged lower—possibly reflecting worse odds of a Republican

sweep—but they reversed that move before lunchtime.

By the end of the session, the yield on the benchmark 10-year U.S. Treasury note settled at 4.259%, up from 4.238% Friday.

Some investors believe recent market moves have less to do with politics, the Fed or even inflation and more to do with what they see as sky-high stock valuations.

“The thing that really worries us is the level of valuations,” said Roger Aliaga-Diaz, global head of portfolio construction and chief Americas economist at Vanguard.

### AUCTION RESULTS

Here are the results of Monday's Treasury auctions. All bids are awarded at a single price at the market-clearing yield. Rates are determined by the difference between that price and the face value.

	13-Week	26-Week
Applications	\$238,192,470,600	\$203,344,040,700
Accepted bids	\$80,309,897,400	\$73,969,640,700
* noncomp	\$2,560,571,500	\$2,184,639,100
* foreign noncomp	\$200,900,000	\$200,000,000
Auction price (rate)	98.688083 (5.190%)	97.477278 (4.990%)
	5.332%	5.190%
Bids at clearing yield accepted	24.76%	56.00%
	912797KV8	912797JR9

Both issues are dated July 25, 2024. The 13-week bills mature on Oct. 24, 2024; the 26-week bills mature on Jan. 23, 2025.

# Bregal Sagemount Targets Smaller Companies

BY CHRIS CUMMING

Bregal Sagemount, a private-equity firm tied to Europe's Brenninkmeijer family, has launched a new strategy to invest in smaller fast-growing companies.

The New York firm closed its inaugural small-cap fund, Bregal Sagemount Basecamp I, at the upper fundraising limit of \$500 million, it said Friday. The capital came predominantly from investors in prior funds, plus a handful of new backers and a significant general-partner commitment.

Bregal Sagemount plans to fill a gap at the smaller end of the investment spectrum, said Gene Yoon, the firm's managing partner. The new vehicle will make investments of \$20 million to \$75 million in high-growth businesses, while the firm's flagship growth funds invest in companies above that range.

“Now, with the addition of Basecamp, we can scale anywhere from \$20 million on the low end to \$350 million on the high end,” Yoon said.

Apart from investment size, the new fund follows the same investment strategy as Bregal Sagemount's other growth funds. The firm aims to back founder-owned companies with high growth rates and recurring revenue, whose businesses aren't correlated with broader markets.

Bregal Sagemount closed its most recent flagship growth fund with \$2.5 billion in 2022, and last year raised \$1 billion combined across two debt funds. These vehicles back the same types of companies, but they use different investment structures.

# U.K. Banks Told to Go Easier on Politicians

BY RICHARD VANDERFORD

The U.K.'s financial regulator has told the country's institutions to go easier on due diligence of politicians, a move that follows a scandal over a private bank's decision last year to cut off Brexit advocate Nigel Farage.

The Financial Conduct Authority on Thursday said financial firms must improve their treatment of so-called politically exposed persons, or those entrusted with a prominent public function, and their families. A review by the FCA began after Coutts, a private bank to the country's royal family and wealthy elites, last year

abruptly closed Farage's accounts after judging him a reputational risk.

Farage now leads the U.K.'s right-wing Reform UK party, which won about 14% of the vote in an election earlier this month. It saw Farage gain a seat in the House of Commons for the first time in his political career.

Representatives for NatWest Group, Coutts's parent, and Reform UK didn't respond to requests for comment.

Like their U.S. counterparts, U.K. banks are required to perform extra checks on PEPs because of the unique risks they pose, including the possibility they could misuse

their offices for personal gain. But the FCA said the U.K.'s financial institutions need to ensure politicians and their families aren't being treated unfairly.

“The FCA found that most firms in its review did not subject PEPs to excessive or disproportionate checks and none would deny them an account based on their status,” the FCA said. “However, all firms could improve.”

The FCA said it would more thoroughly investigate certain financial firms, but it didn't single out any by name.

The regulator offered several suggestions to financial firms, including that they ensure definitions of a PEP are

as narrow as possible under the law, and that they review the status of the individuals promptly after they leave office.

The FCA also called for increased training for staff dealing with PEPs and for institutions to ensure they consider actual risks posed by customers. U.K.-based PEPs should be treated as lower risk, the FCA said.

The FCA said it would take public comments until October and invited PEPs to complain to firms in question and to the country's financial ombudsman.

Farage helped kick off the controversy over debanking in July 2023 by releasing an

internal Coutts document describing some of the reasoning why his account was closed.

The Coutts document Farage released, minutes of a meeting of the bank's Wealth Reputational Risk Committee, described his views as “xenophobic and racist,” adding he was “considered by many to be a disingenuous grifter.” Farage obtained the document through a type of public information request.

Alison Rose, the chief executive of Coutts's parent company, NatWest Group, subsequently resigned under pressure from the U.K. government, which has a large stake in the bank.

# Read the Paper You Love on Any Device

Access your daily paper anytime, anywhere with our Print Edition app or website. Enjoy convenient access to full-page articles for easy reading and more.

WSJ subscribers have exclusive access. If you haven't yet, activate your digital account today at [WSJ.com/connect](https://www.wsj.com/connect) to start exploring.

DOWNLOAD THE APP  
[WSJ.com/printapp](https://www.wsj.com/printapp)

VISIT ON DESKTOP  
[WSJ.com/ereader](https://www.wsj.com/ereader)



## THE WALL STREET JOURNAL.

**Indonesia Tames Rainforest Destruction**

A blend of government crackdowns, boycotts and activist curbs curbs oil firms' encroachment

**By Joe Eames**

Raw, forest destruction in Indonesia is still in progress, but the rate of forest loss has slowed significantly since 2012, when it was estimated to be 1.5 million hectares per year. The rate is now about 1 million hectares per year, according to a report by the World Resources Institute. The report says that the rate of forest loss has slowed significantly since 2012, when it was estimated to be 1.5 million hectares per year. The rate is now about 1 million hectares per year, according to a report by the World Resources Institute.

# HEARD ON THE STREET

FINANCIAL ANALYSIS & COMMENTARY

## Jeeps Could Crash the Party at GM and Ford

Excess inventory of Jeep and RAM vehicles looms over an otherwise benign environment for Detroit's automakers

Two of the Detroit Three had a good first half. The third risks spoiling the fun. **General Motors and Ford Motor** are expected to report surprisingly resilient results this week, including record quarterly revenue, according to FactSet's analyst consensus.

Investors can thank the strength of the American consumer, sales discipline among manufacturers and a slowdown in electric-vehicle sales. Six months ago, GM and Ford were penciling price declines into their forecasts for the year as the American vehicle market started to normalize following supply shortages. But sales prices have turned out better than expected, enabling the manufacturers to lift their profit guidance for the year despite a stalling recovery in sales.

Detroit also is a beneficiary of the EV slowdown that hit **Tesla**. The prospect of consumers gradually shifting to a new powertrain technology—that the industry incumbents haven't yet worked out how to make profitably—has been a significant investor concern. It still is, but the pain appears to be delayed, with EV sales stuck at around 7% of the U.S. total in the first half, down slightly from the second half of last year.

GM and Ford shares are up 38% and 16% so far this year, respectively. Profit-forecast upgrades account for most of the gains, with generous buybacks mechanically increasing earnings per share more for GM. Rising earnings multiples explain the rest, though they remain below their historic averages. Last fall, GM's stock was trading at the lowest multiple in its postbankruptcy history, so there was ground to catch up.

The biggest risk for the second half is that pricing discipline starts to slip—led by **Stellantis**, which this year has gone from being the star of the Detroit family to the black sheep.

After a knockout few years, the successor company to Fiat Chrysler has struggled to shift an aging,



Stellantis has struggled to shift an aging, aggressively priced lineup of Jeeps, with inventories accumulating on lots.

aggressively priced lineup of Jeeps and RAM trucks. With inventories accumulating on lots, dealers have been pushing it to sweeten the deal with buyers. This month, the company kicked off a \$2,000 summer "bonus cash" program.

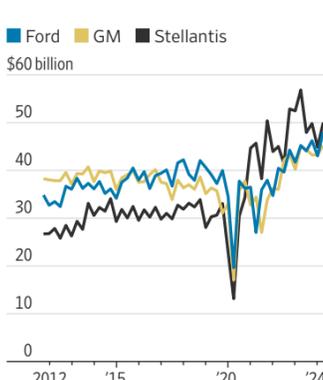
Cutting prices that were too high won't necessarily start a price war, and Stellantis's problems seem largely of its own making.

"We were arrogant," as Chief Executive Carlos Tavares admitted at an investor day last month.

Yet it wouldn't take much more competition for buyers to make life tough for Stellantis's peers. Car manufacturers' results are very sensitive to small changes in vehicle prices given their high fixed costs. So far, the new-vehicle market has weathered high interest rates better than many expected, helped by demand pent up during the pandemic era, but this can't last indefinitely.

Inventories have been gradually building back to pre-Covid levels: There were about 2.9 million vehi-

Quarterly revenue for Detroit Three\*



\*Includes estimates for the second quarter of 2024; Stellantis created through the merger of FCA and PSA in January 2021 †Excludes values over 15 in periods of depressed earnings Source: FactSet

Forward price/earnings multiples since GM's IPO†



cles on dealer lots as of July 8, shy of the 3.4 million level at the start of 2020 but up from less than a million at the 2021 lows, according to Cox Automotive data.

What higher incentives from Stellantis will certainly do is hit its results. Analysts cut their fore-

casts for the company's earnings per share over the next 12 months by about 8% this year, including a roughly 3% decline this month.

Worries about unprofitable EVs might seem less urgent right now given the rising prospect of another Trump presidency. While the

former president has lately softened his previous opposition to the technology, with warm words for Elon Musk following the Tesla CEO's conversion to his cause, he still criticizes the government support EVs have enjoyed under President Biden. A Republican White House could keep the good times rolling a bit longer in Detroit.

Still, the long-term uncertainties around how much manufacturers should invest in which powertrain aren't going away. Bank of America's recent "Car Wars" report, an annual review of U.S. product pipelines, put GM at the bottom of its ranking because the company's recent focus on developing EVs could soon leave it with an aging lineup of conventional vehicles.

GM and Ford have been tough on buy-and-hold investors for decades, but their constant ups and downs give traders opportunities. The outlook unexpectedly brightened in the first half. Don't be surprised if the mood changes again.

—Stephen Wilmut



Shares of easyJet and its European budget airline peers slid sharply Monday after Ryanair's results disappointed.

## European Airlines Sell Too Many Cheap Flights

European airlines can't outfly the discounting war.

**Ryanair** shares plunged about 17% on Monday after the Dublin-based carrier reported lower-than-expected earnings for the April-to-June period. It also said that this summer's airfares would be "materially lower" than last year's.

The prospect of a cutthroat holiday season dragged down the stocks of Ryanair's budget peers **easyJet** and **Wizz Air** and, to a lesser extent, those of British Airways owner **IAG**, **Air France-KLM** and Germany's **Lufthansa**.

Ryanair's traffic grew 10% from a year earlier during the spring quarter, but its fares were 15% lower. Coupled with higher labor, maintenance and fuel expenses, weak pricing has affected all carriers this year, particularly low-cost ones that can't offset narrower "basic economy" margins by selling premium cabins.

Even as travel keeps booming, airlines seem unable to reap the gains. Ryanair was one of the few players that had managed to de-

Share-price performance on Monday



Note: European shares Source: FactSet

liver solid returns for investors. Its record may now be marred by fears that a slow recovery in Europe is making consumers increasingly cautious.

It would be premature, however, to read too many broad economic implications into the airline industry's woes. Ryanair acknowl-

edged that demand for flights remains strong, despite some normalization in demand following the postpandemic travel rebound.

With sales growing rapidly but fares too low relative to costs, there can be only one real cause: Carriers have laid on too many seats, lulled by consumers' appetite for travel and the expectation that delays in aircraft production and maintenance will keep capacity constrained in the long run.

This oversupply problem has been obvious for a couple of months in the domestic U.S. market, and it has become increasingly clear in Europe too. Airlines are working to rectify it, but it is too late to avoid a bonanza of high-season discounts.

In terms of unit costs, however, Ryanair continues to lead the pack and is widening its advantage over competitors, helped by smart fuel hedging.

For investors with a stomach for turbulence, this is the key indicator to watch.

—Jon Sindreu

## CrowdStrike Faces A Long Road Back After Tech Outage

**CrowdStrike's** sterling reputation will likely help the company weather the maelstrom caused by last week's massive technology outage.

But some Wall Street analysts have concluded that the waters will be too rough for the cybersecurity provider's stock—at least for a while.

At least three brokers downgraded CrowdStrike from buy ratings to neutral on Monday.

That helped send the stock on another tumble—CrowdStrike's shares closed down 13.5% on Monday after falling 11% on Friday.

Ahead of the outage, CrowdStrike was one of the most favored names in the cybersecurity and cloud-software sectors, with 90% of analysts rating the stock a buy. That figure is now 80%, according to FactSet.

The send-offs weren't exactly harsh. "CrowdStrike is a top software company, possibly one of the greatest of all time," said Patrick Colville of Scotiabank.

Colville sees risk in the company's growth potential for the rest of the fiscal year.

"We still have the utmost respect for the leadership team at CrowdStrike and believe that the company will eventually become even stronger as a result of this incident," said John Difucci of Guggenheim.

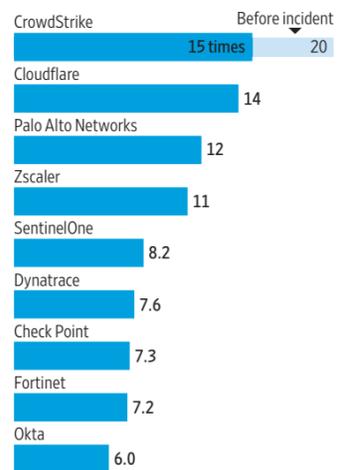
"However, we do think this will at least delay deal signings, if not cause some losses in closely contested deals," he added.

BTIG analyst Gray Powell based his downgrade on conversations with several senior security executives.

He said the feedback on Friday's incident "was more negative than we expected."

Powell noted that CrowdStrike "committed the 'cardinal sin' for any security vendor, and negatively impacted the revenue generation of its customers," even

Share price as a multiple of forward sales



Note: Based on July 22 intraday prices Source: FactSet

though the outage wasn't caused by a security breach.

Roger Boyd of UBS said on Monday that his buy rating on CrowdStrike's stock was under review.

Boyd cited his own conversation that he had with an unnamed Fortune 500 customer who said, "Crowd has saved us multiple times, but the impact from this is bigger than any attack they've stopped."

CrowdStrike's pristine valuation isn't helping matters.

Prior to last week's incident, the company's stock was trading around 20 times projected revenue for the next four quarters, which was the highest such multiple on the BVP Nasdaq Emerging Cloud Index at the time.

That multiple has fallen to around 15 times now—still a premium to most of the company's peers.

CrowdStrike wasn't priced for a catastrophe.

—Dan Gallagher